

“Tchibo’s response”, 22 May 2024

With regards to the case of violation of freedom of association at Dekko Design in Bangladesh, we were thoroughly involved during the solution of the case. When the case was first brought to our attention by BGIWF, we immediately engaged with Dekko Design to address the issues and to encourage the factory to have a social dialogue with BGIWF to resolve the violations. We clearly communicated Tchibo's position on freedom of association and emphasized that any unfair labour practice will not be tolerated.

We collaborated with other brands who were also sourcing from Dekko Design to create leverage. In November 2022, BGIWF brought this case to the ACT dispute resolution mechanism. Together, with other ACT member brands, we facilitated several meetings between the factory management and BGIWF. Finally, due to the joint effort of all the parties, BGIWF and the management of Dekko Design reached a resolution by signing a memorandum of understanding.

However, we recognize that an MOU alone cannot fully address the management's reluctance towards the right of freedom of association by workers. This topic requires ongoing efforts to shift the factory management's mindset. Till now, we have been working on fostering greater awareness and openness towards trade union rights through the dialogue-based human rights program: the WE program. Dekko Design is part of the WE program, and throughout the grievance case and following its resolution, the program has been working on to create a more trusting attitude towards trade unions by the management. The WE program also focuses on educating workers about their union rights.

In addition, thank you for providing us with the additional information regarding the case at Bravo Apparel in Bangladesh. We have been working with Bravo Apparels through a supplier. Due to our business plan, we have decided last year to have no further business with Bravo Apparel and the last shipment was done on the 3rd of April 2024. This decision was only taken due to business reason and has no connection to any human rights challenges.

Based on the details you have shared, we would like to provide the following information:

In September 2023, we received a grievance from the union federation named BIGUF regarding the suspension of three workers for union

activities. We promptly communicated the complaint to our supplier and requested that they investigate the matter and engage in dialogue with BIGUF to address and resolve the issue urgently. We explicitly communicated to our supplier that the violation of freedom of association is a zero-tolerance issue for us. Our supplier investigated at the factory site and interviewed workers as part of their inquiry. Tchibo was later contacted by the same trade union and expressed concerns that "Tchibo representative", visiting the factory, spoke negatively about the union. We clarified that Tchibo did not visit the factory and we discussed this matter with our supplier. We have continued to follow up on the case with our supplier and the Union Federation BIGUF. In May 2024, BIGUF shared that the dialogue between Bravo management and BIGUF is still ongoing positively, but has not been finalized yet.

Moving forward, we will continue to closely monitor the situation at Dekko Designs, where we have leverage, to ensure that workers' rights are respected and upheld. Ending a business relationship is for us not an answer in solving human rights challenges. We are committed to Freedom of Association and Collective Bargaining with the WE program, through our due diligence processes, which also tries to prevent such issues from arising in the future and through our Global Framework Agreement, which we negotiated with the international confederation of trade unions IndustriALL Global Union. It provides workers with the opportunity to unionize and engage in Collective Bargaining, even beyond our Supplier Code of Conduct. It strengthens our commitment to trade union rights and social dialogue.