

GLOBAL FRAMEWORK AGREEMENT

between

TCHIBO GmbH

with its registered seat in Überseering 18, 22297 Hamburg, Germany

- hereinafter referred to as "Tchibo" -

and

INDUSTRIALL GLOBAL UNION

with its registered seat in 54bis, Route des Acacias 1227 Carouge, Geneva, Switzerland

- hereinafter referred to as "IndustriALL Global Union" –

ON THE IMPLEMENTATION OF INTERNATIONAL LABOUR STANDARDS THROUGHOUT THE TCHIBO NON FOOD SUPPLY CHAIN

Preamble

1. Tchibo GmbH is a family-owned German retailer, selling mainly Coffee and Consumer Goods. The Non Food product categories include, but are not limited to garments, home textiles, kitchenware, furniture, jewelry, electronics, beauty, and household articles. With its corporate strategy, Tchibo is committed to the promotion and protection of human rights and the environment.
2. IndustriALL Global Union is composed of trade unions and trade union federations which organise workers in the whole industry, including textile, garment, footwear, leather, and other light industries. It is committed to defending the rights and interests of workers at the global, regional, and sub-regional levels through the promotion of international labour standards in global supply chains.
3. Through this Global Framework Agreement (hereinafter "Agreement"), Tchibo and IndustriALL Global Union (hereinafter "the Parties") wish to formalise the good collaboration which has developed over the recent years and to enter into a formalised strategic partnership.
4. This Agreement aims to ensure the effective application of all International Labour Standards (as detailed under 6) throughout the Tchibo Non Food supply chain (as defined under 10), with a particular focus on strengthening the right to organise and to bargain collectively.
5. The Parties understand that the application of International Labour Standards can only be achieved on a permanent basis and in a sustainable manner, if (i) employees have the right to organise and bargain collectively and if (ii) workers have the mechanisms and tools to monitor and enforce International Labour Standards at their workplace. The Parties believe that mature industrial relations will benefit businesses both on an industry-wide as well as on a factory level.

References to Conventions and Standards

6. Both Tchibo and IndustriALL Global Union shall recognise and undertake to collaborate to ensure the application of International Labour Standards (hereinafter "ILO") including the 1998 ILO Declaration on Fundamental Principles and Rights at Work, ILO Conventions and recommendations
 - C.087 Freedom of Association and Protection of the Right to Organise Convention
 - C.098 Right to Organise and Collective Bargaining Convention
 - C.135 Workers' Representatives Convention
 - R.143 Workers' Representatives Recommendation
 - C.100 Equal Remuneration Convention

- C.111 Discrimination (Employment and Occupation) Convention
- C.159 Vocational Rehabilitation and Employment (Disabled Persons) Convention
- C.079 Night Work of Young Persons (Non-Industrial Occupations) Convention
- C.138 Minimum Age Convention, C.142 Human Resources Development Convention
- C.182 Worst Forms of Child Labour Convention
- R.146 Minimum Age Recommendation
- C.029 Forced Labour Convention
- C.105 Abolition of Forced Labour Convention
- C.026 Minimum Wage-Fixing Machinery Convention
- C.131 Minimum Wage Fixing Convention
- C.001 Hours of Work (Industry) Convention
- C.014 Weekly Rest (Industry) Convention
- R.116 Reduction of Hours of Work Recommendation
- C.155 Occupational Safety and Health Convention
- R.164 Occupational Safety and Health Recommendation

as well as the Universal Declaration of Human Rights, the United Nations (UN) Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the UN Sustainable Development Goals to Tchibo's Non Food supply chain.

7. The Parties mutually agree and as stated in Tchibo's Social and Environmental Code of Conduct (SCoC) attached in Annex 1 hereto that the conventions and standards as mentioned in Section 6 as well as relevant jurisprudence of the ILO shall solely apply vis-à-vis national laws in case these laws are less favourable to employees.

Commitment

8. Tchibo acknowledges that the role of trade unions is to organise and bargain on behalf of workers and recognises IndustriALL Global Union and its affiliates as its legitimate partners for collaboration regarding human and trade union rights (as detailed under 6).
9. IndustriALL Global Union confirms to collaborate with Tchibo and commits to work with all unions represented in the Tchibo Non Food supply chain.

