

Directory for International Framework Agreements negotiations

June 2007

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Introduction

The development of the international framework agreements

In the absence of world or regional (European) governance, multinational companies are seeking to create new forms of regulation themselves, to allow them to respond to the global challenges of their activity.

These different forms of self-regulation are registered within the context of the concept of “corporate social responsibility” (CSR), which the European Commission (green paper 2001) defines as the “*voluntary integration by companies of social and environmental concerns into their commercial activities and their relationships with their parties concerned*”. In order to respond to this expectation, companies publish a report on sustainable development or corporate responsibility based on:

- the directives of the Global Reporting Initiatives (GRI),
- or within a legal framework in France (obligation for companies quoted on the stock exchange to account for the social and environmental aspects of their activity under the Act of 15 May 2001, or NER).

Today, these companies have to account for their extra-financial information by dedicated rating agencies, and to implement measures for auditing their suppliers, maintaining a dialogue with the parties concerned, particularly the NGOs, to formalise their commitment to the codes of conduct.

The recent increase in these codes has also led the international organisations (OIT, OECD) and the trade union organisations to question their relevance.

A relatively recent phenomenon, the signature of **international framework agreements**, constitutes an additional step in the implementation of company practices regarding CSR, involving sectorial, regional or world trade union organisations.

This is the reason why the **international framework agreements**, whether issued by companies, sectorial or international initiatives, such as the UN global compact, can appear as a complement to the codes of conduct, for which they aim to fill certain gaps, notably the unilateral nature of these codes.

The major innovation of these agreements is that they bring together salaried employees and trade union organisations to implement obligations in the fields of sub-contracting or health and safety, for example.

These framework agreements are negotiated between a group and a global union federation (GUF) (association of salaried employees working in the same industry or carrying out the same trade) to define the rights of salaried employees in the group's subsidiaries, or those of their sub-contractors, together with all the social and environmental obligations to which the parties desire to conform.

Due to the way they are drawn up, their content and the provisions for their implementation, these framework agreements constitute a particularly interesting regulation tool for work relationships.

Conclusion of a framework agreement constitutes a voluntary commitment by trade union organisations and the companies concerned, as national, European or international law, does not specifically make provision for their negotiation. This social regulation phenomenon therefore appears to arise at a certain distance from the State.

Why a guide on these themes?

Since it started in 2000, ORSE's work on corporate social responsibility (CSR) has stemmed from a shared commitment between its members: businesses, investors, trade union organisations and NGOs, and the trade organisations.

ORSE members are convinced that a sustained approach to promoting CSR will be possible only if it is shared by its internal (employees and their representatives) and external stakeholders (society at large).

Some major companies have resolutely adopted this approach by trying out new types of dialogue with trade union representatives on an international basis.

This commitment takes the form of an "international framework agreement" signed with a global union federation (GUF). Although these agreements are few in number by comparison with the number of international companies (they totalled 55 by the end of May 2006), they have emerged virtually exclusively from European companies (43 of the 48), originating in Germany (13), France (9), Scandinavia (Sweden, Norway and Denmark (11), in the industrial sector (12 in the metals sector and 6 from the energy sector).

To enable other companies, in Europe as well as in the rest of the world, to pursue this international social dialogue, ORSE has attempted to identify the best practices of the signatory companies in order to facilitate the task of those (representing companies and trade union representatives) who might be tempted to become involved.

Approach followed in drawing up the guide

- **Scope of the study**

International framework agreements (called IFA), used as instruments for transnational social dialogue, emerged at the end of the 1980s with a view to providing some response to the rapid changes in the business world, particularly their expansion beyond national borders.

The European Commission today acknowledges the existence of 91 transnational agreements, drawn up voluntarily by their originators, and which retain the informal nature of traditional negotiations.

In drawing up this guide, and to limit the scope of our survey, we decided to base our approach on the 48 international framework agreements¹ that have global scope. They have the common feature of having been signed by global union federations - *see appendix*.

¹ The scope of the project runs to March 2006

- **Preparation of the guide**

The authors of this guide proceeded in two stages:

⇒ **an analytical phase** which involved:

- examining all 48 framework agreements
- holding interviews with the trade union representatives coming either from the signatory companies, or from national or global federations, or with the 5 French trade union confederations (CFTC, CFE-CGC, CFDT, CGT, FO, CGT), or global and european union federations.
- holding interviews with the directors of signatory companies (EDF, Rhodia, Renault, Carrefour, Danone, PSA Peugeot Citroën, Lafarge, and so on)
- utilising contributions from university researchers (legal specialists, sociologists)
- *list in the appendix*

⇒ **an editing phase** reflecting the stages of an international framework agreement negotiation process and its implementation in the form of a questionnaire.

Considering the limited time available to write this directory, the process of collecting the practices was based essentially on agreements texts themselves. This explains why the quotes come mainly from the most recently signed agreements (2004-2006) since negotiators were cautious to better formalize the agreements application control systems.

In the course of our interviews we have noticed that those companies that already have a long history of liaison with the global union federation did not necessarily feel the need to formalize their collaboration.

For each of the items analysed, the writers were concerned:

- to highlight the diversity of the approaches adopted by the negotiators
- to indicate for each approach the positions adopted or questions asked by all those involved in or observing framework agreements (trade union members, company directors, university staff).

The authors did not attempt to draw up a “typical framework agreement” but rather tried to show that very different solutions can be found to fit the company’s background as regards:

- its culture,
- its field of activity,
- its geographical location
- its commitment as regards CSR.

I - Negotiation process

1. The background to negotiation

1.1. *The starting point for an IFA*

The lack of any relevant international standard encourages the voluntary aspect of introducing this instrument of social dialogue.

Although the approach is new, international framework agreements (IFA) are frequently an extension of procedures that exist in the groups that get involved in this type of process. Codes of conduct, CSR approaches, human resources policies, charters, and business values can all be at the origin of how companies commit themselves to their stakeholders, and often serve as raw material in drawing up IFAs.

In certain particular cases, companies have no choice but to establish transnational social dialogue: for example, multinational businesses resulting from the merger of several companies of different geographical origins may feel the need for a common framework.

Arcelor was a company created from the merger of three European businesses: Usinor (France), Aceralia (Spain) and Arbed (Luxembourg). The need to act in common areas and to establish a formal overall strategy is one of the reasons why the multinational entered into an undertaking of this kind.

1.2. *The issues at stake*

A number of other strategies may motivate a company to begin such an undertaking:

The “licence to operate” approach

Accor, Carrefour: “...needs peace and social consensus in order to grow”
Rhodia: « The chemical industry can only operate with a strong sense of responsibility, Rhodia embraces this ethos with respect to its stakeholders ».

Sustainable development approach

EDF: « All EDF Group component companies must seek to achieve competitiveness as well as economic, social and environmental performance by implementing a profitable and sustainable growth model ».
EADS, Renault: “Corporate social responsibility is a key to long-term success”
Lafarge believes that there’s a link between social and economic progress.”

Human resources approach

Lafarge considers respect for worker’s rights to be a crucial element in sustainable development. »
Danone: » central element of the group HR Management»
Club Méditerranée: « favorise employees international mobility »

Statements by certain companies justifying the reasons for their commitment to and signature of an international framework agreement can be found in Appendix:

EDF, PSA Peugeot Citroën, Lafarge, Leoni, Rhodia.

1.3. How much time can be devoted to negotiation?

To carry out this type of undertaking successfully, trade unions and companies must embark upon a long-term commitment to get to know one another and exchange views.

Before starting the process of negotiating an international framework agreement, it is essential to become familiar with those involved. Clearly in the case of international companies that are represented around the world, it is often difficult to identify suitable contacts, both locally and internationally. If this is not done carefully, the danger is that of choosing the people one knows rather than those whose skills are in the field of the agreement.

Once the contacts have been identified, they must be given time to get to know one another, to determine roles and work out appropriate levels in terms of objectives.

In companies, the more relationships have been developed for the duration between those involved, the more the period for making contact is reduced.

Subsequently it will be up to the players to start a dialogue to make sure that the expectations on both sides are understood and accepted.

It may well be imagined that the more people are involved in the negotiation, the longer it will take to prepare the document.

At PSA, negotiation has taken 7 months and took place at a central level. In parallel with this, and in order to involve the local participants, the HRMs (Human Resources Managers) from certain countries have made local union representatives participate in the creation stage of the international framework agreement.

1.4. What are the necessary resources for conducting negotiations?

The conduct of this type of negotiation with the different trade union players who are geographically broken down, will require certain resources:

- organisation costs
 - travel costs of representatives
 - translation cost
 - interpretation costs
 - accommodation costs
- logistic resources
 - room reservation
 - agendas coordination

2. Identifying the different players in the negotiation process

A particular negotiation may originate from the highest level the group, or from one of its divisions, from an approach by a local or global union federation, from a multinational authority representing staff or indeed from a meeting of the two parties.

At this stage, and having regard to the recent history of IFAs, the groups, jointly with the trade union representatives, should decide upon the procedures for the negotiation and select the people to be involved.

