

# **International Framework Agreement**

between

**ThyssenKrupp AG,  
the Group Works Council of ThyssenKrupp AG,  
IG Metall and  
IndustriALL Global Union**

## **Preamble**

As a technology-manufacturing group with a high level of skill in materials, ThyssenKrupp is especially dependent on the innovative power of its staff if it is to remain internationally competitive and successful in a global economy. To attain this objective, it is necessary to consolidate or further expand strategically important positions in international competition, particularly in the growth regions of the world.

Securing and developing the capacity to innovate and remain competitive is ultimately the crucial, indispensable precondition to ensuring the long-term viability of ThyssenKrupp and its employees. ThyssenKrupp and its staff are thus facing the challenges of globalisation together. Efforts to ensure the long-term success of the company are at the same time characterised by a spirit of mutual respect and cooperation as well as the assumption of social responsibility.

ThyssenKrupp affirms its responsibility both towards shareholders, customers and employees as well as society and the environment.

The Group is committed to the aims of sustainable development. Sustainable development is conceived to be a continuous process comprising, in addition to the economic performance of the company, social benefits, use of resources, jobs and further training.

Above and beyond its business activities, ThyssenKrupp views itself to be a committed, responsible Corporate Citizen. Within the scope of its socio-political responsibility, the Group supports not-for-profit institutions, projects and activities, primarily at its own sites, whether this be in the fields of culture, education and sports or within the framework of social, charitable and humanitarian commitments.

In the countries in which ThyssenKrupp companies operate, ThyssenKrupp works to improve the quality of life of people. This also includes working together with the various institutions in charge of such.

The aforementioned objectives and values are moreover reflected in the Group's mission statement.

This Framework Agreement is based on the general obligation of all actors involved in business to recognise and respect the fundamental rights that are established in the Universal

Declaration of Human Rights of the United Nations and the ILO Declaration on Fundamental Principles and Rights at Work. ThyssenKrupp moreover affirmed that it would resolutely support these principles when it joined the Global Compact of the United Nations in 2011.

It is upon this foundation that the Board of Management of ThyssenKrupp, the Group Works Council, IG Metall and the IndustriALL Global Union document through this framework agreement fundamental aims and principles of cooperation in a spirit of social responsibility. It is in the interest of all parties that ThyssenKrupp Group remains competitive, innovative and economically successful over the short, medium and long term and this is achieved in conformity with social responsibility. The social partners want to preserve the basis for this.

### **1. Fundamental principles and core labor standards of the International Labor Organization**

The following basic principles are oriented towards the fundamental principles of the International Labor Organization (ILO) and ILO conventions nos. 29, 87, 98, 100, 105, 111, 138 and 182, the fundamental so-called "core labour standards"<sup>1</sup>. If national arrangements, international legal provisions, standards in the sector and the Directive address the same topic, the respective provisions which are stricter shall be applied unless action associated with such would be unlawful.

### **2. No discrimination or intimidation in employment**

The principles of equal opportunity and equal treatment shall be guaranteed regardless of gender, age, race, ethnic or social origin, sexual orientation, incapacity, religion or world view or political opinion (see the basic principles of ILO Convention no. 111).

There shall be no discrimination on the basis of these traits. No sexual harassment or other personal attacks on individuals shall be tolerated. Employees shall be as a matter of principle recruited, hired, promoted and remunerated on the basis of their qualifications and skills (see the basic principles of ILO Conventions nos. 100 and 111).

Promotion, integration and respect for persons with incapacities are fundamental elements of the corporate culture.

### **3. Working time**

The maximum working time stipulated in a respective state, as well as agreements, if any, shall be respected. Regular working times, overtime and paid holiday shall also comply with local statutory provisions at a minimum if there are no collective agreements.

Overtime shall not replace insufficient remuneration and shall be in harmony with local laws regarding wages, occupational health, and safety.

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<sup>1</sup> In the version applicable when this Framework Agreement enters into force.

#### **4. Reasonable remuneration**

The right of all employees to reasonable remuneration is recognised. All employees should receive clear verbal and written information regarding wage conditions and the schedule for payment of their remuneration in a language that is understandable to them. Employees should be informed about the amount of their wages and any deductions from their wages each time they are paid their wage.

#### **5. Health, safety and working conditions**

The health and safety of employees in their work are of paramount importance and make an important contribution to the success of the company. They are therefore a company objective having the same status as the quality of our products and business success. It is the task of company management to attend to a preventive health policy, safety at the job site and safe working conditions at ThyssenKrupp. ThyssenKrupp shall therefore be obligated to adhere to respectively applicable local laws with regard to a safe, hygienic working environment. Occupational health and safety shall at the same time be an integral part of all company processes and shall be included in technological, economic and social considerations from the very outset - as early as the planning phase. Employees shall also work towards the attainment of occupational health and safety objectives as part of their own responsibility.

Health and safety practice shall be promoted in order to avoid injuries and illnesses. Employees shall receive protective clothing and equipment free of charge in accordance with the binding safety instructions applying to their workplace and the instructions required to allow them to avoid risks at their respective workplace.

The parties herewith commit themselves to the common objective of attaining continuous improvements in the area of occupational health and safety.

#### **6. Promotion of vocational training**

ThyssenKrupp supports the basic and advanced training of its employees to a high degree and intends to continue to foster vocational training at a high level in order to strengthen the competence of its employees and, with a view to the future, to make possible a high level of performance.

ThyssenKrupp sees in its broad-based intra-corporate culture of training an essential element to ensure the future development, competition and innovation.

