

Additional information on climate protection, air quality and resource conservation can be found in the Daimler Sustainability Report, which will be made available at the end of March 2021, on our website: [🌐 sustainabilityreport.daimler.com](https://sustainabilityreport.daimler.com)

Employee issues

Electrification, autonomous driving, connected urban mobility: It's not just our products that are changing fast – lots of things in the company are changing too. We are digitalizing our value creation processes – and thus our work. Our employees will need to be able to successfully address a variety of challenges in the digital world of the future, and it is our stated goal to ensure they will be able to do so. An open attitude regarding the digital transformation and digital skills, along with a diverse and inclusive corporate culture, form the basis for achieving this goal. That's because only in a culture marked by respect and trust can all employees unlock their full potential – and that is the prerequisite for a sustainable digital transformation.

Our employees are the key to our Group's success. Around 288,500 people promote this success worldwide by contributing their expertise and ideas to our work processes and by helping to make improvements and create innovations. Particularly in times of change as we are experiencing it today, respectful and trusting cooperation between the workforce and management is extremely important. This process of transformation is affecting not only our products but also our workplaces. In order to ensure that we remain competitive over the long term, we want to equip our employees with the skills they need and help them address the challenges associated with the transformation.

Our Group-wide employee survey is a key indicator of where we currently stand from the point of view of our employees and what we need to do to improve the company in the future. We conduct the survey every two years, most recently in 2018 after it had been fundamentally reworked. We were unable to carry out the employee survey in 2020 due to the covid-19 pandemic, but we plan it in 2021.

Codetermination

We structure our decision-making processes in a manner that ensures transparency for our employees, and we also enable our employees to participate in decision-making processes. We work together with our employees as partners, respect their interests, and get them actively involved in the company. Our policies and company agreements establish rules for how we take on responsibility in our employee relationships.

We have issued our own Group-wide Principles of Social Responsibility, which are based on the International Labour Organization's (ILO) work and social standards. We established our whistleblower system BPO (Business Practices Office) a number of years ago in order to ensure that we can employ a fair and adequate approach to investigating reports on incidents, especially those that pose a high risk to the company and its employees. The BPO receives reports of suspicious cases and directs the subsequent investigations. High-risk rule violations include, for example, offenses relating to corruption, breaches of antitrust law, and violations of Anti-Money Laundering regulations, as well as violations of binding technical provisions and environmental protection laws. See [🔍 Integrity and Compliance](#).

Furthermore, Daimler recognizes its social responsibilities and the ten principles on which the UN Global Compact (UNGC) is based. As a participant in the UNGC, we commit ourselves, among other things, to respecting key employee rights ranging from the provision of equal opportunities to the right to receive equal pay for equal work.

Corporate management and the employees' association maintain an ongoing dialog. The rights of our employees are defined in a number of plant and company-wide agreements. These agreements address topics such as mobile working, family leave and home health care.

For example, employees at Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG have been given a job-security guarantee for the period until 2029. In addition to this agreement, corporate management and the employees' association concluded a company-wide agreement in July 2020 that will make it possible to reduce labor costs in the period until the end of December 2021. This agreement was concluded in response to the various challenges associated with both the transformation of the automotive industry and the covid-19 pandemic. The company-wide agreement applies to all employees at Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG, as well as to staff at Daimler Gastronomie GmbH in Germany. Further information on the company-wide agreement can be found at [🌐 daimler.com/investors/reports-news/financial-news/20200728-secure-employment-and-profitability.html](https://daimler.com/investors/reports-news/financial-news/20200728-secure-employment-and-profitability.html)

Our employees have the right to organize themselves in labor unions – irrespective the freedom of association is not legally protected. In this regard, we work together constructively with the employee representatives and the trade unions. Important partners here include the local works councils, the European Works Council and the World Employee Committee (WEC). Collective bargaining agreements exist for the majority of our employees throughout the Group. Such agreements apply for all of the non-exempt employees at Daimler AG, Mercedes-Benz AG, Daimler Truck AG and other units at the Group.

