

Sustainability Presentation

Mercedes-Benz Group AG

November 2026



Sustainable Business Strategy

Focus: Decarbonisation

Focus: Circularity

Focus: Safety

Focus: People

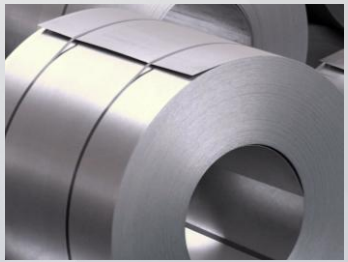
Our sustainable business strategy focuses on decarbonisation, circularity, safety and people



- DECARBONISATION -

Ambition 2039 sets a clear and measurable pathway for reducing CO_2 emissions, backed by quantified targets

-70%[1] overall across all relevant value chain stages by **2039**



SUPPLY CHAIN

-20%[1]

(-60% vs. no-action scenario[2])



OWN PRODUCTION

-90%[1]



LOGISTICS

-45%[1]



VEHICLE USE PHASE

-80%[1]

(as market conditions allow)



END-OF-LIFE

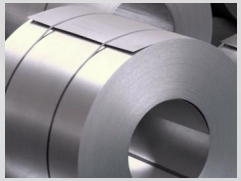
-75%[1]

Net Zero by **2049[3]**

For further information see Mercedes-Benz Group Climate Transition Action Plan

1) Percentage change compared with the 2019 base year. 2) Estimated impact of planned decarbonisation measures in 2039 compared with a no-action scenarioshift. 3) Net zero means that CO_2 emissions across all relevant value chain stages will be reduced by at least 90% compared to 2019. Remaining CO_2 emissions (< 10 %) will be neutralised permanently.

Clear ambitions and levers to decarbonise our entire value chain











	SUPPLY CHAIN	OWN PRODUCTION	LOGISTICS	VEHICLE USE PHASE	END-OF-LIFE	TOTAL
2019 Mercedes-Benz Group base year	100 %	100 %	100 %	100 %	100 %	**100 %**
2025	+14 %[1]	-57 %[1]	–	-13 %[1]	–	**-8 %**
2039	-20 %[1] (-60 % vs. no-action scenario[2])	-90 %[1]	-45 %[1]	-80 %[1]	-75 %[1]	**-70 %**
2049						**Net Zero[3] (-90 %)**
Scope	**Scope 3:** Category 3.1 & 3.10	**Scope 1 and 2:** Mercedes-Benz Production	**Scope 3:** Category 3.4	**Scope 3:** Category 3.11	**Scope 3:** Category 3.12	**Total emissions** value chain

1) Percentage change compared with the 2019 base year. 2) Estimated impact of planned decarbonisation measures in 2039 compared with a no-action scenario 3) Net zero means that CO_2 emissions across all relevant value chain stages will be reduced by at least 90% compared to 2019. Remaining CO_2 emissions (< 10%) will be neutralised permanently.

We focus execution on the biggest decarbonisation levers

Decarbonising supply chain & own production + Renewable charging & infrastructure + BEV adoption & efficiency