Scope

10. This Agreement shall cover the Tchibo Non Food supply chain with all its vendors, suppliers, their producers, and subcontractors and applies to all employees, regardless whether employed directly or indirectly by Tchibo's business partners and regardless of the contractual basis of this employment, whether in the formal or the informal sector.
11. For workplaces within Tchibo's Non Food supply chain that are represented by trade unions not affiliated to IndustriALL Global Union, IndustriALL Global Union and Tchibo shall undertake to inform these trade unions about this Agreement. Trade unions not affiliated to IndustriALL Global Union may participate in this Agreement, provided mutual consent is given by the Parties.

Implementation

12. Tchibo and IndustriALL Global Union shall undertake to jointly develop, implement, monitor, and evaluate a strategy to strengthen the right to organise and bargain collectively throughout the Tchibo Non Food supply chain.
13. The Parties shall mutually define sub-strategies for the most important Tchibo buying markets as well as countries identified to be of strategic importance when aiming to strengthen the right to organise and bargain collectively in manufacturing industries. The Parties shall mutually agree on countries to prioritise.



14. Based on the overall and country strategies, the Parties shall agree to mutually carry out activities which include, inter alia, but not limited to
 - Measures to create an enabling environment for mature industrial relations both on factory and on industry-wide level.
 - Trust-building and capacity-building activities on a factory level including for factory owners, factory managers, workers, worker representatives, trade union members, and trade union representatives;
 - Industry-wide initiatives like the ACCORD on Building and Fire Safety in Bangladesh and ACT on Living Wages;
 - Collaboration with companies in relevant industries which have also signed a Global Framework Agreement with IndustriALL Global Union.
 - Joint approaches to governments to engage into a tripartite process jointly with other persons in charge from business and further stakeholders, identified and invited by the Parties' mutual agreement.
 - No communication by Tchibo intended to influence decisions of workers in the Tchibo Non Food supply chain with regard to union representation, prohibition of any form of discrimination based on union activity, and prohibition of any discrimination against employees or their representatives who seek rights as stipulated in this Agreement.
15. IndustriALL Global Union shall review the strategy and implementation plan of the WE (Worldwide Enhancement of Social Quality) Programme as defined in Annex 2 hereto. Through their participation in the WE Advisory Committee, IndustriALL Global Union shall advise Tchibo on strengthening trade union rights within the WE Programme.
16. Tchibo and IndustriALL Global Union cooperate with each other in confidence that together they can solve problems and issues that may arise in the implementation and monitoring of the measures as stipulated in this Agreement. Both Parties shall undertake to inform each other of any breach in connection with the enforcement of the Agreement, as soon as the breach is discovered, to enable the Parties to implement a remediation action plan without undue delay.
17. In case a local trade union affiliated to IndustriALL Global Union detects a potential breach regarding the enforcement of this Agreement within the Tchibo Non Food supply chain and its attempts to solve such breach have failed, it shall notify Tchibo and IndustriALL Global Union contact persons designated for such purposes.
18. Tchibo shall in consultation with IndustriALL Global Union assess and investigate the potential breach and shall, where needed, directly address the Tchibo Non Food suppliers and producers.
19. In case a breach regarding the enforcement of this Agreement has been confirmed, Tchibo and IndustriALL Global Union shall jointly develop and implement a remediation plan.
20. In case the Parties are unable to reach a mutual solution that is appropriate to remedy the breach and satisfactorily to the Parties, the Parties shall agree to seek the assistance of the ILO for mediation and dispute settlement. The Parties shall agree to abide by the final recommendations of the ILO.

Structure and Organisation

21. The Parties shall agree to hold meetings/workshop(s) to develop the strategy and country sub-strategies and carry out the WE Programme review within three months after signing this Agreement. For these meetings, IndustriALL Global Union affiliates might be invited upon the Parties' mutual agreement.
22. After the initial strategy development, the Parties shall agree to a bi-annual review of the application of the Agreement and shall create a committee (hereinafter "GFA Committee") comprised of at least two representatives from Tchibo and IndustriALL Global Union.
23. The bi-annual review shall include or coincide with the WE Advisory Committee meeting.
24. Tchibo and IndustriALL Global Union shall each designate a contact person (hereinafter "Contact Persons") to deal and follow up with matters that arise in between the bi-annual meetings. If



needed, Tchibo and IndustriALL Global Union shall designate additional regional contact persons to support the implementation of this Agreement.

