

## **Cooperation, Responsibility and Social Dialogue in the Freudenberg Group**

The **Board of Management of the Freudenberg Group** acting for all companies of the Group in which it exercises corporate leadership ("**Freudenberg Group**"),

and

**The International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM)**,  
as well as

**Industriegewerkschaft Bergbau, Chemie, Energie ("IG BCE")**

Agree on the following principles for cooperation between the parties, which shall have worldwide effect.

### **PREAMBLE**

This Agreement is - on the basis of long-term economic success in all companies in the Freudenberg Group - aimed at the following:

- to promote cooperation and social responsibility
- to strengthen social dialogue as well as mutual information and joint consultations
- to adhere to and continue to develop the required and necessary standards concerning occupational safety, health and environmental protection.

This agreement is intended to create an open level of information exchange between the Board of Management of the Freudenberg Group on the one hand and ICEM and its affiliated organisations on the other hand thereby serving as an important basis for developing labour relations in the company.

This agreement is based on the social commitment that the Freudenberg Group has towards all its employees.

### **Economic Success, Social Progress, Basic Ethical Principles**

The contracting parties agree that on the basis of cooperation geared to the long-term economic success of the Freudenberg Group they wish together to pursue job security and social justice. Even though their interests may sometimes differ, the joint efforts of the contracting parties are aimed at finding mutually viable solutions, also in case of conflicts, on the basis of appropriate dialogue.

In order to guarantee the long-term economic success of the Freudenberg Group and to fulfil its social commitments vis-a-vis its employees a successful development of all corporate functions and business groups and healthy growth are necessary.

Confidence and cooperation between management, employees and their representatives, innovation and flexibility in work organisation are the basis for the employees' future success and that of the Freudenberg Group.

The Freudenberg Group condemns involvement in unethical or illegal business. As a matter of principle no weapons or any kind of war materials similar to weapons shall be produced.

## **Labour Relations – Minimum Standards**

The relationship between employees and the Board of Management of the Freudenberg Group are marked by mutual respect, understanding and confidence. Both contracting parties confirm their support for human rights in society and at the workplace. Existing ILO agreements stipulating these minimum standards are guidelines for the Freudenberg Group. This particularly includes the following conventions banning:

- forced labour according to the definitions included in ILO Conventions 29 and 105;
- child labour according to the definitions included in ILO Convention 138;

as well as the demand to ensure

- equal opportunities and equal treatment on the job in accordance with ILO Conventions 100 and 111;
- safeguarding freedom of association and the respect for basic trade union rights in accordance with ILO Conventions 87 and 98.

## **The Role of Workers' Representatives and Trade Union Rights**

The right of the employees in the Freudenberg Group to freely join trade unions of their choice, to elect workers' representatives and to represent their interests in negotiations concerning collective bargaining agreements is acknowledged.

It is part of the cooperation and confidence between the Board of Management of the Freudenberg Group and employees that wherever the employees wish to organise themselves in trade unions and trade unions apply for recognition, ways are sought to develop good labour relations in joint dialogue. This rules out any kind of unequal treatment, discrimination or sanctions against trade union organisation. The basis for this is the ban on discrimination against shop-floor or trade union representatives included in ILO Convention 135.

## **Ecological Progress – Occupational Safety and Health and Environmental Protection**

Sustainable protection of the environment and natural resources is one of the aims established in the guiding principles for the Freudenberg Group. The Freudenberg Group and its family shareholders are committed to protecting the environment and being responsible corporate citizens in all states, countries and communities in which they do business. They take all possible care to ensure the safety of the workplace and of their products.

## **Flexibility, new Forms of Work Organisation**

The Board of Management of the Freudenberg Group on the one hand, and ICEM and IG BCE on the other, agree that the long-term and sustainable economic success of the Freudenberg Group, necessary for guaranteeing jobs, depends on the individual business groups' international competitiveness and their ability to maintain and assert themselves on the world market. Every effort shall be made on the local and international level to achieve a consensus about the introduction of flexible, efficient and customer-oriented forms of work organisation. When implementing this, the needs of the employees shall be taken into account while respecting local diversity.

## **Concluding Remarks**

In order to inform each other of the implementation of the agreement and any issues in connection with it as well as to have an exchange of experience, consultations shall take place once a year. This includes monitoring the agreement reached. Participants shall be the Member of the Freudenberg Board of Management responsible for Personnel and the General Counsel of the Freudenberg Group, a member of ICEM's Secretariat and the Head of the International Department of IG BCE. Good examples of developing labour relations, improving occupational safety and health and environmental protection and other items particularly worthy of support can be the object of this dialogue in order to possibly utilize them in the cooperation at other corporate levels.

Both sides commit themselves to contact each other directly and immediately in case any conflicts or violations of the agreement arise, in order to seek a common solution.

ICEM will inform its affiliates about the agreement reached. Similarly the Board of Management of the Freudenberg Group will inform the Management of the business groups about this Agreement.

This Agreement enters into force with the signature of both parties and will be valid until 31 December 2001. An extension and further development in the spirit of the Agreement is intended.

This Agreement was originally signed and executed in the German language. In case of any discrepancy between this version and the German version, the German version shall prevail.

Weinheim, 18. August 2000

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FREUDENBERG & Co.  
BOARD OF MANAGEMENT

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INTERNATIONAL FEDERATION OF CHEMICAL,  
ENERGY, MINE AND GENERAL WORKERS'  
UNIONS (ICEM)

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INDUSTRIEGEWERKSCHAFT BERGBAU,  
CHEMIE, ENERGIE