

Mercedes-Benz Group Climate Policy Report

Mercedes-Benz



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Introduction

Sustainability as value added

At the Mercedes-Benz Group, sustainability means generating sustainable economic, environmental and social value added for our stakeholders, for example, our customers, employees, investors, business partners and society as a whole. Sustainable development is therefore part of the brand essence of Mercedes-Benz and a guiding principle of our actions and all our interactions with our customers. This holistic strategic approach applies not only to our own products and manufacturing locations but also to our entire upstream and downstream value chain.

Pursuing sustainable business strategies

The Mercedes-Benz Group acts in line with the sustainable business strategies adopted by the Board of Management in 2019. This means sustainability issues are not just supplements but an integral part of our business strategy. Our strategic goals are based on the UN's Sustainable Development Goals (SDGs) – especially SDGs 8 and 9 and 11 to 13 – among other factors. In addition, they take into account recognised international frameworks, the requirements of the external and internal stakeholders and global trends. From this order of priorities, we have also derived Group-wide areas of action and areas of responsibility as well as business-specific targets, processes and measures.

 [UN Sustainable Development Goals](#)

We have formulated strategic ambitions for each of our **six areas of action**:

[Sustainability Report 2021](#)
of the Mercedes-Benz Group



Climate protection & air quality

Plans call for our new vehicle fleet to be **CO₂-neutral** across the entire life cycle by 2039 and to no longer have any relevant impact on NO₂ levels in urban areas by 2025.

Sustainable urban mobility

We are improving the **quality of life** in cities through our leading mobility and transport solutions.

Resource conservation

We want to decouple **resource consumption** from business volume growth.

Traffic safety

We are working to make our vision of **accident-free driving** a reality as we develop automated driving systems while also taking social and ethical issues into account.

Data responsibility

Our future consists of **sustainable, data-based business models**. With these business models, we focus on the needs of our customers and the responsible handling of data.

Human rights

We have assumed responsibility for **respecting and upholding human rights** along our automotive value chain.



We strive to cooperate in trust-based relationships with our partners in industry, government and society at large, in order to make these ambitions a reality. We also rely on the dedication and commitment of our workforce, who are helping to shape the transformation. We have defined three enablers, or principles, that are crucial for achieving success in the six areas of action: integrity, people and partnerships.

Climate protection - materiality and goals

For the Mercedes-Benz Group, the Paris Agreement represents more than just an obligation; our commitment to its targets stems from our fundamental convictions. We believe that it is our mission to contribute to CO₂-neutral mobility around the world.

About one fifth of the greenhouse gas emissions in Europe are produced as a result of the transport of people and goods on streets and roads. The Mercedes-Benz Group is taking deliberate measures to counteract this trend and has made climate protection a core element of its business strategy. Our goal is to make our entire new vehicle fleet CO₂-neutral across all stages of the value chain by 2039.

In order to achieve this goal, we are transforming the products and services that are at the heart of our business operations. We are thus creating innovative, noticeably more sustainable solutions in order to live up to our social responsibility and at the same time reinforce people's trust in the Mercedes-Benz brand. Sustainability is one of the brand promises of Mercedes-Benz. This principle will continue to drive our actions in the future, not only with regard to our strategic brand decisions but also for our direct contact with customers. We want to enable our customers to experience sustainability at every point of contact with us. We are promoting climate protection with equal ambition in all upstream and downstream phases of the automotive life cycle - from the supply chain and our own manufacturing operations to the use and disposal of the vehicles.

The Mercedes-Benz Group Climate Policy Report

This report explains our perspective on responsible climate advocacy driven by transparency and integrity. It describes Mercedes-Benz Group positions on different climate-related policy items, and lists company activities, which serve as proof points for our full commitment on climate protection. A further chapter is dedicated to review positions of industry associations towards climate-related policy items and how those match with Mercedes-Benz Group perspectives. The report concludes by providing an overview on our corporate governance organisation regarding sustainability and our memberships. By issuing the Mercedes-Benz Group Climate Policy Report we want to be transparent about the positions and activities, which underline our commitment to the climate protection goals.





Perspective
on responsible
advocacy

Responsible advocacy - or: How to be a responsible advocate for corporate interests

Protecting the climate is one of the existential challenges of our time. With the “Electric only” strategy, we at Mercedes-Benz are advancing the transformation to an emission-free and software-driven future. The more ambitious the targets set by politics become, the less they can be achieved by the automotive industry and its companies alone. The right political framework conditions are essential. This requires a dialogue between politics, business and society – and this is precisely where the work of External Affairs comes in.



Author: Eckart von Klaeden, Head of External Affairs Mercedes Benz Group AG

Today, companies are rightly expected to focus not only on their immediate core tasks, such as generating profits, research and development, or employment. As good corporate citizens, they have a social responsibility that goes beyond. This also includes political advocacy. After all, weighing up different interests is essential in political decision-making. Political decision-makers must be as well informed as possible about the consequences or alternatives of their actions. Early information helps them to make the right decisions in due time and to reflect things properly. In this context transparency is not a contradiction – on the contrary. It is a comprehensible and supportable concern to understand the decision-making process and its participants. We therefore not only welcome the Lobby Register Act in Germany, but since 2008 we have also voluntarily registered ourselves in the Brussels Transparency Register of the European Union. We regularly put ourselves and our work to the test. For example, we are currently running a project with the Wittenberg Centre for Global Ethics. With the help of expert interviews with representatives of NGOs, think tanks, politics and administration, we have our work processes independently evaluated in terms of integrity and ethical behaviour, thus gaining valuable external input.

Even though we repeatedly refer to “lobbying” in the following, we prefer the term “advocacy”: We see ourselves as advocates for corporate interests in the political process. Advocacy is also less prejudiced and describes our activities more precisely.

We have long aligned our work for the Group with principles of lobbying based on integrity. The guiding principle here is to identify the overlap between corporate and public interest and to expand it wherever possible. This is a two-way process: On the one hand, it is important to align the company's actions with the legitimate concerns of society and politics beyond the mere compliance with legal requirements. On the other hand, successful companies are an indispensable prerequisite for a flourishing community simply through their tax payments, research activities and, not least, employment.

Trust is a decisive factor in our work. We base our activities on verifiable figures, data and facts and provide information about our interests and motives. Our contacts do not have to share our views, but they must be able to rely on the quality of our arguments. We use the “tabloid test” as an internal guideline: Are we always able to answer questions about our activities convincingly, even if they are reported in a pointed way?

We want to be open to other perspectives and also to alliances that may seem unusual at first glance. The transformation of the automotive industry, the challenges of digitalization and climate change in particular mean that we as a company must and want to be open to new alliances – whether with companies or associations from other sectors, with NGOs, or with works councils and trade unions in the transformation of our plants. We are convinced that the major tasks of our time, such as coping with climate change while maintaining and possibly even increasing competitiveness and social acceptance, can only be achieved together. This cooperative approach presupposes a willingness to compromise. For us, that means in particular: We want to be part of the solution.

Advocacy in the matrix organisation

The Mercedes-Benz Group AG has bundled the worldwide representation of the company's interests in the External Affairs unit. We support the company in achieving its goals by establishing and maintaining dialogue with political stakeholders in key markets. In addition, we see ourselves as an internal service provider. We analyze developments around the world that could influence the success of our company – for example, in the area of trade policy or regulations – and support colleagues internationally and proactively with the help of our global network. Organisationally, we have a matrix structure. At our headquarters in Stuttgart, we deal with regulatory strategy, operational issues (i.e. issues relevant to our global production network), and the analysis of economic and political developments. In addition, there are offices in Berlin, Brussels, Washington and Beijing that maintain direct contact with decision-makers and keep their fingers on the pulse of political developments. Through our work, we make it clear to our dialogue partners what a political decision, that appears abstract at first glance, implies in concrete terms for the industry, a product, a site or the employees.

We regularly put ourselves and our work to the test. For example, we are currently running a project with the Wittenberg Center for Global Ethics. With the help of expert interviews with representatives of NGOs, think tanks, politics and administration, we are having our work processes independently evaluated in terms of integrity and ethical behavior, thus gaining valuable impetus from outside.