Our new electric models are delivering results



61%

year-on-year increase
in global Car BEV sales in the third quarter 2026

23-25%

xEV[1] sales share guided for 2026

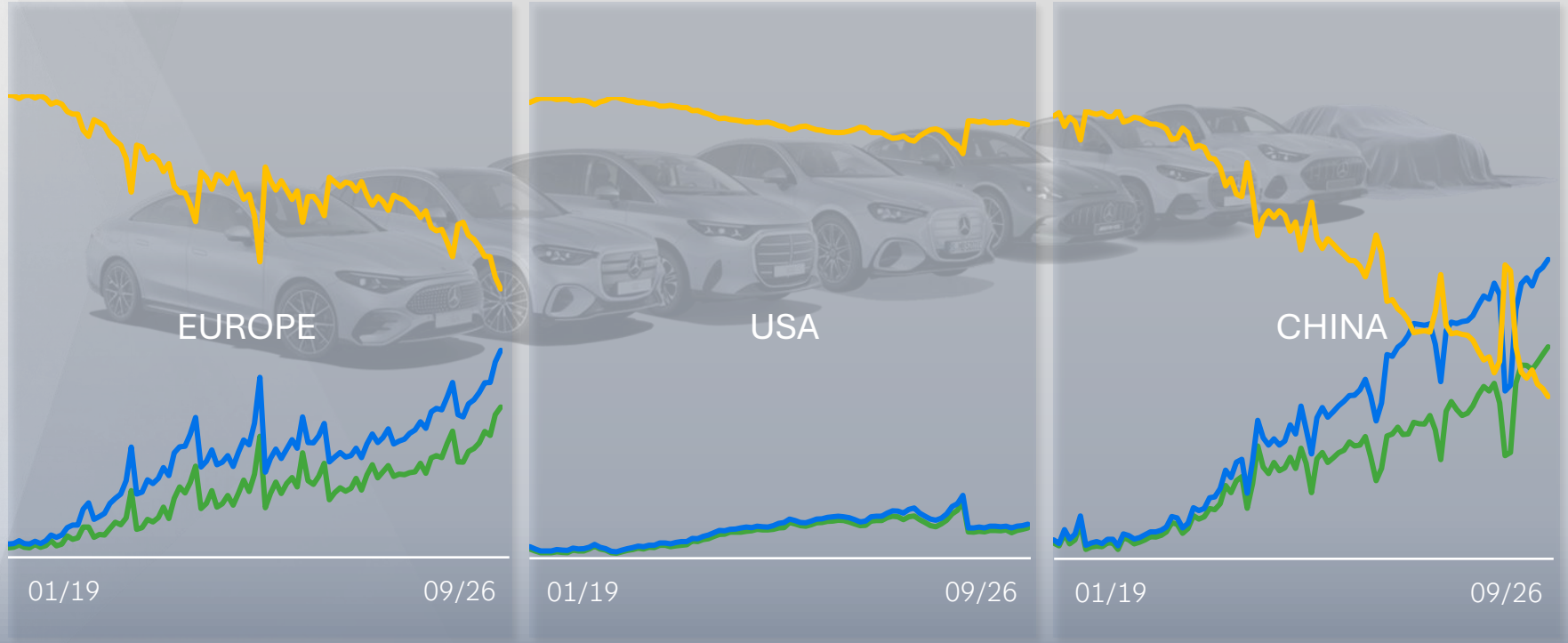
~ 40%

xEV[1] share mid-term

1) xEV = BEV and PHEV

- DECARBONISATION -

No one-size-fits-all path to electric mobility



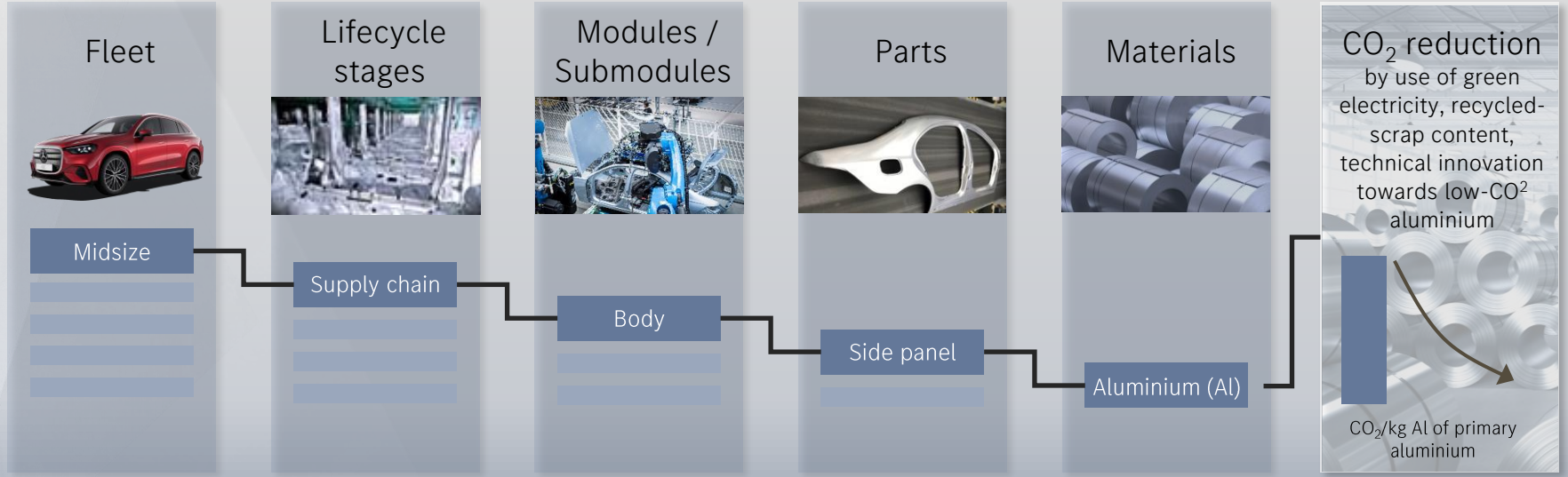
- DECARBONISATION -

Our product strategy provides flexibility as the transition to electric-mobility advances at different speeds

