

Investor Relations Release

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“Ambition2039”: Our path to sustainable mobility

- **Over the next 20 years, Mercedes-Benz Cars aims to have a carbon-neutral new passenger car fleet and aims to have plug-in hybrids or all-electric vehicles to make up more than 50% of its car sales by 2030.**
- **Focus on the customer: The electric offensive offers customers attractive products and access to convenient, user-friendly services.**
- **Important milestones: CO2-neutral production in Europe as of 2022, agreement on concrete CO2 measures with suppliers and joint design of infrastructure.**
- **“Ambition2039” as concrete milestone of a holistic, sustainable corporate strategy Mercedes-Benz Cars.**

Stuttgart - Daimler AG is pushing ahead with the transformation to emission-free mobility. Sustainability is one of the key elements of Daimler’s corporate strategy and at the same time a benchmark for corporate success. The future Chairman of the Board of Management of Daimler AG, Ola Källenius, who is currently still responsible for Group Research & Mercedes-Benz Cars Development as a member of the Board of Management at Daimler AG, presented the targets for the car division under the heading “Ambition2039” at a press event. Below you will find the speech abstract of Ola Källenius.

“First Move the World” – that’s our purpose at Mercedes-Benz Cars. That’s the deeper meaning of our work, what drives us, our “why”. “First Move the World” means going for more than just immediate objectives. This inner unrest for what’s next is part of our company’s DNA. Therefore, it’s also a cornerstone of the new sustainable business strategy we are currently working on. Although this strategy has several dimensions, one of the defining issues is how we address our CO2 footprint. At Mercedes-Benz we strive for the best and our customers expect us to deliver sustainable and fascinating mobility. So, one of the key questions we are addressing is this: What are we doing to make sure our customers can switch to carbon neutral mobility in the future? The answer is our **“Ambition2039”**:

We aim to have a carbon-neutral new passenger car fleet in 20 years

Let’s be clear what this means for us: a fundamental transformation of our company within less than three product cycles. That’s not much time when you consider that fossil fuels have dominated our business since the invention of the car by Carl Benz and Gottlieb Daimler some 130 years ago. But as a company founded by engineers, we believe technology can also

help to engineer a better future. Our way to sustainable mobility is innovation – in a holistic approach along the entire value chain.

We want to offer our customers a carbon-neutral driving experience

Today in Oslo, at the press test drive of our Mercedes-Benz EQC (combined electric energy consumption: 20.8 – 19.7 kWh/100 km; combined CO₂ emissions: 0 g/km*), we are introducing the first of an entire generation of electric Mercedes models. By 2030 we aim to have electric models make up more than half of our car sales – that includes all-electric cars and plug-in hybrids. We will continue to offer our customers performance and luxury from Mercedes. At the same time we want to significantly reduce CO₂ emissions per vehicle. Our R&D team is working together with established partners and startups alike to bring EV performance up and costs down. Our approach also includes the continuous development of our mobility services, to spread the use of electric models. In addition to cars, we're also electrifying our vans, trucks and buses. And the modular development enables the rapid transfer of technology between our divisions. Our current focus is on battery-electric mobility. But there's also room and need to continue to work on other solutions, for example, the fuel cell or eFuels. Our GLC F-CELL (combined hydrogen consumption: 0.34 kg/100 km, combined CO₂ emissions: 0 g/km, combined power consumption: 13.7 kWh/100 km**) is one proof point. This technology will also find use in our city buses. Today, no one knows for sure which drivetrain mix will best serve our customers' needs 20 years from now. That's why we encourage policy makers to pave the way for tech neutrality: Let's fix the target, but not the means to achieve it.

We strive for carbon-neutral production

Our Factory 56 is the blueprint: This new addition to our Sindelfingen plant uses renewable energy and will be CO₂-neutral from the start. Next, all of our European plants will follow by 2022. Our new production site in Jawor, Poland, shows how sustainability and cost efficiency go together: Not only does wind power make production greener, it also makes it more economical at this site than possible with conventional power.

Electricity from renewable sources will also be used for production of the EQC at our plant in Bremen and our battery production in Kamenz, Saxony. A holistic view on carbon cutting also includes the recycling of raw materials. Mercedes cars have a potential recycling ratio of 85 percent. So, we are moving from a value *chain* to a value *cycle*.

We will drive our supply chain to follow our ambition

Driving our suppliers and partners to comply with our objective of carbon neutrality is important to us. The starting point is in creating transparency. To this end we are working with organizations like CDP to assess the environmental impact of our supply chain. Next, we are currently conducting workshops with suppliers to identify effective CO₂ reduction measures. Our goal is to establish CO₂ targets as one key criteria in making supplier decisions and contracts across all major commodities.

We inspire our customers for carbon-neutral mobility and enable access to emission free driving

Electricity in the life cycle of an electric car is – in some regions – a very significant source of CO₂ depending on how it's generated. We want to inspire our customers to charge their green vehicles with green energy. With Mercedes Me Charge, for example, we enable drivers to conveniently charge their cars at various public charging stations in Europe, wherever possible with energy from renewable sources. But the transformation to a sustainable mobility of the future will only succeed if the auto industry, energy suppliers and policy makers are working hand in hand. It requires massive investments and tangible action also beyond the auto sector. Carbon-neutral energy and a comprehensive infrastructure are indispensable for this system change. And we are open to a discussion on effective CO₂ pricing as well as incentives for low/ no carbon technology - preferably on a global scale.

We mean it

To us the Paris Agreement is more than an obligation – it's our conviction. And we have set a clear course to help prevent further acceleration of climate change. However, this transformation is a huge challenge – technologically and financially. After all, we want to make sustainable mobility even more exciting, not more expensive. And of course this is also about sustainable business results. How do we deal with this? One way would be to shy away and just try to safeguard the status quo. But that would not serve our purpose - and certainly not our future. So, we prefer doing what our founders have done: They became system architects of a new mobility without horses. Today, our task is individual mobility without emissions.

And again, it takes technology and determination. To underline that we mean it, part of the compensation of our board of management is linked to the achievement of our sustainability goals – including our CO₂ footprint. We'll all have to get out of our comfort zones to find new ways to move forward. We're seeking close alignment with our workforce and their representatives on this path. This transformation is the task of our generation and I'm absolutely confident: We have the right team to deliver. This strategy will help us stay in a leading position in the auto industry.

The speech abstract can also be found under the following link:

<https://blog.daimler.com/en/2019/05/13/mercedes-carbon-neutral-e-mobility/>

*Electric energy consumption and range have been determined on the basis of Regulation (EC) No. 692/2008. Electric energy consumption and range depend on the vehicle configuration.

** Figures for fuel consumption, electrical consumption and CO₂ emissions are provisional and were determined by the technical service for the certification process in accordance with the WLTP test method, and correlated into NEDC figures. The EC type approval and a certificate of conformity with official figures are not yet available. Differences between the stated figures and the official figures are possible.

This document 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, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates and 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 shortages 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 we describe under the heading “Risk and Opportunity Report” in the current Annual 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.

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