Certain global union federations have defined a very specific line of conduct on how the negotiation process should be :

- **Note** the UNI recommendations²:

*"How do we get an IFA?
"if you don't ask, you don't get"
But it's best for a lot of people to ask at the same time.
That's why at UNI we encourage first the formation of a trade union alliance to create links between unions in different countries with members in the same company.
We have created alliances in companies including:Quebecor, Amcor, HSB,National Australian Bank,BBVA and others
The latest created by UNI is for France Telecom.
They can meet or sometimes start by forming a virtual committee linking people over the Internet as we have done for DHL, Vodafone, Singtel, SBC and Telstra.
Together they decide what kind of agreement they want. Then as UNI, we go to the company and negotiations begin."*

- IMF recommendations

Initiating and negotiating IFAs

- Strategic targeting of TNCs for IFAs must be done by the IMF in consultation with the relevant affiliate/s
- The IMF coordinates the approach to the TNC to begin discussions
- When the issue of an IFA is raised with a company, information must be immediately conveyed to the IMF and affected affiliates prior to any negotiations beginning
- Ongoing consultation with IMF affiliates who have membership in the TNC must take place at all stages of the negotiations where those affiliates are not directly part of the negotiations
- All affected affiliates should be kept informed of the fact that IFA negotiations are taking place.

Further to a meeting of the executive committee in December 2005, the European Confederation of Unions defined the "preliminary positioning" within a trans-national social dialogue (cf. complete position attached)

"The power (relates to the negotiating mandate and the right to sign) to do this must remain solely and strictly a trade union right, owing to their representativeness, long recognised by the Commission, which also specified as much in a text. Transnational agreements as such must be left up to collectively responsible and thus players with a mandate to represent their members. Trade union organisations are recognised to be representative due to the fact that they undertake collective representation, and this has legal ramifications".

A variety of situations can occur, involving one or more players in the following categories:

❖ **On the company side:**

In view of the now global issues facing companies, the decision to set up a framework agreement on an international scale frequently emerges at the highest level, and may be discussed with all the divisions concerned, depending on the limits or boundaries it is wished to place on the initiative.

² Source: website of the UNI: www.union-network.org

Thus questions pertaining to human rights could be dealt with by the human resources division, those on sub-contracting by the purchasing division, and any issues relating to CSR by the sustainable development division ... Finally, as we shall see later, the legal division may be able to help define the extent of the commitment and the consequences of applying such an agreement.

List of those involved in the negotiation:

- **at head office level:**

- General managements,
- Subsidiary management,
- Human resources divisions,
- Procurement divisions,
- Sales divisions
- Sustainable development division,
- Legal division.

- **as regards subsidiaries**

It is important for the managers of subsidiaries to be involved in the process of negotiating agreements. The directors and heads of human resources divisions in subsidiaries are better placed to build in the specific features of each country as regards local regulations and it is up to them to explore the situation regarding local trade unions.

❖ **On the trade union side:**

- **The Global Union Federations**

They have a central role to play in establishing instruments for social negotiation across borders.

The signatory Federations listed in the 48 IFAs:

ICEM	International Federation of Chemical, Energy, Mine and General Workers' Unions	Present in 121 countries: 20 million members	11 IFA
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations	Present in 100 countries: 15 million members	5 IFA
IMF	International Metalworker's Federation	Present in 100 countries: 25 million members	15 IFA
Union Network	Global union for skills and services	Present in 104 countries: 15 million members	13 IFA
IFBWW	International Federation of Building and Wood Workers.	Present in 125 countries: 10 million members	9 IFA

Other global federations:

- the **WFIW** (World Federation of Industry Workers), the **IFME** (International Federation of Mining & Energy), and the **PSI** (Public Services International) signed the single EDF agreement.
- the global union federation **WFBW**, (World Federation of Building and Woodworkers Unions) also signed the Lafarge agreement together with **IFBWW** and **ICEM**.

As concerns the IFAs described here, these federations take a leading role in negotiations, together with – depending on circumstances - the local trade unions, the EWC, the World Group Committee, a European trade union federation, and so on.

In certain cases, the GUFs only negotiate within the framework of a consultation process between their principals.

Thus, the IUF's general policy states :

“the IUF has no mandate to negotiate and sign an agreement with a trans-national without previously having involved, consulted and obtained endorsement from a representative group of affiliated members including staff from the company in question.”

- **Local trade unions and company union representatives**

The trade union representatives act as local coordinators in the negotiation of agreements. Regardless of whether they are affiliated to the global federations, they can join in the negotiations and contribute knowledge of local situations of which the federations are not always aware.

Some national trade unions in France such as the CGT and the CFDT are very much in favour of the development of international framework agreements.

Extract from the resolution of the **CFDT** conference in June 2006

In multinational companies, we are demanding the negotiation of international framework agreements, concluded under the responsibility of global union federations, including respect for basic rights.

The **CGT** has formalised their position in an attachment to this guide.

The professional national unions for a field of activity can be the vehicles for a step towards involvement. This is the case of the German metallurgy union IG Metall, which has set itself the objective of signing 25 IFAs by 2010.

Action by IG Metall

(extract from the IMF report in September 2006)

*With nine out of the 15 IMF agreements, **IG Metall** has taken a leading role in instigating IFAs. From this experience they have been able to identify some of the problems and provide advice to others considering approaching a company for an IFA. In 2004 IG Metall published a guide for EWCs on initiating, negotiating and implementing IFAs, stating that, acting in close cooperation with global union federations, EWCs “enjoy the greatest legitimacy to conclude agreements applying to entire groups in the interest of its workers”.*

However, some companies were anxious to involve local trade unions in the negotiation process.

EDF and PSA Peugeot Citroën brought in the trade unions with whom the managing directions were involved with locally in the negotiation of their agreements.

- **The European federations**

Companies whose head office is based in Europe frequently maintain links with the European federations that predate those with the global federations. These long-term links may explain the frequent involvement of regional federations in the negotiation of agreements.

The FEM (European Metals Federation) for example frequently appears as a player in the negotiation of agreements.

- **The European work council (EWC) or the World Group Committee (WGC)**

The representative nature of the EWC, the World Group Committees and other bodies of European representatives, has become increasingly important in the negotiation of IFAs with the passage of time. We may recall that to emphasise its legitimacy, Uni-Europa Commerce and the employers' organisation Eurocommerce together signed a joint declaration on CSR, which regards the role of the EWC as valuable for supervising and assessing what takes place.

The EWC is not always a signatory of these agreements, but the negotiations frequently appear to take place under its auspices or been initiated by it.

The **EWC** was involved in the negotiation of all the agreements signed with the **IMF**.

3. The signatories of the agreement

Depending on the nature of the commitments made between the different parties, the framework agreements may be signed by different players, the least common denominator being a representative of the company and a global union federation.

Just as for the negotiations, the choice and number of signatories is optional and, depending upon who they are, one may imagine differences in the extent of the various undertakings.

❖ As regards companies

The signature of such an agreement by the managing director or group president is the sign of a substantial commitment and strengthens the legitimacy of the agreement in the eyes of its personnel. Most groups have their general management or president sign agreements and, in fewer cases, the human resources director.

- **Chairman (or co-chairman):**

Röchling - Accor - Carrefour - Danone – EADS - EDF - Renault...

- **General management:**

Rhodia – Falck – Leoni - Freudenberg...

- **Human resources division:**

SKF – EADS – Bosch - Club Méditerranée - Lafarge...

- **Multiple signatures**

At Arcelor , the chairman and managing director and the vice-chairman for human resources signed the agreement together

PSA had its chairman and director of human resources sign.

❖ **As regards trade unions or staff representatives:**

Some or all of the following categories may sign an international framework agreement. The choice may take into account the number of players involved at the outset. Faced with the possibility of this large number of players, one may ask what will be the role of all these signatories, particularly in the monitoring process.

- **With a global union federation**

All the texts given in this guide were signed by at least one global union federation.

The agreements of ISS , Skanska , Accor and Rhodia were signed by a single global federation on the trade union side (UNI , IFBWW , IUF and ICEM respectively)

Certain companies have signed with two or even more global federations. There are two possible reasons for this:

- Either the multinational has several areas of activity, justifying discussions with the different federations concerned

For example, EDF , whose activities concern services, energy and industry: the company included PSI (<i>Public Services International</i>), ICEM , IFME (<i>International Federation of Mining & Energy</i>), WFIW (<i>World Federation of Industry Workers</i>), respectively in signing the agreement.

Lafarge concluded its agreement with IFBWW and ICEM with a view to covering the main activities in which the company is expanding: IFBWW for the construction and wood trades and ICEM for chemicals

- Or the history of the global federations is closely linked to the trade union organisations with which the company traditionally had relationships, hence the involvement of two of them in certain cases.

EDF signed with 2 GUF involved in the energy sector OIEM and ICEM

Of the three global federations with whom Lafarge signed, two of them are involved in the same sector of the wood and construction trades: IFBWW and FMCB

- and jointly with one or more **national trade union** representatives

Although such an agreement is negotiated worldwide, its application is local. A local trade union organisation, possibly affiliated to one of the world federations, may be included amongst the signatories.

The global union federations have signed framework agreements jointly with local trade unions in half the cases, notably in the chemicals and energy sectors.

ENI with the national confederations **FILCEA-Cgil**, **FEMCA-Cisl** and **UILCEM-Uil** and the Global Federation for energy and chemicals **ICEM**.

Statoil with the Norwegian national confederation **NOPEF** and **ICEM**.

OTE with the Greek national confederation of telecommunications employees **OME** and the Global Federation **UNI**.

PSA Peugeot Citroën signed their agreement with the **IMF**, the **FEM** and the union organisations for countries with more than 500 salaried employees (cf. complete list in appendix).

- and jointly with a **regional trade union federation (European...)**

Arcelor with the European Federation for Metalworking (**FEM**) and **IMF**

Röchling with the **FEM**, (as well as **CEE** and **IMF**)

Club Med with **EFFAT** (European Federation of trade unions in the sectors of foodstuffs, agriculture, tourism and related branches). **EFFAT** is the European regional organisation of the **IUF**.