Mercedes-Benz customers have full choice between all-electric and high-tech electrified combustion engine vehicles



Our CO_2 steering translates ambition into action at company and vehicle level



Our new products demonstrate significant progress in lifecycle decarbonisation



Mercedes-Benz GLC 400 4MATIC[1]

67%
lower CO_2 emissions across entire lifecycle[2]

40%
lower CO_2 emissions per battery cell[3]

2/3
low-carbon aluminium

Further information: The comparison is made against the defined combustion-engine reference model under the assumptions stated in the respective Mercedes-Benz 360° Environmental Check.

1) Mercedes-Benz GLC 400 4MATIC with EQ Technology | Combined energy consumption: 18.9–14.9 kWh/100 km | Combined CO_2 emissions: 0 g/km | CO_2 class: A 2) Compared to the combustion-engine GLC 3) Compared to conventional cell manufacturing

Battery, aluminium and steel are key levers for reducing supply-chain emissions[1]

	 CLA 250+ **−17 %** Reduction[2]	 GLC 400 4MATIC **−23 %** Reduction[2]	 C 400 4MATIC **−23 %** Reduction[2]
Entire Supply Chain			
BATTERY[2]	~30 % per cell **≈ 1.6 t CO_2** saving per battery	~40 % per cell **≈ 3.1 t CO_2** saving per battery	~40 % per cell **≈ 3.0 t CO_2** saving per battery
ALUMINIUM[2]	40 % of the aluminium **≈ 0.4 t CO_2** saving per vehicle	~ 2/3 of the aluminium **≈ 1.1 t CO_2** saving per vehicle	~ 2/3 of the aluminium **≈ 1.1 t CO_2** saving per vehicle
STEEL[2,3]	**39 kg** steel from EAF with renewable electricity	**36 kg** steel from EAF with renewable electricity	**45 kg** steel from EAF with renewable electricity

1) The externally verified 360° Environmental Check brochures provide transparent insights into consumption, emissions and the use of recyclates for selected Mercedes-Benz vehicles - https://group.mercedes-benz.com/sustainability/environment-climate/decarbonisation/environmental-check 2) Reduction compared to the production without CO_2 reduction measures 3) Steel from electric arc furnaces, which are manufactured using electricity from renewable energy sources, is used for the steel scopes produced in-house in our own stamping plants.

Strategic partnership with Norsk Hydro since 2022 secures low-carbon aluminium supply

Long-term off-take agreement from 2026 until beyond 2030, with a contractually defined, step-by-step reduction of carbon footprint. Hydro CIRCAL with ≥75% post-consumer recycled content to enter series production from 2027.



Outlook: low-carbon steel with innovative technology

Pilot project links mine, hydrogen-based ironmaking to vehicle components. Mercedes-Benz and HyIron have signed a Memorandum of Understanding to advance technical validation towards industrial scale-up and potential next steps.



- DECARBONISATION -

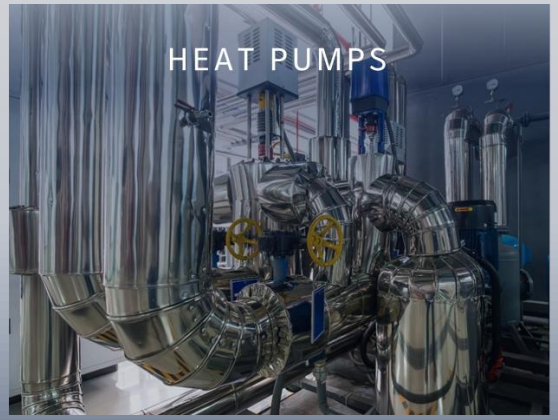
Production targets supporting our Ambition 2039:

CO_2 emissions reduction

-90%

in own production by 2039 compared to 2019







Production targets supporting our Ambition 2039:

Renewable energy share



90%

share of renewable energy in own production by 2039

Shaping the energy transition in Germany with wind projects

~20%

Papenburg onshore wind farm

+

~30%

Baltic Sea offshore wind farm

= **~50%**

of our annual electricity demand in Germany

- DECARBONISATION -

Our clear ambition: reduce energy, water and waste costs as a share of overall production costs