Modern advocacy in transition

From an advocacy perspective, the transformation we are undergoing as a company requires rapid action at all levels. In this context, our work is also changing in terms of goals, addressees and formats. In terms of addressees, we are seeking greater dialogue with NGOs and representatives of civil society. Hybrid and digital event formats are gaining in importance. In addition, non-financial factors, often described by investors with the term ESG - “Environmental”, “Social” and “Governance” – are taking up increasing space in both corporate strategy and advocacy.

One example: For the Mercedes-Benz Group, the Paris climate protection agreement is more than an obligation – it is a conviction. Therefore, it is also part of the remit of External Affairs to position the company as a driving force on issues of sustainability and climate protection. At the COP26 climate summit in Glasgow in 2021, for example, Mercedes-Benz was one of the 11 automakers that, together with 38 countries, signed a declaration of intent to bring only zero-emission vehicles to market in the foreseeable future.

In sum: Decisive for responsible advocacy are the dialogue and cooperation of politics, business, society and social partners, without questioning the primacy of politics. Dialogue and cooperation are part of the recipe for success of the social market economy and a prerequisite for the success of the change that lies ahead. In a democracy, the common good is decided through discourse, votes, elections and referendums. We want everyone to be able to participate appropriately in this process.



This section describes Mercedes-Benz
stance on important climate-related policies.

Positions on climate-related policies

Position on the Paris Agreement

For the Mercedes-Benz Group, the Paris Agreement represents more than just an obligation; our commitment to its targets stems from our fundamental convictions. We believe that it is our mission to contribute to CO₂-neutral mobility around the world. Our advocacy activities and partnerships are in line with this conviction and the climate protection goals agreed upon in the Paris Agreement. Our advocacy strategy thus also clearly adheres to the corporate strategy of the company. The Mercedes-Benz Group stance was particularly confirmed by the signing of the Declaration on Zero Emission Cars and Vans at the COP26 in Glasgow in November 2021.

Position on carbon neutrality

Through our Ambition 2039, the Mercedes-Benz Group aims to achieve CO₂ neutrality in less than 20 years. In doing so, our company is taking into account the entire value chain, including its partners and suppliers. Our supplier network plays a crucial role in the attainment of the climate protection goals. For example, the production of an all-electric vehicle generates significantly more CO₂ as that of a conventional combustion-engine vehicle. This is primarily due to the lithium-ion batteries. The Mercedes-Benz Group implements various projects and measures in order to avoid and reduce CO₂ emissions in its supply chains for services as well as for production and non-production materials. However, whereas some fields of action are managed directly by the Mercedes-Benz Group, such as the electric vehicle portfolio and the CO₂ reduction of our production sites, there are areas of responsibility which can only be influenced partially by the Mercedes-Benz Group, for example the energy mix during the vehicles' use phase or in the country of origin of sourced components.

The founding membership in the international climate protection initiative Transform to Net Zero and the joining of The Climate Pledge underline our position on carbon neutrality.



Position on transformation

The transformation of transport will lead to the full electrification of vehicles. However, there are still obstacles to overcome which require enormous exertion: There is a risk that charging infrastructure will lag behind of what is needed; the growth of renewable energy might be too slow and the workforce has to adapt to new software and powertrain technologies. Although all newly launched architectures will be electric-only from 2025 onwards, in the current stadium of the transformation, plug-in hybrids and low-emission internal combustion engines still play a substantive role and are indispensable as bridging technology.

Position on zero carbon technologies

As announced on the Mercedes-Benz Strategy Update on July 22, 2021, Mercedes-Benz is getting ready to go all-electric by the end of the decade, where market conditions allow. By 2022, Mercedes-Benz will have battery electric vehicles (BEV) in all segments the company serves. From 2025 onwards, all newly launched vehicle architectures will be electric-only and customers will be able to choose an all-electric alternative for every model the company makes. To facilitate this shift, Mercedes-Benz is unveiling a comprehensive plan which includes significantly accelerating R&D. In total, investments into battery electric vehicles between 2022 and 2030 will amount to over 40 billion euros. Accelerating and advancing the EV portfolio plan will bring forward the tipping point for EV adoption.

Electrification roadmap as of July 2021:

- All newly launched architectures are intended to be electric-only from 2025 onwards.
- Mercedes-Benz will be ready to go all-electric at the end of the decade, where market conditions allow.
- Mercedes-Benz aims to install battery cell capacity of more than 200 Gigawatt hours with partners, plans for eight cell factories.
- New partnerships for development and production of battery cells in Europe.
- Efficiency of electric drivetrains to be enhanced through vertical integration and the acquisition of YASA, a specialist in ultra-high performance axial flux motors.
- Mercedes me Charge intends to have more than 530,000 (editor's note: 700,000 as per March 2022) AC and DC charging points worldwide.
- Acceleration of electrification ramp-up marks a radical shift in capital allocation.
- Mercedes-Benz is committed to its margin targets – also in a BEV-world.

This roadmap shows the clear focus of the Mercedes-Benz strategy on battery electric vehicles.

Position on renewable energy

The increase of the renewable energy share is important for the efforts to reduce greenhouse gas (GHG) emissions in the transport sector. This is true for both electricity and liquid fuels. The Mercedes-Benz Group therefore supports all policies which contribute to boost the renewable energy share. In the European Union there are two major regulatory frameworks for renewable energy – the EU emissions trading system (ETS) and the Renewable Energy Directive (RED). In recent discussions on the revision of those two regulations the Mercedes-Benz Group advocates for ambitious target settings in the ETS and the RED. Electrification of transport without growing green power share would be detrimental. The same is valid for liquefied fuels, which will be needed for the dominant existing car stock of vehicles with internal combustion engines in the short- and medium-term. We are supportive of any political activities worldwide that accelerate the transition of the energy sector.

Position on carbon pricing

There are two forms of carbon pricing mechanisms – carbon taxation schemes and CO₂ emissions trading systems. The Mercedes-Benz Group supports those carbon pricing mechanisms. However, especially a volume-based global emission cap and trade system, which should include as many sectors as possible would be a promising regulatory approach for global decarbonisation. Since the latter policy measure will be rather an option for the long term, already existing regional carbon pricing mechanisms should be expanded and strengthened. The carbon price must be high enough to create steering effects regarding investments in climate-neutral technologies and energy efficiency. Social and economic effects of tightened carbon pricing schemes must be taken into consideration by policy makers.

Position on GHG and fuel economy fleet regulations

GHG and fuel economy fleet regulations are effective regulatory tools to reduce CO₂ emissions from new vehicles. They also stimulate portfolio shifts towards low and zero CO₂ emission vehicles. However, such fleet regulations must not be seen as stand-alone solution but rather as one important piece of a comprehensive framework of policies and regulations. Effective and ambitious fleet regulations must be complemented with coherent policies promoting the build-up of charging infrastructure and the increase of renewable energy. Moreover, other enabling conditions like fiscal and non-fiscal incentives are needed to keep mobility affordable. Therefore, the Mercedes-Benz Group advocates for a consistent and comprehensive policy and regulatory framework driving the transition to CO₂-neutral transport. This also includes a stepwise integration of the transport sector into emission trading schemes which should be the future leading regulatory instrument for the decarbonisation of transport.



In the following, some of the Mercedes-Benz Group's most important climate-related activities and proof points are described. Each of them underlines our full commitment to transform towards a CO₂-neutral company. Our full scope of activities is comprehensively presented in the Mercedes-Benz Group Sustainability Report 2021.