Chiquita with **IUF/COLSIBA** (**Coordinators Latinoamericana, de Sindicatos Bananeros**)

- and jointly with a **European work council or Group Committee (EWC and GC)**

As we have already seen concerning negotiations, in certain cases, notably in the metals sector, the EWC or the Group Committee is involved in the signature through its secretary or officers.

EADS and **EWC**

Prym with **EWC** and **IMF**

Renault and Volkswagen with the **World Group Committee**

The growing commitment of European councils to CSR

European works or group councils often play a crucial role in initiating the negotiation process for a framework agreement that will need signature by a global union federation at the time of drawing up the contracts to provide it with a global dimension.

On signature of their agreement, EADS specified distinction between the different signatories:

- the initial "parties present" for the EWC and the company signatory
- and then, "the parties associated with the agreement" for the **FEM** and **IMF**.

After signature of the agreement, the European works council will be involved in its follow-up, where any difficulties in application will revert directly to them.
e.g. "In the case of dispute, the Human Resource Management of EADS and the European Works Council should agree on the arbitration procedures.

- or jointly with **several representatives** in the categories above

Any combination of signatories is possible, the choice depends on the chosen strategies, the links already existing between those involved, as well as the players who wish to be involved.

The **Rheinmetall** AG with:

- a global union federation (**IMF**)
- the **EWC**,
- a regional federation (**FEM**)

EDF signed its agreement with 21 organisations:

- Global federations:
ICEM (International Confederation of Energy, Mining & General Workers Unions) PSI (Public Services International)
IFME (International Federation of Mining & Energy)
WFIW (World Federation of Industry Workers)
- National confederations where the group is represented in France:
"on behalf of EDF Group companies in France: FNME-CGT, FCE – CFDT, FNEM-FO, CFECGC, CFTC.
- National confederations where the group is represented outside France:
on behalf of EDF Group companies in the United Kingdom: GMB, Unison, Prospect, Amicus;
on behalf of EDF Group companies in Hungary: VDSZSZ;
on behalf of EDF Group companies in Poland: SOLIDARNOSC;
on behalf of EDF Group companies in Slovakia: SOZE;
on behalf of EDF Group companies in Argentina: Luz y Fuerza;
on behalf of EDF Group companies in Brazil: Sindicato dos Trabalhadores nas Empresas de Energia do Rio de Janeiro, Sindicato dos Engenheiros de Rio de Janeiro;
on behalf of EDF Group companies in Mexico: SUTERM;
on behalf of EDF Group companies in Asia, the elected employee representatives of the Asia Pacific Concertation Committee (APCC).

- ❖ Whether the signature of another party can be included

Certain companies have wished to add weight to their agreement by including external "witnesses".

In the **Chiquita** agreement there appears the signature of Juan Somavia, director general of the International Labour Organisation (ILO).
The **Fonterra** agreement includes the signature of two witnesses: Juan Somavia and Helen Clark, **Prime Minister of New Zealand**.

4. Motivation for the agreement

A preamble for particular objectives?

The preamble or introduction may recall:

- an overall economic **background**,

- the **particular context** in which the company exists,
- the **links** it wishes to establish between the signatories,
- the **objectives** it is setting and
- the **fields** in which it is committing itself.

Reference to this, amongst other things, is made in the **fundamental texts**.

An overall economic background

*“Globalisation has been knocking down the barriers which had hindered the movement of goods, services and capital, allowing multinational corporations to create a global network of production and distribution, Enterprises, in guaranteeing a profit for their investors, should accompany that objective with advancing the welfare of the communities in which said enterprises operate. The minimum requirements to satisfy that responsibility are: safeguarding the environment, respect for fundamental labour standards enshrined by the International Labour Organization, and guaranteeing decent working conditions for the employees of **Merloni Elettrodomestici S.p.A**”.*

A context specific to the company

Ikea: *“We believe that our business has an impact on Human Right issues, in particular, in relation to peoples working and living conditions. Good workshop conditions and orderliness in the factory is a pre-requisite to quality and environmental work ».*

Links with the signatories

*“The purpose of the agreement is to create an open channel of information between NOPEF/ICEM and **Statoil** Management about industrial relations issues in order to continuously improve and develop good work practices in Statoil's worldwide operations.”*

The objectives it sets itself

*“This letter of agreement sets out guiding principles by which UNI and **ISS** will work to secure fundamental human rights and working conditions - at the workplace, in the industry and in the community. In working together ISS and UNI pursue a set of shared goals: air competition and the highest possible standards in the service industry. Foundations for financial growth and strengthening of the **ISS** service delivery. A balanced achievement of financial success on one hand, and secure and adequately paid jobs on the other.*

*“**LEONI** and its employees face the challenges of globalisation together. Together they should utilise the opportunities for the success of the company and the workforce, as well as for competitiveness, while limiting potential risks.”*

“IMF MODEL INTERNATIONAL FRAMEWORK AGREEMENT1 PREAMBLE - Extract

1. Economic globalization is lowering barriers to the movement of goods, services and capital, and allowing transnational businesses to create global production and distribution networks. Business enterprises strive to provide a return to their investors, but along with this basic mission goes a social responsibility: to advance the welfare of the societies in which the business implants itself.
2. A minimum requirement for fulfilling this responsibility is safeguarding the environment, observing the core labour standards of the International Labour Organisation, and providing decent wages and working conditions for [company] employees.
3. [Company] recognizes its responsibilities to workers for the conditions under which its products or services are made and that these responsibilities extend to all workers producing products or services for [company] whether or not they are employees of [company]. (...)»

5. A title for the agreement

The name of the agreement defines the **field** in which the company signing an IFA wishes to commit itself.

This name can vary according to its nature, its content, the boundaries chosen and the culture of the company involved.

For the IMF, the fact that even the titles are different from one agreement to the other, and that only an IFA (EADS) can actually qualify as an international framework agreement, has contributed to the confusion over the status and scope of the IFAs, particularly on the way in which they differ from the codes of conduct unilaterally adopted by the companies.

Accordingly, amongst the 48 IFAs listed, we have noted a great variety of names:

❖ The name of the agreement

“Agreement or framework agreement”

« International agreement between **Stabilo**, IG metall and IFBWW »

UNI-ISS Letter of Agreement

PSA : Psa Peugeot Citroën global framework agreement on social responsibility

“Statement” or “joint statement”

“Joint Declaration on Human Rights and Working Conditions in the **BMW** Group”

“Declaration on Social Rights and Industrial Relationships at **LEONI**”

“Code of conduct”

Codes of Conduct of **GEA** AG

SKF Code of Conduct

“Principles”

Bosch and Daimler Chrysler: « Basic principles of social responsibility »

“Convention”

« Conventions **Groupe Danone** / **IUF** »

❖ The topics in the title

Certain topics that specify the commitment of the company may appear in the title of the agreement itself.

“Social responsibility”

“Social Responsibility Guidelines Code of Conduct of **Rheinmetall AG**”

Arcelor: “Worldwide agreement on the principles of arcelor’s corporate social responsibility »

EDF: “agreement on edf group corporate social responsibility”

Lafarge: « Agreement on corporate social responsibility and international industrial relations between lafarge, ifbww, icem & wfbw.”

Rhodia: “Global Corporate Social Responsibility Agreement”

“Fundamental rights”

Agreement regarding the respect for basic rights at work and mobility of **Club Méditerranée** employees

“Fundamental social rights”

“**Renault** group employees' fundamental rights declaration”

“Social rights and industrial relations”

Declaration on Social Rights and Industrial Relationships at **LEONI**

Declaration on the social rights and industrial relations within the **Prym** Group

It will be noted that the titles do not always reflect the principal direction in which the company is heading in defining an IFA.

6. Period for which the agreement is signed

❖ What is the duration of the agreement?

The agreement may be signed for a period that is:

- determined
- undetermined

As regards those examined,

• **Half the agreements are for an undetermined period**

Stabilo – Faber-Castell - Renault - AngloGold - PSA Peugeot Citroën - Accor - Carrefour
Danone - Falck...

When the agreement has been set out for an indeterminate period, it is appropriate to remain vigilant as regards monitoring and to make sure that the parties meet regularly to verify its application and decide upon any changes (amendments, additions, and so on).

• **In the other half, the IFAs are for a determined period of 2, 3 or 5 years**

2 years

Statoil – SCA –Ballast Nedam - Veidekke

3 years

Rhodia – Arcelor – Club Méditerranée – EDF...

5 years

ISS

When the agreement is for a limited period, its termination forces the parties to meet and rediscuss its content. This is the opportunity to draw up a balance sheet when this has not been done during the period of the agreement, and possibly to continue it.

We may note the original situation of the **Danone agreement** which includes 7 coordinated conventions³, signed in sequence over a period of 20 years.

This formula makes it possible for those involved to create new conventions on particular topics at any time.

Extract « common viewpoint **BSN/IUF**, 1988 »:

Following the work achieved by the IUF's affiliates and the management of the BSN Group during several meetings, the two parties agree that it is necessary to develop various co-ordinated initiatives to promote in BSN establishments, taking into account national legislation and collective agreements (...)

These basic principles are not exclusive; they represent the themes on which the management of BSN and the affiliates of the IUF have decided to jointly work. "

When it was revised on 28 July 2005, Danone updated the following references⁴:

- BSN/IUF common view of 23 August 1988
- Economic and social information platform of the companies in the BSN group of 26 September 1989
- Action platform in favour of sexual equality in the workplace of 26 September 1989
- BSN/IUF application platform on qualification training of 12 April 1992
- IUF/BSN joint declaration on the exercise of trade union law of 25 May 1994
- Joint view concerning changes in business affecting jobs or working conditions of 9 May 1997

❖ What are the motivations for revising the agreement?

