

CO-DESIGN
CO-INVOLVE
CO-DETERMINE

2024 activity report



Mercedes-Benz
GENERAL WORKS
COUNCIL



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EDITORIAL

CO-CREATE CO-INVOLVE CO-DETERMINE

Dear colleagues,

"Democracy is not a state, but a task." With this apt statement by Wolfgang Thierse, the former President of the German Bundestag reminds us that the achievements that we can look back on with particular pride this year - 75 years of the Basic Law and 75 years of the Collective Labour Agreement Act - cannot be taken for granted. Rather, they are the foundation to which we know our rights as employees are firmly anchored. Our rights that enable us to co-determine and participate in decisions in our working world.



Mercedes-Benz General Works Council

These milestones in the history of our democracy remind us never to take the importance of co-determination in our society and in our company for granted. The rights and freedoms that these laws guarantee us are achievements that must be protected.

Co-determination is not a gift, but a valuable asset that we must constantly work for and defend together. Especially in times of change and uncertainty, it is important that we remain aware of our strength, our rights and our unity.

Co-determination gives us the strength to stand together in solidarity, raise our voices and confidently demand our rights and interests as a workforce. We take an active role in shaping our working conditions according to our ideas, having a say and making our working environment a place that puts the interests of employees at the center. And we know this: Only together are we strong enough to successfully overcome the challenges of the present and the future.

The past few months have once again made it clear how crucial it is to stand united and consistently exercise our co-determination rights. Together, we have worked hard to ensure that the voices and concerns of employees are not only heard, but also taken seriously and placed at the center of business decisions – whether in overcoming economic challenges, developing working conditions or creating prospects for the future. Our aim is to resolutely represent the interests of the workforce and ensure that our concerns have a direct influence in negotiations, in important decisions and in the further development of our company.

"CO-CREATE, CO-INVOLVE, CO-DETERMINE"
This motto not only stands for the principles of our work, but also for our commitment to representing the interests of our colleagues in the sense of active co-determination.

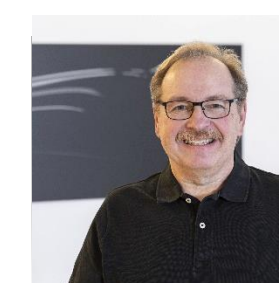
Under the motto "CO-CREATE, CO-INVOLVE, CO-DETERMINE", we as the General Works Council provide an overview of our work over the past year in this activity report. We show what successes and progress we have achieved, but also what tasks still lie ahead of us. The motto not only stands for the principles of our work, but also for our commitment to representing the interests of our colleagues in terms of active co-determination. Our work will continue to be characterized by the awareness that only a strong and united workforce can successfully protect and expand its rights. This is what we are committed to as local works councils and as the General Works Council: through action that is visible and agreements that are tangible.

Let's remain united in the future and use the power of co-determination to be successful together and work for a fairer and more humane working world.



Ergun Lümalı

Chairman of the Mercedes-Benz General Works Council



Michael Häberle

Deputy chairman of the Mercedes-Benz General Works Council

Your General Works Council and its committees

The General Works Council (GBR) represents the interests of Mercedes-Benz employees in Germany. It is made up of representatives from all plants and divisions. As a rule, the locations in Germany delegate the chairs and deputy chairs of the local works council committees to the GBR. In addition, there are five representatives from the branches and one representative of Mercedes-Benz Sales Germany (MBVD) from Berlin.

Hamburg plant Works Council



Jörg Thiemer



Torsten Ahrens

Chairman of the company pension scheme working group

Bremen Works Council



Michael Peters

Chairman of the Commission for Labour Policy



Serkan Gök

Düsseldorf plant Works Council



Metin Gürbüz



Anil Simsek

Own retail district representative



Ulrich Thieme

Hamburg outlet

GLC/LC - Logistics Centre
Hanover Works Council



Sven Dedden

Chairman of the Logistics Commission

Berlin plant Works Council



Fevzi Sikar

Chairman Commission for Occupational Safety, Environment and Health



Bojan Westphal

Chairman of the IT Commission/Plants

MBVD Works Council



Marcus Oremek

Own retail district representative



Holger Konrath

Rhine-Ruhr outlet

GLC/LC - Global Logistics Centre
Germersheim Works Council

**Kai Ackermann**

Rastatt plant Works Council

**Murat Sür**

Chairman of the Commission
for Education and Training

**Torsten Höink**

Chairman of the Ideas
Management Working
Group

Kuppenheim/WTRA plant Works Council

**Denise Jusic**

Sindelfingen Works Council

**Ergun Lümalı** (Chairman)

Chairman of the Negotiating Committee,
Chairman of the Economic, Innovation and
Investment Committee

**Stefan Heinzl**

Chairman of the Personnel Commission

Untertürkheim Works Council

**Michael Häberle** (Deputy Chairman)**Michael Clauss**

Chairman of the Remuneration
Commission, Chairman of the
Technical Commission

Own retail district representative

**Christine Kuwaldt**

Frankfurt outlet

Own retail district representative

**Michael Bettag**

Nuremberg branch,
Chairman of the Own Retail
Committee

HQ Works Council

**Sabine Winckler****Tim Strebe**

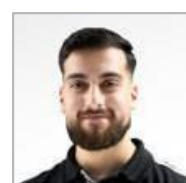
Own retail district representative

**Jens Klaiber**

Stuttgart outlet

Guests

**General Youth and Trainee
Representation**

**Emre Ibis**

**Representation of the
severely disabled**

**Walter Wendt**

**Mercedes-Benz Ludwigsfelde
GmbH Works Council**

**Hanns-Christoph
Schneider**

Supervisory Board

**Gabriela
Neher**

Supervisory Board

**Monika
Tielsch**

**Supervisory Board/IG
Metall**

**Sebastian Fay**

Supervisory Board/IG Metall

**Roman
Zitzelsberger**

#01

Our working conditions:

CO-CREATE

Link between the workforce and company management: as a Works Council, we ensure that our working conditions are not only determined from above, but also that the interests of the employees are heard and solutions are developed together. We create security and stability in turbulent times with pioneering general works agreements.

Extension of the framework social plan

A framework social plan is an important instrument in the context of a company's social responsibility towards its employees. It provides a safety net for employees in the event of operational changes due to restructuring, plant closures, relocations or rationalisation measures.

At the end of 2023, the General Works Council and company management agreed to extend the

framework social plan until the end of 2032. Overall, we were also able to significantly **improve the conditions in favour of employees** once again. Among other things, the basic and additional amounts, the amount of severance pay for employees seeking retirement, the mobility allowance and the travel allowance were increased. This is a great success that shows: **When we have a say, we end up with a better deal for the employees.**



A framework social plan is an agreement between the Works Council and the company. The legal basis for this is anchored in the Works Constitution Act (BetrVG), in particular in Sections 111 et seq. BetrVG. A framework social plan is therefore a result of the co-determination rights of the Works Council. It aims to mitigate disadvantages for employees that result from operational changes. In the case of a framework social plan, such as the one negotiated between the General Works Council and the company at the end of 2023, both parties draw up arrangements that apply to future operational changes that are not yet specifically planned, irrespective of a specific operational change. The framework social plan ensures that an amicable solution can be reached quickly between the employer and the Works Council in the event of changes to the company in order to protect the interests of employees in the best possible way.



Profit sharing

Thank-you for your exceptional performance in 2023: another record profit share of EUR 7300

2023 was another year full of challenges and changes. Global conditions were difficult, times were uncertain and yet the Mercedes-Benz workforce achieved a great

deal with enormous flexibility. Despite the difficult environment, they made it possible

for the company to be very successful in 2023. More than two million vehicles sold are clear proof of this.

In recognition of these achievements and the high level of flexibility, the General Works Council and company management have agreed to honour this outstanding commitment once again, with a **record profit share of 7300 euros for the 2023 financial year**. Around 100,000 eligible colleagues in Germany received the profit-sharing bonus with their April 2024 salary.

Last year, the General Works Council and the company decided to reorganise the profit-sharing scheme in the "Framework General Works Agreement on Profit-Sharing", which has now

come into effect for the first time. **Profit-sharing is now based on the company's target achievement**. For pay-scale employees entitled to profit-sharing, the calculation logic has been standardized with the existing system of bonuses for senior executives and

L4 managers, thus creating significantly more potential for employees. The fact that we as the General Works Council **have a say in your interests pays off** and helps us as a company to move forward in the long term.

The profit-sharing scheme was negotiated individually for the employees in the company-owned retail outlets [\(p. 17\)](#).



Recognition bonus for temporary employees

As a Works Council, it has always been very important to us that our **colleagues in temporary employment share in the company's success**.

The general works agreement on increasing personnel flexibility (DMove) stipulates that they receive a "recognition bonus" if the employees of the Mercedes-Benz companies receive a profit-sharing bonus. The prerequisites are more

than two months employment via a temporary employment agency in production in the calendar year in question and employment with the same temporary employment agency at the time of payment of the profit-sharing bonus.

We are very pleased that we were able to achieve a **recognition bonus of 10% of the profit share for the 2023 financial year in all production plants** where temporary workers are employed.



More money for holiday workers

Recruiting holiday workers on the market is becoming increasingly difficult, and Mercedes-Benz is not immune from this. The "Welcome Back Bonus" agreed for 2023 - a one-off incentive of 200 euros for returning holiday workers in production - unfortunately did little to change this. The General Works Council and company have therefore jointly decided to **make the remuneration for holiday workers in the direct sector even more attractive: On 1 May 2024, the incentive payment for holiday workers in production increased by 200 euros per month**.

As early as 2022, we agreed with the company on the remuneration of **holiday employees and working students in indirect units** in a general works agreement. The agreement sets out a **gradual increase** in the remuneration of holiday employees and working students in indirect units to at least EG 01 on the ERA pay scale. **The target value or at least EG 01 will be reached on 1 January 2025**. Remuneration will then increase in line with the pay scale.