25. For the implementation of country sub-strategies, the Parties may agree to nominate working groups (hereinafter "Country Working Group") composed of representatives both of IndustriALL Global Union and Tchibo. In line with the overall strategy and the relevant country sub-strategy, the Country Working Group may carry out the following activities:
 - Measures to create an enabling environment for mature industrial relations both on factory and on industry-wide level;
 - Trust-building and capacity-building activities on a factory level including for factory owners, factory managers, workers, worker representatives, trade union members, and trade union representatives
 - If necessary, assistance with the resolution of any breach of this Agreement at Tchibo Non Food suppliers and producers as outlined under paragraphs 16-19.
 - If helpful, collaboration with companies in relevant industries which have also signed a Global Framework Agreement with IndustriALL Global Union.The Country Working Group shall regularly report in writing to the GFA Committee (paragraph 22) and the designated Contact Persons (paragraph 24).
26. The Country Working Group may meet regularly as mutually agreed by the members in the Country Working Group both from IndustriALL Global Union and Tchibo.
27. The Parties shall agree to work transparently, collaboratively, and in good faith to ensure the mutual purpose of this Agreement is met.
28. Tchibo shall cover the costs for the programme implementation and meetings associated with this Agreement.

Information and Access

29. Tchibo shall provide the necessary information on its Non Food supply chain to the governing body of IndustriALL Global Union. IndustriALL Global Union shall undertake to keep the Non Food supply chain information strictly confidential and shall be held liable for the appropriate use by trade unions and affiliated members thereto.
30. Tchibo shall undertake to inform its external suppliers of the contents and intent of the Agreement while IndustriALL Global Union shall do likewise with its trade union affiliates and other relevant trade unions as appropriate.
31. IndustriALL Global Union governing body shall coordinate that the local, national, and regional trade unions structures are aware of the actions that Tchibo develops regarding the implementation of the Agreement in their countries.
32. Tchibo shall secure the translation of the Agreement into all relevant languages mutually agreed with IndustriALL Global Union.
33. Tchibo shall use its best efforts to commit IndustriALL Global Union and the local, national, and regional trade unions affiliated thereto, physical access to such suppliers and factories within the Tchibo Non Food supply chain taking into account the historical, political, and social situation of each region. The specific realization of such access shall be provided based upon the mechanisms that both the management of IndustriALL Global Union and Tchibo might deem necessary. IndustriALL Global Union recognises and agrees that any union access to the premises of a Tchibo Non Food supplier is conditional on the prior consent of the business partner. Consequently, the Parties agree that in the event IndustriALL Global Union or its affiliated unions want to meet with workers at the premises of a Tchibo Non Food supplier, IndustriALL Global Union or its affiliated unions shall ask Tchibo to obtain the requisite consent from the business partner.
34. Tchibo and IndustriALL Global Union shall commit to implement measures appropriate to increase and strengthen the expertise and skills of Tchibo's Non Food supplier factories and IndustriALL Global Union's affiliated unions in support of this Agreement.



Term and Termination

35. This Agreement shall come into force as of the date of signing and shall remain in effect for an indefinite period of time if not terminated by either Party by giving six months written notice.

Force Majeure

36. Any delay or failure by either party in the performance of its obligations hereunder shall not constitute a default hereunder if, and only to the extent and for such period of time that, (i) such delay or failure is caused by an event or occurrence beyond the control and without the fault or negligence of such party or other party acting under or through such party, and (ii) said party is unable to prevent such delay or failure through the exercise of reasonable diligence. Events that shall be deemed to be beyond the control of the Parties hereto shall include, but not be limited to: acts of God; expropriation or confiscation of facilities by governmental or military authorities; war, rebellion, sabotage, or riots; floods, unusually severe weather that could not reasonably have been anticipated; or other natural catastrophes; or other similar occurrences.

General

37. Unless otherwise expressly provided herein, no changes, alterations, or modifications to this Agreement shall be effective unless in writing and signed by the respective Parties.

38. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof, and the remaining part of such provision and all other provisions of this Agreement shall continue in full force and effect.

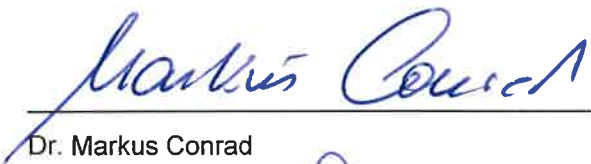
IN WITNESS of which this Agreement has been duly executed by the Parties on the day and year as indicated.

For Tchibo GmbH

For IndustriALL Global Union

Hamburg, 27 September 2016

Hamburg, 27 September 2016



Dr. Markus Conrad
Chief Executive Officer



Jyrki Raina
General Secretary



Thomas Linemayr
Member of Management Board



Senay Küçük Tansu
Member of Management Board, Non Food





Tchibo Social and Environmental Code of Conduct (Tchibo SCoC) for Business Partners (Products and Services)

Status: May 2014

As a globally sourcing company, we commit ourselves to the promotion and protection of human rights and the environment. Tchibo thereby acknowledges the principles of sustainable development of the 1992 Rio Declaration, the principles of the United Nations' Global Compact and the United Nations' Guiding Principles on Business and Human Rights.