In a certain number of cases, revising the framework agreement allowed the global union federations to add clauses relative :

- to the follow up of the agreement with the setting up of a board on which management and unions are equally represented
- to the relations with suppliers and sub-contractors.

*The negotiation of the **IKEA** framework agreement allowed to form a control board with equal representation of personnel and management and to annex to the agreement the company's code of conduct towards suppliers.*

³ the Danone agreements are so called

⁴ While preserving the spirit of the first, these agreements received new denominations:

- « Convention on economic and social data in **Groupe Danone Companies** »
- « Convention for the promotion of equality of men and women in the workplace »
- « Groupe Danone / IUF convention on skills training »
- « Groupe Danone / IUF convention on trade union rights »
- « Applicable convention in the event of changes in business activities affecting employment or working conditions »
- « Danone / IUF convention concerning the setting up of social indicators at group level »

❖ Conditions governing the review of the agreement (reasons, etc.)

The revision procedures vary according to whether the agreement is for a limited or unlimited period. Although revision procedures for limited-period agreements can be considered at the time of expiry, these can be introduced at particular intervals or at any other time as concerns unlimited period agreements.

- Agreements for an undetermined period

Rhodia: «*The agreement may be revised at any time by means of a contractual amendment, with a view to adapting the agreement* ».

BALLAST NEDAM, the IFBWW and FNV BOUW meet once a year to review the implementation of this agreement »

Anglogold: « *The parties agree to meet as often as is necessary, but at least annually, to review past practice and to preview future plans relevant to their interests, and to discuss the terms of this agreement* »

- Determined period agreements

ISS : *The duration of this agreement is five years, after which this agreement will be evaluated and may be prolonged for a new period.*»

Club Méditerranée: «*Three months prior to the end of the three-year agreement period, the parties shall meet to jointly review its application and agree on its eventual renewal.*»

❖ Termination clauses in the agreement (timing, etc.)

The question of whether the agreement is or is not for a limited period has no impact on the decision to include a termination clause. We have noted that a number of companies included this in their agreement.

Rhodia: « *Rhodia - Each signatory may withdraw from this agreement, provided it gives six months' notice* »

The **Skanska AB** agreement includes a clause whereby the parties may terminate, with provision for a period of 3 months notice.

SCA specifies that cancellation by the parties carries a 6-month period of notice and must be in writing.

Club Méditerranée: «*Each party may withdraw from the agreement by providing a three-month notice*»

7. Scope of the agreement

An important question is how detailed this should be.

7.1. **Geographical limits**

The geographical boundaries of commitments chosen by the signatories are decisive. In view of issues that are worldwide, most companies have not defined geographical limits, which is equivalent to saying that their commitment covers all the countries in which they are represented.

However certain companies have opted to limit the scope of the international framework agreement (IFA):

*« The provisions of this agreement apply to **Club Méditerranée** operations located in European Union countries and in the following European and African zone countries where Club Méditerranée has operations: Croatia, Egypt, Ivory Coast, Morocco, Senegal, Switzerland, Tunisia and Turkey. ».*

Chiquita: « IUF/COLSIBA and Chiquita agreement (...) in **latin american** operations

7.2. Legal application

The International framework agreement (IFA) is an agreement between legal entities under private law.

To the extent that the IFAs do not conform to any national or international rules (there is no legal framework for the processes of negotiation of agreements, their content and their implementation), the question of their opposability arises for the different parties involved in the agreements:

- the different legal entities forming part of the group world-wide
- the group's salaried employees
- the suppliers and sub-contractors
- other parties concerned, such as neighbours, the local public authorities or consumers.

To the extent that every commitment involves responsibility, the management of the signatory company, such as the union organisations, should anticipate the legal consequences of their signature and question the responses to the following questions:

- how can obligations issued by a framework agreement be registered within national laws and local agreements with local union organisations?
- In the case of legal dispute over application of the agreement, which are the relevant courts; those of the country where the agreement was signed? or those of the country where the local problem was raised?
- Is there joint responsibility by the company and unions in application of the agreement?
- Which law is applicable when the agreement can be opposed by the salaried employees, the suppliers, and the consumers (work law, commercial law, consumer law).

In the United States, a consumer has attacked a large company for misleading publicity, as they consider that they did not respect their social obligations towards suppliers.

Today, companies signing a framework agreement have difficulty in foreseeing the legal consequences of their commitment, and are aware of this.

However, they accept this risk, as what is most important to them is to construct new forms of social dialogue that, as witnessed by certain GUFs and signatory companies, are considerably based on trust between the two parties.

This is why the interest of an IFA should not be judged solely on its content, number of pages, and the degree of precision used in implementation of its commitments, but also on how the two signatory parties evaluate it.

7.3. *Areas that may fall within the scope of the agreement*

It is important for the company to specify the boundaries of its commitments. The review of IFAs shows that certain companies:

- ❖ Make general reference to the companies in the group:

Rhodia: « *The company's subsidiaries will apply this agreement in accordance with the economic, labour and cultural realities specific to each country in a spirit of continuous progress* ».

- ❖ While others draw precise distinctions between:

- The subsidiaries of the group

*"The principles of social responsibility / codes of conduct of Gbr. **Röchling KG** are binding throughout the world and apply to all companies in the group in which Gbr. Röchling KG has industrial leadership"*
*This Agreement shall apply to those companies over which **EDF** Group holds direct control, i.e. companies in which EDF owns a majority shareholding, or enjoys a majority of voting rights linked to the stock issued, or appoints over half of the members of the directing, executive or supervisory bodies*

- The major subsidiaries (in which the parent company is dominant or has a significant presence).

Arcelor
Arcelor - This agreement applies to the entities over which the Group exercises a dominant influence, be it through direct ownership, financial participation or governance rules. (...) In the subsidiaries where the ARCELOR Group has a significant presence, but does not exercise a dominant influence, the signatory parties undertake to jointly put to use all of the resources at their disposal in order to promote the principles stated in this agreement.

PSA: the agreement applies to the subsidiaries "for current and future subsidiaries, over which the corporation has a dominant influence, either through majority ownership or, when ownership is limited to 50%, through the corporation's responsibility for managing social issues in the subsidiary concerned."

- Minority and single subsidiaries,
- Suppliers and sub-contractors (see chapter 7.5.)
- Clients

*This responsibility relates to relationships between **EDF** Group companies and their employees, as well as to our business relationships with our customers, subcontractors and suppliers, with the populations, territories and more broadly with society at large.*

The more one enters into the ramifications of the company (single subsidiaries, sub-subsidiaries, subcontractors, and so on) the lower the level of commitment, because control becomes increasingly difficult.

7.4. Procedure if boundaries change during the period of the agreement (owing to company sales, incorporation, and so on)

In view of the speed with which changes take place in a global context, the multinationals have included in their agreements a paragraph making provision for any changes such as a company being sold or restructured.

*In the event that a change in shareholding or in the shareholders' agreement of **EDF** Group causes any one company to exit the above-defined scope, this Agreement shall cease to be applicable to said company. Conversely, in the event that a new company enters the abovedefined scope, the locally concerned stakeholders shall be offered the opportunity to join in the Agreement should they so desire. Should it become necessary to amend this Agreement to that effect, the signatory parties may then resort to the clause providing for negotiation of a rider as specified in Article IX.*

"It is noticeable to remark that when EDF parted from its subsidiaries in Argentina (Edener, Edensor and Hinisa-Hidisa) it asked to the company that took them over to respect the engagements set up in the EDF framework agreement for a period of three years."

*In the circumstances where a major acquisition is made by **Falck** and a complete WWC is already in existence within the acquired company, the WWC Meeting immediately following the acquisition will be a combined WWC with the acquired company WWC Representatives present as observers. The terms of this agreement will be applied after the post-acquisition Meeting and prior to the next WWC Meeting".*

PSA "for current and future subsidiaries"

7.5. Relationships with the other contracting parties

For the multinationals, relationships between suppliers and subcontractors are a factor in exposure to substantial risk. In fact contractual relationships - which link the members of the production chain and on which the framework agreements lay stress - prevent the multinationals from guarding against the risk of image damage. It will be recalled that it was on the occasion of a public campaign of criticism about the non-respect of the ILO fundamental conventions by their suppliers that certain groups undertook to sign international framework agreements with the global union federations (Chiquita and Ikea).

Nowadays the links between suppliers and subcontractors are incorporated in practically all international framework agreements.

❖ Definitions: contracting parties, suppliers, subcontractors

The term "contracting party" designates any person or corporate entity that provides work or service to the company under contract.

The term "subcontractor" designates any person or corporate entity that provides the contacting party under contract with work or service that is contractually intended for the company.

The expression “main supplier” designates any person or corporate entity that supplies the company with either the final product, or materials and components that enter into the composition of the final product, which it markets.

The terms “licence holder” and “franchisee” designate any person or corporate entity that utilises under contract the name of the company, its brands or recognised commercial names.

Depending on the content of the agreement, the term “contracting party” may apply to all the contracting parties (and their subcontractors), to the main suppliers and to the licence holders (franchisees) of the company.

7.5.1. This topic may be the subject of a separate section or incorporated in another part of the content

The subject of the value production circuit is a particular chapter of framework agreements. However international framework agreements differ in the way they introduce it. It can be the subject of a heading or of a dedicated document, be incorporated in the agreement, favouring the mention of a commitment of the group to a particular social right or, in terms of human rights, serve as an illustration to the notion of “sphere of influence”.

