DAIMLER

Scope 3 emissions Mercedes-Benz Cars

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GRI 305-3

Most of our CO_2 emissions are generated during the use phase of a vehicle. But greenhouse gas emissions are also generated in other segments of a vehicle's life cycle, and we take that into account in our overall CO_2 balance sheet. We record the key figures we need for life cycle assessments and publish them in line with the 2004 Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol Initiative.

The Greenhouse Gas (GHG) Protocol was formulated with the participation of several NGOs and with scientific support. The goal was to standardize the emissions reporting of companies and organizations. According to recognized experts, limiting the pace of global warming will be facilitated if greenhouse gases are recorded and reported according to a uniform procedure. This makes it possible to uniformly formulate the targets for emission reduction, manage the reduction process, and compare companies with one another.

In line with this leading global life cycle assessment standard, we divide our CO_2 emissions into three categories called the Greenhouse Gas Scopes. Scope 1 comprises all the emissions we cause ourselves through the combustion of energy carriers at our production locations, such as the generation of electricity and heat in our own power plants. Scope 2 includes all emissions that are due to the generation of energy we purchase from external sources, such as electricity and district heating. Scope 3 includes all the emissions that are generated before (upstream of) or after (downstream of) our production operations. For example, Scope 3 includes the CO_2 emissions that arise in the supply chain (purchased goods and services), as a result of our vehicles' operation in customers' hands (the use phase, including the production of fuel and electricity), or in the recycling phase of the vehicles.

The GHG Protocol specifies a total of 15 categories of Scope 3 emissions. The determination of Scope 3 emissions is based on comprehensive methodological considerations and complex calculations. Daimler AG is one of the leading companies that have analyzed the specifics of Scope 3 from the beginning and developed expertise in this area.

Most (approximately 80 percent) of our reported Scope 3 emissions (Mercedes-Benz Cars) are generated during the use phase – in other words, during the production of fuel and the generation of electricity (well-to-tank) and the driving operation of our products (tank-to-wheel). About 17 percent of our indirect Scope 3 emissions are due to our supply chain, which provides us with goods and services.

We currently determine the CO_2 emissions of our cars in the use phase on the basis of our worldwide car sales figures and the fleet's average normalized CO_2 emissions figure. For this calculation, we assume that each car travels 20,000 kilometers per year. We also assume that each car is used for a period of ten years. The average total mileage thus amounts to 200,000 km per car.

Scope 1, 2 and 3 emissions worldwide for Mercedes-Benz Cars*

	2019		2020	
Scope 3	**Specific** CO_2 in t per car	**Absolute** CO_2 in million t***	**Specific** CO_2 in t per car	**Absolute** CO_2 in million t***
Procured goods and services	7.8	18.5	8.1	17.0
Logistics	1.0	2.3	1.0**	2.1**
Business travel	0.015	0.036	0.006	0.012
Employee traffic	0.063	0.151	0.060	0.125
Use phase of our products (well-to-tank)	5.0	12.0	5.6	11.8
Use phase of our products (tank-to-wheel)	35.0	83.4	33.7	70.4
Recycling and waste disposal	0.4	1.0	0.4	0.8
Scope 1 and 2				
Manufacture	0.7	1.1	0.8	0.9
Total	50.0	118.5	49.7	103.2

* Figures are rounded

** Forecast values

*** Absolute Scope 3 emissions refer to vehicles sold (2019: 2,385,400; 2020: 2,087,200).
Absolute Scope 1, 2 emissions refer to vehicles build from fully consolidated sites, without third-party products (2019: 1,593,476; 2020: 1,230,733)

It is safe to assume that Scope 3 reporting will play an important role in the struggle to limit climate change in the future. It will create more transparency and trigger a competition among CO_2 emitters to develop the most effective way to limit the greenhouse gases that are damaging the climate.