[🔗 Sustainability Report 2021 of the Mercedes-Benz Group](#)

Climate policy- related activities and proof points

Overview of our climate protection targets

Target horizon	Targets
Climate protection as it relates to our vehicles and services	
2022	Mercedes-Benz offers battery electric vehicles (BEVs) in all the segments in which the brand is represented.
2025	We increase the share of plug-in hybrids and all-electric vehicles to as high as 50 per cent.
2025	All new vehicle architectures are exclusively electric.
2025	Customers are offered the choice of at least one all-electric vehicle in every segment.
2030	The CO ₂ emissions of Mercedes-Benz' fleet of new vehicles are reduced by more than 40 per cent.*
By the end of this decade	Mercedes-Benz is all-electric – wherever market conditions allow.
2039	A fleet of new Mercedes-Benz vehicles that are CO ₂ neutral along all stages of the value chain.
Climate protection in the supply chain	
2039	Mercedes-Benz plans to procure only CO ₂ neutral production materials.
Climate protection in production	
2022	The manufacturing operations in our Mercedes-Benz production plants are CO ₂ -neutral worldwide.
2030	Mercedes-Benz to reduce CO ₂ emissions at its plants (Scope 1 and 2) by 50 per cent.**
2030	Renewable energies' share of the total energy consumed to be increased to at least 70 per cent at the production plants of Mercedes-Benz Cars and to at least 80 per cent at the plants of Mercedes-Benz Vans.

* Compared to 2018 and pertaining to the use phase (well-to-wheel); corresponding to the target of the Science Based Targets initiative.

** Compared to 2018. This target has been confirmed by the Science Based Targets initiative (SBTi).

[Sustainability Report 2021 of the Mercedes-Benz Group](#)

Examples of climate policy-related activities and proof points like initiatives, advocacy events and sustainable technologies:

COP26

During the UN Convention's Conference of the Parties (COP) in Glasgow in 2021, we signed the "COP 26 declaration on accelerating the transition to 100 % zero emission cars and vans". In this declaration, along with other companies, cities and governments, we are supporting CO₂-neutral transport in the future, with the aim of speeding up the pace of electrification.

[Mercedes-Benz on Twitter](#)

[COP26 declaration on accelerating the transition to 100% zero emission cars and vans](#)



At Mercedes-Benz, we're even more ambitious: We will be ready to go all-electric by the end of this decade - where market conditions allow. But this is not about one company or one country alone. This is about acting together for our planet. Seeing so many partners pulling together and signing this declaration builds my confidence that our ambitious goals for the transformation of the mobility sector are within reach. And that's what we're aiming for.

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

[Sustainability Report 2021 of the Mercedes-Benz Group](#)



The Climate Pledge

Another example for our dedication to team up for decarbonisation is our engagement in “The Climate Pledge”. In October 2020, Mercedes-Benz AG signed “The Climate Pledge”, a voluntary commitment – co-founded by Amazon and Global Optimism – to fulfil the goals of the Paris Agreement on climate change ten years earlier than prescribed. Companies are called on to become CO₂-neutral by 2040.

By joining this initiative, we reaffirmed our intention to continue moving systematically towards CO₂-neutral transport.

[Mercedes-Benz Group Media information on The Climate Pledge](#)



Our stakeholders, our customers, our employees, politics and the capital market also support a fundamental change of course. But this profound transformation towards electric mobility also demands a lot from all of us, and it will not always be without conflict. The key is to remain in intensive dialogue with all relevant stakeholders in order to find the best solutions.

Renata Jungo Brünnger – Member of the Board of Management of Mercedes-Benz Group AG.
Integrity & Legal Affairs

Transform to Net Zero

In July 2020, Mercedes-Benz AG became a founding member of the international climate protection initiative “Transform to Net Zero”, a climate protection initiative launched by Microsoft. Through this membership, we have further reinforced our commitment to the Paris Climate Goals. Nine renowned companies from a wide range of industries and countries are pooling their expertise to promote the framework conditions for a broad decarbonisation of the economy and society in this initiative. Our shared goal is – according to our political advocacy climate guidelines – to improve the framework conditions for the decarbonisation of the economy and society all over the world.

microsoft.com
[Sustainability Report 2021 of the Mercedes-Benz Group](#)



If there is one lesson we can learn from dealing with the COVID-19-pandemic it is how much we can achieve if we act together. This is the only way we can also win the fight against climate change. We need to set common goals and implement measures to achieve them. That’s why we are joining “Transform to Net Zero.” Our mission at Mercedes-Benz is CO₂-neutral mobility. We are making good progress towards this end and we are determined to follow through.

Ola Källenius – Chairman of the Board of Management of Mercedes-Benz Group AG

Permanent political dialogue on enabling conditions for electric mobility

Political dialogue on the necessary framework conditions to achieve carbon neutrality is part of the daily advocacy of the Mercedes-Benz Group as following examples show:

- Active contribution of Ola Källenius in the Concerted Activity Mobility, a regular summit of the German Chancellery, ministers and CEOs to discuss requirements for a sustainable and prosperous German automotive industry (March 23 and August 18, 2021)

[Concerted Activity Mobility of the German Government](#)
Newspaper article in the Handelsblatt on the Concerted Activity Mobility

- Debate that was hosted by the European Round Table and broadcast by Euronews, where Ola Källenius discussed how the European industry is contributing to the Green Deal with EU Commissioner Frans Timmermans and others (February 15, 2021)
- Plant tour followed by an interview with Ola Källenius and Green party politician Cem Özdemir (June 18, 2021)
- “Umweltforum” hosted by Deutsche Bahn, where Ola Källenius discussed sustainable mobility strategies with the German Environment Minister Svenja Schulze (October 7, 2021)

[Deutsche Bahn Umweltforum](#)

- Plant tour and product demonstration for Jan Huitema, member of the European Parliament and Rapporteur on the revision of CO₂ standards (December 16, 2021)

Sustainability Dialogue

For the Mercedes-Benz Group, the Paris Agreement represents more than just an obligation; our commitment to its targets stems from our fundamental convictions. Our advocacy activities and partnerships are in line with this conviction and the climate protection goals.

With this background, we set the topic of the “Partnerships” workshop at the Sustainability Dialogue (November 17-18, 2021): “How can society, government and industry cooperate most effectively so that sustainability goals can be jointly attained?”

[Sustainability Report 2021 of the Mercedes-Benz Group](#)



In order to make sure that sustainability-related activities have a substantial effect, they have to be regularly monitored and adapted in keeping with the latest developments. We therefore work together with our stakeholders on the formulation of key issues and targets.

Renata Jungo Brüngger and Markus Schäfer – Members of the Board of Management of Mercedes-Benz Group AG and Co-Chairs of the Group Sustainability Board

Social-Political Dialogue “Future Mobility Talk” and “MB Strategy update eDrive”

The Mercedes-Benz Group aims to engage in a dialogue with stakeholder groups to work with them on the sustainable transformation of the automotive industry. In order to enable open discussions with a wide spectrum of interest groups and to talk about core topics in the automotive industry as well as relevant issues like climate protection, the External Affairs unit has developed an event and dialogue format called Social-Political Dialogue.

One event was the “Future Mobility Talk”. The External Affairs Office in Berlin organised this event together with the Tagesspiegel Berlin and Shell Deutschland AG on June 23, 2021. Representatives of Mercedes-EQ, Shell Germany, ADAC and Bundesverband der Energie- und Wasserwirtschaft (bdeu) discussed the challenges of environmentally friendly mobility, the framework conditions and infrastructural requirements, such as the expansion of the public charging infrastructure for electric vehicles.

The event was attended by representatives of federal and state politics and of the European Parliament, as well as presidents, CEOs and heads of NGOs from the fields of environment, climate and transport.

As sustainability is a key topic for our partnerships, the External Affairs Berlin-office organised another Social-Political Dialogue on July 23, 2021, titled “MB Strategy update eDrive” – in connection with the Mercedes-Benz announcement “Electric First” on July 22, 2021. Over 40 representatives of the Federal Association of Goods Transport, Logistics and Waste Disposal and Ola Källenius discussed about how innovative technologies can be used to decouple transport systems from fossil fuel consumption.

[Tagesspiegel Future Mobility Talk #1 - YouTube](#)



Opinion editorial “Building up instead of tearing down - this is how Germany is creating the green transformation”

As part of our climate policy-related advocacy, we publish our own press articles from time to time. On October 13, 2021, a representative of External Affairs together with the Institut der Deutschen Wirtschaft published an article in the “WELT am Sonntag”, titled “Building up instead of tearing down - this is how Germany is Creating the Green Transformation”. In the article they expounded three strategies how the country [Germany] can create a real awakening towards achieving climate neutrality.

