

MERCEDES-BENZ
GROUP

ESG

CONFERENCE

2022

The following presentation contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to many risks and uncertainties.

If the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements.

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2022

Introduction

Ola Källenius

Chairman of the Board of Management of Mercedes-Benz Group AG

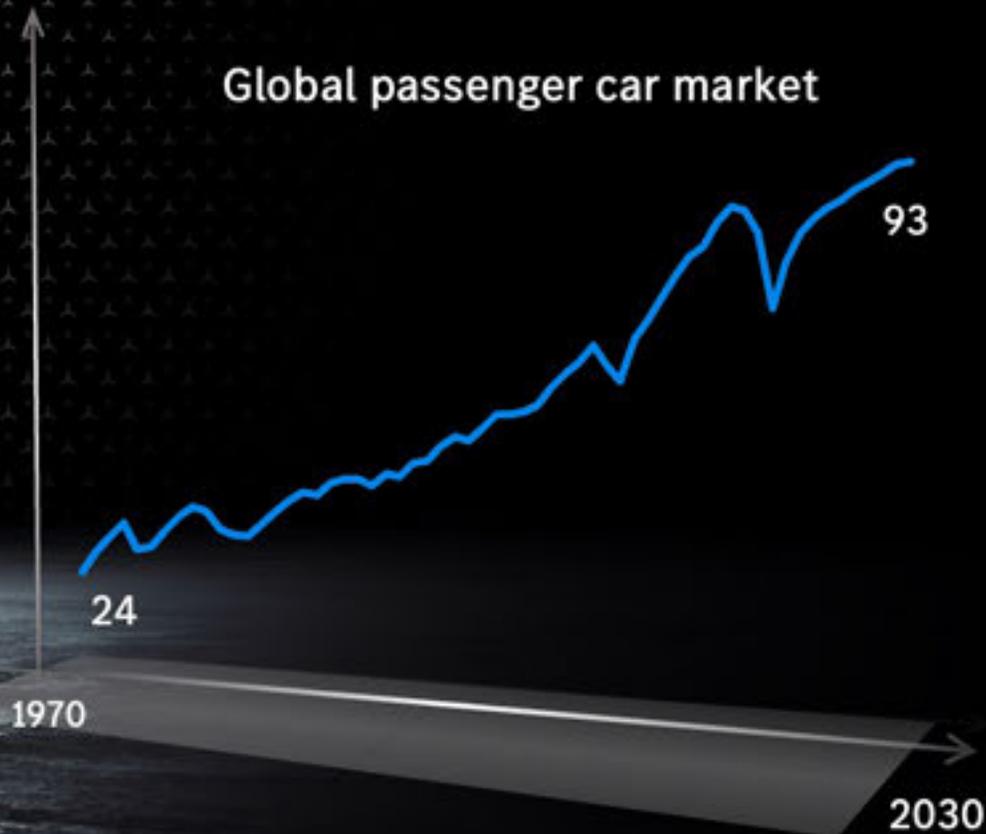
The desire for individual mobility keeps growing.
Our goal is to meet the need in a sustainable way

~93,000,000

Expected volume of global
passenger car market in 2030

millions of units

Global passenger car market



The most important task of our generation: climate change

1.5° Celsius

We need to limit the global
human-made temperature increase



Sustainability is a guiding principle of our strategy

Our goal: we will build the world's most desirable cars

Think

and act
like a luxury
brand

Focus

on
profitable
growth

Expand

customer base
by growing
sub-brands

Embrace

customers and
grow recurrent
revenues

Lead

in electric
drive and
car software

Lower

cost base
and improve
industrial
footprint

Driven by a highly qualified and motivated team

Sustainability, integrity and diversity as our foundation

With our Ambition 2039 we put a stake into the ground

2039

Our goal: carbon neutrality



We will scale our EV business

>100%

expected BEV sales growth
in 2022 vs. prior year



Building sustainable cars in a sustainable way: We will play an active role in the energy transition

>70%

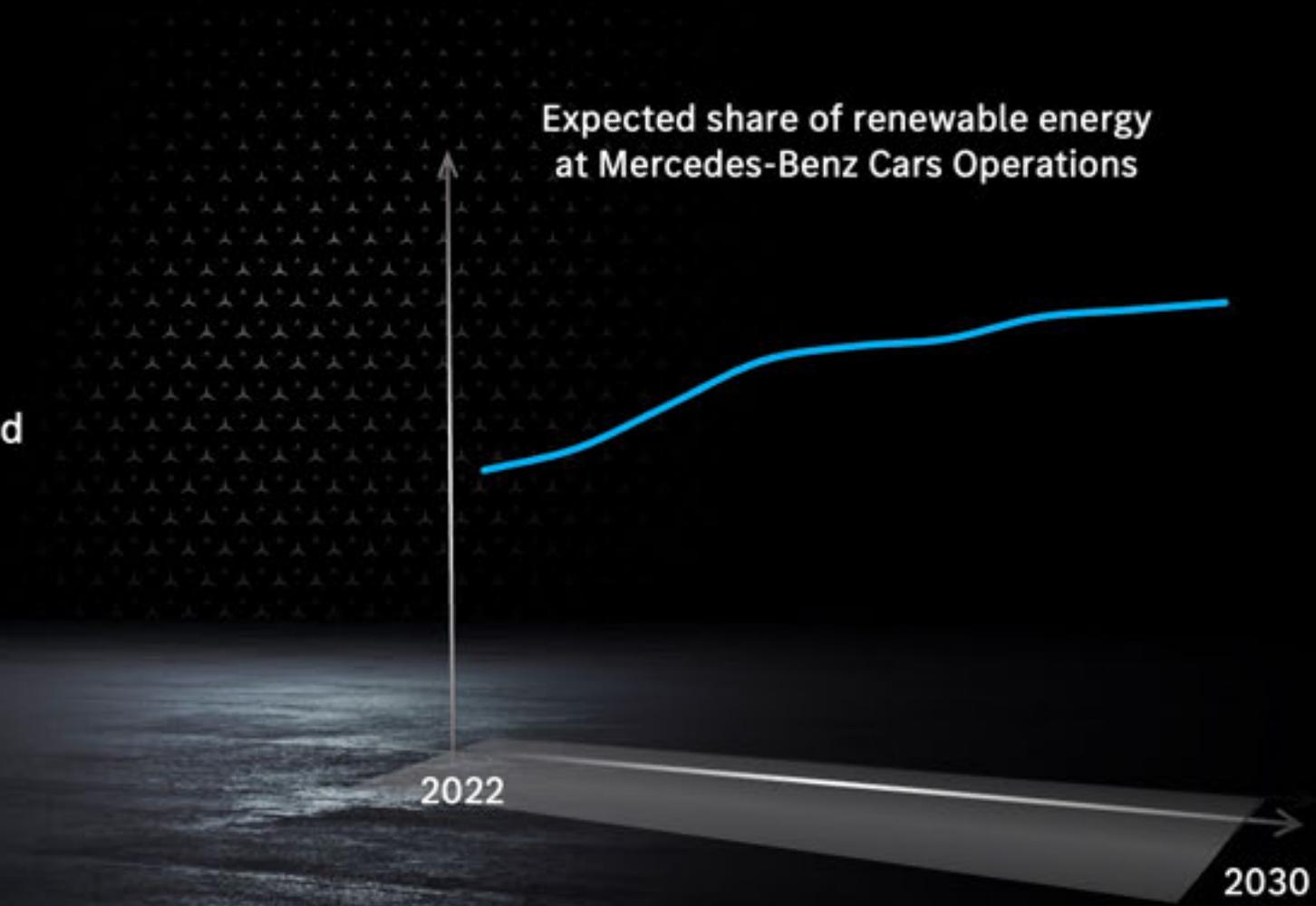
of our energy needs to be covered
by renewable sources by 2030

Expected share of renewable energy
at Mercedes-Benz Cars Operations

2022

2030

*schematic representation



We foster sustainable business along the entire value chain

~90%

of our annual purchasing volume
is supplied by companies that follow
our ambition to become CO₂ neutral