More pay thanks to collective agreement

Collective bargaining round 2024

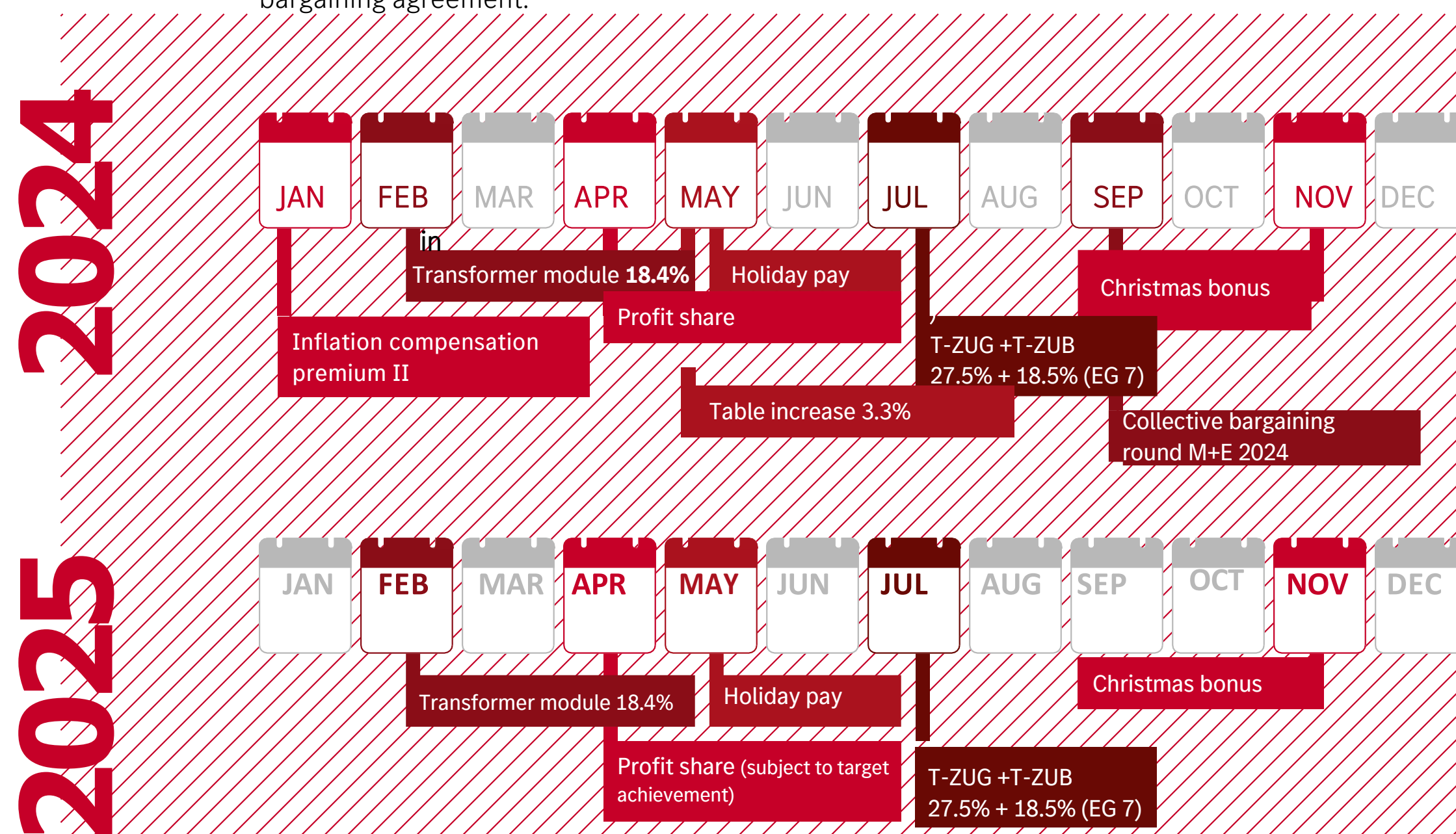
The collective agreement on remuneration and training allowances was valid until 30 September 2024. Collective bargaining between IG Metall and

Südwestmetall has been under way since mid-September in the 2024 collective bargaining round. IG Metall is demanding a 7% increase pay and a disproportionately high increase in training pay of 170 euros per month over a period of twelve months. The peace obligation ends on 28 October 2024. If no agreement has been reached by then, warning strikes are possible from 29 October 2024.

The debates are accompanied by the employees' desire for a social component to reduce the burden on the lower pay groups. The existing option of choosing between time and additional pay (T-ZUG) for full-time employees with shift work, caring or parental duties is to be extended to other groups of people and topics.

At a glance: all collectively agreed and company special payments*

In order to counteract the high inflationary pressure, the collective bargaining parties IG Metall and Südwestmetall agreed on a permanent pay increase of 8.5% in total as well as an inflation compensation bonus of EUR 3000, which was paid out in two stages, in the 2022 collective bargaining agreement.



* As of September 2024.

All % figures refer to the individual gross monthly salary. Except for T-trainB: The 18.5% refers to the basic pay of the respective applicable pay group EG 7. For trainees and dual students at the DHBW, all % figures refer to the respective trainee pay.

General Works Council calls for future security to 2035

"Focus on the WE": this was the motto of last year's works council meeting. It emphasises the company's most important resource: its workforce. In volatile times like these, the workforce must take centre stage all the more. That is why the **central demand** at the event was that the **existing 2030 Safeguarding the Future Programme (ZuSi 2030) must be extended until 2035.**

The fact that we have a real asset in ZuSi 2030 and its value was recently demonstrated in the negotiations for the company-owned sales and service outlets. Without our safeguarding of the future, which excludes compulsory redundancies up to and including 2029, we would not have been able to discuss value equalisation at all. For us works councils, one thing is clear: safeguarding the future of our company is not just something that is written on paper, but something that is actively practised. This is what we are working toward together.

Ergun Lümalı made the position of the General Works Council clear at the 2023 Works Council meeting: "We need to secure the future to 2035 in order to give our colleagues the security they deserve."

And it is precisely in times of transformation, upheaval and uncertainty that employees need more support, stability and confidence. It is therefore not without reason that we are calling for more security and a long-term perspective - we are calling for the future to be secured until 2035.



Ergun Lümalı spoke plainly to the Executive Board:

"The fact is: WE overcome crises together and WE shape the future together. **We can rely on our strong WE. But to achieve this, the workforce must also feel safe, secure and emotionally connected.** And they do this when they know that **management and the General Works Council** are behind them and are **holding a protective hand over them. In our company, our joint works agreements are this protective hand**- in this case, specifically our **2030 Safeguarding the Future Agreement.** In view of the Board of Management's plans and targets for the coming years, **the General Works Council believes that this agreement must be extended.** At least until we have 80% to 90% electrified vehicles. As employees, we need appropriate security for this period. That is why we are making a clear demand to the Board of Management: owing to the uncertainties, we need security for our employees all the more. **We need to secure our future to 2035,** backed up by corresponding investments in the German locations. This will create trust, confidence and prospects for our colleagues."

Extending the safeguarding of the future must be combined with targets for the locations that secure employment. This is the only way we can secure jobs at Mercedes-Benz in the long term.

One thing is clear: we have already shown in the past that we are persistently and resolutely committed to the Mercedes-Benz team. We will do the same now. We need security in uncertain times!

Significant improvements for catering employees

At seven locations across Germany, around 700 employees of Mercedes-Benz Gastronomie GmbH look after the physical well-being of their colleagues at Mercedes-Benz. In addition to serving food in more than 20 canteens and 45 shops, they also take care of event catering, catering for guests and conferences, the Lämmerbuckel conference centre, as well as conference and meeting management. In short: without them, our lunchbreaks would look pretty dull.

The world of catering is also changing, which is why the General Works Council and the company **renegotiated the reorganisation of the catering business** in the middle of this year. The package consists of **four general works agreements and two minuted memoranda**, and creates more security and future prospects for colleagues. A cross-committee working group of the General Works Council ensured that all necessary areas of expertise were represented at the negotiating table.



These five core issues were negotiated

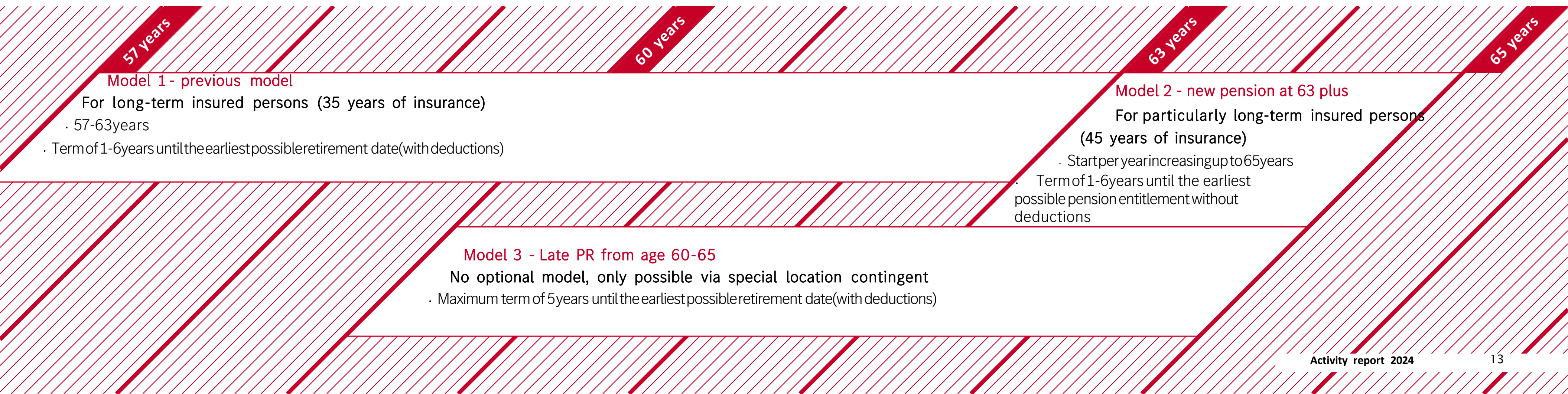
- 1 | More sustainable menu:** In order to continue to create competitive structures in the catering sector and provide employees with clear prospects for the future, it was agreed to realign the menu towards a more sustainable and climate-friendly range of dishes and to redefine the menu and pricing structure.
- 2 | Flexi-pool:** In order to be able to react quickly and at short notice to capacity requirements - and thus protect colleagues from overwork and ensure competitiveness - it was decided to continue a flexi-pool at Mercedes-Benz Gastronomie GmbH.
- 3 | Working time organisation:** The regulations on flexible working hours are aimed at giving employees the opportunity to determine the start and end of their working hours in consultation with their manager. This is intended to ensure a better work-life balance while taking into account the needs of the company.
- 4 | Partial retirement:** For the first time, Mercedes-Benz Gastronomie GmbH has made arrangements for partial retirement (ATZ). In future, eligible employees will be able to take advantage of partial retirement models 1 or 2.
- 5 | Anniversary bonuses:** The length of service of all employees of Mercedes-Benz Gastronomie GmbH is to be honoured by granting anniversary bonuses when they reach a service anniversary.

Partial retirement becomes even more attractive

Extension of overall company agreement on partial retirement

A smooth transition into retirement in favour of health and leisure time for employees, flexibility, predictability and knowledge transfer for the company - partial retirement models have many advantages and are also very popular among our workforce. The General Works Council and the company have therefore once again extended the General Works Agreement on partial retirement (ATZ) up to and including 31 January 2028. The flexible retirement options are therefore still guaranteed.

Access models



The digital pension overview is becoming even more comprehensive

The "Digital Pension Overview" online portal from Deutsche Rentenversicherung has been available since summer 2023. This is where employees can find out about the status of their individual pension situation by accessing their accrued pension entitlements - statutory, occupational and private-digitally.

And the overview is set to become even more comprehensive: With the "Pension Overview Ordinance" (RentÜAV), certain pension funds are to be obliged to register with the Central Office for the Digital Pension Overview by 31 December 2024 at the latest.

This also includes Mercedes-Benz Group AG and all of its subsidiaries. The company must provide information on direct insurance policies (e.g. company pension scheme in own retail) and direct commitments (e.g. Mercedes-Benz Pensions Plan [MBPP], Mercedes-Benz Pension Capital [MBVK]) in the digital pension overview by the end of the year. To this end, regular consultations are being held between the General Works Council and the company. The first steps towards integration have already been taken.