[Press Article Die WELT](#)

German public broadcasting TV show “13 Questions: Are bans the solution to stop climate change?”

On June 23, 2021, a representative of Mercedes-Benz External Affairs participated in the German public broadcasting TV show “13 questions: Are bans the solution to stop climate change?”

With our path to shaping the transformation towards climate neutrality, with all the questions we keep asking ourselves and all the answers we are developing, we want to contribute to the climate protection debate. There are many reasons to explain our steps of transformation and to point out how important engineering, innovation, creativity and inventiveness are so that we as a society have a chance to achieve the ambitious Paris Climate Goals. We have therefore decided to participate in the TV show.

[German Public Broadcasting TV ZDF media library](#)

Agora Verkehrswende

On this platform, representatives of industry and cities discuss urgent aspects of the mobility transformation and cooperatively derive the corresponding measures. Agora Verkehrswende will pave the way for the full decarbonisation of the transport sector by 2045 and is developing an extensive climate protection strategy.

Mercedes-Benz is participating in the Agora Verkehrswende, and Eckart von Klaeden, Vice President, Head of External Affairs of Mercedes-Benz Group AG, is a member of the Agora Verkehrswende Council.

The Council's purpose is to provide a forum for discussion and venue for the identification of viable solutions. To this end, it seeks to create an environment of trust while engendering awareness for divergent interests among its members.

We actively participate in the Council's discussions. We exchange ideas, listen to the different positions and raise our concerns. The transformation of Mercedes-Benz and the automotive industry as a whole plays a particularly important role in the discussions, and our political advocacy always follows the corporate strategy.

 [NGO Agora-Verkehrswende](#)
[Sustainability Report 2021 of the Mercedes-Benz Group](#)



The most important step forward for the Verkehrswende in the past five years for me was the further development of battery technology - not only in terms of range, but also in terms of weight and cost. And I know: We are far from the end of this development.

Eckart von Klaeden - Vice President, Head of External Affairs, Mercedes-Benz Group AG

Battery cells technology

Following a consistent implementation of our sustainable business strategy, Mercedes-Benz is taking step by step towards Ambition 2039 climate-neutral mobility. We plan to go all-electric by 2030 wherever market conditions allow.

As we announced on January 27, 2022, Mercedes-Benz is pushing ahead its research and development activities by collaborating with leading companies in the fast evolving field of solid-state technology, fostering further leaps in battery technology and continuously expanding its network of top-flight tech partners to ensure that it has access to the most up-to-date technologies. With its solid-state battery R&D and manufacturing know-how, ProLogium is a strong partner for Mercedes-Benz to maintain its role as a leader in battery technology.

On its path toward an all-electric future, Mercedes-Benz published on September 24, 2021, that it is taking an equity stake in European battery cell manufacturer Automotive Cells Company (ACC) to scale up development and production of next-generation high-performance battery cells and modules.

Both cooperations show how consequently Mercedes-Benz is on its way towards “Electric Only” and thus an all-electric future – CO₂-neutral and consequently in line with the Paris Agreement.

[Mercedes-Benz Group Media on battery partnership](#)
[Mercedes-Benz Group Media on battery jointventure ACC](#)





We believe that range and efficiency are the new industry benchmarks for electric cars. Solid-state technology helps to cut down battery size and weight. This is why we are partnering with companies like ProLogium to ensure that Mercedes-Benz continues to break new ground in the automotive sector – for the benefit of our customers.

Markus Schäfer – Member of the Board of Management of Mercedes-Benz Group AG.
Chief Technology Officer, Development & Procurement



Mercedes-Benz pursues a very ambitious transformation plan and this investment marks a strategic milestone on our path to CO₂ neutrality. Together with ACC, we will develop and efficiently produce battery cells and modules in Europe – tailor-made to the specific Mercedes-Benz requirements

Ola Källenius – Chairman of the Board of Management of Mercedes-Benz Group AG

EQ model offensive

On December 14, 2020, Mercedes-Benz announced its major Mercedes-EQ Model offensive. Six new Mercedes-EQ launches by 2022 are expected:

- electric luxury sedan EQS launched in 2021 in Sindelfingen's Factory 56
- production of our first all-electric compact SUV EQA started in 2021
- production of all-electric compact SUV EQB launched in 2021
- production of electric EQE business sedan launched in 2021
- beginning of SUV variants EQS und EQE in 2022
- Furthermore, in 2022 we start with the production of battery systems for EQS and EQE in Untertürkheim/Hedelfingen (Germany), battery systems for compact SUV in Kamenz (Germany) and Jawor (Poland) plants and with battery production for SUV variants of EQS and EQE in Tuscaloosa (US) battery plant.

With this firework of new EQ models, Mercedes-Benz is targeting leadership in electric drives and vehicle software. The consistent electrification of the entire product portfolio is a key element of our strategic focus Ambition 2039 and a prerequisite on the way to CO₂ neutrality and to the fulfilment of our commitment to the Paris Agreement.

[Mercedes-Benz Group Media information on EQ Model offensive](#)



With its 'Electric First' strategy, Mercedes-Benz is consistently on the path to CO₂ neutrality and is investing heavily in transformation. Our vehicle portfolio becomes electric and thus also our global production network with vehicle and battery factories.

Markus Schäfer – Member of the Board of Management of Mercedes-Benz Group AG.
Chief Technology Officer, Development & Procurement



Mercedes-Benz EQS

In April 2021, we announced the launch of the EQS in Europe in August. The EQS is the stand-alone, all-electric member of the new S-Class range.

As part of its Ambition 2039 initiative, Mercedes-Benz is working on offering a CO₂-neutral fleet of new vehicles less than 20 years from now. In many areas, Mercedes-Benz is already thinking about tomorrow today and has designed the EQS with sustainability in mind. Our flagship EQS shows impressively that we are straightly on our way towards “Electric Only”.

[The new EQS: passion for electromobility - Mercedes-Benz Group Media](#)
[Mercedes-Benz EQS](#)
[EQS Umweltzertifikat](#)



The EQS is the world's most aerodynamic production vehicle, with a drag coefficient of just 0.20. This contributes to its electric range of up to 780 kilometres according to WLTP. And with a fast-charging capacity of up to 200 kW, up to 300 kilometres of range can be added in just 15 minutes. All this, together with new battery chemistry, results in a perfect balance between performance, efficiency, range and ease of charging. And its technology goes beyond electric driving: Thanks to its comprehensive sensor technology and intelligence, the EQS sees practically everything around it and becomes a co-pilot. Our customers therefore get more comfort both on long-distance trips and in large, busy cities.

Markus Schäfer – Member of the Board of Management of Mercedes-Benz Group AG.
Chief Technology Officer, Development & Procurement

VISION EQXX

We continue to focus on the electrification of our products. With the presentation of the VISION EQXX, we reinforced our claim to be the innovative leader in electromobility. The concept car gives a glimpse of what may be possible in the future in terms of efficiency and electric range.

In our press release of January 3, 2022, we show, how the EQXX breaks through technological barriers. This includes advances across all elements of its cutting-edge electric drivetrain as well as the use of lightweight engineering and sustainable materials. Complete with a barrage of innovative and intelligent efficiency measures, including advanced software, VISION EQXX allows us to explore new frontiers of efficiency.

With the VISION EQXX vehicle study we underline once again how consequently Mercedes-Benz is on its way towards “Electric Only” and CO₂-neutral future in line with the Paris Agreement. The technical findings from this flow into series development.

[VISION EQXX - taking electric range and efficiency to an entirely new level - Mercedes-Benz Group Media](#)



The Mercedes-Benz VISION EQXX is how we imagine the future of electric cars. Just one-and-a-half years ago, we started this project leading to the most efficient Mercedes-Benz ever built – with an outstanding energy consumption of less than 10 kWh per 100 kilometres.