Appropriate remuneration

We remunerate work in accordance with the same principles at all Group companies around the world. Our Corporate Compensation Policy, which is valid for all groups of employees, establishes the framework conditions and minimum requirements for the design of the remuneration systems. Among other things, it stipulates that the amount of the remuneration is determined on the basis of the requirements of the job profile in question (taking into account, for example, the person's knowledge, expertise, responsibilities and decision-making authority) and where appropriate performance. It does not take account of gender, origin or other personal characteristics. During internal audits, we make random annual checks of selected aspects of the policy and compliance with them. In doing so, we also take into consideration local market conditions, because we want to offer our employees salaries and benefits that are customary in the industry and the respective markets. We did not become aware of any material violations of the Corporate Compensation Policy during the year under review.

In 2020 for its employees around the world the Group spent:

- €17.622 billion on wages and salaries
- €3.523 billion on social welfare services, and
- €0.703 billion on retirement benefits for a workforce numbering 293,138 on average.

Training and professional development

Due to electric mobility and digitalization we are currently experiencing the greatest ever structural change in the history of the automotive industry. Associated with it is the far-reaching transformation of our company. Job descriptions, tasks and requirements profiles are also changing as a result. This is transforming the qualifications required for many positions, affecting employees as well as managers.

The knowledge and skills of our employees are the foundation of Daimler's worldwide success. That's why we invest to a large extent in their training and professional development and continue to enhance our HR development program. How will our workforce develop over the next ten years – and what workforce structures will we need to have in the future? These are important questions that we are addressing within the framework of our "Strategic Resource Management" HR planning program at Mercedes-Benz AG and Daimler Truck AG.

For example, Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG in Germany control training and qualification processes through an overarching set of rules and regulations. From the Board of Management to our training and qualification units and the trainers at the plant level, we pursue the goal of safeguarding our competitiveness throughout the company.

Our Group's digital transformation is changing the requirements profiles of many jobs and making it necessary for staff in many positions to gain new expertise. We are addressing this issue by expanding the range of professions in which we offer training, increasing the number of programs offered by our dual study programs, and recruiting young talent with extensive digital expertise.

During the year under review, for example, we offered dual work-study programs and commercial and technical training programs in Germany for more than 30 different professions. We continuously update the programs in order to take into account future requirements and technological innovations in each profession.

We support change processes such as the company's digital transformation by offering suitable qualification measures for the entire workforce. In 2020 the focus was on IT skills and professions, high-voltage and battery technology, and the development and offer of digital learning formats. Among other things, we implemented a global digitalization qualification campaign for our IT specialists in 2019 and 2020. In addition, we prepared the Digital Readiness Program that will be used to launch a comprehensive range of digital professional training measures worldwide beginning in January 2021. Among other things, the Digital Readiness Program covers methodological, technical and cultural aspects of digitalization.

Diversity and equal opportunity

Our workforce is as diverse as our customers, and Daimler is convinced that diversity makes us more successful as a company. That's because diversity helps us to find new viewpoints and acts as a driving force behind creative ideas and innovations. We promote a working environment in which all of our employees can develop and make full use of their talent – regardless of their age, gender, sexual orientation or any other characteristic that relates to diversity. We therefore need to be tolerant of one another and remain open-minded, which means there is no place for discrimination in the workplace.

We expect all of our employees to treat each other in a respectful, open and fair manner. Managers serve as role models here and thus have a special responsibility for ensuring a corporate culture marked by fairness.

The Integrity and Diversity units at Daimler design the framework and processes for such a culture. The Global Diversity Office is a corporate function that is part of the Group Human Resources organization. This office defines strategic targets and areas of action in cooperation with the business units and initiates Group-wide projects, training programs and measures to increase awareness of the importance of diversity. For example, Daimler Diversity Day was once again held in 2020. Activities were held at various locations worldwide in line with the motto "Link perspectives – bring the mix alive." As a result of the covid-19 pandemic, many locations primarily focused on digital communication offers such as virtual workshops and discussion rounds.

Our goal is to attract the most highly qualified specialists and managers to our company and support their professional development, regardless of their age, ethnicity, gender, sexual orientation and identity, and any physical limitations they may have.

The Daimler AG Supervisory Board is legally required to have a gender ratio of at least 30% women. The Supervisory Board fulfills this requirement as a whole and also in terms of the side of the Supervisory Board representing the shareholders and the side representing the employees. At the end of 2020, 25% of the members of the Board of Management were women. This means we exceeded the target of 12.5% for the proportion of women on the Board of Management that the Supervisory Board defined and whose deadline for achievement was December 2020. As early as 2006, we had agreed to increase the share of women in management positions, and we regularly check to see how we are progressing with regard to our goals. Additional information about the targets and results can be found in the chapter [Corporate Governance](#).