Reducing consumption, increasing efficiency, reducing costs



Reducing energy consumption

Heat recovery, digital metering & intelligent plant control: 570 GWh **cumulative energy savings**[1]

Double digit EUR million savings[1]



Efficiency from the start

Manufacturing the new electric GLC: about **five percent less energy** than its non-electric predecessor

Virtual commissioning in Bremen, Sindelfingen, Rastatt: plan and test in the **digital world first,** then build in the real one



Closed-loop water systems

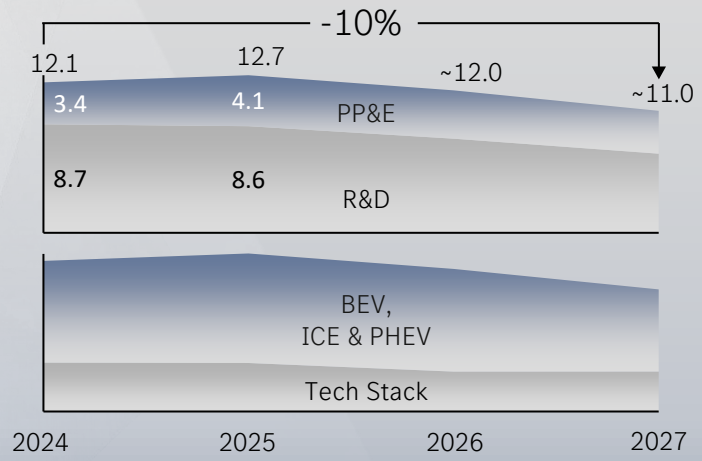
Closed-loop water systems - Ambition: 1 million m³ of water treated every year, from 2030

> EUR 2 million lower costs per year

1) Over the past two years across all production plants

Investment peak reached while taxonomy aligned CapEx remains at a high level

CASH-VIEW R&D and PP&E[1]



Disciplined investment policy:

Peak of tech investments (MB.OS, ADAS, EV and ICE drivetrain) behind us

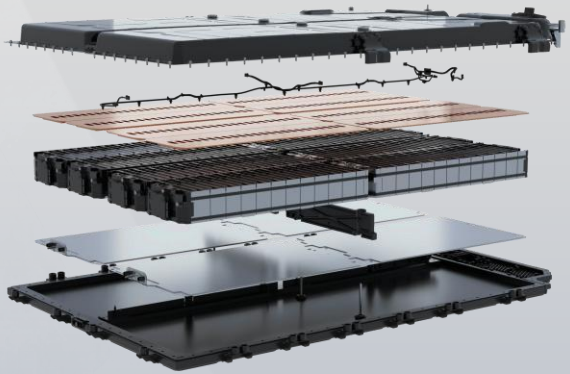
Proliferation of the tech stack into the entire product portfolio

Peak of invest in ICE and BEV vehicle portfolio behind us

Taxonomy aligned capitalized development cost still at around 75% and CapEx PP&E at 63% in FY 2025

1) schematic graph in EUR bn

Path towards BEV/ICE margin parity by end of the decade



-30%

MMA and MB.EA vs. predecessor

Battery cost reduced by -30% €/kWh and overall vehicle cost reduced by >-15% for MMA and MB.EA products vs. predecessors

Targeting further cost reductions over lifecycle in the midterm and for new products

Ambition to close the BEV/ICE margin gap over lifecycle for MB.EA products

Considering all costs incl. CO_2 **closing the BEV/ICE margin gap by end of this decade feasible**

Next-generation battery cell chemistries: reducing reliance on critical raw materials

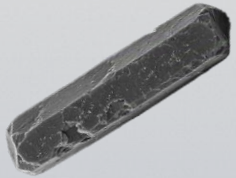
State of the art → **Progress** → **Future**

NMC
Lithium nickel manganese cobalt oxide



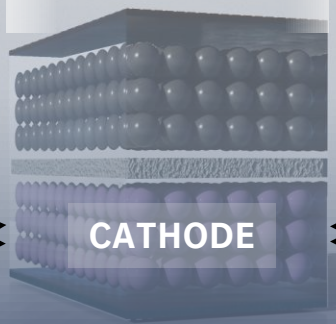
Volumetric Energy Density (VED)