Ola Källenius – Chairman of the Board of Management of Mercedes-Benz Group AG





Mercedes-Benz Vans SUSTAINER

The technology vehicle SUSTAINER from Mercedes-Benz Vans, presented in October 2021, shows how sustainable delivery traffic in the city can look like in the future. This technology demonstrator, which is based on the Mercedes-Benz eSprinter, combines many innovative solutions that, for example, make parcel and goods deliveries quieter, cleaner and more efficient – thus improving the quality of life in cities.

The SUSTAINER is equipped with intelligent software and communication solutions that enable efficient route planning in real time. That not only reduces the kilometres driven but also leads to less energy consumption and lower CO₂ emissions.

[🔗 Sustainability Report 2021 of the Mercedes-Benz Group](#)

Green steel in vehicles

On May 24, 2021, Mercedes-Benz AG announced to be the first car manufacturer to take an equity stake in Swedish start-up H2 Green Steel (H2GS) as a way to introduce CO₂ free steel into series production. Together with its steel suppliers, the company is retooling its supply chain to focus on the prevention and reduction of CO₂ emissions rather than compensation.

The partnership with H2GS is another step towards CO₂ neutrality, which Mercedes-Benz is pursuing as part of Ambition 2039.

[🔗 Mercedes-Benz Group press information on green steel](#)



With an equity stake in H2 Green Steel, Mercedes-Benz is sending an important signal to accelerate change in the steel industry and increase the availability of carbon-free steel. As a first step, we are investing a single-digit million amount. As a preferred partner of the start-up, we will be launching green steel in various vehicle models as early as 2025.

Markus Schäfer – Member of the Board of Management of Mercedes-Benz Group AG.
Chief Technology Officer, Development & Procurement

Supply chain is becoming CO₂-neutral

When it comes to CO₂ neutrality, we also look at our entire value chain. For our planet, we work closely with our entire supply chain. With press information of December 2020, we announced that we have asked our suppliers to pursue our goal of a CO₂-neutral passenger car fleet by 2039 together with us.

In March 2021, we published a press information about the strong commitment of our suppliers to climate neutrality: suppliers representing more than 84% of our annual purchasing volume have already signed the Ambition Letter and thus agreed to supply us with CO₂-neutral products by 2039 at the latest. We are pleased that our partners are supporting our ambitious climate goals in terms of meeting the Paris Agreement.

In the future, we only want to work with partners that share our perception of sustainability – in terms of climate, environment and human rights.

[Mercedes-Benz Group press information on supply chain](#)
[Sustainability Report 2021 of the Mercedes-Benz Group](#)
[Mercedes-Benz Group press information on CO₂-neutral supply chain](#)



With the electric EQS luxury sedan, ... we have already achieved important milestones in close cooperation with our partners – for example by purchasing CO₂-neutrally produced battery cells. We are consequently pursuing this path: When awarding contracts for our subsequent electric vehicle platform – Mercedes-Benz Modular Architecture (MMA) for compact and medium-sized cars – we are already applying CO₂ as a key criterion for the first time consistently.

Markus Schäfer – Member of the Board of Management of Mercedes-Benz Group AG.
Chief Technology Officer, Development & Procurement

Unique green power concept

On March 26, 2021, Mercedes-Benz announced to source CO₂-free electricity from renewable sources such as solar, wind and hydropower from 2022 onwards – another milestone towards CO₂-neutral production and implementation of Ambition 2039.

Beginning in 2022, worldwide all of the Mercedes-Benz Group's own production plants will obtain externally generated electricity exclusively from renewable sources and since early 2022, all of the company-owned sales and service outlets in Germany have been procuring electricity from renewable sources. This enables the annual CO₂ emissions from building operation to be cut by around half.

The CO₂-free electricity from solar, wind and hydro sources is generated in various power plants, most of which are located in Germany. These include a part of a solar park with the size of 60 football pitches near Ingolstadt and 24 wind farms with more than 200 wind turbines. The electricity generated from this is roughly equivalent to the amount consumed by 65,000 households annually. The intelligent mix is supplemented by electricity from flexible hydropower plants.

[!\[\]\(0f848bbd71cef6b345273b16f905912a_img.jpg\) Mercedes-Benz Group green power concept](#)
[Sustainability Report 2021 of the Mercedes-Benz Group](#)



The Mercedes-Benz Group is an active member of several trade associations. The Mercedes-Benz Group advocacy representatives engage in association working groups dealing with climate-related policies.

In this review we selected three industry associations that are influential in climate-related policies and operate in our core markets European Union (ACEA = European Automobile Manufacturers' Association), United States of America (Auto Innovators = Alliance for Automotive Innovations) and Germany (VDA = German Association of the Automotive Industry).

Review of industry associations

For this report, we reviewed association positions regarding climate-related policies vis-à-vis our company's perspectives. Hereby we focused on published statements and advocacy positions primarily from 2021.

Independent of results of this review, we always advocate for association positions that are as progressive as possible and that are not detrimental to our convictions.

In general, we are convinced that associations play an essential role in the political opinion process. They work together with policy makers and other stakeholders to materialize cleaner, safer and smarter transport. Associations represent industry positions which are often very ambitious, sometimes moderate and in some cases solely the least common denominator of an industry consisting of competitors with partly very diverging business strategies. However, the coordinative function of associations is always of high importance not only for the industry position but also for collecting data and providing intelligence for policy makers and regulators. Furthermore, the associations play a crucial role in initiating and steering of common activities like self-commitments on the built-up of charging infrastructure.

European Union: European Automobile Manufacturers' Association (ACEA)

Vision/purpose

ACEA is working towards a new era of mobility, where all Europeans can access affordable transport solutions that are:

- Green & Clean
- Smart & Efficient
- Safe & Reliable

Our aim is to drive Europe's mobility transformation – while at the same time ensuring that the auto industry remains a strong Global & Competitive player.

<https://www.acea.auto/about-acea/>

Membership of board/executive committee

Ola Källenius

(Chairman of the Board of Management of the Mercedes-Benz Group AG):
Member of the Board of Directors of ACEA

ACEA

ACEA position on climate-related policies**Paris Agreement:**

The automobile industry embraces the Paris Agreement and its goals. Manufacturers also support the climate protection initiatives of the European Commission, such as the “Clean Planet for All” strategy, provided all stakeholders contribute their share and the achievements to date are taken into account.

https://www.acea.auto/files/ACEA_10-point_plan_European_Green_Deal.pdf

Carbon neutrality:

EU vehicle manufacturers, united in the European Automobile Manufacturers' Association (ACEA), are fully committed to bringing CO₂ emissions down to zero, supporting Europe's goal of reaching climate neutrality by 2050.

<https://www.acea.auto/publication/position-paper-proposal-for-the-revision-of-the-co2-targets-for-cars-and-vans/>

Transformation:

In these times of transition, the auto industry is committed to work closely with EU policy makers and other stakeholders to ensure that these challenges can be overcome – and indeed turned into new opportunities for Europe. Our industry is ready to lead this transformation hand-in-hand with policy makers. Together we have the common aim and shared responsibility to ensure that the EU auto sector can maintain its global leadership in the future.

Objective: Enable the transition to zero emissions and zero fatalities

What our industry offers:

- An increasingly wide-ranging and diverse offer of zero- and low-emission vehicles (ZLEVs).
- Vehicles that will continuously emit less pollutants, stepping up our contribution to cleaner cities and a healthier environment.

What Europe should do:

- Develop appropriate strategies and enabling conditions to deal with the wider implications of this shift, notably on:
 - The lack of recharging and refuelling infrastructure, including leveraging EU funding instruments;
 - The very different skills and training required for the production, maintenance and recycling of ZLEVs;
 - The impact of the ZLEV transition on today's jobs and key automotive regions;
 - The production and recycling of batteries, as well as securing the availability of affordable raw materials.

https://www.acea.auto/files/ACEA_manifesto_2019-2024-1.pdf

ACEA position on climate-related policies

Zero carbon technologies:

The EU auto industry is currently making huge investments and going “all in” on certain technologies, as it is fully committed to deliver zero-carbon mobility by 2050. We are taking our responsibility seriously.