The **Ikea** framework agreement is specific because it refers, in this connection, to a dedicated document entitled « *The IKEA Way on Purchasing Home Furnishing Products.* »

9 commitments have been taken on by the **Rhodia group**, of which one is on the : Relationships of responsibility between the suppliers and subcontractors. **Rhodia** expects its suppliers and subcontractors to comply with the laws, regulations and basic human rights stipulated by international agreements and standards.

« **SCA** supports and respects the protection of human rights within its sphere of influence; in particular the effective elimination of compulsory labour and child labour, and it will make this a criteria in the choice and management of its relationships with suppliers and sub-contractors.»

7.5.2. The term used to designate the members of the value creation circuit

This is important because the legal commitments of the group depend on this semantic definition.

Thus the **EDF** agreement draws a distinction between suppliers and subcontractors. Accordingly the group’s responsibility to its suppliers involves promoting the principles of the world pact. On the other hand the group’s requirements affecting its subcontractors are much more precise and are accompanied, as we shall see, by ways and means for their implementation.

Arcelor: « *Contractors and suppliers*

Eni: “*activities given to a third*”

Apart from these two atypical approaches, framework agreements utilise suppliers and/or subcontractors, commercial partners and/or suppliers.

7.5.3. The extent of the responsibility of the signatory principal in the value production chain

The value creation chain is increasingly more extensive as well as more complex. In certain sectors, production is organised through a cascade subcontracting structure. It is therefore important for companies to specify how far they wish their responsibility to go. Certain agreements make provision for this responsibility being extended to suppliers and second-level subcontractors and beyond.

*The subcontractor must apply the requirements set out by **EDF** Group to any other subcontractor hired by him/her for the assignment in question.*

***HOCHTIEF** requires that its contractual partners shall support this Code of Conduct and shall also ensure that it is adhered to by any of their contractual partners who are in any way active in connection with the business activity of HOCHTIEF*

7.5.4. Provision by the agreement for dealing differently with suppliers and subcontractors

The influence of the principal on his suppliers and subcontractors depends on a number of factors that must be taken into account (purchasing volume, duration of commitment, proposed support measures, and so on) without which the demands of the former on the latter will be in vain.

Certain agreements target:

- The “direct suppliers”,

***Chiquita**: « The parties agree that the effective implementation of this provision is dependent on a number of factors such as Chiquita's relative degree of influence over its suppliers and the availability of appropriate and commercially viable supply alternatives. »*

- Others the “major suppliers”

*«**PSA Peugeot Citroën** agrees to transmit this Global Framework Agreement to Faurecia, which also has its own representative bodies at the European level, so that Faurecia may begin talks with labour and management representatives on the issues outlined in the agreement»*

- Others the small and medium-sized enterprises

***PSA**: “A specific process will also be implemented for small suppliers and subcontractors so that they may apply the aforementioned ILO standards gradually”.*

7.5.5. **Priority topics regarding suppliers and subcontractors**

Some agreements rank the requirements on suppliers and subcontractors in order, either by listing them suitably or by stressing particular commitments in the agreement: health and safety, forced labour and child labour.

EDF :« *Vigilance with regards to our subcontractors' practices in the area of legal compliance, health and safety, ethical behaviour with customers and respect for the environment.* »

Under the heading of health and safety, the Renault agreement states that :
"One of the selection criteria for suppliers is to have a policy of occupational risks prevention that complies with the principles set out by **Renault**."

The impact of the agreement will depend upon whether non-compliance by suppliers and subcontractors affects one of the principal's priorities.

Merloni Elettrodomestici: « "in the event that the conduct of its own direct suppliers should violate the principles contained in conventions no. 29 and 138 referred to in Art. 1, reserve the right to institute sanctions against said suppliers including, for cases of serious violations, cancellation of the contract."

7.5.6. **Ways and means of implementing the international framework agreement with suppliers and subcontractors**

The methods of implementation vary in extent according to the agreement:

- whether information on the agreement content is in the appropriate language
- varying pressure to abide by the principles.

« **Norske Skog** will distribute copies of this agreement to all Norske Skog locations, their partners and contractors in the language(s) of the country concerned and will inform the local management about the conclusion and content of this agreement»

« The **BMW** Group expects its business partners and suppliers to use these principles as a basis in their mutual dealings and regards them as a suitable criterion for lasting business relationships.»

In the model of the SA.8000 arrangement concerning the social audit, a few companies mention that it will be appropriate to give support to suppliers and subcontractors so that they may comply with the agreement. These support measures, the more often mentioned as "**plan of corrective measures**" make it possible to go beyond the dual - contradictory - requirement that applies throughout the value creation circuit: to produce goods and services as cheaply as possible, while abiding by a number of commitments that represent a current investment.

*"Any failure to comply with human rights requirements will result in a warning from **PSA Peugeot Citroen** and a plan of corrective measures must be drawn up. Non-compliance with these requirements will result in sanctions including withdrawal from the supplier panel"*

*« **DaimlerChrysler** supports and encourages its suppliers to introduce and implement equivalent principles in their own companies »*

7.5.7. Check procedures foreseen by the agreement

The procedures for checking that suppliers and subcontractors abide by the commitments in an appropriate way vary according to whether:

- they fall into a contractual dimension in the links between the group and its suppliers and subcontractors
- they are included in the procedure for monitoring the agreement
- they cover the priority undertakings of the group.

Certain international framework agreements stress the contractual side of the relationship and identify these requirements accordingly, notably by opting for a preventive approach, while others place more stress on later checks on the respect for the requirements.

*« With regard to activities assigned to contractors, **Eni** shall formulate suitable guarantees against possible violations within the framework of existing contractual relations »*

*« **IKEA** wants to influence and support their suppliers to achieve the requirements stated in "The IKEA Way on Purchasing Home Furnishing Products". A contract based on "The IKEA Way on Purchasing Home Furnishing Products" has been introduced world-wide and is being implemented in relation to all suppliers of IKEA products. IKEA has established a compliance organisation with the task to support and monitor the compliance work ».*

The **Chiquita** agreement provides for two check procedures: first *« Chiquita will require its suppliers, contract growers and joint venture partners to provide reasonable evidence that they respect national legislation and the Minimum Labor Standards outlined in Part I of this agreement. »*, second, *« Implementation of this part of the agreement shall therefore be jointly assessed by the Review Committee taking into account these factors. »*

In the **EDF agreement**, this control varies according to the priority of the engagement: *« The companies of the Group shall implement with regards to their subcontractors the appropriate selection and assessment procedures meeting these requirements.(...) Regarding more specifically the safety of employees of the sub-contracting companies, reporting will be requested for workplace accidents occurring in the framework of jobs entrusted to them. »*

7.5.8. Consequences for suppliers and subcontractors if the international framework agreement is not adhered to

If suppliers and subcontractors do not abide by the principles, the implications are of varying significance: an advantageous basis for future relationships, a selection criterion, or a reason for cancellation. They can vary depending on whether the commitment is a priority for the signatories.

Most of the agreements signed with the International Federation of Metalworkers provide that *« This agreement is indeed considered a foundation favourable to mutual and sustainable relations. »*
Bosch agreement says that: *« Bosch will not work with any suppliers who have demonstrably failed to comply with basic ILO labor standards. »*

According to **Rhodia**: *« Any serious violation of employee health and safety legislation, environmental protection or basic human rights that is not remedied shall lead to termination of relations with the company concerned in compliance with contractual obligations. »*

The effects of the agreements on suppliers and subcontractors vary according to whether non-compliance concerns a priority undertaking by the signatories.

*« **ARCELOR** supports and encourages its contractors and suppliers to take this agreement into consideration in their own company policy. This agreement is indeed considered a foundation favourable to mutual and sustainable relations. In the event that an enterprise working at ARCELOR's sites does not take part in programmes for effective improvement of occupational Health & Safety, ARCELOR will draw all the consequences in the context of their business relations, which could result in the termination of contractual relations ».*

EDF: *« These requirements shall be conveyed to the subcontractors. Any serious failure, not remedied following notification, to comply with legal requirements or related to issues of occupational health and safety, ethical behaviour towards customers and environmental protection, shall result in the termination of our relations with the sub-contracting company, in accordance with contractual obligations. »*

In the **Renault** agreement, the effects on suppliers and subcontractors vary according to whether it is a priority undertaking of the group. Thus as regards the general principles of the agreement, *« The actual adoption of these principles is a basis for long-term relations. »* whereas on a priority *« Renault agrees not to employ people younger than the mandatory school-leaving age in the relevant country or, in any event, below the age of fifteen. Suppliers and service providers must comply with this policy in order to work with Renault. »*

II - Normative and thematic content of international framework agreements

Issues

The ultimate aim of an international framework agreement is to create a frame of reference concerning the observance of various rights in the group as a whole. It is this assertion that causes a problem for the editors, who have to deal with the specific features of the sector of activity, the geographical location, local culture, changes in the group's structure, the current economic and financial climate, and so on.

Besides this difficulty that arises from the boundaries of the agreement there is the problem of incorporating in the text the new expectations of multinational companies. Thus the content of international framework agreements has changed from one that is strictly social to one that extends to the company's social responsibility.

As an illustration, certain commitments set out in the following developments concern suppliers and subcontractors (cf. process of negotiation).

The following are the different themes that are the subject of commitments by the company:

- fundamental social rights: freedom of association and collective negotiation, elimination of forced labour, abolition of child labour, elimination of sexual discrimination in the workplace
- other social themes: health & safety, pay/social protection and profit-sharing, training and mobility, working hours/paid holidays and flexibility, restructuring, employment conditions and recruitment
- other themes concerned with the social responsibility of companies: environment, human rights, governance and transparency, business ethics and corruption, linkage between companies and particular areas.