You can find more information directly in the [online portal "Digital Pension Overview"](#).



Own-retail outlets

Horizon project: terms negotiated

The sale of Mercedes-Benz own-retail outlets has been decided upon. This is the new, painful reality. A decision by the Board of Management of Mercedes-Benz, against the resistance of the works councils and to the disappointment of many employees, which affects around 8000 colleagues in around 80 outlets throughout Germany. The Own Retail Committee, the General Works Council and the employees fought back with the support of IG Metall and launched the campaign "We stick together. Every day.". The goal: a good agreement with security for the employees, best-owner criteria for the selection of buyers, good working conditions through collective working agreements and collective bargaining, appropriate compensation and respect for the employees of the own-retail outlets.

As a result of the massive protest by employees, the negotiating partners agreed on key points at the end of July, and finalized the relevant provisions in mid-September.



19.01.2024

Terrible news: the Board of Management is examining the sale of the group's own-retail outlets. This was just as big a shock for us as the General Works Council as it was for the 8000 or so colleagues affected in own retail in Germany. One thing was clear: we would not accept this! We would resist the Board of Management's plans. So we fought united for our future - our future at Mercedes-Benz - **at works meetings in all 80 or so own-retail outlets throughout Germany.**

13.03.2024

As a certainty: the sale has been decided. Despite numerous intensive discussions between the Own Retail Committee of the General Works Council and the Board of Management, and despite the strong joint protest of all those affected, the Board of Management could not be dissuaded from its plan to sell the group's own-retail outlets. This is a slap in the face for our colleagues, who have endured many hardships and made many concessions in recent years to help ensure the profitability of these outlets. The shock at the unilateral decision taken by the Board of Management continues to go very deep, and employees have been very concerned about the consequences.



28.03.2024

We still believe that this decision was absolutely wrong. Despite the bitter disappointment, however, we must not bury our heads in the sand. Instead, we must continue to fight for our future together! Because even if the outlets no longer belong to Mercedes-Benz in the future, this does not necessarily mean that the working conditions of our colleagues will deteriorate!

"One thing is clear: we will fight to ensure that the hard-won rights and safeguards are retained even in the event of a sale. We are entering the exploratory talks and upcoming negotiations with a strong sense of responsibility for our colleagues."

Michael Bettag | Chairman of the Own Retail Committee



02.07.2024

In parallel with the start of the exploratory talks, the background committee consisting of local own retail works councillors and IG Metall representatives was set up. It closely monitors the sales and negotiation process and allows rapid escalation if necessary.

Nationwide day of action: the workforce at Mercedes-Benz stands and fights together. Around 25,000 employees at six locations demonstrated for a good future and good working conditions for the employees of the Mercedes-Benz own- retail outlets. With strong support from the workforce, the General Works Council and IG Metall are calling for:

- Secure jobs
- Best ownership criteria for the selection of buyers
- Good working conditions thanks to collective working agreements and collective bargaining
- Appropriate compensation





"The key points are a clear signal to everyone: We are resolute in defence of our interests! Hard-won rights and safeguards remain largely intact. ZuSi 2030 also applies to the new owner. We have won respect for our colleagues in own retail, and achieved a sustainable result that offers long-term security and financial guarantees. This would not have been possible without the solidarity of the employees."

Ergun Lümalı | Chairman of the Mercedes-Benz General Works Council

23.07.2024

The day of action is having an effect: the nationwide protests and objections have paid off, as an agreement was reached at the end of July after months of sometimes hard negotiations. Although the sale could not be averted, a good negotiation package for the own-retail employees is now on the table.

Key points negotiated

- **Framework collective agreement:** secures the long-term commitment of the acquirer to the collective agreement and makes it possible to actively influence the selection of applicants
- **Securing the Future (ZuSi 2030):** must be adopted by the purchaser until the end of 2029

- **Profit share:** from financial year 2025 (payment from 2026), EUR 2500 annually until the sale
- **Anniversary bonus:** 100% of the anniversary bonus within five years of transfer to the purchaser, 50% within ten years
- **Company pension scheme:** Continuation of the three models for at least ten years
- **Partial retirement:** modified continuation, no quota from 2025 and opening of all three models; maximum term: 36 months
- **Compensation:** Employees to receive an average of EUR 85,000 for the transfer to the new owner

19.09.2024

Nationwide works meetings on the regulations and agreements: The Own Retail Committee and company management have **developed specific regulations and agreements from the key points**, which have been adopted by the General Works Council. On 19 September, all employees at the group's own-retail outlets were informed of the results of the negotiations at nationwide works meetings. The provisions and agreements arrived at were presented and discussed in detail. Particular interest was shown in the calculation model for the agreed compensation, which takes age and length of service into account. Once the negotiations have been finalised, the company will begin talks with potential buyers.

Naturally we would have preferred it if the sale of the own-retail outlets had never materialised. However, this **unilateral decision by the Board of Management could no longer be reversed. That is why our aim in the negotiations was to get the best deal for our colleagues in own retail and thus make the transfer of operations as solid as possible.** We would like to take this opportunity to thank everyone involved. The cohesion even in difficult times, the understanding for consensus and the unrestricted solidarity have so far made a good process with an acceptable negotiation result possible.

OWN-RETAIL

Sales personnel remuneration

In May 2023, a new era began for sales of Mercedes-Benz vehicles: the "Sales of the Future" agency model was introduced nationwide. This makes Germany the ninth Sales of the Future market worldwide. The introduction of the new sales concept was an entrepreneurial decision not subject to co-determination. It was accompanied by a number of challenges, including the adjustment of the remuneration model for sales personnel. In the negotiations on the general works agreements, the Own Retail Committee pursued the clear goal of ensuring that **the role of sales personnel is maintained across all sales channels** despite fundamental changes.

After many rounds of negotiations with the company, the Own Retail Committee reached **groundbreaking agreements for a new commission system while retaining the commission volume.**

After more than a year of Sales of the Future, we can now take stock: the income level of sales personnel has been secured by the Sales of the Future agreements. There has been no loss of income. This shows that **it is always worthwhile in the long term for us as the General Works Council to help shape things in the interests of the employees.**

Profit sharing

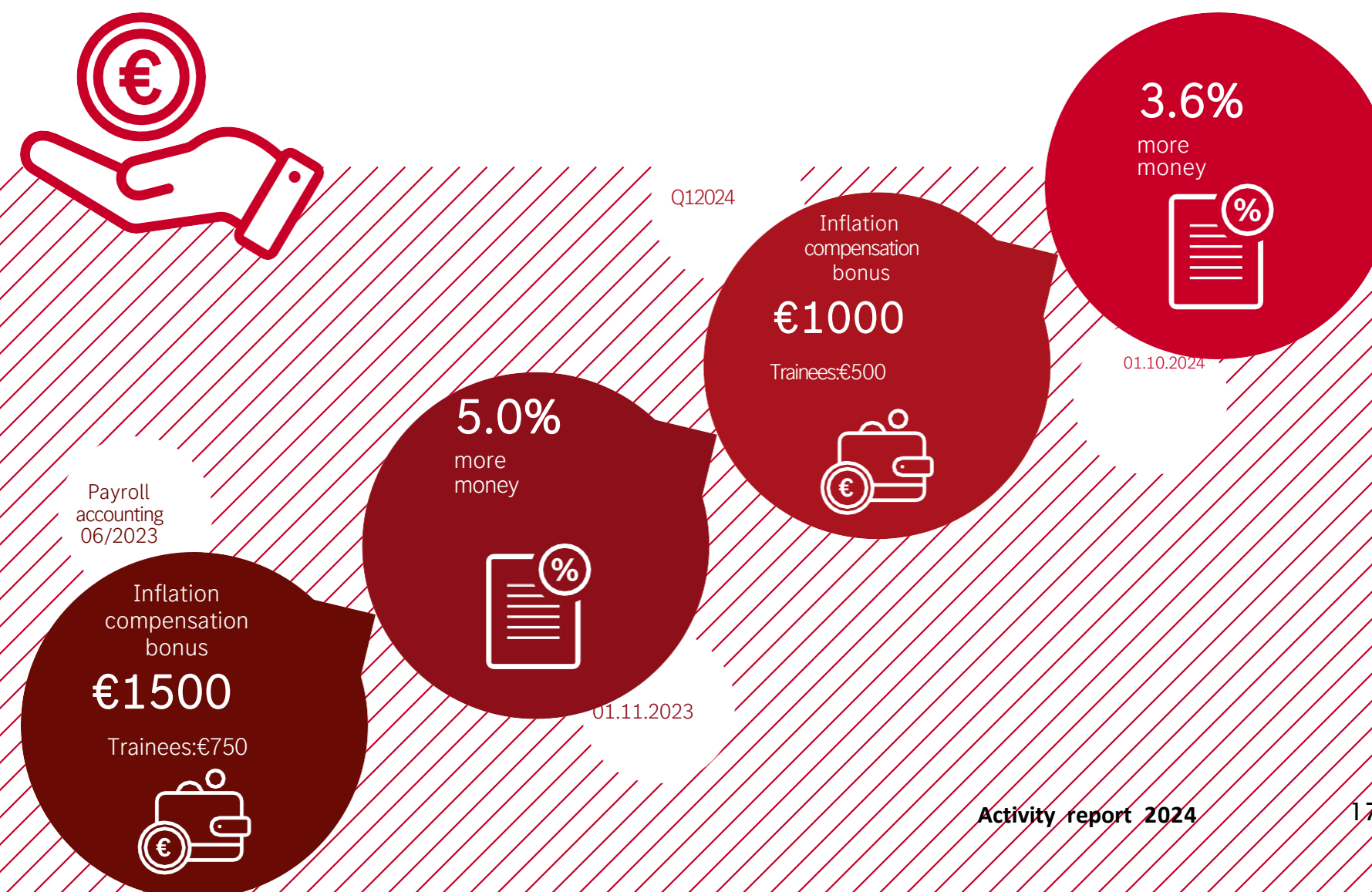
The Own Retail Committee of the General Works Council and the company have agreed to **extend the voluntary general works agreement on profit sharing until the end of 2024.** In April 2024, the colleagues in own retail therefore received a profit share of EUR 1500 for the 2023 financial year. There will also be a profit share for the 2024 financial year (payment in 2025).

In the negotiations on the sale of own retail, the Committee also succeeded in securing **an annual profit share of EUR 2500 - regardless of the actual operating result!** Both parties agreed on this before the summer break. In September, the General Works Council and the company confirmed this provision in a general works agreement.

Collective bargaining round for the automotive trade

In order to counteract the high inflationary pressure, the parties to the 2023 collective bargaining agreement agreed on a permanent pay increase and an inflation compensation premium of EUR 2500 net, which was paid out in two stages. Pay rose by 5.0% in November 2023, followed by a second increase of 3.6% in October 2024. The increase is reflected in the pay scale and also has a positive effect on collectively agreed special payments. The collective agreement runs until 31 March 2025.