<https://www.acea.auto/message-dg/car-van-co2-targets-europe-needs-realistic-roadmap-carbon-neutrality/>

Renewable energy:

The roadmap laid down in the RED (Editor’s note: Renewable Energy Directive) must extend well beyond 2030 by setting targets for increased availability of renewable fuels and energy that will set the pathway to 100 % fossil-free fuels and energy for road transport, thereby helping Europe to achieve climate neutrality by 2050 and giving the right long-term signals to investors and industry. The RED proposal must address the massive potential of the existing and changing road transport fleet to use low-carbon sustainable liquid and gas fuels which can be distributed through the existing infrastructure. The potential for the current vehicle fleet to help reduce total road transport CO₂ emissions cannot be ignored.

ACEA requests that the 2030 RED target for road transport outlined in Article 25 is made far more ambitious and looks well beyond 2030 along the pathway to climate neutrality as addressed by other proposals in the Fit for 55 package.

https://www.acea.auto/files/ACEA_Position_Paper-RED-FQD.pdf

The Commission proposes a -100 % CO₂ target for both cars and vans by 2035, translating into a de facto ban on the internal combustion engine. Reaching such an ambitious target would require radical improvements in the enabling conditions, notably the rollout of a vast network of public and private charging points powered by renewable electricity.

https://www.acea.auto/files/ACEA_Position_Paper-Revision_CO2_targets_cars_vans.pdf

Carbon pricing:

ETS as a crucial part of the enabling policy framework:

- As part of a holistic policy approach and in line with science, an ambitious carbon price, which gradually increases to significantly higher levels than today, is crucial to drive the deployment of zero-emission technologies and adequately incorporate the total costs of CO₂ emissions.
- Carbon pricing should become a core element of EU decarbonisation policy in order to maintain Europe’s competitiveness and support the transformation towards carbon neutrality.
- A broad market uptake of alternatively-powered vehicles across all vehicle segments can only be expected if the carbon content of all energy carriers and CO₂ emissions are priced appropriately. All energy carriers should therefore be subject to a cap-and-trade system. Like electricity, where decarbonisation is already successfully driven by the system of ETS allowances, fuels should be part of the EU trading system in order to provide a cost-efficient market tool to reduce emissions.

https://www.acea.auto/files/ACEA_Position_Paper-ETS_road_transport.pdf

ACEA position on climate-related policies

GHG and fuel economy fleet regulations:

ACEA on the revision of EU CO₂ targets in the framework of the EU Commission's "Fit for 55" regulatory package:

- Leave 2025 target unchanged
- 2030 ambition level must be fully in sync with AFIR (Alternative Fuels Infrastructure Regulation) targets
- Too early to set long-term 2035 target; wait until 2028, together with strong review

https://www.acea.auto/files/fact_sheet_review_CO2_targets_cars_vans.pdf

It is therefore crucial that CO₂ targets are accompanied by equally ambitious mandatory targets for charging points and hydrogen stations in all 27 EU member states. This means that the CO₂ Regulation and the Alternative Fuels Infrastructure Regulation (AFIR) should be seen as one interlinked package: any changes to the ambition level of one piece of legislation must be reflected in the other.

Other enabling conditions:

- Fiscal and non-fiscal incentives are needed to keep mobility affordable for consumers and lower the total cost of ownership for professional operators.
- Other key enablers are measures to decarbonise the new and existing fleet. For instance, the promotion of renewable fuels, through an ambitious revision of the Renewable Energy Directive, the Emissions Trading System proposal and the Energy Taxation Directive.

Consistency is key. All pieces of the "Fit for 55" climate package are clearly strongly interconnected. Despite this, ACEA is concerned by the discrepancy in the level of ambition of the different components of the package. Ambitious car and van CO₂ reduction targets are simply not possible if the other puzzle pieces are not equally ambitious.

https://www.acea.auto/files/ACEA_Position_Paper-Revision_CO2_targets_cars_vans.pdf

Review results

- Based on our Ambition 2039, Mercedes-Benz Group intensively engaged in the position-making within the association regarding the legislative initiatives of the "Fit for 55" package of the EU Commission.
- Mercedes-Benz Group has constantly pushed for clear commitment on climate protection and ambition towards climate neutrality on all levels of association work (Board, Sherpa Group, Working Groups).
- Thereby, Mercedes-Benz Group achieved more progressive positions of the association on climate-related policies as the above listed extracts of ACEA positions demonstrate.
- The analysis shows that in principle Mercedes-Benz Group positions have a high congruence with ACEA key positions.
- On the basis of our Ambition 2039 and our dedicated electric vehicle strategy, the Mercedes-Benz Group will continue to advocate for an even more progressive positioning of ACEA.

United States: The Alliance for Automotive Innovation (Auto Innovators)

Vision/purpose

The Alliance for Automotive Innovation (Auto Innovators) works with policy makers to support cleaner, safer and smarter personal transportation that helps transform the U.S. economy, and sustain American ingenuity and freedom of movement.

<https://www.autosinnovate.org/about>

Membership of board/executive committee

Dimitrios Psyllakis
(CEO Mercedes-Benz USA)

Auto Innovators position on climate-related policies

Paris Agreement:
No distinct statement available

Carbon neutrality:

We stand ready to work with your Administration to define the bold, comprehensive vision and innovation that will place the U.S. at the forefront of creating a cleaner future for motor vehicle transportation. This transformation is greater than any one policy, branch or level of government, or industry sector. It will require a sustained holistic approach with a broad range of legislative and regulatory policies rooted in economic, social, environmental, and cultural realities. Such an approach will complement and amplify significant private sector resources that will accelerate a net-zero carbon transportation future. If we work without a comprehensive plan, our nation will fall short of this goal. (March 2021 letter of Auto Innovators to President Biden)

<https://www.autosinnovate.org/posts/communications/Auto%20Industry%20EV%20Policy%20Letter%20to%20President%20Biden%20March%2029%202021.pdf>

We are committed to the goal of net zero carbon transportation, and zero emission vehicles are critical to this goal.

<https://www.autosinnovate.org/posts/testimony/minnesota-clean-car-rulemaking>

Transformation:

We stand ready to work with the Administration to define the bold, comprehensive vision and innovation that will place the U.S. at the forefront of creating a cleaner future for motor vehicle transportation. This transformation is greater than any one policy, branch or level of government, or industry sector. It will require a sustained holistic approach with a broad range of legislative and regulatory policies rooted in economic, social, environmental, and cultural realities. Such an approach will complement and amplify significant private sector resources that will accelerate a net-zero carbon transportation future. If we work without a comprehensive plan, our nation will fall short of this goal.

<https://www.autosinnovate.org/posts/press-release/ev-policy-letter-to-president-biden>

**Auto Innovators
position on
climate-related
policies****Zero carbon technologies:**

The auto industry is committed to vehicle electrification and will invest 330 billion dollars in electrification by 2025. We strongly support the Administration's efforts to lead by example. Efforts from governments and stakeholders at all levels will be key to meeting our shared EV goals and we look forward to continuing to work with the Administration to achieve a cleaner transportation future. Through collaboration we can ensure that the transition to EVs benefits all communities, supports American workers, and enhances U.S. competitiveness and economic security.

<https://www.autosinnovate.org/posts/press-release/statement-on-biden-executive-order-on-net-zero-by-2050>

Renewable energy:

Develop a Federal Clean Fuels Policy that further supports reductions in transportation carbon emissions.

However, in order to drive real change, solidify U.S. leadership in clean energy innovation, and support a transition of the automotive workforce, we need to think big because individual policy proposals or investments alone will not result in a successful transition to a net-zero transportation future.

<https://www.autosinnovate.org/posts/communications/Auto%20Industry%20EV%20Policy%20Letter%20to%20President%20Biden%20March%2029%202021.pdf>

Carbon pricing:

No distinct position available

GHG and fuel economy fleet regulations:

Statement regarding the Environmental Protection Agency (EPA) final rule, Revised 2023 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions Standards:

EPA's final rule for greenhouse gas emissions is even more aggressive than originally proposed, requiring a substantial increase in electric vehicle sales, well above the four percent of all light-duty sales today. Achieving the goals of this final rule will undoubtedly require enactment of supportive governmental policies – including consumer incentives, substantial infrastructure growth, fleet requirements, and support for U.S. manufacturing and supply chain development. Collaboration between industries across the economy and government will be essential to achieving our shared goals for a cleaner transportation future that benefits all communities and enhances U.S. economic competitiveness.