#### **7. Freedom of association / right to collective bargaining and negotiations**

The right of all employees to establish trade unions and employees' representative bodies on a democratic basis and to join such associations and to engage in collective bargaining is recognised under basic principles of ILO Conventions nos. 87, 98.

ThyssenKrupp and employee and trade union representatives shall abide by fundamental democratic principles to ensure that employees have a free and fair opportunity to decide whether to form or join a labour organization, and if so, to elect a representative of their own choosing. The company and management shall remain neutral and will not interfere with the employees' free choice by exerting pressure and intervening in any impermissible way.

This shall not affect the Company's rights regarding the management or operation of the company (e.g. arrangement of working conditions) so long as the Company's actions are not motivated by considerations of trade union organizing.

If employee representatives are democratically legitimated, they shall be granted access to all represented work sites, where union access is necessary for union representatives in order to make it possible for them to perform their representative function.

ThyssenKrupp and employee representatives and trade union representatives shall work together openly and in the spirit of constructive cooperation to resolve disputes for the benefit of the Group and its employees.

Employee representatives shall not experience any disadvantage or preference by virtue of this function.

## **8. Free choice of employment**

Nobody should be employed against their will or forced to perform labour (see the fundamental principles of ILO conventions no. 29 and 105). No type of forced labour whatsoever is allowed.

## **9. Prohibition against child labour**

Child labour is generally prohibited. The provisions laid down in ILO Convention 138 relating to the minimum age for employment to be allowed shall be respected. ThyssenKrupp shall accordingly refrain from hiring any employee who has not reached a minimum age of 15. In countries in which ILO Convention 138 falls under the exception allowed for developing countries, the minimum age may be reduced to 14.

Wherever national statutory arrangements or applicable collective agreements stipulate a higher minimum age for employees, these stricter provisions shall apply.

Provisions established through ILO Convention 182 shall be the standard for ThyssenKrupp throughout the world.

## **10. Suppliers**

ThyssenKrupp ensures that its suppliers shall be informed in a suitable manner about these fundamental principles. ThyssenKrupp encourages its suppliers to consider these principles in their own company policy.

## **11. Execution and implementation**

The principles agreed in this framework agreement shall be valid worldwide for all subsidiaries. ThyssenKrupp shall act to ensure that these fundamental principles are made available to all employees and their representatives in suitable form.

Responsibility for implementation shall be borne by the Management Boards and Directors of the subsidiaries. The awareness of responsible persons shall be raised and employees' representatives shall be involved in this process. ThyssenKrupp ensures that this framework agreement shall be translated in 8 most spoken languages.

In case of a conflict, the persons concerned can address the responsible person on the site (especially supervisor, responsible employees' representative, possibly compliance manager). Information about possible violations of the provisions of this Framework Agreement can be reported parallel via email through internal company communication channels to a central email address xxx@thyssenkrupp.com). Persons who report violations must not be subject to any disadvantages.

In case of justified complaints responsible directors or management boards, if necessary involving the responsible person in regional headquarters, will take necessary steps to remedy. Here they as well as employees and employee representatives shall make full use of all possibilities to solve the conflict locally.

In case of complaints or information of essential significance, which cannot be solved with local mediation possibilities, ThyssenKrupp AG will investigate this information with involvement of the board member for human resources in a dialogue with the International Committee.

## **12. International Committee**

A so called International Committee shall be established with the purpose of additional control and for regular exchange on adherence to and implementation of this agreement.

This Committee shall be composed of the chairperson of the Group Works Council and two deputies of the chairman of the Group Works Council, the chairperson of the European Works Council, IG Metall officer responsible for ThyssenKrupp and a representative of the IndustriALL Global Union. If required the International Committee can call in further participants in consultation with ThyssenKrupp AG.

The Member of the Executive Board of ThyssenKrupp AG responsible for human resources shall report on basis of suitable documents to the International Committee on the status of

implementation and adherence to the framework agreement at least once a year.

The Member of the Executive Board of ThyssenKrupp AG responsible for human resources informs the International Committee about reported violations of essential significance, which could not have been solved at local level. The International Committee can propose appropriate measures to be taken to remedy such violations, if local or national mediation possibilities have been used without success. It can also make proposals for preventive measures. The member of the Board of Management of ThyssenKrupp AG responsible for human resources consults with the International Committee the proposals with the objective to remedy the violations and prevent future violations.

The representatives of the International Committee shall furthermore be free to visit production sites of a company or companies of the Group in a region in a country of their choosing each year in consultation with the member of the Executive Board responsible for human resources. ThyssenKrupp AG shall grant access to these production sites.

ThyssenKrupp AG bears the costs arising in connection with the tasks of the International Committee.

The members of the International Committee shall receive all the information and documents they require to perform their task.

### 13. Closing provisions

The undersigned parties herewith agree that any and all differences emanating from the interpretation and implementation of this Framework Agreement shall be jointly reviewed with the aim of resolving such.

This Framework Agreement shall retain its validity until it is terminated by one of the Parties to the Framework Agreement by notifying the other party thereof in writing subject to a three calendar month period of notice prior to the end of a month.

No individual or third party claims may be based on this Framework Agreement. This applies also to the undersigned parties of the Framework Agreement, i.e. the Framework Agreement has no legal effects between the undersigned parties thereof.

Essen; 16th March 2015

#### ThyssenKrupp AG

   
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#### Group Works Council of ThyssenKrupp AG

    
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#### IG Metall / IndustriAll - Global Union

  
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