As a standard requirement for doing business with Tchibo, we require our business partners (vendors, suppliers, their producers and subcontractors) to comply with the fundamental principles of this Code as well as with all national and international labour, social and environmental laws. They apply to all employees, regardless whether employed directly or indirectly by our business partners and regardless of the contractual basis of this employment, whether in the formal or the informal sector. They constitute the absolute minimum and not the maximum of protection for employees and the environment. Whenever the provision of national and international laws, specific industry standards, collective bargaining agreements and this Code address the same subject, the regulation which affords the greater protection for employees or the environment applies.

The fundamental social standards as set forth in this Code are based on ILO Conventions and the United Nations' Universal Declaration of Human Rights; they also refer to the SA8000 standard and the Ethical Trading Initiative Base Code; the environmental standards are guided by the Global Compact principles on environment.

1. Forced Labour

Employment is freely chosen. Business partners shall not employ any form of forced, bonded, slave or otherwise involuntary labour. Employees shall not be subject to any regulation which limits their personal freedom of movement. Employers shall not require their workers to lodge deposits or their identity papers with them. Workers are free to leave their employer after reasonable notice as mandated by law. The production of goods with the use of prison labour is strictly prohibited. ILO Conventions 29 and 105 apply.

2. Child Labour and Young Workers

There shall be no use of child labour. The age of admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years (or 14 where national law permits in accordance with ILO convention 138). In the event that children are found to be working in situations which fit the definition of child labour above, policies and written procedures for remediation of children found to be working shall be established and documented by the supplier company. Furthermore, the supplier company shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child.

Young workers are workers between the age of 15-18. The company may employ young workers, but where such young workers are subject to compulsory education laws, they may work only outside of school hours. Under no circumstances shall any young worker's school, work, and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers shall not be employed at night or perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals. Young workers shall be given the opportunity to participate in education and training programmes.

National regulations for the protection of young employees shall be fulfilled. ILO Conventions 79, 138, 142, 182 and ILO Recommendation 146 apply.

3. Discrimination

It shall be guaranteed that all employees are treated equally, with dignity and respect and have access to equal opportunities. No discrimination shall be tolerated on gender, age, religion, race, caste, social background, disability, ethnic and national origin, nationality, membership in workers' organizations including unions, political affiliation or opinions, sexual orientation, family responsibilities, marital status, or any other personal characteristics. This applies in particular to hiring, compensation, access to training, promotion, termination or retirement. ILO Conventions 100, 111 and 159 apply.

4. Disciplinary Measures

Any kind of corporal, psychological, physical, sexual, verbal or other harassment, abuse or discipline and any other form of intimidation are prohibited. Disciplinary measures shall be in line with national



laws and internationally recognized human rights. Arbitrary penalties above all in case of sickness or pregnancy are forbidden. Employees, who raise any complaint based on this Code and/or on applicable national/international laws, shall not be subject to any form of disciplinary measures or reprisal.

5. Working Contracts

Business partners shall provide their employees with written working contracts. Working contracts shall comply with national regulations and as a minimum must contain: name, home address, photo of the employee*, date and place of birth*, function, starting date of working relationship, hours of work, remuneration and compensation, probation period (if applicable), leave entitlements, details for termination of the working relationship (both by employee and employer), signature of employee and employer and dates of signature. In the case of contracted work, the business partner has to secure that all aforementioned requirements are complied with by the contractor.

6. Compensation

Wages paid for standard working time without overtime shall meet at least legal regulations, benchmark industry minimum standards or collective bargaining agreements, whichever is higher. Business partners shall strive to pay wages that always meet basic needs of employees and their families and provide some discretionary income in case that legal minimum wages fail to do so. Employees shall receive at least all legally mandated benefits. All overtime work shall be reimbursed at a premium rate according to legal, benchmark industry standards or collective bargaining agreements, whichever is higher. Employees shall be provided with written and understandable information on the full composition of their wages, including deductions, overtime premium rates and benefits. Deductions from wages as a disciplinary measure are not permitted. ILO Conventions 26 and 131 apply.