LFP
Lithium iron phosphate

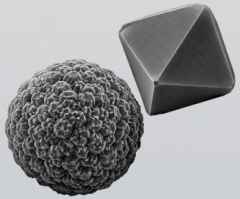


Volumetric Energy Density (VED)

Core segment
- Higher performance -
- More cost-effective -

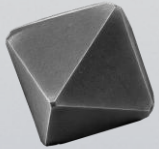


LMO/NMC blend
Lithium manganese oxide + lithium nickel manganese cobalt oxide



Volumetric Energy Density (VED)

LNMO
Lithium nickel manganese oxide



Volumetric Energy Density (VED)

Using fewer resources, increasing secondary material content and strengthening resilience

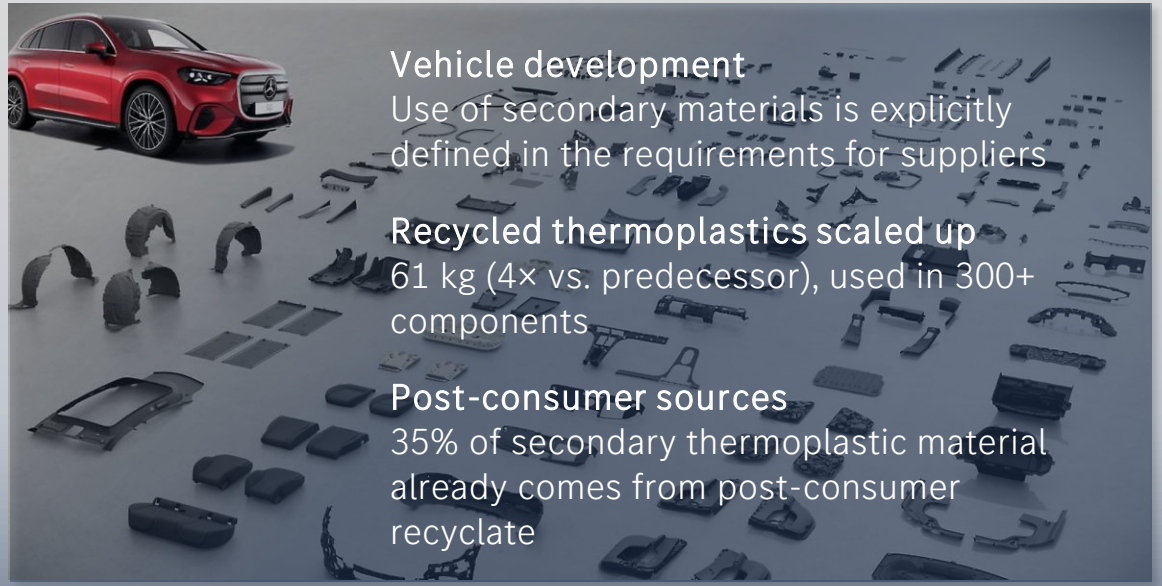
40%

use of secondary raw materials in line with “Ambition 2039” within the next decade

~18%

share of secondary raw materials 2025[1]

Secondary material in GLC 400 4MATIC[2]



Vehicle development
Use of secondary materials is explicitly defined in the requirements for suppliers

Recycled thermoplastics scaled up
61 kg (4× vs. predecessor), used in 300+ components

Post-consumer sources
35% of secondary thermoplastic material already comes from post-consumer recyclate

1) Weight of secondary materials in % of total weight of products and technical and biological materials used 2) GLC 400 4MATIC: 15,8 kWh/100km as of 12/2025

- CIRCULARITY -

Our Tomorrow XX technology programme focuses on decarbonisation, resource use and circularity



Rethinking component design
Vehicle parts for circularity and new joining technologies

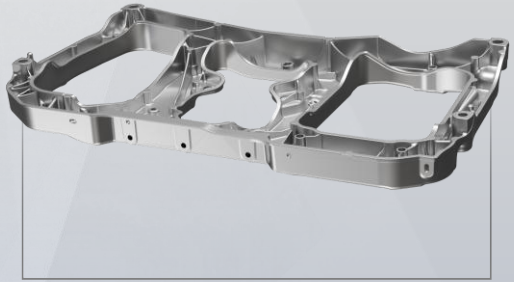
Innovative approaches to materials and combinations
Mono-materials and recyclates

Urban mining
Turning today’s car into a valuable source of raw materials for tomorrow’s