We are aiming to safeguard human rights along our entire supply chain

24

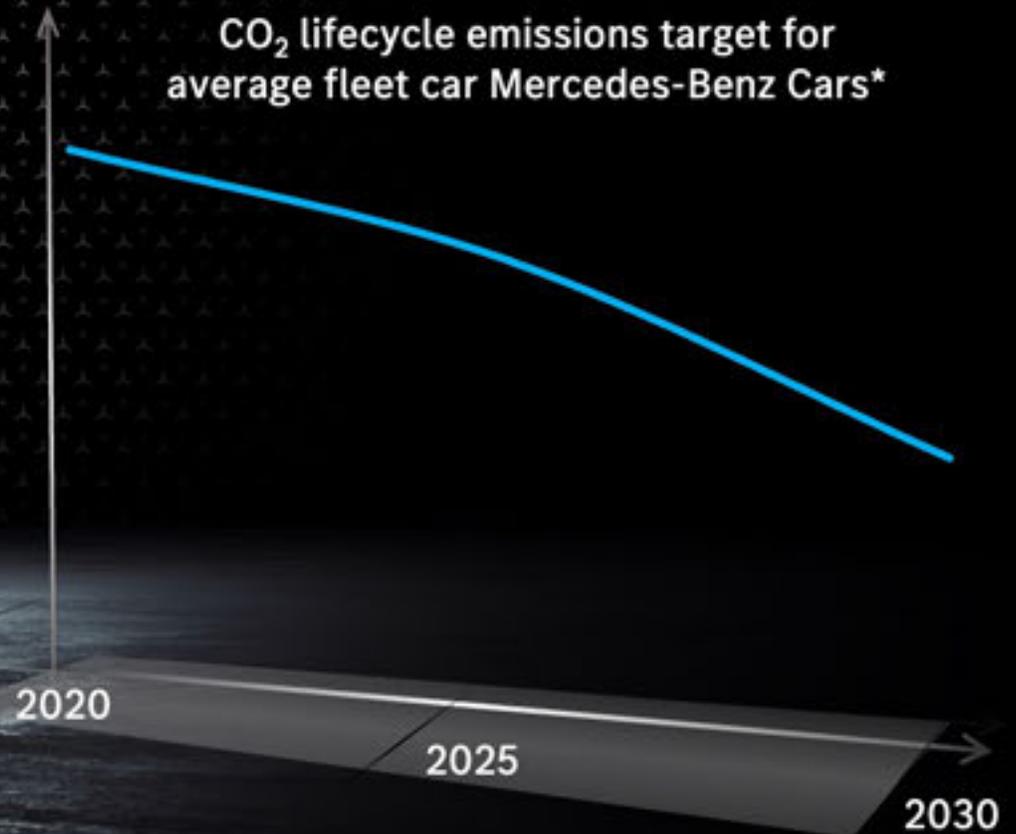
raw materials
identified and addressed



We defined a clear roadmap to become CO₂ neutral.
By 2030 we want to reach the half-way mark

>50%

less CO₂ emissions per car over the
lifecycle within this decade



*schematic representation

The transformation starts with ourselves

~42,000

employees qualified in e-mobility
in the last two years in Germany alone



Effective diversity management starts at the top

30%

women in leadership positions by 2030



Connecting ESG progress and management compensation

7

transformation targets relevant for
company bonus to sharpen focus on ESG



Luxury and sustainability also to be anchored in our Supervisory Board*

2

strong additions to our Supervisory Board

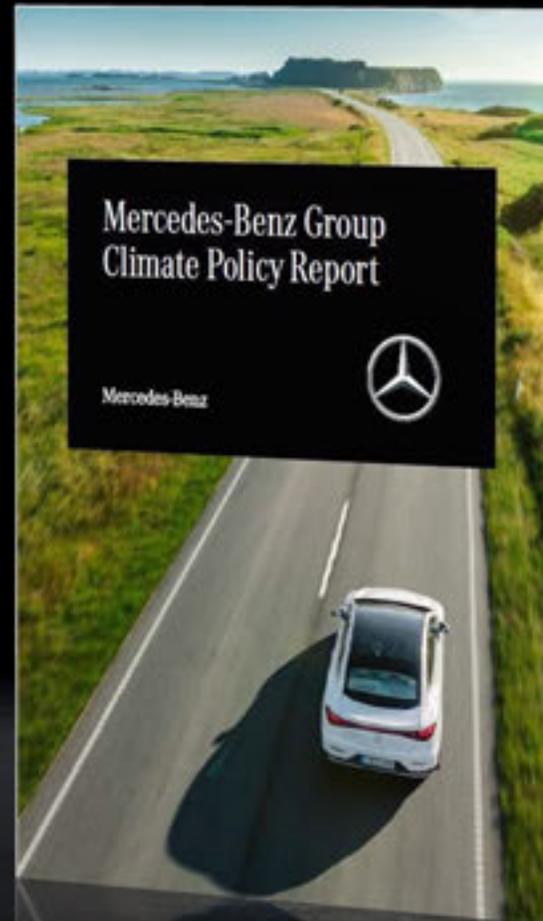


*subject to the election by the Annual General Meeting

We are open about how we represent our political interests

1st

Climate Policy Report
from Mercedes-Benz Group



We are committed to doing our part

>100

companies, regions, cities & regional governments
joined forces to accelerate the transition
at COP26 in Glasgow



Our agenda for today

Introduction

Ola Källenius

Climate & Decarbonisation Strategy

Markus Schäfer

Green Production & Logistics

Jörg Burzer

Q&A

People Plan

Sabine Kohleisen

Sustainable Supply Chains

Renata Jungo Brüngger

Sustainable Corporate Governance

Renata Jungo Brüngger

Sustainable Finance

Harald Wilhelm

Q&A





Climate & Decarbonisation Strategy

Markus Schäfer

Member of the Board of Management of Mercedes-Benz Group AG,
Chief Technology Officer responsible for Development and Procurement

We follow a holistic sustainable business strategy:
Ecological, social, economical



Ambition 2039 - our commitment to CO₂ neutrality over lifecycle

Supply chain



CO₂-neutral
supply chain

Production & Logistics



SBTi

CO₂-neutral
production & logistics

Well-to-tank



SBTi

CO₂-neutral
energy generation

Tank-to-wheel



SBTi

CO₂-neutral
vehicle operation

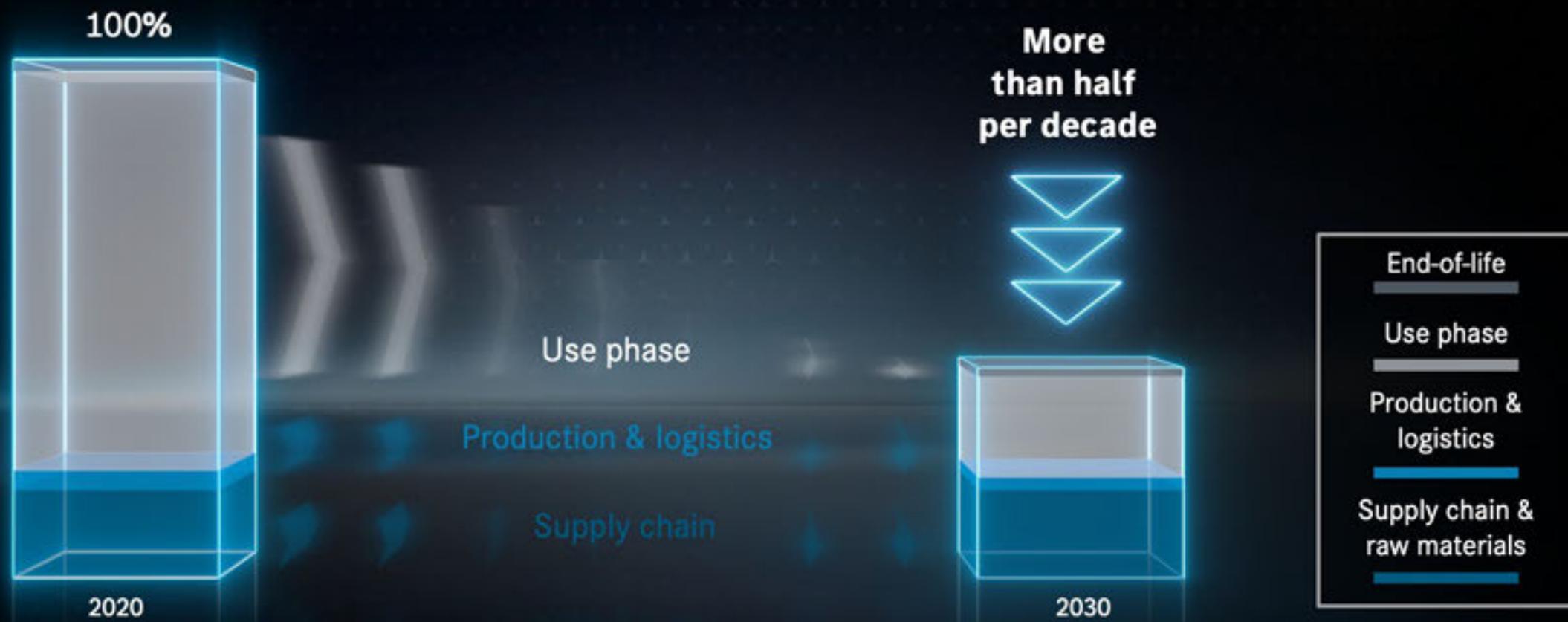
End-of-life



CO₂-neutral
recycling

We will at least halve lifecycle CO₂ emissions per vehicle in this decade

Mercedes-Benz Cars – on our way towards Ambition 2039 – we target the full lifecycle of the car



Nine electric models on the road in 2022 and more to come!