<https://www.autosinnovate.org/posts/press-release/statement-final-epa-ghg-rule>

Review results

- Based on the Ambition 2039, Mercedes-Benz contributed in the position-making of the Auto Innovators association regarding climate-related policies.
- Although Auto Innovators did not make a statement on the Paris Agreement, the association is fully committed to accelerate a net-zero carbon transportation future.
- The analysis shows that in principle Mercedes-Benz Group positions are corresponding to the one's of Auto Innovators.
- In the future, Mercedes-Benz Group will steer discussions in the association for a stronger commitment on the goals of the Paris Agreement and for the support of carbon pricing mechanisms.

Germany: German Association of the Automotive Industry (VDA)

Vision/purpose

The car country as a mobility provider
 Germany is where the automobile was invented – and this equally refers to the passenger car, the truck, and the bus. And it is here that it is being reinvented over and over again, with passion and with the art of engineering. Making mobility even safer, more efficient, more comfortable, and better for the environment.

<https://www.vda.de/en/association>

We are ready.
 Our goal: Climate-neutral mobility until 2050. We are working with electric drive, with e-fuels, and with hydrogen. We are working on this and are already the European champion in e-cars.

<https://www.vda.de/en/association/about/we-are-ready>

Membership of board/executive committee

Ola Källenius
 (Chairman of the Board of Management of the Mercedes-Benz Group AG):
 Member of the Board of Directors of VDA

Paris Agreement and carbon neutrality:

The German automotive industry is taking up the challenge of climate protection. Our goal is climate-neutral mobility by 2050 at the latest – in line with the Paris climate targets.

<https://www.vda.de/en/Topics/european-agenda/fit-for-55/fleet-limit>

Transformation:

Manufacturers and suppliers are driving transformation – global competition requires better framework conditions for companies – building up infrastructure must strongly be accelerated.

The manufacturers and suppliers of the German automotive industry will invest more than €220bn in electromobility including battery technology, digitisation and other research fields between 2022 and 2026. With these investments and innovations the German automotive industry wants to continue to manufacture the world's safest, most efficient, high-quality and climate-neutral vehicles for all segments.

In addition to digitisation, the mission of climate neutrality is a task of the century and an enormous opportunity. We want to be a global example of a transformation that is geared towards climate goals and at the same time creates prosperity, economic growth and jobs.

Particularly important: Those who have the world's highest climate targets also need the best site conditions worldwide. We now need faster approval and planning procedures, massive investments in infrastructure and competitive taxes and energy prices.

https://www.vda.de/vda/en/Press/press-releases/2112_German-auto-industry-will-invest-more-than--220bn-in-research-and-development-by-2026

Zero carbon technologies:

Decisive climate-policy decisions are on the agenda, both in Germany and in Europe. “We need a clear impact assessment of the legislation, openness to all technologies, and innovations, if we are to overcome the challenges as efficiently as possible. We are backing the heavy investments in the ramp-up of e-mobility, along with hydrogen and e-fuels. These areas have major potential for innovation and employment. And with these technologies, combustion engines can also be climate-neutral. Our companies are driving the transformation – with conviction and creativity. Politicians should recognize these opportunities,” (Hildegard Müller, President of the VDA) stated.

https://www.vda.de/vda/en/Press/press-releases/210506_Transformation-in-the-auto-industry-set-to-cause-job-losses

Renewable energy:

The preconditions necessary to enable climate-neutral transportation must be created more quickly. Most worthy of mention here are:

The generation of 100 % renewable electricity and 100 % renewable fuels for transportation for which direct electricity use is not possible – this also requires accelerated grid expansion at all levels.

<https://www.vda.de/en/Topics/european-agenda/fit-for-55/fleet-limit>

In addition, the proposal for a recast Renewable Energy Directive (RED) is not ambitious enough. It is true that the quota for renewable fuels is being raised significantly, but the proposal does not go far enough. According to calculations by the VDA, the mix will need to have 30 percent renewable fuels in 2030 so that the vehicles already on the roads can make a sufficient contribution to achieving the climate targets.

https://www.vda.de/vda/en/Press/press-releases/210714_PM_Fit-for-55_Ambitious-targets-need-all-technologies-and-appropriate-regulatory-conditions

Carbon pricing:

In the medium term, the transport sector should gradually be included in EU emissions trading. As a central instrument in achieving the climate targets, it should become the lead instrument for achieving the goal of climate neutrality in transport after 2030. Following a two-stage procedure makes sense for this path. To begin with, fuels are included in a specific emissions trading for transportation (upstream emissions trading). This specific emissions trading can be transferred to a uniform European emissions trading system after a defined transition phase. This two-tier system allows for adjustments to the system. Market-based instruments currently play far too small a role in achieving climate goals. The extension of EU emissions trading to the transport sector is important and should be tackled gradually: In this way, we will succeed in minimizing greenhouse gas emissions within the European Union in an economically efficient way.

<https://www.vda.de/en/Topics/european-agenda/fit-for-55/emissionshandel>

GHG and fuel economy fleet regulations:

VDA on the revision of EU CO₂ targets in the framework of the EU Commission's Fit for 55 program:

- EU Commission's proposal to keep 2025 CO₂ targets is positive since this provides necessary lead-time and planning certainty
- Proposed 2030 CO₂ targets are very ambitious and only achievable if appropriate framework conditions will be in place, especially sufficient public and private charging infrastructure as well as adequate incentive and taxation schemes fostering electric mobility
- Setting of 2035 targets comes too early; it should be postponed to a revision of the regulation in 2028

[VDA Positionspapier](#)

**Review
results**

-
- Based on our Ambition 2039, Mercedes-Benz Group intensively engaged in the position-making within the VDA regarding the legislative initiatives of the Fit for 55 package of the EU Commission.
 - The Mercedes-Benz Group has constantly pushed for clear commitment on climate protection and ambition towards climate neutrality on all levels of association work (Board, Sherpa Group, Working Groups).
 - Thereby, the Mercedes-Benz Group achieved more progressive positions of the association on climate-related policies as the above listed extracts of VDA positions demonstrate.
 - The analysis shows that in principle Mercedes-Benz Group positions have a high congruence with VDA key positions.
 - On the basis of our Ambition 2039 and our dedicated electric vehicle strategy, the Mercedes-Benz Group will continue to advocate for an even more progressive positioning of VDA.
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In the following chapter, the report describes the sustainability governance of the Mercedes-Benz Group and lists an extract of company memberships in associations and organisations with influence on climate-related policies.

