



Interview

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“It is not about sending an accountant or lawyer to a place.”



In a double interview with Atle Høie, General Secretary of the trade union federation industriALL Global Union, and Michael Brecht, Chairman of the General and the Group Works Council at Daimler Truck, the situation regarding human and employee rights worldwide is examined. It also explains how and why the General Works Council can actually contribute to improving human rights.

Why is it important for Daimler Truck to have a Declaration on Principles of Social Responsibility and Human Rights?

Michael Brecht: In its Declaration of Principles on Social Responsibility and Human Rights, Daimler Truck commits itself to respecting and safeguarding human and employee rights and expects the same from its suppliers throughout the supply chain. For us as the General Works Council of Daimler Truck, this is of great significance. If we detect any violations of human rights, we can report them to the company and work to find a solution. Moreover, we can bring in all the weight that we have in Germany through the very successful model of co-determination – even if the violation happens in very distant countries with small suppliers.

How does the industrial union industriALL evaluate the global human rights situation?

Atle Høie: It varies a lot depending on which country, which region you are in. Of course, it is different from Germany to Malaysia. In general, it gets worse further down the supply chain you get and of course, if you are based in a developing country it is a big challenge. I would also say that the human rights situation has deteriorated over the last years. There are more countries denying basic trade union rights like organizing and collective bargaining. Therefore, it is not looking good and that is why we need these kind of agreements with the big multinationals.

Human and labor rights are not only an issue in emerging markets, correct?

Atle Høie: Talking United States. Of course, it is a democracy in most senses of the world. However, if you take the southern part of the US it is probably the most difficult place in the world to organize trade unions including almost dictatorships. In some states like South Carolina, the density is 1.7 to 2%. Daimler Truck has a plant that is not organized, also Volkswagen, BMW and Airbus. There is nothing that is organized, because there is a powerful lobby against organizing labor in these states. Nevertheless, of course the human rights situation there differs substantially compared to the Democratic Republic of Congo for example, where the automotive industry mostly extracts its cobalt for the batteries.

Can the General Works Council make a specific contribution to improving human rights?

Michael Brecht: We have recently set up a European Works Council and a World Employee Committee, in which 23 countries are represented. This means that we have a worldwide network of employee representatives who can report violations of the rules or grievances in our own companies or at suppliers to the committee. We also work closely with international trade union federations such as the industriALL Global Union and the US automobile union UAW. We report rule violations to Daimler Truck's whistle-blower system BPO and thus start an official review process. If it turns out that human rights have actually been violated, the company is obliged to take action. This approach has already proven itself in the past, because we have already been able to successfully eliminate some grievances. For example, in Turkey, where the establishment of trade unions is massively impeded. This shows the effectiveness that we have as a General Works Council in daily business.

What is the impact of the struggle for resources and raw materials on the human rights situation in the industry?

Atle Høie: Actually, it is a little bit both ways. For example when it comes to batteries, which is a very hot topic at the moment. We see the automotive industry joining forces to figure out how they can be sure to source from mines that are based on rights. 60% of the cobalt comes from the Democratic Republic of Congo, half of that comes from mining where there is absolutely no control at all. If you go ten years back the companies didn't know where their input came from. Now different initiatives like the Initiative of Responsible Mining Assurance - IRMA - or the Global Battery Alliance, are really putting a spotlight on where the materials come from. Therefore, in these cases the situation is improving. But then again there are more countries falling out of democracy – take Myanmar. Unfortunately, the general trend is downwards.

ESG is becoming an increasingly important criterion for investors when assessing companies and potential investments. What role does industriALL play here?

Atle Høie: First, we try to make sure that there is more emphasis on the “Social” factor of ESG. ESG is a continuation of other elements we have had before. We started in the early eighties and nineties with internal code of conducts. In the end and in simple terms, that lead to the Supply Chain Due Diligence Act which will come into effect in the German legislation as of New Year. That is one example. Because of our consistent work during the last decades, it is broadly accepted that we represent labor in all parts of the world. That is why we are approached almost on a daily basis by different rating agencies, institutional investors and other agencies to see what kind of input we have from different companies on the performance on ESG. That is part of their standard setup.

Experts consider the Declaration of Principles on Social Responsibility and Human Rights at Daimler Truck as exemplary. What is your opinion?

Atle Høie: I totally agree. But I also want to encourage the General Works Council of Daimler Truck to really look into the supply chain issues. To really get to know the whole supply chain of Daimler Truck and to see where the risk areas are, helping the company to do their due diligence processes. From our point of view due diligence is not about sending an accountant or lawyer to a place and work through a checklist. It is about talking to people. As a union, I think we should make sure that in the due diligence the company involves the unions in the production sites. That is extremely important.

In its **Declaration of Principles on Social Responsibility and Human Rights**, Daimler Truck is strongly committed to respecting and upholding human rights and expects the same from its business partners along the entire supply chain.

The Declaration of Principles was signed by management, the General Works Council together with the World Employee Committee and the industriALL Global Union. The Declaration complies with the UN Guiding Principles on Business and Human Rights and also takes into account new developments such as the handling of data protection and artificial intelligence.

Are we at Daimler Truck sufficiently equipped to tackle human rights issues and comply with regulations like the Supply Chain Due Diligence Act in Germany?

Michael Brecht: Basically, yes. We have a comprehensive set of rules and processes like the exemplary Principles of Social Responsibility and Human Rights, the Human Rights Compliance Management System and the code of conduct to highlight just a few. There is some more work to do but the main pillars are set. For me personally and as Chairman of the General Works Council, it is important that we work with motivation and passion in daily business to enforce human, employee and trade union rights. This applies to the company as well as to labor representatives. I personally do not want to just fulfill a law, but actually to improve the situation of the people. In the past, we have already been able to solve some critical issues together with the company.

Contact:

Matthias Krust
Head of Communication General Works Council
Spokesperson of Chairman of General Works Council

+49 160 8653505

matthias.krust@daimlertruck.com

Further information from the General Works Council and the labor representatives of Daimler Truck is available on the Internet:

<https://www.daimlertruck.com/works-council>

The General Works Council of Daimler Truck AG

The General Works Council (GWC) of Daimler Truck AG represents the interests of more than 33,000 employees in Germany. The GWC makes general works agreements with the company management, which then apply to the entire workforce of Daimler Truck AG. The body consists of 13 members who are elected for a term of four years. The basis for this is the Works Constitution Act. The central concern of the GWC is the preservation and expansion of jobs and the creation of good and fair working conditions. The GWC also takes a stand on the design of framework conditions that go beyond everyday business life, as well as on political and social issues.