1. Commitments to fundamental social rights

The different commitments set out in the framework agreements very frequently refer to the ILO conventions.

Freedom of association and effective recognition of the right to collective negotiations

(ILO conventions 87, 98 and 135)

*"In countries that have not ratified these conventions, the signatories may, depending on local contexts, promote the conventions to professional organizations and the competent local authorities, by emphasizing the value of the experience of their application within **EDF Group** companies."*

*"The basic right of all employees to establish and join unions and employee representations is acknowledged. Compliance with this human right must not, however, contravene national statutory regulations and existing agreements in so far as these do not violate ILO Conventions No. 87 (Freedom of Association and Protection of the Right to Organise) and No. 98 (Right to Bargain Collectively). The freedom of association and protection of the right to organise is also guaranteed in those countries in which freedom of association and the right to organise is not acknowledged as a right. **Leoni**, the unions and employee representatives respectively work together openly and in the spirit of constructive and co-operative conflict management."*

“SKF will ensure that official representatives of such trade unions are not subject to discrimination and that such representatives have access to the union members and their work place.”

“The Trade Union Federations undertake to promote the development of a spirit of long-term partnership and mutual responsibility amongst the trade union organizations represented within Arcelor.”

“The Accor Group considers respect for union rights to be part of the good reputation of its brand names”

« Danone group and IUF (...) mutually recognizing the legitimacy of each party and their right to participate in the social as well as economic spheres, each mindful of their respective responsibilities as far as these conform with laws, collective agreements or other contractual agreement in effect (...) note that achieving this objective requires the efforts to provide economic and social education and information to the entire workforce as well as their representatives to better understand the problems, the limitation faced by the company, and what it has at stake (...) In this spirit, BSN, and the IUF undertake to (...) encourage management and trade unions to negotiate agreements, where possible for fixed durations, and to seek to publicize these agreements among the workforce to the widest possible extent (...) »

The elimination of any form of forced or compulsory labour (ILO conventions 29 and 105)

“Forced labour, slave labour or other forms of involuntary labour may not be used at Skanska's work sites. Nor shall the employer or its representatives force workers to surrender their passports, money, identification papers or valuables with the intention of imposing employment under inhumane conditions controlled solely by the employer.”

Effective abolition of child labour (ILO conventions 138 and 182)

Eni “Child labour is prohibited, especially in its most strenuous forms, and the right of children to complete their development and education must be safeguarded”

“If this commitment is, or has been, violated by Norske Skog, the company will ensure that adequate educational opportunities and adequate interim financial support will be given.”

PSA “For the corporation, the minimum age for general access to employment has been set at 18. This is higher than the minimum age for access to employment set by international standards, which is 15 (ILO Convention no. 138). For countries or regions whose economies and education systems have not achieved sufficient levels of development and in order to contribute to improving this situation, the minimum age for access to employment may be set at 16. However, the health of adolescent workers must be protected and their safety ensured. In such instances, the corporation agrees to set up specific training systems for the employees concerned in order to help them to achieve higher levels of general education and vocational training. Different types of employment contracts may be offered in order to support young people while they are still in school and to promote access to employment at the company (such as through apprenticeship contracts, etc.).”

The elimination of discrimination in jobs and professions (ILO conventions 100 and 111)

“The equality of all opportunities for the employees regardless of the colour of their skin, race, sex, religion, political opinion, nationality, sexuality, social origins or other differing characteristics is guaranteed (ILO Agreement No. 100 and 111). The parties to the agreement stress the principle of equality of opportunity with a great deal of respect and clearly speak against discrimination and alienation and for integration and tolerance and also in particular the observation of women's rights not just amongst the employees, but also between and with the executives.

*The interaction between the employees and the company management of **GEA AG** is characterised by mutual respect, understanding and mutual trust in the interests of achieving the joint corporate objectives. Intimidation and the abuse of employees or a hostile working environment will not be tolerated and must be immediately brought to an end."*

*"**PSA Peugeot Citroën** intends to apply and promote best practices beyond what is legally required and to fight racism, sexism, xenophobia, homophobia and, more generally, intolerance of difference and to ensure respect for the personal lives of employees."*

Non- discrimination may be aimed more particularly at certain populations.

***Bosch** "In our view, handicapped people possess equal rights as members of society and business life. Encouraging them, integrating them into the enterprise, and working with them in an atmosphere of cooperation are pivotal elements of our corporate culture."*

***EDF** "Attention will be paid to evolutions in the careers of employees with trade union responsibilities or representing personnel."*

*"**Lukoil** respects family values and will practically implement provisions of the ILO Convention 156 (workers with family responsibilities), paying special attention to defending rights of the working women, expectant mothers, nursing mothers and women with large families."*

*"**Rhodia** strives to maintain a balanced age distribution among its workforce and pays particular attention to the working conditions and skills of older employees"*

***Impregilo** "Migrating and posted employees must be ensured at least the same conditions as the national work force."*

***Danone** « In each company, discussions will take place in liaison with workers representatives to define objectives for equality at work. This will aim to find a methodical approach in order to study the respective situation of women and men in the company. It will cover the implementation of equality of remuneration for work of equal value, promotion opportunities, access to training, specific maternity issues and getting back to work after maternity leave as well as measures intended to get the right balance between family and professional life. Achievement of the target objectives will be monitored in liaison with workers representatives.*

2. Commitments regarding human rights topics

Health and safety

(ILO conventions 155 and 167)

Certain agreements make the link with the group's priorities, the standards governing the company's activities and resources.

***Bosch** "Safety at the workplace and the physical well-being of our associates has top priority."*

*"**EDF** Group regards the health and safety of its employees as a priority. Appropriate working conditions and consideration for human factors are daily concerns, similarly to economic performance, environmental protection and customer satisfaction."*

***Arcelor's** objective is zero tolerance of accidents."*

***Arcelor** "The "Code of practice on safety and health in the iron and steel industry" will be used as a reference (ILO, 2005)."*

Impregilo “A safe and healthy working environment shall be provided (ILO Convention 155 and 167). Best occupational health and safety practice shall be promoted and shall be in compliance with the ILO Guidelines for Occupational Health Management Systems. All workers shall be given training on occupational hazards and their prevention”.

“The corporation is committed to ensuring that effective occupational health and safety policies based on prevention are applied at the various sites in the form of concrete action plans that involve each employee at his level of responsibility in the company, including labour and management representatives (ILO Convention no. 155). **PSA Peugeot Citroën** is committed to progressively improving workstation ergonomics and to finding each employee an alternative position appropriate to his abilities, without discrimination. PSA Peugeot Citroën has an active health policy, which is mainly oriented toward the prevention of illnesses that may appear or develop in the workplace.”

OTE “Best occupational health and safety practice shall be promoted, safety equipment and training shall be provided and specific hazards such as asbestos shall be avoided wherever possible. These practices shall comply with ILO Conventions, Standards and Health and Safety Codes of Conduct (for example, ILO Convention 167, Safety and Health in Construction).”

“The Group **EDF** attaches special importance to safety training. Training programmes must exist in each of the Group companies. Employees must benefit from safety equipment adapted to their activity and be informed of the rules and responsibilities regarding their own safety, enabling them to take part individually in their own health/safety as well as that of their co-workers.”

“**Renault** considers EU standards as the benchmark for the prevention of occupational accidents. Following this lead it has drafted a document entitled Group Working Conditions Policy that contains the group-wide policy. Renault has made a commitment to implement this policy by carrying out the relevant audits and producing action plans.”

Skanska “If adequate safety against sickness and/ or accidents cannot be provided under other forms and conditions, personal protective equipment shall be provided and used.”

Finally, certain agreements stand out by making health and safety a subject of social dialogue and/or the subject of dedicated monitoring.

GEA “A particular right of proposal with respect to the employment and health protection of the national and international employees’ representatives is expressly recognised.”

EDF “Where there is not already dialogue between labour and management on these issues of employee health and safety, a discussion must be begun the year following the conclusion of the Agreement between management and the employee representatives of the company in question, with a view to seeking the best-adapted form of organisation for this ongoing dialogue. Both management and labour shall have access to the information available and necessary to this dialogue. The trade union organisations and employee representatives having signed the Agreement shall contribute to the promotion of concerted approaches to health and safety, in particular approaches to risk prevention for all their members and all the employees of the company to which they belong.”

EDF “In an approach geared towards progress, results in the area of health and safety will be measured using appropriate indicators and conveyed to the employee representatives. EDF Group shall analyse approaches to health and safety certification that could be applicable to its component companies.

Rhodia “Its goal is to continually improve safety performance and regularly monitor assessment indicators for its own employees and the employees of subcontractors”

”

A few agreements tackle a policy of anticipating health & safety risks by including this issue in their investment policy

“Rhodia pledges that from the time they are initiated, investment projects shall not compromise the health and safety of personnel or nearby residents. In addition, Rhodia supports solutions likely to improve existing situations.”