EQB



EQS



EQE



EQS SUV

coming soon



EQE SUV



EQA



EQC



EQV



EQT

Three Mercedes-Benz EV-only architectures to be launched in 2025

Ready to go all-electric by the end of the decade*



MB.EA

medium- and large-size cars
modular system as electric
backbone for our EV portfolio



AMG.EA

dedicated performance
electric-vehicle architecture



VAN.EA

for electric vans
and light commercial
vehicles

VISION EQXX:

Pushing the limits of maximum efficiency and sustainability

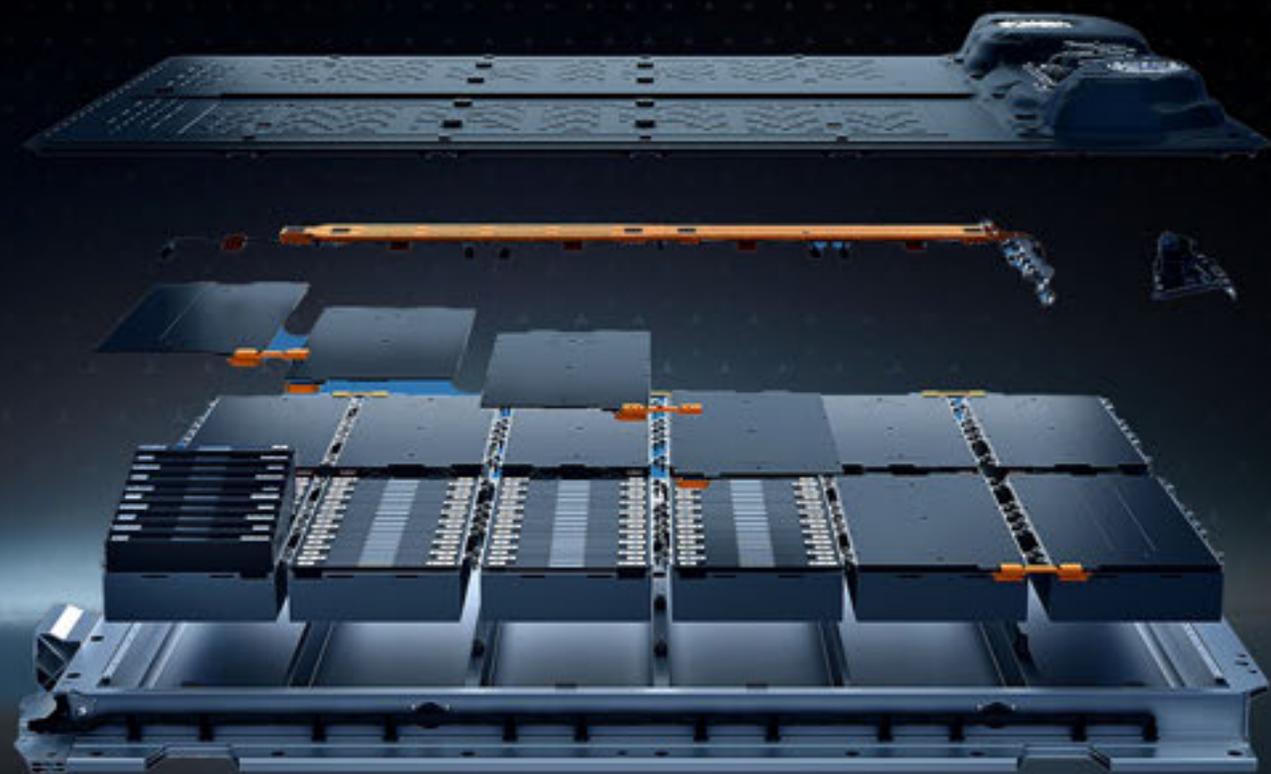
Range of over **1,000 kilometres**

Less than **10 kWh per 100 km**

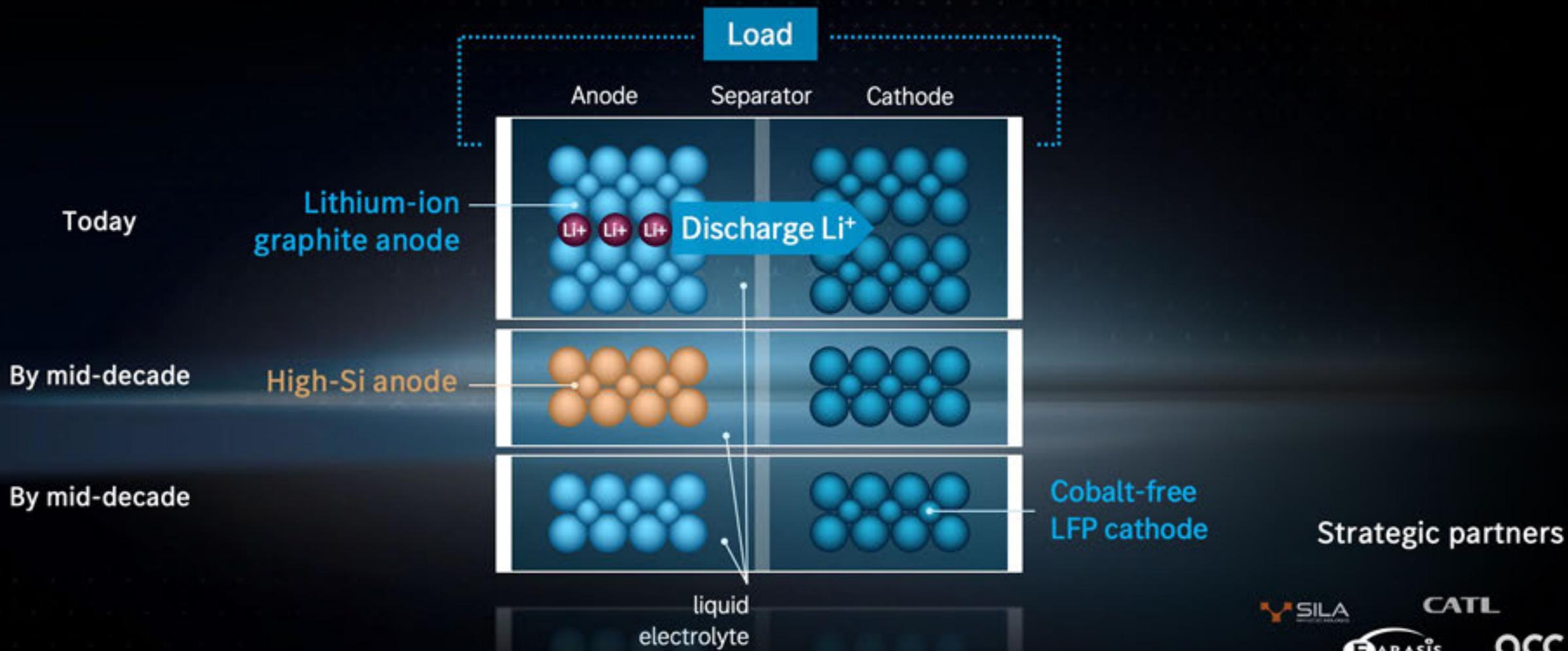
$C_d = 0.17$



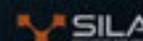
Battery is biggest lever for CO₂ reduction in supply chain and production