Sustainability governance and memberships

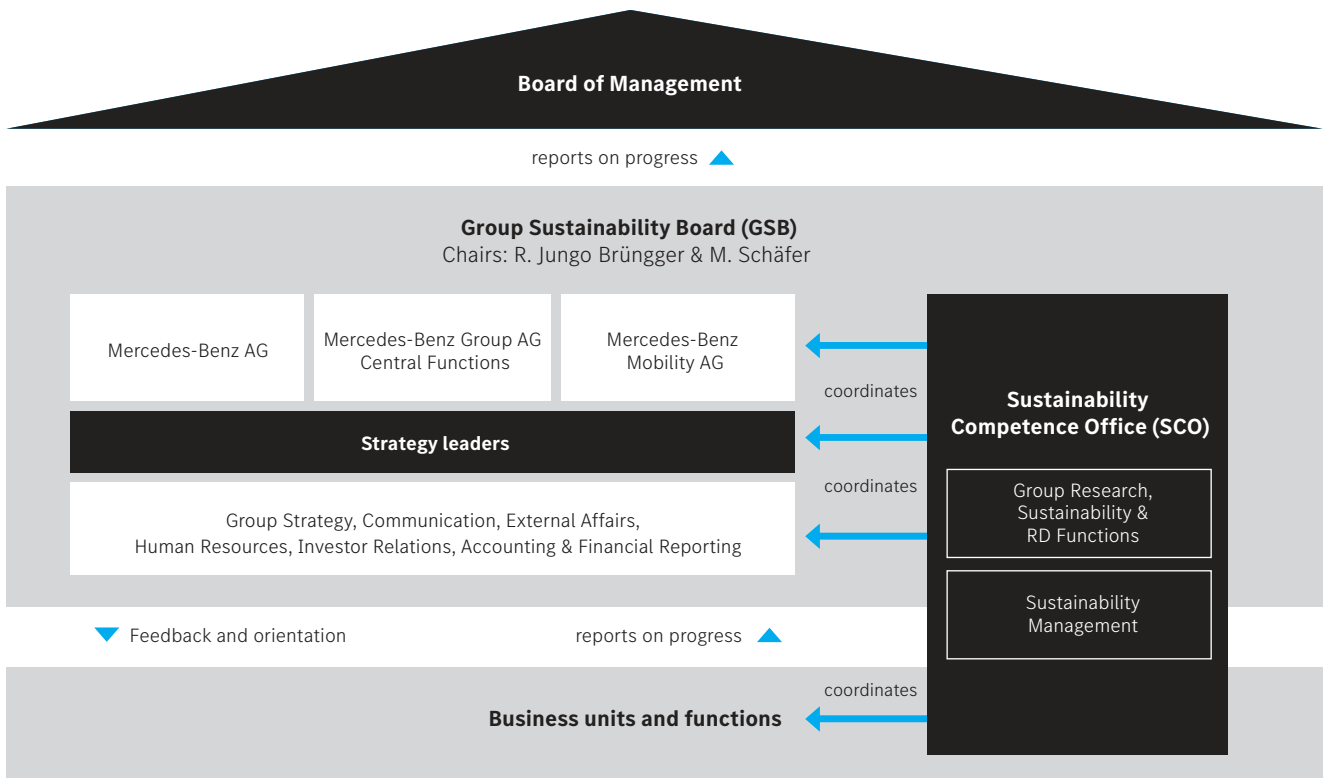
Governance

The Group Sustainability Board (GSB) is our central management body for all sustainability issues and reports to the Board of Management of Mercedes-Benz Group AG. The GSB has a shared management structure, with Renata Jungo Brüngger (the Board of Management member responsible for Integrity and Legal Affairs) and Markus Schäfer (the Board of Management member responsible for Development & Purchasing; also Mercedes-Benz Cars Chief Technology Officer) serving as Co-chairs. The members of the GSB are the Chairman of the Board of Management and the Board of Management members responsible for Finance, Marketing & Sales as well as representatives of further important functions and divisions. The GSB regularly submits progress reports, as well as proposals for decisions regarding the areas of action that are part of the Group's sustainable business strategy, to the Board of Management.

The Board of Managements decides with the approval of the Supervisory Board on transformation goals, which include non-financial goals as well as sustainability-related targets. The operational work is done by the Sustainability Competence Office (SCO), which consists of representatives from the units managed by the two Co-chairs of the GSB as well as additional representatives from Corporate Strategy, Finance and Corporate Communications. Besides performing its other tasks, the SCO also monitors the progress made in the six areas of action and the three enablers defined in the sustainable business strategy. The results are reported to the GSB and the Board of Management in the form of detailed scorecards at least once a year.

With the help of a tracking list, the GSB also monitors whether the activities that have been decided on have been implemented.

[Sustainability Report 2021 of the Mercedes-Benz Group](#)



Statement:



The most important message is that we have consistently anchored sustainability in our core business. And that we have made important progress in all strategic fields of action.

Renata Jungo Brünger – Member of the Board of Management of Mercedes-Benz Group AG.
Integrity & Legal Affairs

The External Affairs unit is the central coordinating body of the Mercedes-Benz Group for political dialogue at the national and international levels. It is located in Stuttgart and falls under the responsibility of the Chairman of the Board of Management. The External Affairs unit shapes the Group's relations via a global network with offices in Berlin, Brussels, Beijing and Washington as well as corporate representations in our markets. External Affairs' aim is to provide content that has been coordinated throughout the Group for the political representation of our interests and to address political and social target groups in a coordinated manner.

The head of the External Affairs unit is a permanent member of the Group Sustainability Board and as such is an active contributor to its work on many topics relevant to sustainability. In addition, External Affairs cooperates closely with the members of the Board of Management and divisional experts on questions related to the representation of our interests. To this end, External Affairs organises the meetings of the Governmental Affairs Committee for various Board of Management divisions. At these meetings, which are held several times a year, the Head of External Affairs and other representatives from the unit hold discussions with Board of Management members and other top managers to coordinate the positions for the political dialogue.

External Affairs regularly receives individual stakeholder inquiries concerning various topics related to sustainability. These inquiries are addressed directly and locally by divisional experts and business units. This approach brings our stakeholders closer to our business operations and makes it possible to directly incorporate specialised knowledge into the dialogue. Individual inquiries are also reported at the meetings of our sustainability bodies so that they can be taken into consideration in our strategic decisions.

The External Affairs unit ensures that the positions taken in the political representation of our interests correspond with the goals and content of the Mercedes-Benz Group's sustainable business strategy as well as with our policies and other public statements.

[🔗 Sustainability Report 2021 of the Mercedes-Benz Group](#)

Memberships

In the following, we listed an extract of memberships in associations or organisations which we evaluate as particular influential on climate-related policies. A long list of memberships is publically available in the Mercedes-Benz Group sustainability report as well as in the transparency registers of the European Union and of the German Bundestag.

[Sustainability Report 2021 of the Mercedes-Benz Group](#)
[Transparency Register of the European Union](#)
[Lobbying register of the German Bundestag](#)

Name	Membership/ support since	Sphere of action	Founding groups and main partners
UN Global Compact – a UN initiative for promoting human rights, occupational standards, environmental protection and the prevention of corruption	2000	Worldwide	A UN initiative for promoting human rights, occupational standards, environmental protection, and the prevention of corruption; the worldwide participants are companies and organisations from civil society and the fields of politics and science.
Global Reporting Initiative	2006	Worldwide	Established by Ceres & UNEP; supported by a broad network of companies, NGOs, public agencies, scientists, consulting firms etc.
World Business Council for Sustainable Development (WBCSD)	2013	Worldwide	The WBCSD was founded in 1992 in the run-up to the Rio Earth Summit, with the goal of firmly establishing the concept of sustainable development in the world of business. It is managed by its member companies; the members are almost 200 companies from diverse sectors.
The Climate Pledge	2020	Worldwide	An association of companies that have committed themselves to be CO ₂ -neutral by 2040 – ten years earlier than the target of 2050 stipulated in the Paris Agreement.
Transform to Net Zero	2020	Worldwide	An initiative from Microsoft – brings together renowned companies to promote the decarbonisation of the economy and society.

Name	Membership/ support since	Sphere of action	Founding groups and main partners
European Round Table (ERT)	2020	EU	A network of European companies in the manufacturing and tech sectors.
World Wide Fund for Nature (WWF) Germany	1974	Germany	International nature conservation and environmental protection organisation.
Federation of German Industries (BDI)		Germany and EU	Umbrella organisation of German industry and industry-related service providers in Germany; represents 38 sector associations.
German Association of the Automotive Industry (VDA)	1954	Germany	The more than 600 companies that are VDA members are producers for the automobile industry in Germany. As the representative of this key sector of the German economy, the VDA is involved in an active dialogue with representatives of industry, the public sector, politics and customers.
European Automobile Manufacturers' Association (ACEA)	1974	EU	ACEA represents the interests of the 16 major Europe-based automobile manufacturers.
Alliance for Automotive Innovation (Auto Innovators)		USA	Auto Innovators is comprised of the manufacturers producing nearly 99% of new cars and light trucks sold in the U.S. as well as original equipment suppliers, technology and other automotive-related companies, and trade associations.
Japan Automobile Importers Association (JAIA)		Japan	Auto importers
Korea Automobile Importers & Distributors Association (KAIDA)		South Korea	Auto importers and distributors