A number of health and safety topics are the subject of different treatment: AIDS, addictive behaviour, harassment, and so on

Lafarge *“The signatories undertake to raise awareness of the HIV/AIDS problem and of the prevention programme in compliance with the ILO HIV/AIDS code of practice.”*

Renault *“Renault has qualified doctors monitor the health of its employees on a regular basis and is developing an active prevention policy. As part of this scheme, Renault pays particular attention to HIV/AIDS prevention, STDs and drug abuse in countries where these are a problem.”*

EADS *“EADS prohibits any type or threat of physical and/or psychological abuse in the workplace.”*

Faber-Castell *“Physical abuse, the threat of physical abuse, unusual penalties or punishments, sexual or other forms of harassment and threats by the employer shall be strictly forbidden.”*

Skanska *“When employees are offered living accommodations in direct proximity to the construction site, the accommodation shall be planned and built to provide reasonable housing conditions”*

PSA Peugeot Citroën *“Furthermore, the corporation promotes the actions of healthcare professionals in running informational and prevention campaigns targeting employees in areas such as tobacco use, alcoholism, drug abuse, AIDS and STDs.”*

Danone *“Sanitary installations, the canteen and lodgings provided by the company are built and maintained in accordance with the regulations provided by current legislation in the country concerned. As a minimum, the company should provide drinking water, clean toilets and, in sufficient number, efficient ventilation, emergency exits, correctly lit workplaces, and access to medical care”.*

Pay, social protection and profit sharing (ILO conventions 95 and 131)

*“Remuneration in the **BMW** Group complies with current minimum rates of pay as guaranteed by law with no differentiation on the basis of gender. The BMW Group observes the minimum standards currently in place in the respective branches at national level and follows current trends on the respective labour markets.”*

GEA *“The right of remuneration/payment to secure the employees’ existence is recognized for all employees (**ILO agreement no. 100**). The remuneration / payment and the other benefits (social benefits, vacation or similar benefits) take account of the principle of fairness and at least correspond to the respective national, statutory standards or the minimum standard of the respective sector.”*

Bosch *“Any associate may complain to their respective line manager or senior management if they believe they have been subject to unfair treatment or have suffered disadvantages with respect to working conditions. Associates will not suffer any disadvantage as a result of lodging such complaints.”*

Faber-Castell, Impegilo, Lafarge, Norske Skog, OTE, Skanska “All workers must be provided with clear verbal and written information about wage conditions in their native language. Deductions from wages, unless permitted under national law, shall not be made under any circumstances without the express permission of the worker concerned.”

“**PSA Peugeot Citroën** compensates employees in line with market practices in each of the corporation’s businesses (automotive, finance, transport and logistics) and is committed to ensuring that remuneration is better than, or at least equal to, the conditions set forth in the national legislation or collective-bargaining agreements. Salary and other payments made for full-time work correspond at least to the minimum amount mandated by law and the guaranteed minimum for the profession or as set forth in the relevant collective bargaining agreements. They should therefore ensure that employees enjoy decent living conditions.(...) The corporation’s salary policy aims to ensure that compensation is determined according to fair, transparent and objective criteria.”

Danone “The company ensures that : no wage is lower than the applicable legal minimum ; all employees receive a pay slip ; employees receive a decent wage relative to the country ; wage rates for overtime are in all cases higher than for normal hours ”.

“In the countries in which the Group operates, **EADS** strives to contribute to the ongoing improvement of the workers' social welfare, medical care and long-term disability coverage.”

“**EDF** undertakes to ensure that, by the end of the term of this Agreement, each employee of every EDF-controlled company shall be covered by social benefits systems providing for protection in view of his/her future retirement and to ensure his/her physical and moral dignity in the event of workplace accidents, illness or maternity. In abidance with local laws and rules, EDF Group companies shall aim to be among the companies of their sector of activity demonstrating good practices in the country in question.”

“**PSA Peugeot Citroën** has set up, in all countries, contingency funds covering death and disability. Similarly, PSA Peugeot Citroën is gradually setting up, in all countries, supplementary pension schemes based on defined contributions to compensate for the lower income replacement rates provided by compulsory schemes, and supplementary health insurance schemes depending on changes in the compulsory plan.”

“In addition to the basic wages paid to each employee, profit-sharing incentives, that vary in form (individual bonuses, incentive remuneration, profit sharing, save-as-you-earn schemes, employer contributions to pension funds, etc.), must be included in each company of the Group, at the latest by the end of the application period of the present Agreement. Integrating this objective, each **EDF** Group Company shall define its own compensation policy to remunerate individual and collective performance, based on its own economic, social and legal conditions.”

Training and mobility

“Existing skills and know-how of the staff are of tremendous importance to the future viability of Gebr. **Röchling** KG at all productions sites throughout the world. For this reason Gebr. Röchling supports and promotes training measures for the employees which are suitable to expand and deepen professional and technical know-how. Training and retraining are assigned special importance in future development.”

“Taking into consideration that stable business operations of the **Lukoil** Group enterprises depend on the recruitment of qualified and competent young workers, LUKOIL policy will be aimed at combining work obligations of the young workers with the opportunity for them to develop professional skills and qualities.

“**Arcelor** undertakes to develop the skills of each employee, through lifelong learning, thereby enabling him or her to maintain and progress professionally in the job market. The Trade Union Federations, with ARCELOR management, will ensure that Arcelor employees adopt a proactive attitude in managing their own career.”

*"Whenever possible, the **Lafarge** Group in cooperation with trade unions shall develop workers' training with a view to improving their level of skills and ensuring that they participate in their career development and increase their employability."*

*"Whenever mobility is required from an employee due to changes in the internal or external context of the Company, preference shall be given to methods providing for adaptation and guidance to change in particular via adequate training and information measures. When mobility is requested by the employees themselves, each company of the Group undertakes to support individual efforts to this effect, taking into account the candidate's skills and capacities as well as the company's needs and constraints. This mobility enables employees to enrich their personal and professional development through a new experience. International mobility must be encouraged between the various **EDF** Group companies. A Group framework agreement will apply to this mobility when it meets needs expressed by the Group initiating the process. To further these goals, an international job exchange will enable employees to share their professional projects and their desire for mobility."*

*"The parties to this agreement agree that vocational training is a tool that enhances equality for all employees, regardless of their gender, origin, initial training completed, health or working conditions or hours. **PSA Peugeot Citroën** thus agrees to adopt a pro-active policy in this area.(...) Employee evaluation practices are objective and transparent, in the spirit of the agreement on diversity and social cohesion in the company signed by labour and management representatives in France in September 2004. Procedures and indicators have been set up in order to monitor compliance with the principle of equal opportunity."*

"Faced with foreseeable changes, skills training should give particular priority to the least qualified personnel so that they will be employable. Training could also be preceded by training in language skills."

Training must lead to the achievement of a qualification which gives workers involved certificates which allows them to show the value of their new skills either by recognized diplomas or, if not possible, by certificates which are recognized in all BSN divisions."

Particular attention will be paid to the conditions under which training is carried out in order that the workers are not penalized financially for taking part (lost wages and payment of the costs of training)."

Working hours, paid holidays and flexibility

*"Remuneration in the **BMW** Group complies with current minimum rates of pay as guaranteed by law with no differentiation on the basis of gender. The BMW Group observes the minimum standards currently in place in the respective branches at national level and follows current trends on the respective labour markets."*

GEA *"The working hours including overtime may not permanently exceed the existing statutory and/or collective agreement standards in the respective countries and /or the international standards. The parties to the contract fundamentally reject overtime pay as a substitute for insufficient remuneration. However, if overtime pay should be paid then the remuneration will be based on the respective statutory and/or collective agreement regulations."*

*"Working within local legislation and with the relevant labour organizations, **Renault** is adjusting working hours in line with the needs of the company's various sectors whenever possible, and taking into account employees' wishes. In compliance with local legislation and business practices of the country in which Renault operates, employees are entitled to paid holidays."*

*"**PSA Peugeot Citroën** agrees to ensure that the total number of hours worked is equal to or less than the totals set forth in the national legislation or the collective-bargaining agreements in the country concerned. Fluctuations in demand and the diversity of the automobile market require adjustments to work schedules. The conditions for these adjustments are negotiated jointly between labour and management according to the methods and rules that have been negotiated or that are otherwise in effect in each country."*

Restructuring

A few agreements (Chiquita, Danone, EDF and Fonterra) consider restructuring and mention a number of principles by which such operations are governed. Those mentioned are: anticipation, social dialogue with the trade unions and labour representatives, responsibility to employees and local economies. The most successful example in this area is that of the Danone framework agreement.

Agreements that do not enter into this level of detail put most emphasis on the anticipation of restructuring (see also the point of training and, in question 3, that of information and communication).

“EADS is committed to promoting the employment of its entire workforce and in the case of company reorientation or restructuring, will do all it can to protect employment by means of all possible measures, including training and mobility, whenever appropriate.”

“Renault has a commitment to protect jobs. In the event of reorganizations or restructurings, it makes a commitment to train workers for other jobs or, wherever possible, to find other jobs for them within the Group.”

“Arcelor undertakes to anticipate, as much as possible, economic and industrial changes and their consequences in terms of human resources. The establishment of a prospective and permanent social dialogue will encourage the application of this principle of anticipation.”

Fonterra “The agreement establishes the company's obligations towards the unions representing its employees in the event that business changes with adverse employment consequences are under consideration. In these circumstances, the company undertakes to provide the affected unions with precise information on the nature and potential consequences of the changes, and to consult with the unions on measures to minimize the consequences for employees.”

Conditions of employment/recruitment

Faber-Castell “Employers' obligations to workers according to national labour legislation and regulations on social protection based on permanent employment must be respected”

Norske Skog “Employment shall, as a main rule, be based on permanent employment. Temporary and part-time employees should as a main rule receive the same relative terms and conditions as fulltime permanent employees.”

“PSA Peugeot Citroën is committed to ensuring that all stages of the recruitment process are free from discrimination. Enhancing the diversity of the staff is a source of complementarities, social balance and economic effectiveness. The necessary procedures and resources will thus be implemented in order to avoid discrimination and to promote equal opportunity.”