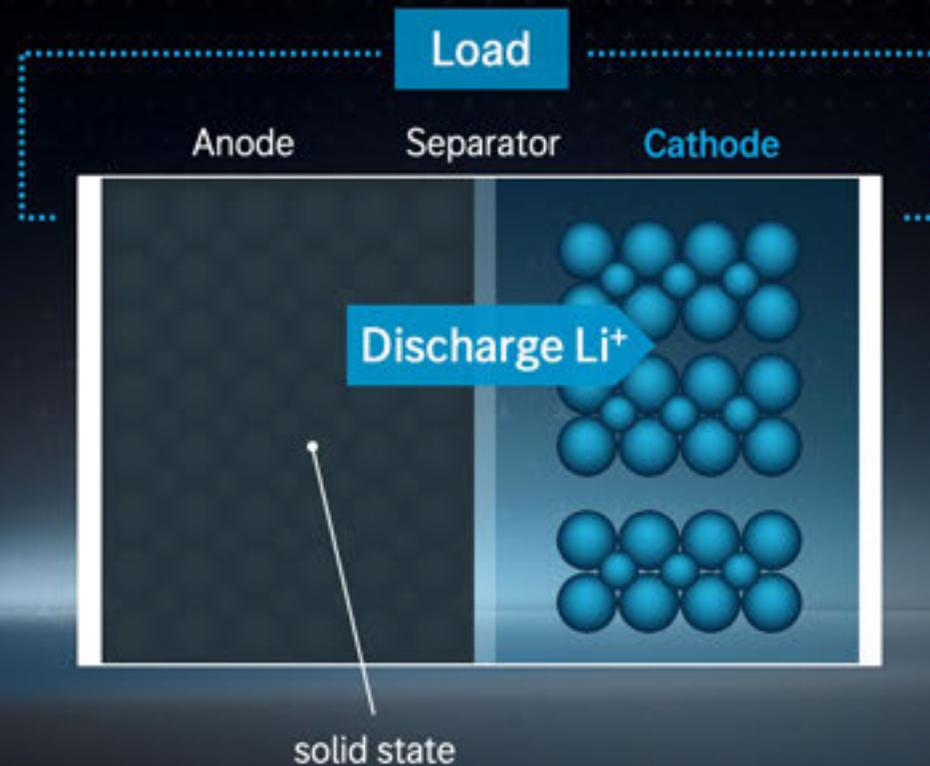
Next-generation lithium-ion battery: Reducing cobalt and increasing energy density



Strategic partners



Solid-state battery technology to come ~2028:
Almost double energy density compared to today's Li-ion battery cells



Strategic partners

ProLogium

Factorial

Mercedes me Charge: Green Charging in most major markets

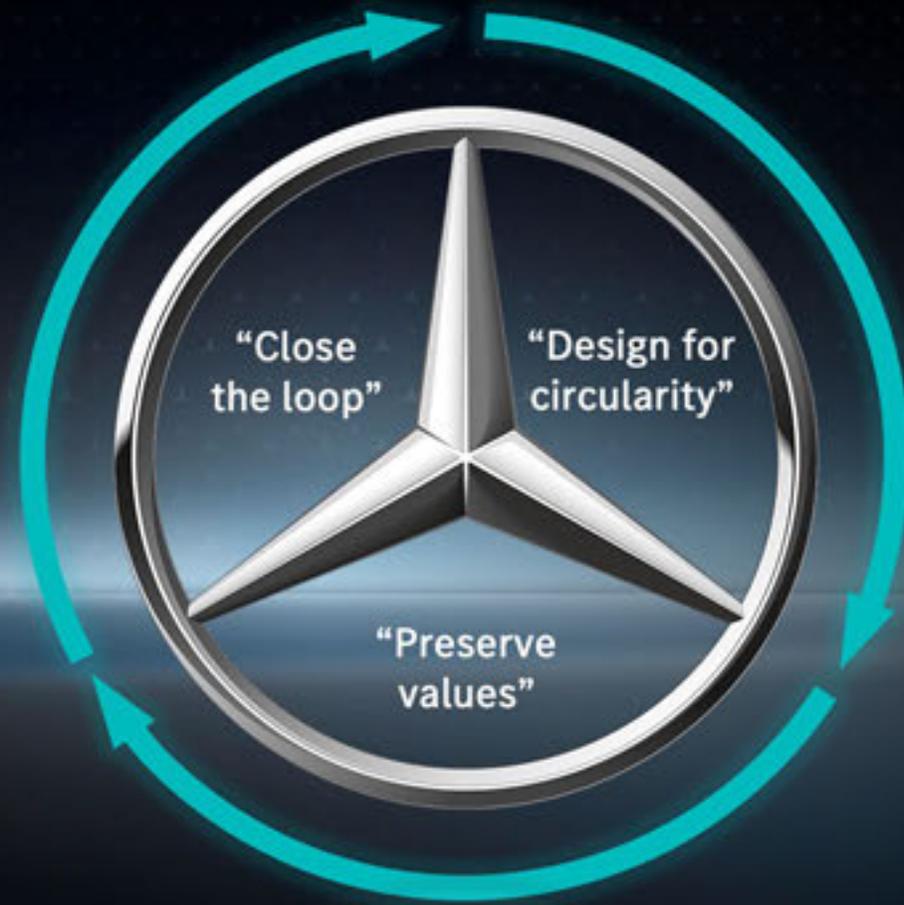
250 km WLTP recharged in 15 minutes*

> 700,000 charging points worldwide



*EQS and EQE

Resource conservation: Decoupling growth from resource consumption -
with circular economy approach as enabler



Resource conservation: Expanding use of sustainable materials

Sustainable materials in the VISION EQXX ...