Good news: You will retain these benefits even if own retail is sold. The negotiated framework collective agreement imposes the long-term collective bargaining agreement on the purchaser.





#02

Digital topics

CO-DEVELOPMENT

At the cutting edge: we are actively shaping digital change, ensuring transparent processes and making sure that developments do not come at the expense of our most important resource: our employees.

Digitisation in the interests of employees



Digitisation is one of the megatrends in the transformation. It is bringing about far-reaching changes in the world of work, affecting almost all aspects of work processes, organisational structures and employee requirements. It is already changing many jobs today, and will continue to do so in the future. The company aims to digitise all processes, products and services - an important endeavour to keep pace in an increasingly fast-moving world. The General Works Council is there to make sure that this happens together with the employees.

"We need to adapt to the dynamic changes and actively shape our future. Digitisation is leading to a comprehensive transformation of the world of work, which brings with it both opportunities and challenges. The most important thing is that this does not come at the expense of our company's most important resource - its employees. This is the essence of our task as a Works Council: to protect and prioritise the interests of the workforce."

Bojan Westphal | Chairman of the IT Commission



Many digitisation topics of varying scope are being driven forward in the specialist units. We can play an active role in some of them. A few examples:

- **Microsoft 365:** With M365, the General Works Council and the company agreed the requirements for a fully digital workplace in the cloud at the end of 2021. Work and Collaboration are now possible from anywhere and at any time - worldwide. A data octopus that is almost impossible to harness under data protection law. The challenges were immense. With the group

works agreement (KBV), we have managed the balancing act between using the Microsoft 365 cloud and handling personal employee data in compliance with data protection regulations.

- **HR ServiceNow:** Another milestone that the General Works Council (GBR) and the company jointly agreed at the end of 2022 is the group works agreement HR ServiceNow. Employees and managers are familiar with this new ticket system, which has been fully available with all HR processes since April 2024,

under the name "My HR Services". Since then, it has been the central tool for interaction and communication between the HR department and employees and managers. HR ServiceNow is just one service on the overarching ServiceNow platform. Other services, such as the IT ticket system, also run via this platform. The drafting of a group works agreement on the basic use of ServiceNow is currently in progress.

- **MO360:** The MO360 data platform creates a standardised framework for evaluating process and operating data in the production area across all locations. Its introduction was agreed between the General Works Council and the company at the beginning of 2024. This will facilitate access to production data for production,

planning and neighbouring units, such as logistics or quality management, which are simplified and brought to a uniform standard. In addition to technical data, MO360 can also be used to process the personal data of production employees. For this reason, the procedure to be followed in these cases has been precisely regulated with the General Works Council to ensure that no conclusions can be drawn about individuals.

- **Artificial intelligence:** Artificial intelligence (AI) is increasingly being used in new IT solutions. For example, a chatbot developed by the company itself, Mercedes-Benz Direct Chat, has been in use for some time. This AI platform is now to be opened up to other systems and software applications (bots).

The company has also developed new tools, such as the ERD chat (enterprise regulation database), which makes it easier to search for and find agreements on the social intranet. As AI is now being used in a large number of IT tools, the General Works Council and the company have agreed to conclude a group works agreement on the use of AI. This is still pending. The Artificial Intelligence Act (AI Act), which was passed by the EU Parliament and came into force on 1 August 2024 and is the world's first set of rules for AI, will be taken into account when drawing up the GWA. In line with the mission statement on digitisation adopted by the General Works Council (see info box), the GWC's focus is on protecting employees. AI must be used in a fair, non-discriminatory and transparent manner.

A change in philosophy is currently taking place: new IT solutions are no longer primarily developed in-house, but purchased as external standard solutions in the cloud. The external service providers are constantly making customisations. As a result, the General Works Council and the company are facing new challenges: the handling of personal data and compliance with data protection must be constantly reviewed. There are therefore joint steering committees for Microsoft 365 and HR ServiceNow in order to review the constant further developments of the external software (evergreens) within the company before implementation.



As the General Works Council, we have set ourselves guidelines that serve as a basis for decision-making and a guide when it comes to digitisation issues.

// Digitisation leads to the upgrading and better design of workplaces as well as to a more sustainable use of processes and resources and, in this sense, to a better company.

// Digitisation must be used in the interests of employees. Digital skills in existing or new professions are value-defining. If digitisation leads to job losses, employees will be upskilled and reassigned appropriately.

// Use of artificial intelligence: AI is used fairly and without discrimination. The use of AI is designed to be transparent and comprehensible.

// Exclusion of performance and behaviour monitoring: Data that describes the performance and/or behaviour of employees and/or is collected or processed in circumvention of the processes described will not be used for personnel measures.

// Decision-making by people: Decisions are neither replaced by technology nor automated; in principle, processed data is only used as a basis for decision-making.

// Consideration of data protection: Data protection principles and IT security are observed.

// Consideration of Works Council co-determination: Co-determination, including the extended rights of the Works Council in the case of artificial intelligence, is observed. Works Councils are already involved in the development process for major digitisation projects.

Digitisation in the HR sector is picking up speed: HCM Cloud and HRTOM



Last year, the General Works Council (GWC) and the company agreed on a new front-end solution (=the user interface) in the form of a ticket system in a group works agreement (KBV): HR ServiceNow (see Activity Report 2023, p. 21). Following this innovation, it is now the turn of the back end. A cloud solution will replace a large number of the previous HR systems in the back end. Under the term "HR Unicore", the **previously heterogeneous IT landscape in the HR sector at Mercedes-Benz worldwide will be replaced by a human capital management (HCM) cloud from the external provider Workday.** This will make HR management easier for employees

on a new and modern basis. The integrated Human Capital Management software solution includes various personnel management applications such as recruitment, remuneration and training.

As with other large cloud solutions, a change in philosophy is evident at Workday: the HR process follows the purchased standard tool and no longer the other way round. Internal HR processes are to be packed into standard solutions with Workday. This is a challenge for the company, but also for the GWC.

A group works agreement covering the HCM cloud

is to be concluded to regulate HR processes, as well as the handling of employee data and the use of artificial intelligence (AI). It is important for the GWC that decisions in HR processes that affect employees are neither replaced nor automated by artificial intelligence. As a matter of principle, data processed by AI may only be used as a basis for decision-making. A final decision must always be made by a human being.

With HR Unicore, all defined HR processes are to be standardised with the exception of one module. This module will be separately negotiated with the interested parties in the group

In addition, further co-determination processes of the Works Council are to be integrated and standardised as a workflow in the GWA.

The new Target Operating Model (HR TOM) is closely linked to the HCM Cloud. While the HCM Cloud digitally maps HR processes, HR TOM adapts the organisational structure of the HR department accordingly. Here, the General Works Council not only has an eye on the organisational changes, but also on the impact on employees, such as the future tasks of HR managers.

SAFe: the key to agile transformation

Keeping pace in our dynamic world requires a high degree of agility that is often difficult to achieve with traditional working methods. This is where SAFe comes into play: the Scaled Agile Framework (SAFe for short) is a **framework for scaling agile methods in larger organisations**. It offers a structured approach for the collaboration of several agile teams and thus helps to find solutions for complex

requirements. By creating a flexible but structured environment, the use of SAFe allows large companies to react quickly and efficiently to market changes. SAFe is the prerequisite for **transforming organisations into a product-oriented structure** and efficiently implementing major transformation topics such as MB.OS.

SAFe is divided into several levels:

- 1 | Team level:** Agile methods such as Scrum or Kanban are applied here at the level of individual teams.
- 2 | Programme level:** This level coordinates the work of several teams working together on a larger product, organised in so-called Agile Release Trains (ARTs).
- 3 | Large solution level (business level):** For very large solutions that require several ARTs, this level offers additional structures and processes organised in a solution.
- 4 | Portfolio level:** At this level, changes are managed throughout the entire organisation.

SAFe also defines specific roles and processes to ensure coordination within the team, within the levels and between the different levels.



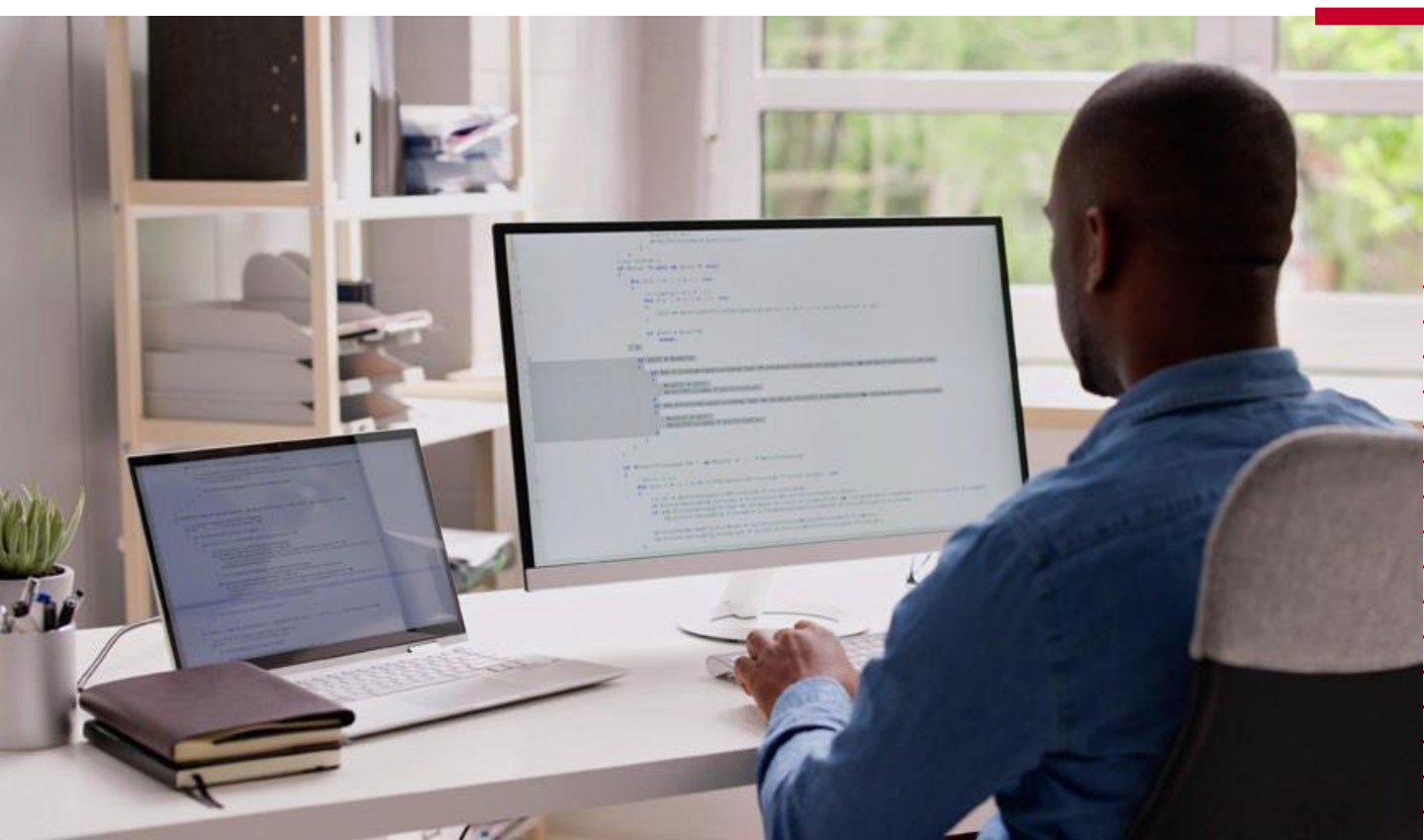
As the General Works Council, we recognise that agile working is attractive and can be necessary. SAFe certainly has the potential to improve the everyday working life of employees and at the same time make us more competitive as a company. Accordingly, we as employee representatives are also actively involved when it comes to driving forward the implementation of agile forms of work in a company as large as ours. **In order to create a standardised framework for SAFe, the General Works Council (GWC) and company intend to**

conclude a general works agreement as a pilot. Among other things, the possible effects of a new organisational structure on management, the description of new roles and their remuneration, new performance evaluations and training in the use of IT tools need to be clarified. The GWC will pay particular attention to how the implementation of SAFe fits in with other models, such as the holistic leadership processor the Expert Journey (p. 24), which is currently being implemented.

