

Mercedes-Benz

Press Information May 9, 2023

Mercedes-Benz AG to integrate aluminium with almost 70 per cent CO₂ reduction into series production

- Aluminium with almost 70 per cent CO₂-reduction compared with the European average and minimum of 25 per cent recycled content has passed the validation test for use in demanding structural cast components.
- Integration starting this year: Mercedes-Benz will integrate safety-relevant components made of low CO₂ aluminium in large-scale production.
- Sustainable EV Ramp-up: EQS and EQE among the first models to be equipped with the CO₂ reduced material.
- Responsible Sourcing: Mercedes-Benz is committed to the responsible sourcing standards of the Aluminium Stewardship Initiative.

Stuttgart. After announcing the <u>technology partnership</u> with aluminium producer Hydro in December 2022, Mercedes-Benz presents first results of its low-carbon-technology roadmap. Following a successful testing phase of low carbon aluminium with a minimum 25 per cent share of post-consumer scrap, the company is bringing demanding structural cast components made of the more sustainable material into series production this year. The tested aluminium comes with a carbon footprint of just 2.8 kg CO₂ per kg of aluminium.

"On our path to achieving a net carbon neutral vehicle fleet along the entire value chain by 2039, we are reaching the next milestone: Together with our strategic partner Hydro we are bringing low carbon aluminium into our series models as early as this summer. Thereby we are reducing the CO_2 footprint of the aluminium by as much as 70 per cent compared with the European average. Among the first models to be equipped with the more sustainable material will be our EQS as well as the EQE."

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

Processing of low-CO₂ aluminium for series models

Today, Hydro already supplies Mercedes-Benz with CO_2 -reduced aluminium that comes from electrolysis powered by renewables. As a next milestone, Hydro will supply further, even more CO_2 -reduced aluminium to the foundry at the Mercedes-Benz plant Untertürkheim (Mettingen section). This material accounts for about 60 per cent of the total aluminium used of this alloy type in the Mettingen foundry and includes a post-consumer scrap content of at least 25 per cent. In Mettingen, the material is cast into sophisticated structural

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The figures are provided in accordance with the German regulation 'PKW-EnVKV' and apply to the German market only. Further information on official fuel consumption figures and the official specific CO₂ emissions of new passenger cars can be found in the EU guide 'Information on the fuel consumption, CO₂ emissions and energy consumption of new cars', which is available free of charge at all sales dealerships, from DAT Deutsche Automobil Treuhand GmbH and at wow dat de

components for body-in-white applications. Among other parts, the material is being used for safety-relevant components, such as the shock towers for the models EQS, EQE, S-Class, E-Class, GLC and C-Class. Furthermore, the EQE will be equipped with longitudinal members made of low CO₂ aluminium. Mercedes-Benz also plans to use the material for various other parts such as the support frame for the electric powertrain of the upcoming vehicle platform MMA (Mercedes Modular Architecture).

Decarbonisation of the aluminium supply chain: Technology roadmap

The integration of the material into large-scale series production is the first proof point of the partnership between Mercedes-Benz and Hydro. Both partners agreed on a technology roadmap with the goal of reducing carbon emissions in the aluminium supply chains to a minimum. As part of the company's Ambition 2039, Mercedes-Benz aims to integrate aluminium with a carbon footprint decreased by 90 per cent compared with the European average into its vehicles by 2030. Measures on this way include the use of CO_2 -optimised aluminium oxide and reductions of CO_2 emissions resulting from the electrolysis process by using green electricity and innovative technologies.

At the same time, the partners are working on increasing the recycled material content. Within the next ten years, Mercedes-Benz aims to increase the share of secondary raw materials in its passenger car fleet to an average of 40 per cent.

Actively pursuing a responsible and sustainable supply chain

Mercedes-Benz is fully committed to the responsible sourcing of aluminium and will extend its use of materials certified from mine to supplier according to the standards of the Aluminium Stewardship Initiative (ASI). In addition, Mercedes-Benz and Hydro are jointly working towards transparent and inclusive processes, putting affected rightsholders at the centre. Low hurdles for participation for mining communities and indigenous peoples are key to effective human rights due diligence, including in certification schemes.

About Mercedes-Benz

Mercedes-Benz has set itself the target of making its fleet of new vehicles net carbon-neutral over the vehicles' entire life cycle by 2039. When it comes to sustainability, the company is focused on the consequent reduction of CO₂ emissions as well as the preservation of resources. In 2020, Mercedes-Benz Cars and Mercedes-Benz Vans already sent out an ambition letter to suppliers of production materials. This was a declaration of intent on net carbon-neutral products and established approval as a prerequisite for awarding contracts. Suppliers representing almost 90 per cent of Mercedes-Benz's annual purchasing volume have already signed the letter.

The vehicle manufacturer's "<u>Design for Environment</u>" approach takes resource preservation from the very earliest stages of product development into account. Together with its partners, Mercedes-Benz is researching more sustainable material technologies and working intensively towards circularity.

About Hydro

Hydro is a Norwegian leading aluminium and energy company that builds businesses and partnerships for a more sustainable future. Since 1905, Hydro has turned natural resources into valuable products for people and businesses, creating a safe and secure workplace for its 31,000 employees in more than 140 locations and 40 countries. Today, Hydro owns and operates various businesses and have investments with a base in sustainable industries. Hydro is present in a broad range of market segments for aluminium and metal recycling, plus energy and renewables. Hydro is committed to leading the way towards a more sustainable future, creating more viable societies by developing natural resources into products and solutions in innovative and efficient ways.

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Mercedes-Benz AG at a glance

Mercedes-Benz AG is part of the Mercedes-Benz Group AG with a total of around 170,000 employees worldwide and is responsible for the global business of Mercedes-Benz Cars and Mercedes-Benz Vans. Ola Källenius is Chairman of the Board of Management of Mercedes-Benz AG. The company focuses on the development, production and sales of passenger cars, vans and vehicle-related services. Furthermore, the company aspires to be the leader in the fields of electric mobility and vehicle software. The product portfolio comprises the Mercedes-Benz brand with the brands of Mercedes-AMG, Mercedes-Maybach, Mercedes-EQ, G-Class as well as products of the smart brand. The Mercedes me brand offers access to the digital services from Mercedes-Benz. Mercedes-Benz AG is one of the world's largest manufacturers of luxury passenger cars. In 2022 it sold around two million passenger cars and 415,300 vans. In its two business segments, Mercedes-Benz AG is continually expanding its worldwide production network with around 35 production sites on four continents, while gearing itself to meet the requirements of electric mobility. At the same time, the company is constructing and extending its global battery production network on three continents. As sustainability is the guiding principle of the Mercedes-Benz strategy and for the company itself, this means creating lasting value for all stakeholders: for customers, employees, investors, business partners and society as a whole. The basis for this is the sustainable business strategy of the Mercedes-Benz Group. The company thus takes responsibility for the economic, ecological and social effects of its business activities and looks at the entire value chain.