... in series production

DINAMICA® from recycled materials
100% recycled polyester textile from PET

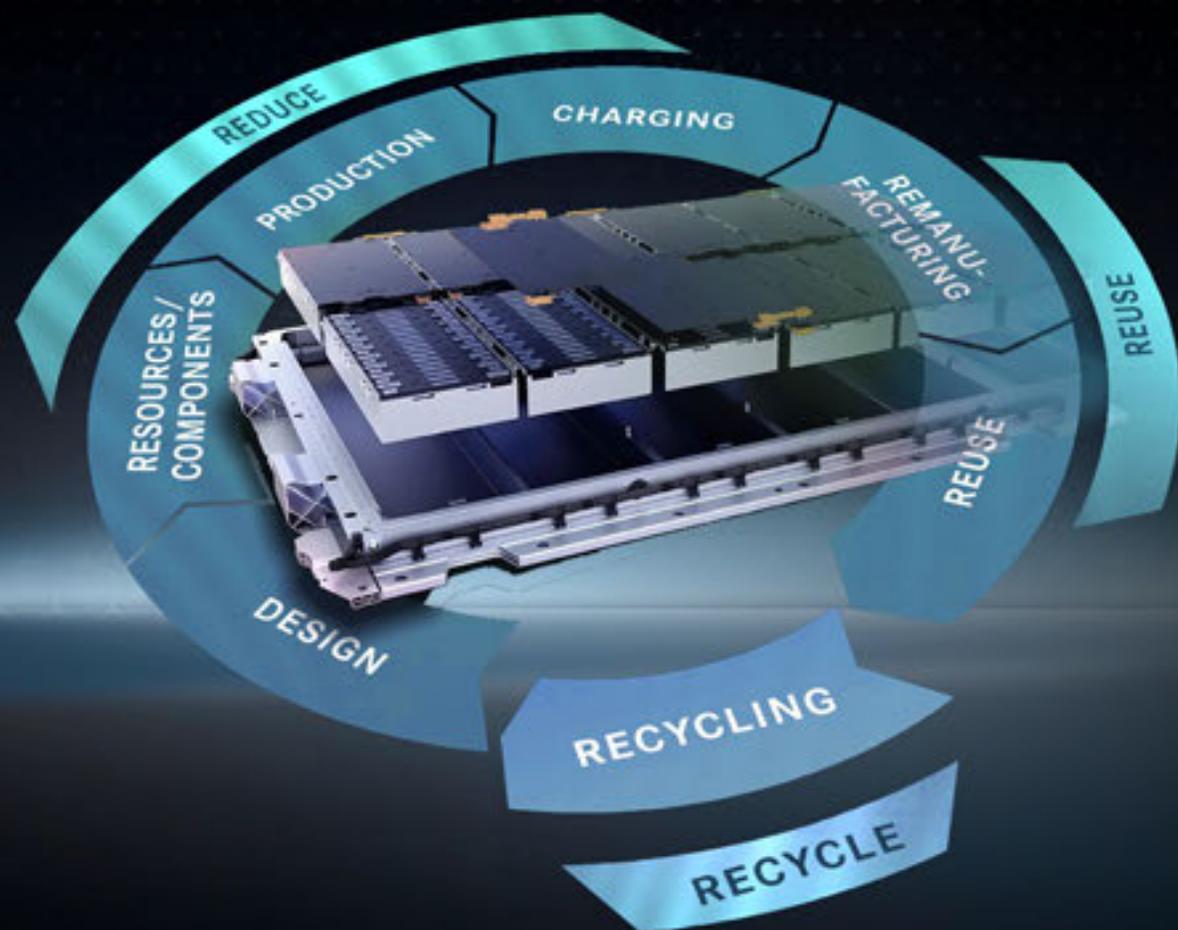
... or to come with new models

Cable ducts made of recycled
household waste

Genuine leather: animal welfare,
resource conservation

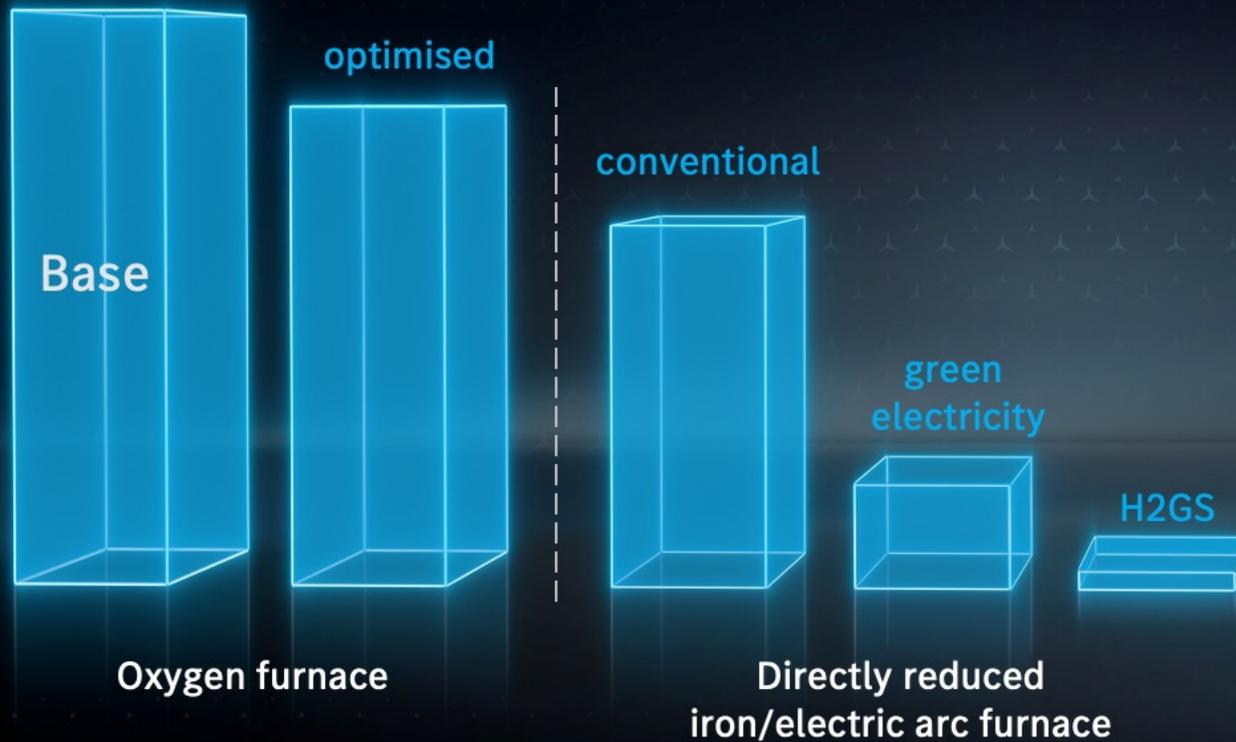


Creating a circular economy for batteries: Setting up our own battery recycling



We create sustainable supply chains for focus materials via technology changes

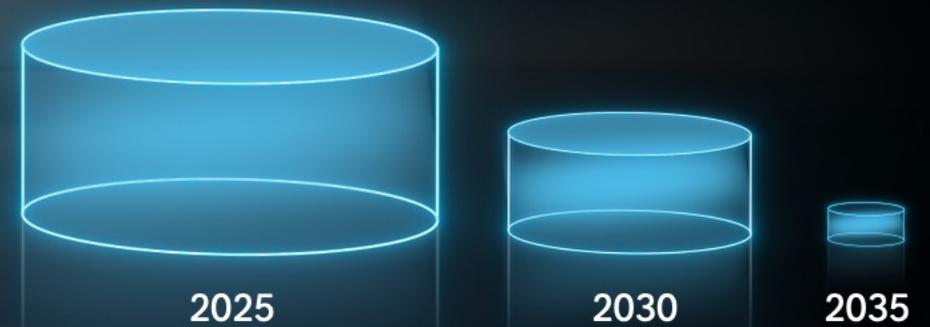
Steel - CO₂ reduction:



Further materials in focus:

- Aluminium sheet/cast
- Thermoplastics
- Battery materials

Steel - CO₂ prognosis over time:



Setting up green-steel supply chains for our vehicles as of 2025

CO₂
intensive



CO₂-free
steel



On our way to a sustainable vehicle lifecycle





Green Production & Logistics

Dr. Jörg Burzer

Member of the Board of Management of Mercedes-Benz Group AG,
Production & Supply Chain Management

Mercedes-Benz has pledged to make vehicle production CO₂ neutral this year

Together with our EV strategy, CO₂ neutral production is a key driver of **Ambition 2039**

All Mercedes-Benz plants worldwide are producing 100% CO₂ neutrally in 2022

We plan to cover 70% of our energy needs through renewable sources and will also produce energy on site

Mercedes-Benz global production network



Our Factory 56 is a zero-carbon factory and serves as a blueprint for our global Mercedes-Benz production network

At our Factory 56 in Sindelfingen
“producing sustainability” is
already reality

The innovative energy concept
includes a photovoltaic system,
a DC power grid and energy storage
based on reused vehicle batteries

Self-generated, green electric
power is sufficient to cover about
30% of the factory's annual power
requirements

A new dimension in
sustainable production



Paperless
production



Greening of 40% of
the roof area



Photovoltaic system with 12,000 modules
generating around 5,000 KWp and thus
30% of the factory's electricity requirement



Innovative
DC grid



Energy storage from car
batteries with a total capacity
of 1,400 kWh



Use of recycled
concrete in the frontal
building of Factory 56



25% reduction in
energy demand



Having achieved CO₂-neutral production this year, not only do we use clean energy in production, we also produce it

It is our ambition to make all Mercedes-Benz factories **renewable energy production sites**

Solar cells with an output corresponding to more than **1,000 photovoltaic systems** on single-family homes (>11 MWp) will go into operation by end of next year

By 2025 we will **invest a triple-digit million amount** to install photovoltaic systems



We are heavily expanding our green power portfolio plus investing into wind energy

We plan to purchase additional wind energy through Power Purchase Agreements **equivalent to 1 billion euros by mid decade**

We aim to generate **15% of our energy needs from solar and wind generated at our own sites** by end of the decade

Expanding wind energy capacities on the market is part of our sustainability commitment



When it comes to CO₂ neutrality, we're not only looking at our production, but at our entire value chain

The next step is to make our **logistics** CO₂ neutral as well

Battery systems are already transported from Hedelfingen, Stuttgart, to Bremen using **rail transport**

We will build a **new logistics center** in Jawor, Poland, to enable CO₂-neutral battery transport to the other plants in our global production network



Water usage reduction and a sustainable heat supply are cornerstones in reducing our ecological footprint

Our **use of water** will be **cut by 35%** by 2030 thanks to multi-reuse of water in production

We **boost the sustainability** of our plants' **heat supply**, especially focusing on our paint shops

We plan to use **biogas and biomass** as well as **geothermal and solar thermal energy** instead of conventional gas



Circular economy: Closing the loop with our battery recycling factory in Kuppenheim

Own CO₂-neutral recycling plant in Kuppenheim, southern Germany, is scheduled to **open in 2023**

Hydrometallurgy: Innovative technology increases **recovery rate to more than 96%**

Cooperation with high-tech partners in China and the U.S. ensures the **closure of the recyclable materials loop worldwide**



Sustainability is at the core of our activities and forms the basis of all our actions

We set **new standards for sustainability** in automotive production

Having achieved **CO₂-neutral production in 2022**, we double down on sustainability in logistics

We move from sustainable production to **producing sustainability**



Sustainable production at
Mercedes-Benz means
producing sustainability



People Plan

Sabine Kohleisen

Member of the Board of Management
of Mercedes-Benz Group AG,
HR & Director of Labor Relations