Mobile working is becoming even more flexible

Monitors for mobile workers

In the Group works agreement "Mobile Working", the General Works Council and the company have agreed, among other things, that employees whose work can be carried out on a mobile basis will receive the appropriate technical equipment. As part of this agreement, a monitor was added to the equipment. The rollout of the monitors began in April 2024 and should be completed by December 2024. The monitors will be delivered directly to employees' homes by means of "ship to home". We are pleased that initial reactions from colleagues regarding the process have been overwhelmingly positive.



Mobile working abroad is still possible for private reasons

The offer of mobile working abroad for private reasons was introduced as a pilot for one year in March 2023. Owing to the high demand, the General Works Council and the company have jointly decided to extend the group works agreement for another year, i.e. up to and including the end of February 2025.

Since last year, a system-supported application process for the required A1 certificate - similar to the application for business trips - has been available to employees. The introduction of an IT solution such as

that which the General Works Council has been calling for since the beginning, has been examined by the company and is not currently planned.

We are still campaigning for an extension of the number of days for mobile working abroad for private reasons, and for an expansion of the countries in which mobile working is possible. We are also looking at the comparatively small number of days in which cross-border commuters are allowed to work on the move in their home country, and actively demanding answers from the company.

There is a detailed FAQ list for employees on the social intranet under the heading "[Mobile working abroad for private reasons](#)".



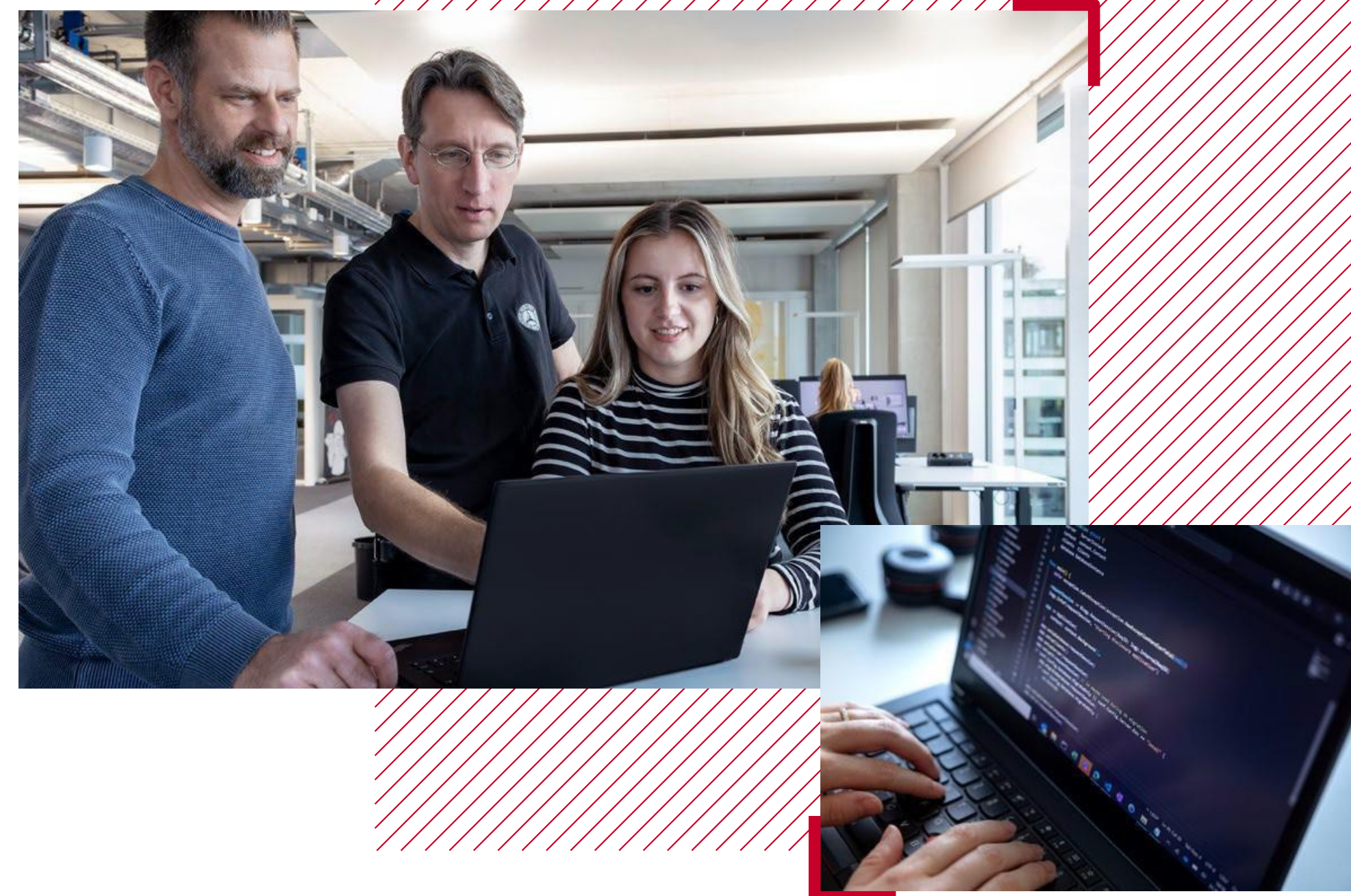
Set up for the future with the Expert Journey

Digitisation, networking, electromobility, big data - IT is a central pillar when it comes to successfully shaping the transformation and ensuring competitiveness in a rapidly changing market environment. This is why the General Works Council and the company have agreed on a new specialist career in the IT field: the Expert Journey.

The company aims to introduce additional specialisation levels in software task profiles in the near future.

This is roughly equivalent to a specialist career. In the pilot, the Expert Journey consists of five levels, ranging from "Associate" to "Principal". Each level reflects the employee's skills and knowledge and is based on predefined criteria. These include specific technical skills as well as interdisciplinary skills.

To introduce the Expert Journey, the company initially set up working groups without the involvement of the Works Councils,



to organise the content. These working groups did a very good job. What was almost completely missing, however, was a look at co-determination issues and current company and collective bargaining regulations. Building on the ideas and experience of the project team, both parties have now jointly developed the Expert Journey, defined the future process and set the timetable for implementation. To this end, a

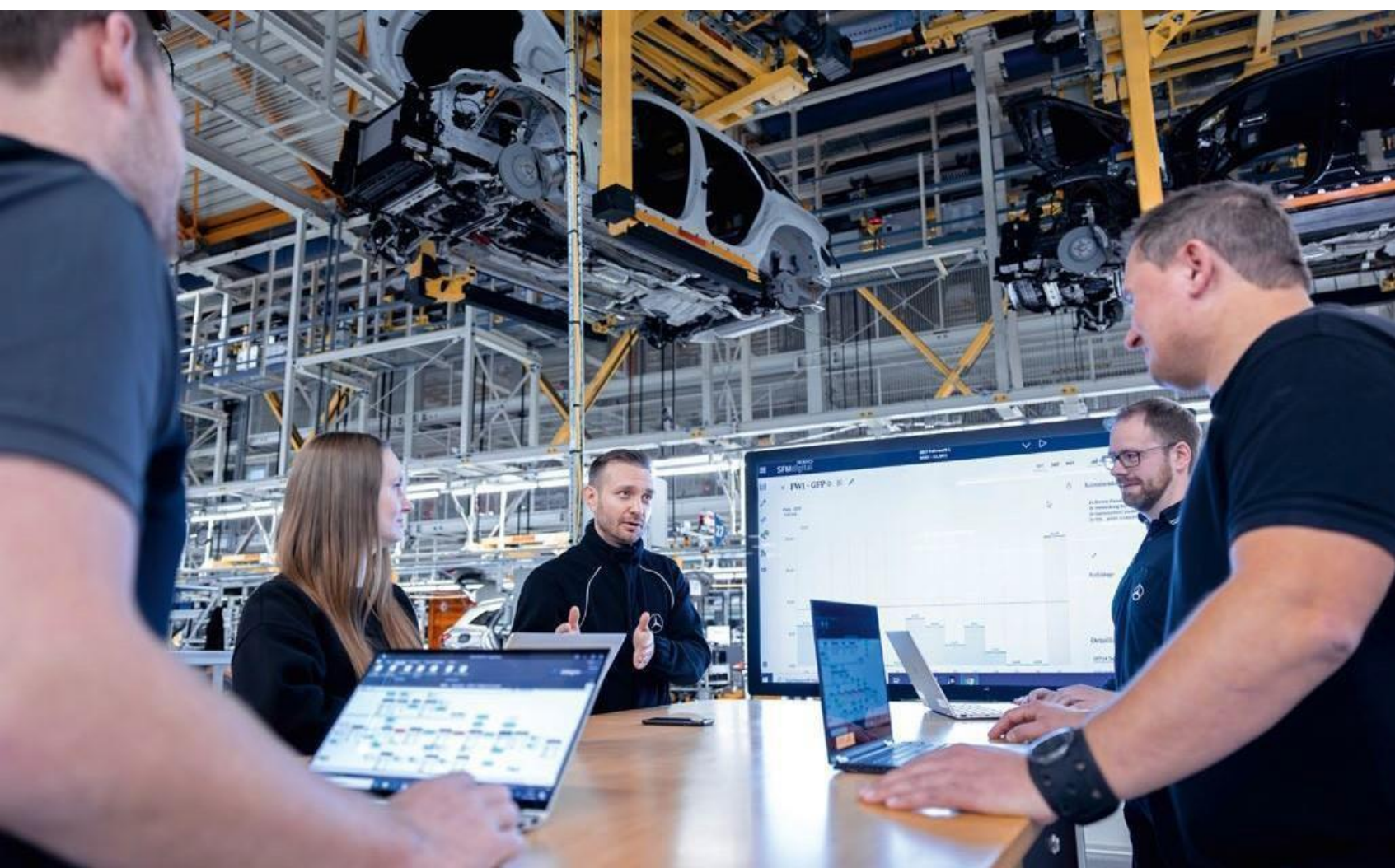
pilot general works agreement was concluded which provides for the application of the new IT specialist career with pilot areas in IT and RD (Research and Development) from the end of the third quarter.