7. Hours of Work

Hours of work shall comply with applicable laws and benchmark industry standards, whichever of the two is stricter. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week. Overtime shall be voluntary, shall not exceed 12 hours per week and not be demanded on a regular basis. Employees are entitled to at least one free day following six consecutive days of working. Exceptions to this rule apply only where both of the following conditions are fulfilled: a) National law allows work time exceeding this limit; and b) a freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods. ILO Conventions 1 and 14 apply and ILO Recommendation 116.

8. Freedom of Association and Collective Bargaining

The right of employees to form or join workers' organizations including unions of their own choice and to bargain collectively shall be recognized and respected. Employers shall adopt a positive approach towards the right to freedom of association and collective bargaining, by communicating this right actively to their workforce and by adopting an open attitude towards trade unions including their organizational activities. In those situations in which the rights to freedom of association and collective bargaining are restricted by law, parallel means of independent and free association and bargaining shall be allowed. Workers' representatives shall be protected against discrimination, harassment, intimidation or retaliation and shall be provided free access to the workplaces to ensure that they can exercise their rights in a lawful and peaceful way. ILO Conventions 87, 98 and 135 and ILO Recommendation 143 apply.

9. Health & Safety

A safe and hygienic working environment shall be provided to the employees. Occupational health and safety practices shall be promoted, which prevent accidents and injuries in the course of work or as a result of the operation of employer facilities. These health and safety practices and procedures shall be communicated to and trained with the employees on a regular basis. A clear set of regulations and procedures must be established and followed, especially the provision and use of personal protective equipment, access to clean sanitary facilities and potable water. The same principles apply to all social facilities and employee accommodation facilities if provided by the employer. All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the company. The company observing the Code shall assign responsibility for health and safety to a

* Not applicable within the European Union because of the Council Directive on the implementation of the principle of equal treatment.

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senior management representative and involve workers in the analysis of health risks and hazards. ILO convention 155 and ILO recommendation 164 apply.

10. Environmental Protection

Business partners shall act in accordance with the applicable environmental law and international standards regarding environmental protection and shall maintain relevant environmental permits and licences. They shall continuously strive to minimize any adverse impact that their business activity has on the environment. In particular, this means: no hazardous substances shall be released into the environment; wastewater, air emissions and any other waste need to be treated properly prior to discharge in accordance with applicable laws and standards; chemicals and other hazardous substances need to be labelled properly and stored safely; energy efficiency needs to be increased; and the use of natural resources (including water, mineral resources, agricultural commodities and fossil fuels) needs to be minimized.

In order to achieve these targets business partners shall establish a feasible and effective environmental management system.

11. Management Practice

Social and environmental standards as defined in this Code shall be acknowledged by the management of any business partner and shall be incorporated in company policies. Employees shall be informed about the contents of the Code and applicable national/international laws in a way that is accessible for them, including their local language and in case of illiteracy through verbal briefing and training.

In order to meet all requirements as set forth in this Code and in national/international laws, business partners shall set up or use a feasible management system, including the appointment of responsible personnel, the definition of relevant processes and the maintenance of appropriate records to demonstrate compliance with this Code and national/international laws.

12. Employment Relationship

Obligations of this Code and/or of national/international laws shall not be avoided through the use of labour-only contracting arrangements, sub-contracting, false apprenticeship schemes or homework in industries which are not traditionally conducted in home-working arrangements.

Grievance Procedure:

Employees are entitled to bring any violation of this Code and/or applicable laws to the attention of Tchibo and/or any independent third party. Employees and third parties may contact Tchibo at any time:

Tchibo GmbH
Corporate Responsibility
Überseering 18
D-22297 Hamburg
Germany
Email: socialcompliance@tchibo.de

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ANNEX 2

to the GLOBAL FRAMEWORK AGREEMENT

between TCHIBO GmbH and INDUSTRIALL GLOBAL UNION

ON THE IMPLEMENTATION OF INTERNATIONAL LABOUR STANDARDS THROUGHOUT THE TCHIBO NON FOOD SUPPLY CHAIN

WE Programme

The WE (Worldwide Enhancement of Social Quality) Programme is a comprehensive supplier training programme. It is Tchibo's core initiative to ensure the application of International Labour Standards in the Tchibo Non Food supply chain; business aspects such as quality, productivity and efficiency are addressed to the extent that they correlate with labor issues, such as working hours or pay. WE applies a participatory dialogue-oriented methodology, which is derived from change management and conflict mediation. The goal is to empower workers and their representatives as well as factory managers to take ownership over the implementation of International Labour Standards and the improvement of working conditions. The core WE principles are action learning, trust building, creating transparency, participation in decision making, solution-orientation, integration and peer learning. The trainings are facilitated by local experts specifically trained for the task.