HR cares for the “S” in ESG



A great strategy is only as good as the people who are behind it

Re-shape

Streamlining our organisation
in a responsible way

Re-skill

Developing
future-oriented qualifications

Re-charge

Meeting the Mercedes-Benz
standards as an employer



Our plant Berlin-Marienfelde as a blueprint

Re-shape

New talents and fair solutions

Re-skill

Qualification first

Re-charge

Modern working experience



Streamlining our organisation in a responsible way

Becoming more efficient and leaner
in a **fair and socially responsible** way

Bringing **new talent** on board



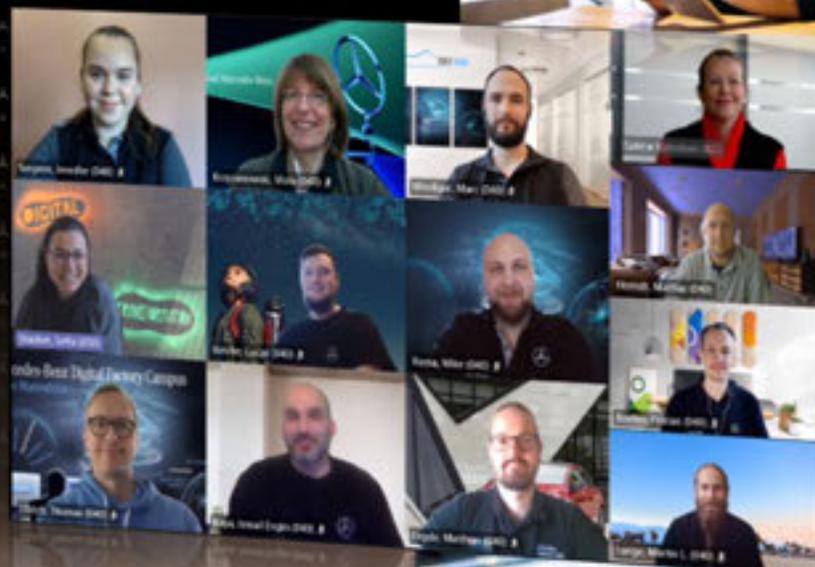
MB.OS
Mercedes-Benz Operating System

Future-oriented qualification

42,000 employees
qualified in e-mobility

1.3 million hours
of qualification

155-million-euro investment
in education and training

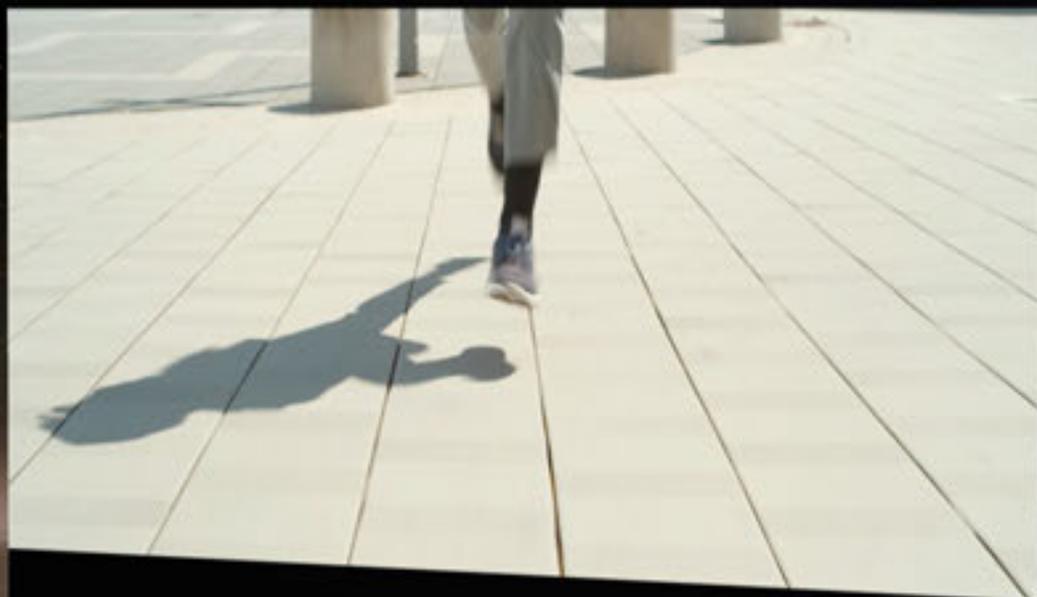


Defining the Mercedes-Benz way as an employer

Modern, flexible and diverse
working environment

Our ambition: 30% women by 2030
in management positions

6.6-million-euro
annual investment in well-being



Defining the Mercedes-Benz way as an employer

Modern, flexible and diverse
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Our ambition: 30% women by 2030
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We shape this transformation as one winning Mercedes-Benz team





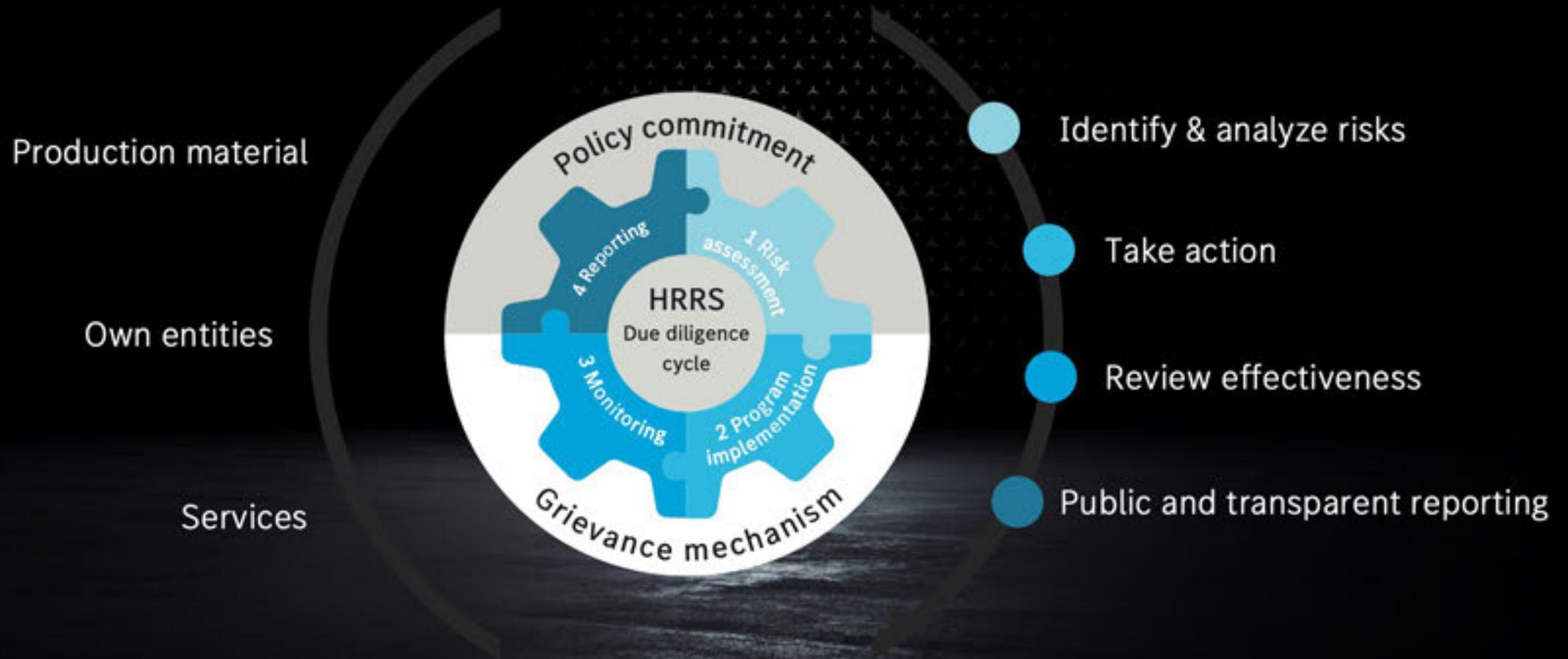
Sustainable Supply Chains – Respecting Human Rights

Renata Jungo Brüngger

Member of the Board of Management of Mercedes-Benz Group AG,
Integrity & Legal Affairs

We are pioneers in human rights due diligence

Mercedes-Benz Human Rights Respect System



We identified 24 raw materials posing human rights risks

Overview

Al ¹³ ALUMINIUM	Fe ²⁶ IRON	Mo MOLYBDENUM	Pt ⁷⁷ PLATINUM	Sn ⁴⁹ TIN	L LEATHER
Cr ²⁴ CHROMIUM	Li ³ LITHIUM	Ni ²⁷ NICKEL	Rh ⁴⁴ RHODIUM	W ⁷⁴ TUNGSTEN	M MICA
Co ²⁷ COBALT	Mg ¹² MAGNESIUM	Nb ⁴¹ NIOBIUM	Si ¹⁴ SILICON	Zn ²⁹ ZINC	R RARE EARTH ELEMENTS
Cu ²⁸ COPPER	Mn ²⁵ MANGANESE	Pd ⁴⁵ PALLADIUM	Ta ⁷³ TANTALUM	G GRAPHITE	R RUBBER