The pilot is initially scheduled to run until 30 June 2026, and will be continuously evaluated and developed further during this period with the involvement of employees.

#03 Employee **INCLUSION**

Shaping everyday working life together: as a Works Council, we ensure that employees have a say and can actively contribute their ideas and wishes. In this way, we create a working environment that is fair, safe and co-determined! What's more, we often dare to look beyond our own backyard. We involve everyone in decisions that affect the working environment.

Time to take stock: survey on the WAO



At some locations, the new form of group work has already existed for four years as our form of work in production: WAO (further development of work organisation). Apart from a few exceptions, it has now been

introduced in all production areas at the Bremen, Sindelfingen, Rastatt, Kuppenheim, Düsseldorf and Germersheim plants, as well as in

the logistics centres, and has become an integral part of work on the shop floor. At the locations, the local Works Council committees have worked with the company to develop an implementation plan at a locally

appropriate pace in order to **fully introduce WAO into line operations by 2026.**

All of the threads come together at the **Labour Policy Committee of the General Works Council (GWC)**. It monitors the implementation of the WAO centrally and ensures that the provisions of the general works agreement are adhered to. In close dialogue with the company,

the members of the Labour Policy Committee discuss the implementation status in the plants, the logistics centres and the Global Logistics Center Germersheim,* where individual requirements and special features arise, and identify the need for adjustment or regulation.

Evaluation starts earlier than expected

The WAO is more than just the introduction of the group leader (GV) on the shop floor. It changes roles, responsibilities, working methods and communication channels. A cultural change of this kind requires time, support, open communication and, above all, feedback from the people who work in the WAO every day. Following the first major survey in 2019, the General Works Council and the company agreed in a memorandum of understanding to re-evaluate the WAO by 31 December 2025 at the latest. We are pleased to report that this **evaluation**, in which the WAO was assessed qualitatively and quantitatively,

will be brought forward to **summer 2024**. A working group consisting of Works Council members and company representatives from various locations was formed to plan, coordinate and implement the programme.

All employees in MO (Mercedes-Benz Cars Operations) **were invited to take part in the digital survey** and share their own experiences with the WAO from their day-to-day work. Participation took place via their own or work smartphone. Regular and temporary employees were surveyed who had been working in the workshop for

* In the logistics centres, the introduction of the WAO was agreed as part of the general works agreement on the vision for the logistics centres. A separate agreement on this was concluded in spring 2023 with the general works agreement on the further development of the work organisation in the logistics centres of Mercedes-Benz AG (WAO LC). All group managers have now been appointed for three years and the introduction of the WAO has been completed in all logistics centres.

three months or more at the time of the survey. The survey was scientifically supported by the University of Osnabrück, which allowed for a well-founded evaluation and comparability with the last survey. The University of Osnabrück had already supported the introduction of the WAO and established itself as a reliable scientific partner.

As the General Works Council, we hope that the evaluation will provide us with important insights into the needs, wishes and concerns of employees, managers and the affected group leaders and their deputies. One thing is clear: **as the General Works Council, we will use the feedback from the workforce as a basis for our further discussions with company management.**



MO planning talks: the GWC stays on the ball

In a sub group of the Commission for Labour Policy, the "MO planning meeting", Works Council members discuss current topics in MO with the responsible company representatives twice a year. These include topics such as artificial intelligence in production, sustainability, quality, culture, departmental activities and - as a central topic - the German and international product and powertrain start-ups. These discussions allow the members of the committee to gain an overall view of all locations and to provide feedback on the local situation from the team directly to the MO management.

The role of production optimisers

The WAO also introduced the new specialist function of "production optimisers" in the 2023 structures. They serve as an operational link between the group and production engineers. The production optimisers support the group with solving overarching problems that can still be resolved on-site on the shop floor. The Commission for Labour Policy and the Remuneration Committee of the General Works Council jointly worked on the classification and therefore the remuneration of the production

Optimisers as part of the introduction.

Now that some time has passed, the General Works Council is working with the company to check whether the function fulfils its intended purpose. A centralised job description is also being examined. The aim is to permanently anchor the role of the production optimiser in production and to define uniform tasks and remuneration.

Smart saving with corporate benefits

The collaboration with corporate benefits Germany GmbH was launched 14 years ago on the initiative of the General Works Council. Since then, the platform has developed into one of corporate benefits Germany GmbH's most frequently used company websites. With around 173,000 registered users

(as of September 2024) and generally around 130,000 logins per month, Mercedes-Benz employees buy more from other companies than most other users of the platform.

Well-known providers make selected products and services available on special terms on the well-known offer platform. This allows employees to benefit from significant discounts and exclusive services in the areas of leisure, culture, fashion, furnishings and technology. These attractive offers are renewed and expanded on a monthly basis. Especially when it comes to special occasions such as Christmas and birthdays, it is worth taking a look at the platform.

As the General Works Council, we are the official point of contact for the departments, employees and external interested parties; we administer the platform and activate new offers.

By the way: The classifieds market can also be interesting and is becoming increasingly popular. This is where employees can

Employees can find all the information on corporate benefits and the one-off registration process on the social intranet under the keyword **"Employee offers and classified ads"**

advertise used or no longer needed items for colleagues to buy, swap or give as a free gift. This platform is also the right place for anyone looking for a flat, a house or new tyres. Use by Mercedes-Benz employees is also right up there with other company platforms. There is hardly a company where employees help each other out more with offers and the odd bargain. This is not only a sign of the attractiveness of the platform, but also a great commitment to sustainability on the part of the employees, as used items are given a second home.

As the General Works Council, we always ensure that these are genuine private adverts and remove commercial offers quickly and rigorously.



Mercedes-Benz Members: the terms and quality of support must be right

Mercedes-Benz Members has always been very important to the workforce and the Works Council: those who work at Mercedes should also be able to drive Mercedes. The figures prove the popularity: total unit sales remained stable in the first half of 2024 despite current challenges (as of September 2024).



As the General Works Council, Mercedes-Benz Members is a matter close to our hearts. We are in constant dialogue with you in order to pass on your feedback directly to Mercedes-Benz Members and to **help shape the range in your interests. We are actively shaping the transition to electromobility** and agreeing on appropriate incentives for electric models in the rental model. All employees should be able to participate in the electromobility transition. And your individual cases are also in good hands with us.

One component that contributes to good conditions is the model discussed, which combines "build to stock" (bts) and "build to order" (bto). This means that in future, employees will not only have a much larger selection of vehicles already built (bts), but will also still be able to customise the vehicle of their choice (bto).

In addition to the range of vehicles and configuration options, **the quality of support** is an ongoing issue for us: How easy is it to reach you? How long does ticket processing take? How long are the response times? Over the past year, we have repeatedly received critical comments from you about the quality of support. Our colleagues at MB Members have been working at



their capacity limits. We therefore called on the company to **fill permanent positions on a long-term and sustainable basis and also to increase capacity for our colleagues in the short term. We are delighted that our demands have been heard.** Staff capacity was already increased at the end of 2023 and new positions were filled at the turn of the year. In order to meet the wishes of our colleagues at MB Members, we also agreed with the company to **standardise availability times across all locations and to adjust telephone availability** (Mon-Fri, 8:30am-4:00 pm). Both were set out in a general works agreement.

Making the company car programme more attractive

It is important to us that all employee groups are taken into account. We therefore campaigned for an adjustment to the standard company car prices, which was implemented in July 2024. We were also able to reach an agreement with the company to make the L5 rental model more attractive.

Drive.Your.Car.

Since mid-June 2024, our junior employees can also look forward to the following: MB Members has made the "Drive.Your.Car." offer even more attractive for trainees and cooperative university students.

It has been extended by four models: GLB, EQB, C-Class (Saloon and Estate) and EQE Saloon. The range has thus become more practical, more comfortable and more electric! In addition, transfer costs and the winter wheel/tyre flat rate (for orders for optional 8 tyres) are no longer applicable. Renting has also become even easier: all models on offer receive the same discount.

"I think it's great that we have finally adapted the "Drive.Your.Car." model to modern times and that our young people, who have a very strong emotional connection to the company, are now able to rent our vehicles on more attractive terms. This increases the feeling of appreciation among our trainees and works students, which in turn has a positive impact on our appeal as an employer."

Emre Ibis | Chairman Mercedes-Benz General Youth and Trainee Representative Council



A-Class



A-Class Saloon



B-Class



CLA Shooting brake



EQA



C-Class



GLA



EQB



CLA Coupé



GLB



EQE saloon



General Works Council in dialogue with politicians

The central concerns of the General Works Council are maintaining and expanding employment at the German locations and creating good and fair working conditions. The automotive industry is undergoing the biggest transformation in its history. Especially now, dialogue and close coordination between business, stakeholders and political decision-makers are more important than ever. This is why we are also getting involved in political and social issues that go beyond day-to-day operations, but still affect the interests of Mercedes-Benz employees.



Chancellor visits the Sindelfingen plant

Ergun Lümalı, not only Chairman of the General Works Council but also Chairman of the Works Council at the Sindelfingen location, used the first works meeting in 2024 as a major stage to present employee interests. In addition to CEO Ola Källenius, he also invited German Chancellor Olaf Scholz to the works meeting in Sindelfingen. This unique works meeting provided the Works Council with a valuable platform to convey important messages on your behalf,

Directly to the Board of Management and politicians.

Ergun Lümalı had clear words for this: "Your visit, Mr Scholz, is an important sign of the importance of dialogue between employee representatives, business and politics. Only through this dialogue can the future viability of Germany as an industrial location be promoted from all sides."

The transformation of our industry towards electromobility, sustainability and digitisation requires not only innovative ideas and decisions within companies, but also clear and reliable framework conditions on the part of politicians, for example in the three areas of charging infrastructure, affordable green electricity and incentives. Let me be clear: the automobile industry in our country must not be discussed to death."

Olaf Scholz agreed with the central demands and emphasised Germany's important role as an industrial location. He emphasised the federal government's commitment to maintaining and strengthening Germany as an industrial base, describing this as an essential task of German politics. Scholz emphasised that mobility would remain a key element of our society in the future.

Alliance for democracy: Michael Häberle in dialogue at Bellevue Palace

Right-wing extremism has no place in our companies. Our country needs an alliance for more democracy and against extremism - that was the clear message from the meeting with Federal President Frank-Walter Steinmeier at the beginning of 2024, in which Michael Häberle, Deputy Chairman of the General Works Council, took part.

Together with six representatives from business associations, the German Trade Union Confederation, companies and Works Councils, Michael Häberle accepted the invitation of the Federal President to Bellevue Palace in Berlin. The participants exchanged views on social cohesion and the importance of business commitment to our democracy, and pledged their support for the

German economy in a joint social declaration on **shared responsibility for the future of democracy in Germany** and against right-wing extremism.