Tomorrow XX – putting sustainability on the road

Component design

BIONICAST®

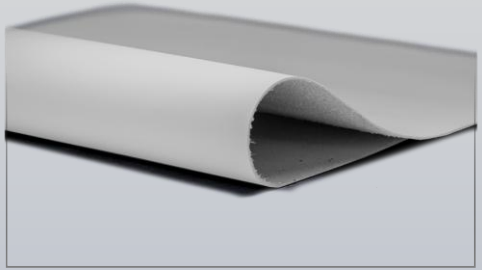


Bionic, process-optimised design

Up to 25% less
material and weight[1]

High-performance material

LABFIBER Biotech Leather Alternative

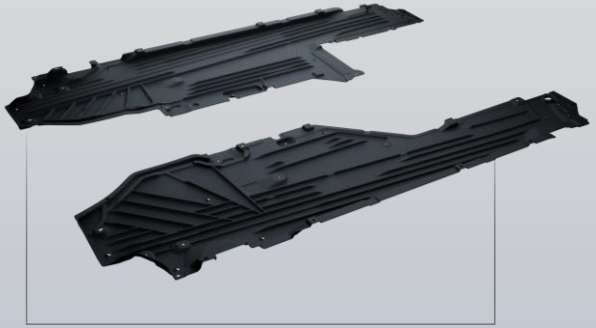


Made from recycled end-of-life tyres

Twice the maximum tensile
strength of genuine leather

Urban mining

Underbody cladding



Made from recycled plastics

End-of-life vehicles as a source
of raw materials for new vehicles

1) Compared to conventional components

End-of-life vehicles can become a source of raw materials for new production: pilot with TSR

1 Collection of end of life-vehicles



TSR & MB collect old vehicles from b2b and b2c customers and transport them to the facility in Dortmund

2 Dismantling incl. parts



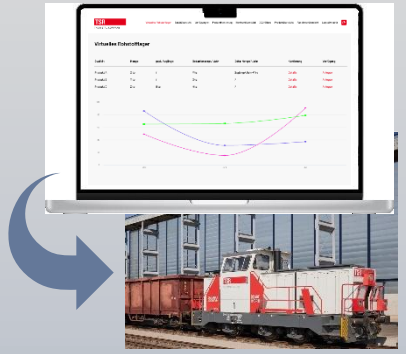
TSR removes legally required pollutants and parts identified by TSR and MB as valuable and easy to reach

3 Shredding and separation



TSR shreds the material, creates TSR40 and using post-shredder plants for non-ferrous and plastics material flows

4 Reintegration



TSR visualizes the production flows and stocks in a virtual raw material account and decides together with MB which supplier gets the recycled raw materials

- SAFETY -

Building trust in technology, AI and data for safe mobility



Trusted technology enables safe mobility

Trust in digital technology becomes a prerequisite for safety.

And safety becomes a practical expression of trust.



Responsible AI starts by design

AI will transform mobility. Responsibility will define how.

Our AI principles turn ambition into responsible action.



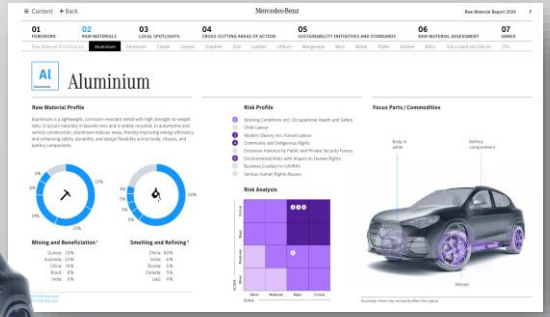
Responsible data collection powers safety

Safer systems depend on real-world data. Data collection depends on trust.

Privacy by design builds trust - among drivers and other road users.

Supply chain transparency enhances understanding of risks





Further information:
Raw Materials Report 2026

4th

consecutive Raw Materials Report

72%

of 24 critical raw materials within scope assessed by end of 2025; Target 2028: 100%

100%

of in-scope battery suppliers
contractually bound to IRMA requirements

6,000+

people reached
in high-risk regions through RMI partners

150+

suppliers and sub-suppliers
assessed for forced labour risks

7

forums and conferences
active participation in discussions on human rights due diligence

42

on-site audits
conducted in 2025, of which 28% were re-audits

Responsible sourcing combines decarbonisation with environmental and social resilience: Corridor Program



Mercedes-Benz and Norsk Hydro

strategic partnership to support the long-term development of communities along the aluminium supply chain in the state of Pará Brazil

Three pillars

with human rights as foundation:

Environmental | Economic | Social


The electric C-Class

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