We act systematically to increase transparency - lithium as an example



Transparency

Creating transparency along
the raw material supply chains



Risk hotspots

Identifying risk hotspots in
these supply chains



Measures

Define and implement
measures for risk hotspots



We drive collaboration on the ground

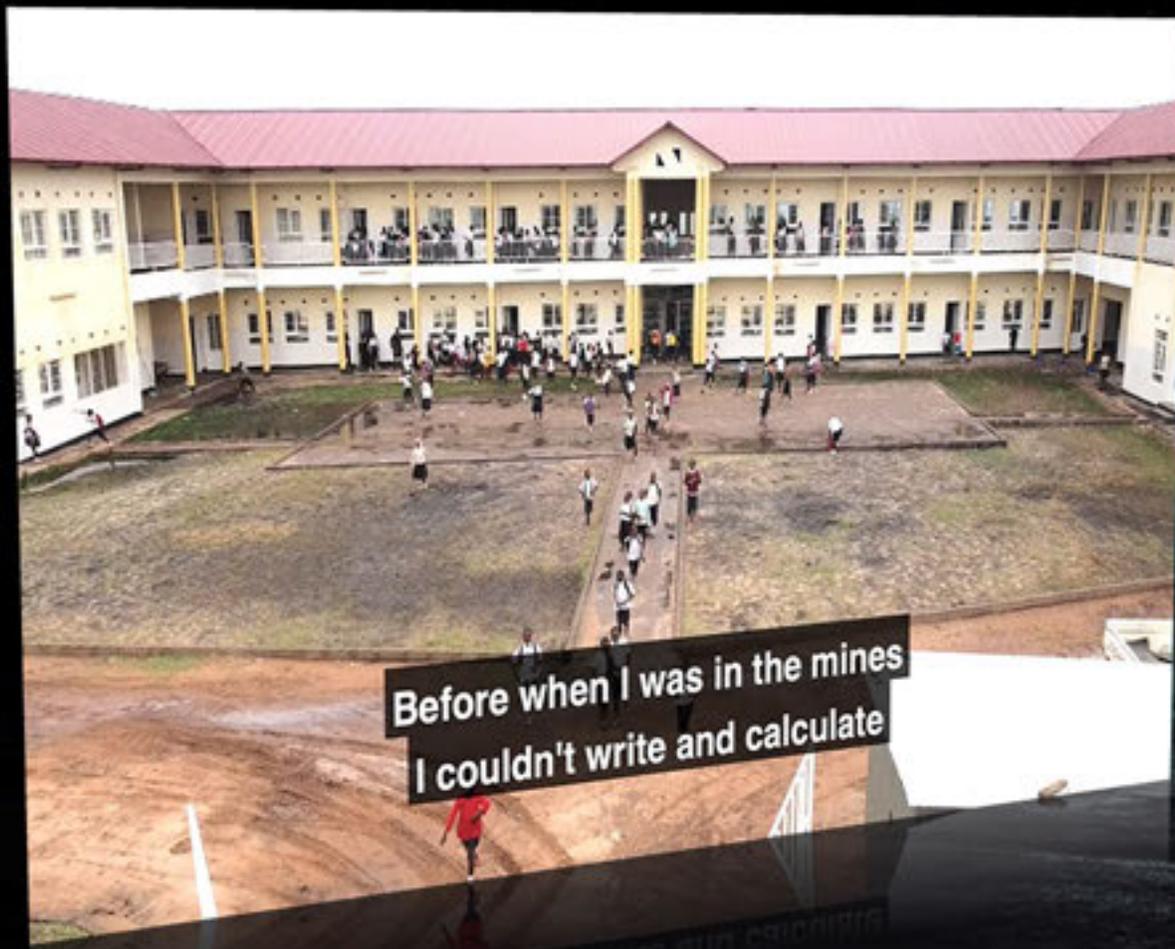
We team up with others locally

We form partnerships and
join strategic initiatives

We support projects on the
ground to generate direct impact



We follow the “empowerment before retreat” approach



Projects in India and the
Democratic Republic of the Congo

Enable education

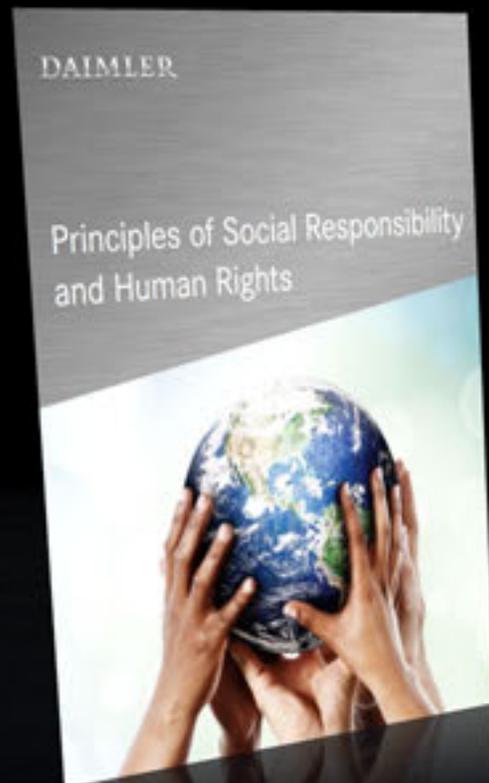
Provide economic support



 terre des hommes
Hilfe für Kinder in Not

We search for feedback – and share knowledge

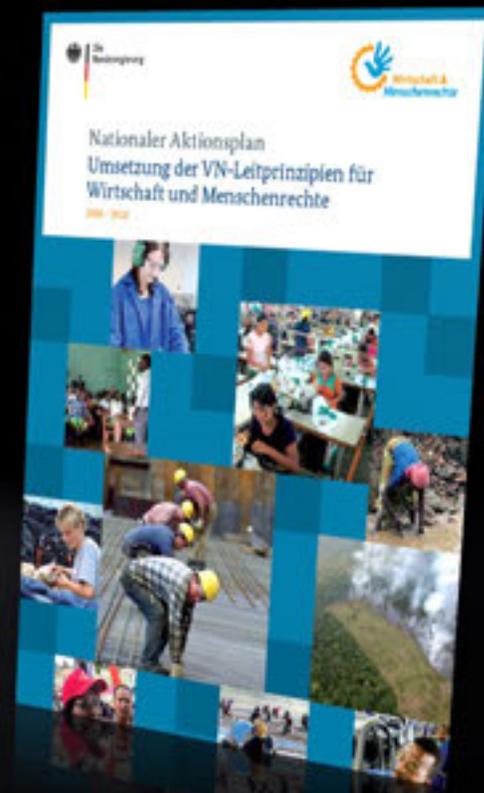
Public commitment



Stakeholder engagement



Sharing experience





Sustainable Corporate Governance: Enabling our sustainable transformation

Renata Jungo Brüngger

Member of the Board of Management of Mercedes-Benz Group AG,
Integrity & Legal Affairs