The meeting was prompted by challenges to democracy from the extremist fringes of our society, which are a cause for concern after decades of stability. **"We can only defend democracy together,"** emphasised Michael Häberle. "We, the employees, form the basis for our country's prosperity. It is our responsibility to stand up against attacks on democracy, whether in our private or professional lives. Now more than ever, it is important to take a position and stand up for our democracy together. **Discrimination has no place in our workplaces or in our society.**"



Day of Honour: Ergun Lümalı at the Federal President's Citizens' Festival



From voluntary work to creative projects - commitment is the backbone of our democracy. It is the countless volunteers who invest their time and energy every day to strengthen and enrich our communities. Without their tireless efforts, many projects and initiatives would not be possible - this was made abundantly clear when the Federal President honoured invited volunteers at the Citizens' Festival.

At Mercedes-Benz, every employee can make a big difference with a small contribution - this is what the ProCent initiative stands for, which Ergun Lümalı and

Jörg Heiner Mann, Head of Mercedes-Benz Cars Sales Germany (both pictured above left) presented at the citizens' festival. Launched in December 2011 as an initiative of the General Works Council together with company management and the Group Spokespersons' Committee, the initiative has now supported over 2000 projects in more than 75 countries. The idea behind ProCent is as simple as it is effective: employees submit project proposals and voluntarily donate the cent amount of their monthly net salary - the company doubles this amount. **ProCent allows employees to think outside the box and shows how important solidarity and social commitment are in the world of work.**

Representation of interests globally networked

In an increasingly digitised world, personal dialogue is becoming more and more important. This also applies to our international representation of interests at Mercedes-Benz. In the World Employee Committee (WEC) and the European Works Council (EWC), employee representatives from numerous **Mercedes-Benz locations around the world** are **networked**. The annual face-to-face meeting of the two committees took place in Germany in June 2024.

The agenda included important topics such as:

- ✓ Common minimum standards for the work of interest groups,
- ✓ Economic challenges (including inflation, energy crisis, supply chains), Working conditions and occupational safety in our plants
- ✓ worldwide, Improving service quality and the supply of replacement parts,
- ✓ The election of union representatives at the Tuscaloosa plant and
- ✓ The strategic direction and future of the individual locations.

While the participants traditionally used the first day for an internal exchange on these topics, and for the various country reports, there was time on the second day of the meeting for an in-depth dialogue with the Mercedes-Benz Board of Management. This year Ola Källenius, Chairman of the Board of Management, Britta Seeger, Member of the Board of Management for Sales, Jörg Burzer, Member of the Board of Management for Production, Quality & Supply Chain Management, Sabine Kohleisen, Member of the Board of Management for Human Resources and Labour Director, and Annette Matzat, Head of HR Policies & Services, accepted the invitation. They reported on their areas of responsibility and, following an open and clear discussion, took away many of the concerns of their foreign colleagues.

Together, we can do even more to strengthen employee rights at Mercedes-Benz and help shape our working world.



Ergun Lümalı and Michael Häberle head the World Employee Committee (WEC). The European Works Council (EWC) is headed by a five-member Executive Committee. Ergun Lümalı (Germany) holds the chairmanship. The Executive Committee also includes Michael Häberle (Germany), Michael Bettag (Germany) and José Manuel Cueto Silva (Spain). Magdalena Reid was newly elected to the EWC Executive Committee. She represents the interests of our colleagues at Mercedes-Benz Polska Sp. z o.o.



#04

For sustainability and health issues

PARTICIPATION

Taking part instead of watching: sustainability has long since established itself as an important currency in the modern business world. If the company wants to fulfil its social responsibility, it cannot ignore theWorks Council. We are committed to ensuring that employees have an active say in issues such as sustainability and health, and can contribute their ideas.

Sustainability: the new currency in the competition of the future

Strengthening co-determination through the new Supply Chain Due Diligence Act

In the modern business world, sustainability is no longer a marginal phenomenon: it has established itself as an indispensable currency. Companies that have a long-term impact and that act responsibly not only gain in reputation, but also secure a decisive competitive advantage. Sustainability should always be viewed from different perspectives. For us as the General Works Council, it is particularly important to consider the employees' point of view.



Sustainability is the overarching concept that aims to utilise ecological, social and economic resources in such a way that they are preserved in the long term and are available to future generations.

ESG (Environmental, Social, Governance) targets are specific criteria that companies use to measure and manage sustainability. They encompass environmental aspects (E), social responsibility (S) and corporate governance (G), and serve to integrate sustainable behaviour into the corporate strategy.

The **Supply Chain Due Diligence Act (LkSG)** is a legal framework that obliges companies to ensure sustainability in their supply chains. It specifies the expectations placed on companies, particularly with regard to compliance with human rights and environmental standards, and is therefore an instrument for implementing ESG goals.

To summarise: Sustainability is the goal, ESG goals are the signposts and the LkSG is part of the legal requirements that companies must comply with on this path.




The dimensions of sustainability are diverse (see info box). Particularly relevant from the employees' point of view is the "S" for social in the triad of the ESG concept (environmental, social, governance). This is also where the greatest opportunity lies: **works councils can actively participate**, contribute their strengths and experience and **help shape corporate social responsibility**.

With the entry into force of the Supply Chain Due Diligence Act, companies must ensure compliance with environmental protection and human rights within their value chains not only in their own operations, but also among their suppliers in Germany and abroad. The law has applied to companies based in Germany with more than 3000 employees since January 2023, affecting around 900 companies.




ESG criteria at Mercedes-Benz



Environment

Environment


- ▶ Climate protection
- ▶ Air pollution control
- ▶ Conservation of resources
- ▶ Circular economy



Social

Social affairs

- ▶ Human rights
- ▶ Occupational safety and Health protection
- ▶ Diversity and opportunities equality
- ▶ Training and further education
- ▶ Social Commitment



Governance

Corporate management

- ▶ Risk and reputation management
- ▶ Supervisory structures
- ▶ Compliance management
- ▶ Integrity management
- ▶ Control and management processes

Since 1 January 2024, it has also applied to Directive, but may also go beyond it in

companies with more than 1000 employees. Around 4800 German companies are now also directly affected by the Supply Chain Due Diligence Act.

The Supply Chain Due Diligence Act requires the prevention of human rights and environmental risks through compliance with defined due diligence obligations. Violations can have serious consequences, such as exclusion from public contracts for up to three years and extremely large fines.

The Supply Chain Due Diligence Act has also applied at EU level since July 2024. It must be implemented by 2029 at the latest, depending on the size of the company. The German Supply Chain Due Diligence Act must be adapted to the

Individual points.

The Supply Chain Due Diligence Act offers works councils an opportunity to position themselves and expand their room for manoeuvre. As a supervisory body, the Supervisory Board monitors the measures to implement the Supply Chain Due Diligence, while the Economic Committee has the right to obtain information on issues relating to corporate due diligence obligations in supply chains.

The sustainability report is becoming increasingly important and is becoming an integral part of the annual report. In the newly proposed version, the German Commercial Code is to include an additional paragraph

which states that **employee representatives must be involved in the preparation of the sustainability report.**

Another important aspect is the structure of the complaints procedure, in which the Works Council as a whole must be involved in accordance with the Works Constitution Act. Although there is no right of co-determination with regard to location and staffing, there is a right of co-determination in the organisation of the complaints procedure.

This relates to the fact that employees of the company can also report violations.

Co-determination rights may still seem limited at present, but they act as a "door opener" for **employee representatives to become involved in sustainability issues.** Sustainability is an issue that concerns employees of all generations. It has already become much more than just a conviction.



"Sustainability is a real competitive advantage that is driven by transformation. However, we must not forget that this also costs money. This must not be at the expense of our employees. That's why the topic must be deeply embedded in the GWC's

work. As employee representatives, we understand the challenges and responsibilities of modern, sustainable management and strengthen our position as a competent and responsible representative of the workforce. Sustainability is not a project, but an attitude - one that we as the Works Council want to actively help shape and drive forward."

Monika Tielsch | Works Council member for Research & Development Sindelfingen and member of the Supervisory Board

Improvements sought in BAM processes

The number of days of absence due to mental illness has risen significantly for decades. The DAK Psych report even predicts a new high for 2023. We are also addressing this issue at Mercedes-Benz.

Increasing complexity and highly dynamic changes in society and the working environment pose major challenges for employees. Mental illnesses such as depression, chronic fatigue and anxiety disorders are often overlooked or diagnosed late.

But healthy employees are the basis of a healthy company. Mental

health has a positive effect on the willingness and ability to perform as well as on teamwork and creativity. The General Works Council and the company therefore have the common goal of maintaining and promoting the mental health of employees. After all, mental health can be influenced not only by individual and external factors, but also by company factors.

A culture of appreciation and mindfulness in management, characterized by cooperation, must be promoted. Collegial and fair behaviour forms the basis.

The group works agreement (GWA) on mental health in the workplace makes an important contribution here. Among other things, it identifies knowledge and information as key levers for maintaining and promoting mental health and sets out a training framework for all employees and managers. The GWA also defines individual case management and departmental psychosocial incident management (BAM).

The latter comes into play when a possible trend in the accumulation of anomalies in the



area is recognised. This could be, for example, high staff turnover, conflicts within the team or a high level of absenteeism. The aim of the BAM team, which also includes the Works Council, is then to identify possible causes. In the next steps, fields of action and measures are identified, implemented and evaluated.

Unfortunately, what is clearly regulated in theory does not yet work according to plan in practice. We recognise a great need for improvement here. For this reason, **the commission for occupational safety, environment and health of the General Works Council is already in dialogue with the company to get this important topic on track.**



Diversity makes us stronger: supporting women

Diversity enables different perspectives and promotes more creative and innovative solutions - this has long been no secret.



In order to create an inclusive work culture **that values and utilises all talents**, the advancement of women must be an important focus. The General Works Council and the company agree on this. This is the only way for the company to be successful in the long term, while at the same time implementing equal opportunities and fulfilling its social responsibility.

With the renewed extension of the overall operating agreement on the promotion of women until 31 December 2025, it was possible to ensure that the values already agreed

as the target corridors remain in place. The target corridors will therefore not be abolished. In addition, joint measures were agreed, in particular to increase the proportion of women in vocational training and dual study programmes as well as to reconcile family and career in the production areas.

The General Works Council and the company will discuss suitable measures for these two areas of action in accordance with the agreement.

Employees with disabilities well represented

Digital accessibility

With Microsoft 365, the company and the General and Group Works Councils laid the foundations for a fully digital workplace in the cloud two years ago, paving the way for a new world of work. But that's not all: Microsoft 365 also includes improvements in terms of digital accessibility. Thanks to the commitment of the General and Group Representatives for Severely Disabled Employees (german: GSBV and KSBV), important accessibility functions have already been anchored in the Groupworks agreement. However, further adjustments are required. **The two committees are therefore continuously working to ensure that the accessibility functions offered by Microsoft 365 are activated in the company.**

The latest welcome improvement: **the live subtitle function in MS Teams**, which converts spoken audio content into text, **was released in June 2024**. This has made work much easier for employees who are deaf or hard of hearing.

The "DigitalAccessibilityWorking Group", which has resumed its work after a long coronavirus-related break, also deals with topics relating to digital accessibility. The working group organised by KSBV/GSBV is made up of participants from various specialist areas.