Occupational health and safety

Ensuring the health and safety of our employees is a very high priority at Daimler. For example, we design our workplaces in line with ergonomic criteria and offer health maintenance programs and occupational safety training. In everything we do, we focus on the health and safety of our employees. Our overarching goal is to prevent health risks and maintain the health of all Daimler employees over the long term.

The current covid-19 pandemic isn't the only reason why it's so important to have a sustainable health and occupational safety management system in place, as the demographic transformation and advances in technology are also leading to new challenges. As a responsible employer, we seek to ensure that our employees can work in a safe and healthy environment. We utilize a holistic health and occupational safety management system in order to prevent work accidents and work-related illnesses. The focus here is mainly on preventive measures that we continuously review and develop further.

Our occupational safety strategy sets high standards for the design of workplaces and work processes. Moreover, we are systematically striving to reduce occupational and health-related risks. The Daimler Group operates on the basis of globally uniform guidelines for risk prevention. Our occupational health and safety policy and our occupational health and safety guidelines serve as overarching, internationally valid Group regulations. They are based on international standards and national laws and emphasize the managers' obligation to act responsibly. However, they also underscore the employees' own responsibility. We use internal due diligence audits to generally check every five years whether safety standards are met at our production locations. The audits didn't take place during the reporting year, due to the covid-19 pandemic. Various locations have their occupational safety and health management systems certified independently by external certification agencies in accordance with the ISO 45001 (formerly OHSAS 18001) standard in addition to the safety due diligence audits. Approximately 40% of our employees at production locations (about 100,000 employees) work with an occupational safety management system certified according to ISO 45001/OHSAS 18001.

Since 2019 Daimler has also been committed to achieving Vision Zero. This global campaign aims to prevent job-related accidents and illnesses while also promoting employees' health, safety and well-being. In the reporting year 2020 we introduced a global accident documentation system, for example. This system includes an integrated international digital reporting process that enables the rapid documentation of all covid-19 cases among the employees and thus the rapid follow-up of possible contacts by the plant medical service. We also derive standardized accident statistics from our production sites while taking all applicable data protection regulations into account. These statistics are regularly reported.

Occupational health and safety issues throughout the Group are managed by the Health & Safety unit, which is part of Human Resources and under the direction of the Chief Group Physician of Daimler AG, Mercedes-Benz AG and Daimler Truck AG. All key occupational health and safety issues are discussed on a regular basis with works council representatives and management representatives at all levels of the company. All decisions resulting from such discussions are made jointly.

The covid-19 pandemic

This Annual Report is being released at a time when people around the world continue to struggle with the covid-19 pandemic. During the reporting year, we at the Daimler Group implemented numerous measures to slow the spread of the virus and protect our employees.

In a first step, the Daimler Group had decided to suspend the majority of its production in Europe, as well as work in selected administrative departments, for an initial period of two weeks (23th of March until April 3rd, 2020). As the covid-19 pandemic worsened, short-time work was then introduced in Germany on April 6. The Group took this step in response to the wide-ranging effects of the coronavirus and the increasingly negative impact the pandemic was having on the economy and society.

We also developed new workplace rules that include preventive hygiene and safety measures for production units and offices, company restaurants, and areas in which staff need to meet with customers. Business travel that was not absolutely necessary was also reduced to a minimum until the end of 2020. We expanded our IT infrastructure in order to enable mobile working and ensure the technical functioning of digital formats such as conference calls and video conferences. Even after most short-time work arrangements ended at the beginning of July, we encouraged our employees to keep working from home if at all possible, and we continue to recommend that they do so. We have also implemented new shift concepts for departments and units where a physical presence in the office remains necessary.

The global covid-19 pandemic presented companies and employees with many challenges last year, and it continues to do so. With this in mind, the Board of Management, in consultation with the General Works Council, decided to issue a special one-time "coronavirus bonus" to non-exempt employees and team leaders of Daimler AG, Mercedes-Benz AG, Daimler Truck AG, the Daimler Mobility division, and all subsidiaries in Germany. This special payment is meant to mitigate financial and personal hardship and honor the great dedication and flexibility displayed by the workforce during the crisis. In some cases an appreciation bonus was paid to employees outside Germany.