We use our governance to foster innovations – such as automated driving



Proven technical Compliance
Management System

Integration of societal perspectives
with our ethics-by-design approach

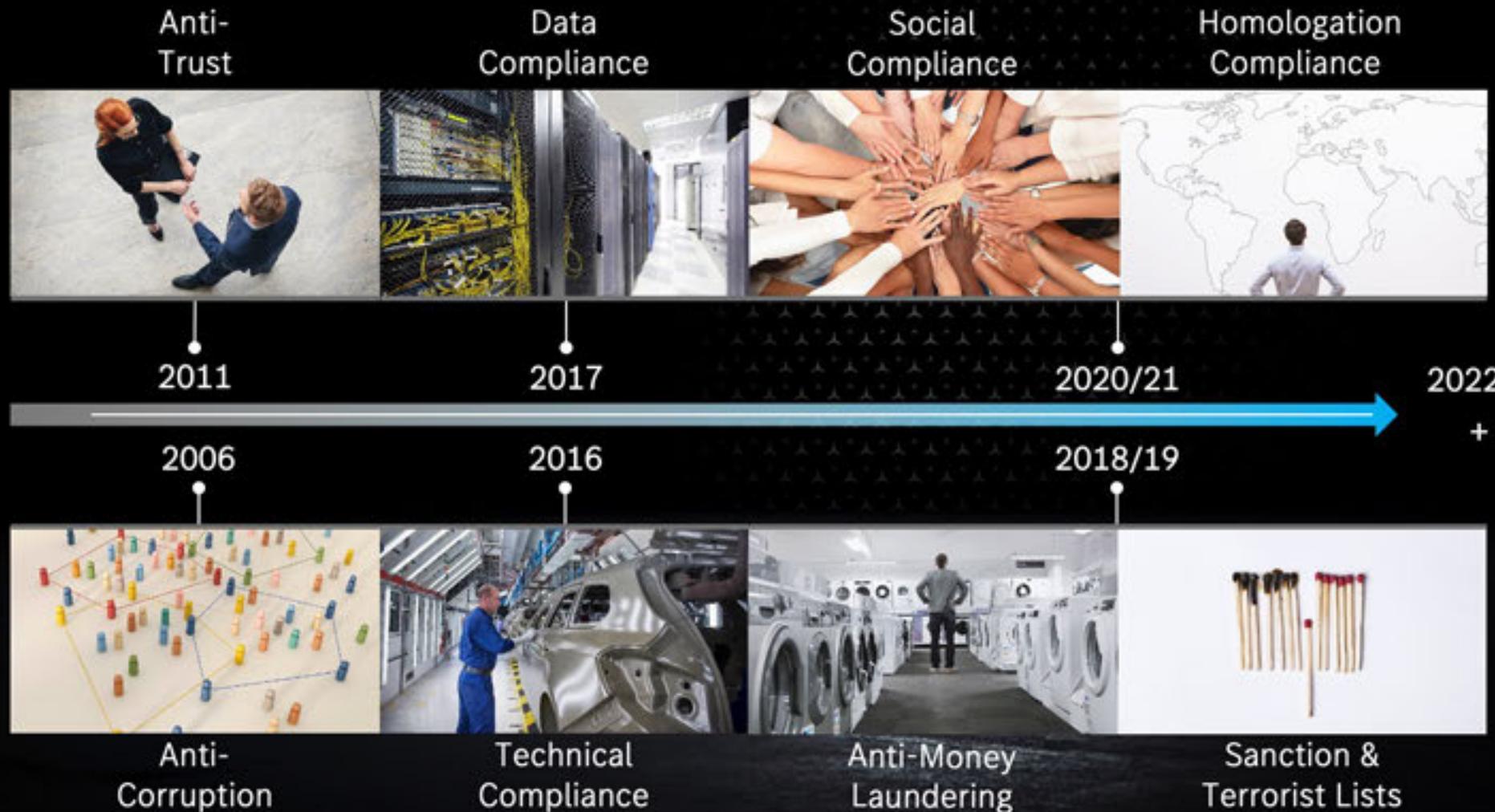
We use our governance to foster innovations – such as automated driving



Proven technical Compliance
Management System

Integration of societal perspectives
with our ethics-by-design approach

We apply adaptive compliance along the value chain



+ Further future topics

- IT Compliance
- Software Compliance
- In-Use Product Compliance

We integrate ESG criteria in our corporate governance structures

Board-level steering committee for group-wide sustainability management



Sustainability aspects integrated into risk management process



Sustainability aspects anchored in strategic decision making processes



Sustainability-related transformation targets anchored in executive compensation



Deep dive



Advisory Board for Integrity & Sustainability



Annual Sustainability Dialogue



Regular materiality assessment

Advisory Board for Integrity & Sustainability



Peter Bakker



Dr. Martin von Broock



Dr. Teresa Fogelberg



Prof. Dr.-Ing.
Helmut Holzapfel



Dipl.-Volkswirtin
Renate Hornung-Draus



Prof. Peter Jones, OBE



Prof. Dr. Johan Rockström



Sylvia Schenk



Changhua Wu

We base our company bonus not only on EBIT, but also on ESG



Financial Targets



Non-financial Targets



Transformation Targets

E

- CO₂ emissions tank-to-wheel
- CO₂ emissions production (SBTi)
- xEV acquisitions rate

S

- Number of assessed high-risk materials
- Safety innovations
- Insurer safety technology awareness



Digitization

G

- ESG stakeholder engagement



We think,
speak, and act
ESG



Sustainable Finance

Harald Wilhelm

Member of the Board of Management of Mercedes-Benz Group AG,
Finance & Controlling/Mercedes-Benz Mobility

With our Ambition 2039 we put a stake into the ground - also financially

2039

Our capital allocation is aligned with our
Ambition 2039 and the Paris climate targets



Capital allocation moving to EV-only

€60Bn -80%

Investment plan for an
emission-free and
software-driven future

Reduction in
non-BEV investments

from 2022 until 2026



Our Green Finance Framework: A cornerstone of our ESG activities

Rated

Dark Green*



°CICERO
Shades of
Green



*CICERO Shades of Green AS, a second party opinion provider, graded Mercedes-Benz' Green Finance Framework with the highest grade "dark green" in 2020

Mercedes-Benz Mobility uses Green Mapping algorithm to foster EV sales

+54%

more xEVs financed or leased via Green Mapping
than without the algorithm

14

markets live globally



We are committed to increasing the variety and share of our Green Financing instruments

Our target

address the whole
bandwidth of investors



Mercedes-Benz acts as an assertive sustainable investor

€24Bn

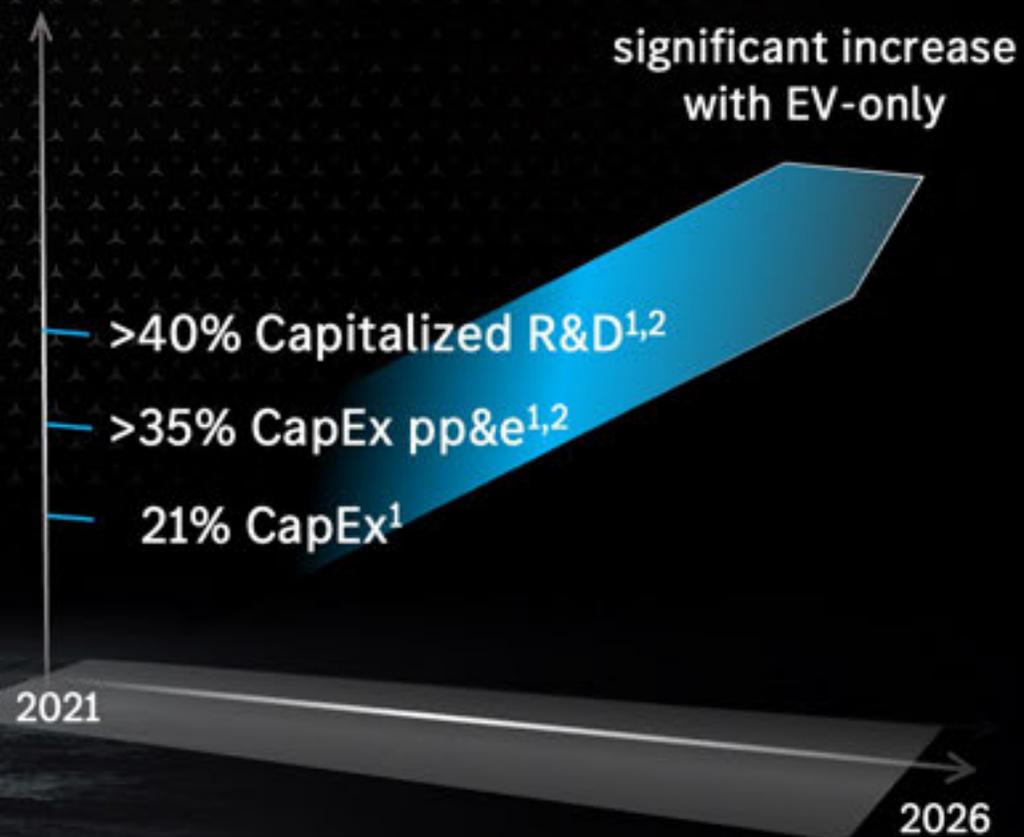
of pension assets sustainably invested



EU Taxonomy: Seizing new opportunities for Mercedes-Benz in sustainable finance

100 / >40

100% eligibility / >40%^{1,2} capitalized R&D expenditures relating to low-carbon vehicles



1) Voluntary reporting on the proportion of economic activities relating to low-carbon vehicles (below the limit value of 50g CO₂/km)

2) Refers to respective shares of capital expenditure (pp&e/R&D) of low-carbon vehicles excluding additions to the equipment on operating leases

Our ESG Ratings significantly improved in 2021



Upgraded from
BBB to A
(last update 09/2021)



Leading position in the
sub-industry peer group
ranked 6 out of 71
(last update 12/2021)



Ranked with the highest rating
in the auto sector
Prime Status (C+)

Only sustainable businesses
will be investable in the future;
others will run out of road.



This document/presentation contains forward-looking statements that reflect our current views about future events. The words "anticipate", "assume", "believe", "estimate", "expect", "intend", "may", "can", "could", "plan", "project", "should" and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production, financial services activities; changes in currency exchange rates tariff regulations; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortage of materials; labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading "Risk and Opportunity Report" in the current Annual Report or latest Interim Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.