Mercedes-Benz employees can access the [social intranet site of the Digital Accessibility Working Group here](#).

The aim of the working group is to sensitise all employees to the topic of digital accessibility in the company (e.g. when designing social intranet posts, presentations or videos) and to promote networking and dialogue amongst employees.



Simply press during a team meeting
"... More" / "Speech and language" / "Activate live subtitles" - and the spoken word is converted into text.

GSBV

Cannabisban – exceptional provision

The "work regulations" general works agreement was amended to include the topic of cannabis prohibition. The Personnel Commission of the General Works Council and the General Representatives for Severely Disabled Employees jointly achieved that **exceptions were defined for people who are dependent on cannabis for medical reasons** when the work regulations on the cannabis ban in the company were amended. This ensures that the use of cannabis in the workplace does not result in disciplinary action for these employees. This shows once again how important it is that the two bodies act as a mouthpiece for severely disabled employees and actively safeguard their needs, which are often forgotten.



Implementation of the inclusion agreement

The General Representatives for Severely Disabled Employees is constantly working to further advance the implementation of the contents of the inclusion agreement concluded in 2018. One example: With regard to the charging infrastructure at Mercedes-Benz locations, it was agreed with the central procurement department that the most accessible charging technology should be used. Implementation at the location must be carried out with the involvement of the respective local representative body for severely disabled employees.

Accessibility of partial retirement information events

The decision to take partial retirement is a unique and far-reaching life decision that requires a high level of personal counselling. The experience gained with online information events on partial retirement clearly showed that this is not sufficient to reach all employees. Employees with hearing impairments in particular were unable to take part in the programme. For this reason, the General Works Council and the General Representative Body for Employees with Disabilities called for the HR department to organise accessible face-to-face information events on partial retirement.

As face-to-face events are not feasible from the company's perspective, the existing counselling services should at least be expanded to include an **online information event for those with impaired hearing, with translation into sign language**. This should also be made available online afterwards.



GSBV

Politically active in the Automobile and Stern working groups

The Representation of Severely Disabled Persons is also active at a political level, for example in the Working Group of Representatives of Severely Disabled Persons in the German Automotive Industry (in short: Automobile working group) and in the Stern working group.



As the oldest working group for the representation of severely disabled people in Germany, the

Automobile Working Group uses this platform at a national political level to represent around 35,000 employees with severe disabilities in the automobile industry. This year, the theme of the exchange was "The employer's inclusion officer". Together with the inclusion officers of the

companies - all major German suppliers and automobile manufacturers were represented - content for a joint policy statement was developed. The overriding aim is always to improve cooperation between the representatives of severely disabled employees and the inclusion officers, and to strengthen the role of the inclusion officers. The clear conclusion from this year's conference: **inclusion works best when everyone pulls in the same direction** -

Inclusion officers and representatives of the severely disabled.

The representatives of severely disabled employees meet in the Stern working group to prepare joint demands for the Automobile Working Group and to define a common political direction. Declarations drawn up here are discussed, adapted and formulated as legal demands via the Automobile Working Group. In June 2024, Jürgen Dusel, the Federal Government Commissioner for Matters relating to the Disabled, was joined by the disability policy spokespersons of the parliamentary groups in the Bundestag and disability policy representatives from the German Trade Union Confederation and the social organisation VdK Germany.

Walter Wendt, General Representative of Mercedes-Benz GSBV and KSBV, has clear words for the company: "Our common goal must be to smooth the path for those who are the weakest in our society. Employers must realise that people with disabilities benefit their companies, their workforce and ultimately their bottom line. A stable policy and a socially balanced society are the key to inclusion in practice. We can only achieve this goal together. We are ready to go down this path."



The General Representative Body for Severely Disabled Employees (GSBV) represents the interests of severely disabled persons in matters that affect the entire company or several of the employer's companies and cannot be regulated by the representatives for severely disabled persons in the individual companies. It also represents the interests of severely disabled employees from companies in which there is no local representative body for severely disabled employees or in which such a body cannot be elected because the required number of five severely disabled employees is not met. The GSBV sees it as one of its central tasks to raise awareness of the issue of inclusion throughout the company. For example, the members draw the attention of those responsible to the lack of accessibility. They are also committed to the consistent implementation of occupational integration management (BEM) at all German locations.



From the world of trainees and works students

In dialogue with Sabine Kohleisen, Head of Human Resources



"We are currently at a crucial point where we are setting the course for the future of our trainees. We must seize this opportunity."

Emre Ibis | Chairman Mercedes-Benz General Youth and Trainee Representative Council

Once a year, the General Youth and Trainee Representation (German: GJAV) meets with HR Director Sabine Kohleisen to prioritise their issues. Both parties agree: this dialogue is extremely important, as the **trainees and works students are a key resource for the future of the company**. The GJAV campaigns for their rights across all locations.

Among other things, the shortage of skilled labour, the attractiveness of Mercedes-Benz as an employer and the sale of the group's own-retail outlets (p. 14) were once again addressed this year. This is because the approximately 8,000 colleagues affected include many trainees. During the negotiations, the GJAV was keen to ensure that trainees were not forgotten and that the issue was addressed at an early stage."The

trainees in the own-retail outlets are naturally very concerned about what the future holds for them. We have to ensure that the quality of training does not decline even if the company is sold, and that the current working conditions are maintained.

The entire training sector - also in the plants - is united on this issue," says Emre Ibis, GJAV Chairman. The arrangements in the negotiations regarding the sale of the own-retail outlets have been finalised. In the talks on the details, the GJAV ensured that the interests of the trainees and works students were taken into account.

The open and constructive dialogue with Sabine Kohleisen was very valuable for the GJAV. The aim now is to stay on the ball in order to press ahead with the topics discussed.

GJAV

For diversity and tolerance: the GJAV Respect Day

Leading by example: As the GJAV, it is important to us to shape the future of our company for our young talents and to set an example together – especially when it comes to issues that affect social discourse. It was therefore important to us, together with the trainees and CU students, to be clear and clear in increasingly difficult times.

To clearly position ourselves in favour of diversity and tolerance. We are delighted that our plan to establish a joint, **Germany-wide Respect Day** has received the **full support of the company**.



In June 2024, the time had come: Respect Day was held at seven German locations. In

Workshops and discussion rounds, the trainees were sensitised to important topics such as discrimination, sexual harassment, democracy and bullying. We were supported by partners such as the Mercedes-Benz Diversity Team, the representative body for severely disabled employees, the police and our collective bargaining partner IG Metall. Through the open exchange of opinions, we identified social problems and jointly developed approaches and solutions for dealing with them. We have promoted social participation and strengthened the political culture.



"Our respectful interaction with one another is not just about

the quality of our products, but also the satisfaction of our employees."

Murat Sür | Chairman of the Commission for Education and Qualification

Drive.Your.Car.

Since mid-June, Mercedes-Benz Members has made the "Drive.Your Car." (p. 30) for trainees and students at the Cooperative State University even more attractive, practical and electric.

You can find all offers from Mercedes-Benz Members at <https://mb4.me/mb-members>



Commitment pays off: JAV chairmanship earns credits for master crafts woman and master craftsman qualifications

Trainees can collect credit points for self-nomination for the Master Development Programme (german: MEP) - as of this year, for example, by (deputy) chairing the local youth and trainee representatives (german: JAVs). At the head of the JAV, the trainees gain valuable leadership experience by not only chairing their own committee, but also liaising with many other interest groups. In addition, the

range of tasks is extremely diverse and requires discipline, structure and commitment. In the general youth and trainee representative body, which is made up of the chairpersons of the local youth and trainee representatives, the members also exchange ideas across locations and broaden their horizons. And on top of all this, there are 15 to 25 points for the MEP - commitment in the JAVs is now even more worthwhile.

GJAV



GJAV demands more money for trainees and work students

Since 2022, tariff employees, trainees and students at the Cooperative State University (CU) of Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Intellectual Property GmbH & Co. KG have been able to enjoy the transformer component. The collectively agreed one-off payment amounts to 18.4% of a monthly salary and is paid out annually in February. To be eligible, employees must have been with the company for at least six months.

For this reason, trainees and CU students in their first year of training have not yet been entitled to claim - wrongly in our view.

Together with the Remuneration Committee and the Commission for Training and Qualification of the General Works Council, the GJAV is therefore demanding that **all trainees and CU students receive the transformer module, regardless of their length of service!**

In addition, trainees and CU students can also look forward to a defined percentage of the profit share, which increases from year to year of training. However, this amount is capped. If the defined percentage exceeds one gross monthly salary, it means: bad luck. There is never more than one gross monthly salary.

According to the new regulation on profit-sharing, this cap will be more significant, especially if the targets are achieved and therefore the profit-sharing is high. If the GJAV has its way, this should also end: **we demand that all trainees and CU students receive the profit-sharing bonus - without a cap!**

Incidentally, more money for trainees and CU students is also being demanded in the collective bargaining round (p. 10).

Training goes global

In our increasingly interconnected world, the value of intercultural skills and international expertise is growing all the time.

Secondments abroad are a good way to strengthen this. The "Training goes global" exchange programme enables Mercedes-Benz trainees to get a taste of international life and gain valuable experience in the process.

As part of the programme, participants

complete internships abroad lasting between three weeks and three months and can improve their language skills in the process.

The benefits are obvious: you can improve your intercultural skills, develop personally, build up an international network - and improve your career prospects at the same time. The advantages are obvious.

We are delighted that we were able to **expand the programme** together with the company: **On our initiative, the contingent for 2024 was increased from 25 to 42 assignments.** Additional secondment countries have also been added and others are under discussion.





ANNEX

Commissions and working groups of the General Works Council and other committees

German short form	Designation
AK bAV	Company pension scheme working group
AK IDM	Ideas management working group
AK Group subsidiaries	Group subsidiaries working group
AK Sale	Sales working group
EK	Remuneration committee
EWC	European Works Council
GBA	General Operating Committee
GBR	General Works Council
GJAV	General youth and trainee representation
GSBV	Representative body for all disabled employees
ITK NDL	Information Technology (IT) Commission Subsidiaries
ITK W	Information Technology (IT) Commission Works
KAUG W	Commission for Occupational Safety, Environment and Health Plants
KAUG NDL	Health Branches
KBQ NDL	Commission for Education and Qualification Subsidiaries

Short form	Designation
KBQ W	Commission for Education and Qualification Works
KBR	Group Works Council
KfA	Commission for Labour Policy
KSBV	Group Representative Body for Severely Disabled Employees
LK NDL	Wage Commission Own-Retail
LogK	Logistics Commission
MB Members	Mercedes-Benz Members (former company member business)
NLK	Branch Commission of the General Works Council
PK	Personnel Commission
	ProCent steering committee
VK	Negotiating committee of the General Works Council
WA	Economic Committee
WEC	World Employee Committee
WIIA	Economic, Innovation and Investment Committee
ZpaKo	Central Joint Commission

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Equal opportunities, diversity, openness and respect are among the fundamental beliefs of Mercedes-Benz as an international company. We demonstrate this in the way we think, act and communicate. As a matter of course, all terms chosen include all genders and identities.