3. Other commitments to CSR

Although the way in which international framework agreements deal with the social field does not give any clue as to what the company's main issues are, the undertakings regarding social responsibility does leave a bigger margin of manoeuvre to the signatories.

Environment

*"Risk management is a priority for **Rhodia**, whose guiding principle is the application of the best standards. Within the framework of its policies and procedures, Rhodia undertakes to develop : preventive measures with regard to known and identified risks; precautionary measures characterized by a proactive, forward-looking and intelligence-gathering approach to science and technology regarding the risks involved in the company's activities. Within the context of its product stewardship policy, Rhodia pledges to support its products throughout their life cycle, including the provision of support at customers' place of business. Rhodia is developing a special approach for products classified as "very high concern", including CMRs (carcinogenic, mutagenic and toxic to reproduction). Rhodia has implemented specific recommendations that encourage their replacement and strict controls over their use when replacement is not possible."*

*"**EDF Group** hereby undertakes, first, to implement a policy to prevent and reduce known and identified hazards (...)second, to implement a precautionary policy reflected in practice by a proactive attitude of scientific and technological anticipation and intelligence on any hazard issues related to the business activities of EDF Group companies (...)EDF Group and the companies composing it are pursuing an ongoing policy to improve their environmental impacts through an ISO 14001 certification involving and mobilizing all the management and employees concerned. This approach includes raising employees' awareness of applicable environmental standards at a local as well as international level. EDF Group contributes to the development of renewable energies. It integrates renewable energies in its production facilities or promotes decentralized solutions where technical solutions and economic conditions allow."*

*"**Rhodia** and **ICEM** will carry out an annual review of this agreement on the basis of company indicators regarding the commitments stipulated by the agreement. Percentage of sites audited in terms of health, safety and the environment over the past three years, according to the company's reference database, environmental impact and natural resources: water, air, energy consumption, waste management."*

Human rights

***GEA** "The parties to the agreement accept and support the extension of the general human rights in particular within the scope of its local/regional intervention options and towards their partners worldwide."*

*"**PSA Peugeot Citroën** agrees to promote compliance with human rights in all countries in which the corporation is present, including in geographical areas where human rights are not yet sufficiently protected. PSA Peugeot Citroën agrees to work towards preventing situations of complicity or acts of collusion concerning fundamental human rights violations. The corporation considers this a part of its responsibility to society".*

Governance and transparency

The international framework agreement signed by Danone and the IUF is the one that goes farthest as regards commitments on this point which is the subject of a special convention. *Convention concerning economic and social information in the companies of the Danone group.*

*"In general, **Arcelor** encourages transparent, open communication with all its stakeholders."*

*"**EDF** makes openness a fundamental principle in its internal and external relations. In full compliance with legal, commercial and strategic requirements of confidentiality, the Group undertakes to supply reliable, quality and updated information on its activity and results to labour and financial stakeholders and to public authorities."*

*"**PSA Peugeot Citroën** is committed to providing employees with regular information on the company's operations and on issues likely to affect working conditions and employment, both directly and indirectly. This will be ensured through the local employee representative bodies and unions, in particular."*

Business ethics/corruption

“UNI affirms that equal terms of competition are pivotal in raising standards in the service industry. UNI will use its full leverage to disclose, address and if necessary root out companies, which evade tax payments, social security contributions, or in other ways disregard basic standards in the service industry. Additionally, UNI will publicly support companies that it considers to be front-runners. ISS will sustain its efforts to lead the industry in terms of business ethics, human and labour rights and environmental protection, and inspire its competitors to follow suit.”

“PSA Peugeot Citroën is committed to working against all forms of corruption. The corporation agrees to raise employees’ awareness of the issue through various communication campaigns and/or training programmes. Employees of the corporation must avoid any conflict between the interests of the corporation and their own personal interests or those of their family members in accordance with the corporation’s ethics charter. All employees must thus refrain from taking a personal interest in suppliers or customers, except if this is done through the purchase of listed shares as part of the management of a securities portfolio and in compliance with rules against the use of privileged information.”

Territorial anchoring

“Highly valuating additional opportunities arising from natural and cultural diversity of the employed workers and heritage of the population in the areas of LUKOIL Group operations, Lukoil will base its work on the following principles: Respect and support of traditions of national tolerance and appreciation, respect and protection of national and cultural traditions, art and craftsmanship in the regions of the Lukoil Group Business activity. Respect of religious beliefs and habits of the workers and local population”

“PSA Peugeot Citroën is committed to promoting the training and employment of the local working population in order to contribute to economic and social development wherever the corporation does business. Therefore, in the countries where the corporation operates, PSA Peugeot Citroën will use local human resources to fill vacant positions whenever possible and will strive to develop local integration whenever possible. In the event of changes in the business, PSA Peugeot Citroën agrees to inform the relevant national authorities beforehand and to cooperate with them in order to better consider local interests”.

EDF agreement covers several engagements on that theme: actions in favor of access to electricity, actions in direction of deprived clients, engagement in the civil society: for example, « **EDF Group will integrate itself as best possible in the territories and communities where it is present. In the framework of partnerships, EDF Group will be able to participate in programmes contributing to the growth of economic activities. It will in particular be able to support projects that meet the priority needs of local populations (electrification of territories, health and education). EDF Group will become involved by developing aid programmes for professional integration, particularly for youths and for persons excluded from the labour market”**»

4. International standards quoted

International framework agreements primarily concern fundamental social rights. It is therefore logical that the different texts - conventions, recommendations and statements - from the International Labour Organisation (ILO) should provide a basis in terms of standards; this is a particularly natural reaction as regards international framework agreements which are, first of all, the outcome of tripartite negotiations between employee representatives, employers’ representatives and the public authorities and, secondly, devised in order to render certain rights universal.

Framework agreements make due mention of the fundamental conventions set out in *The ILO declaration concerning the fundamental principles and rights of labour* in June 1998:

- guaranteeing trade union freedom and the principles of collective negotiation:
 - convention 87, freedom of association and protection of the right to organise, 1948
 - convention 98, right to organise and collective bargaining, 1949
- abolishing the use of forced and compulsory labour
 - convention 29, forced labour, 1930
 - convention 105, abolition of forced labour, 1957
- banning the employment and exploitation of children
 - convention 138, minimum age, 1973
 - convention 182, worst forms of child labour, 1999
- fighting discrimination
 - convention 100, equal remuneration, 1951
 - convention 111, discrimination (employment and occupation), 1958

References made to other texts in the international framework agreements. These concern the following conventions:

- concerning trade union freedoms, collective bargaining and vocational relationships
 - convention 135 and recommendation 143, workers' representatives, 1971
 - convention 94, cooperation on company schemes, 1952
- concerning non-discrimination
 - convention 156, employees with family responsibilities, 1981
- concerning the promotion of employment
 - convention 88, employment service, 1948
- concerning wages and salaries
 - convention 95, protection of wages and salaries, 1949
 - convention 131, setting minimum wages and salaries, 1970
- concerning working hours
 - recommendation 116, reduction of working hours, 1962
 - convention 47, forty-hour week, 1935
 - convention 1, working hours in industry, 1919

recommendation 47, paid holidays, 1936: extended

- concerning health and safety at work
 - convention 155, health and safety of employees, 1981
 - convention 167, health and safety in the construction industry, 1988
 - collection of ILO directives on healthy and safety in the iron and steel industry, 2005
 - collection of ILO practical directives on HIV/AIDS

Finally, international framework agreements require that the company undertakes to abide by:

- the United Nations, *Universal Declaration of Human Rights*
- the *Principal directives of the OECD on multinational companies*
- the United Nations *global compact*

5. The relationship between international framework agreements and local regulations

This is a particularly complicated question because the framework agreements are not a category recognised in international law and companies must respect the legislation of the countries in which they function.

As regards this question, companies take three different attitudes in framework agreements:

- strict observance of local regulations
- an attempt to reconcile local regulatory law and the undertakings in the agreement
- the undertakings in the agreement are given primacy if local regulations provide less protection.

Strict observance of national law

The most frequently used formulation is similar to the one found in the **Statoil** agreement: *The agreement between the Parties shall be applied consistently throughout **Statoil** operations but is not intended to replace or interfere with local industrial relations practice related to information, problem solving and negotiations.*

Club Méditerranée: « *The existence of this agreement cannot cause the restriction of the rights coming from the local : legislation, rules, collective bargaining, or habits. »*

Reconciling national law with the undertakings in the agreement

*“In accordance with the principle of subsidiarity, the provisions of this agreement will apply as soon as local conditions allow. In the absence of legislation which complies with the **Arcelor** Group’s international commitments, a convergence solution will be sought, based on international law, to achieve the group’s objectives with regard to sustainable development.”*

*“**PSA Peugeot Citroën** applies in all areas of the corporation’s business the laws and regulations in force in the countries in which the corporation operates. By signing this Global Framework agreement, **PSA Peugeot Citroën** is stating the corporation’s desire to go beyond merely abiding by national standards by providing a framework for fundamental human rights.”*

*“**EDF** Group undertakes to comply and enforce compliance with the ILO Fundamental Conventions in all companies under its direct control. This commitment is also valid in the countries that have not yet ratified these conventions. This is also the case for Convention 135 of 1971 concerning worker representatives, insofar as local law does not impose provisions to the contrary. In countries that have not ratified these conventions, the signatories may, depending on local contexts, promote the conventions to professional organizations and the competent local authorities, by emphasizing the value of the experience of their application within **EDF** Group companies.”*

Primacy given to the undertakings in the agreement

Danone « *The signatories consider these rights, together with all others derived from international human rights conventions, not to be negotiable and to be universally, and indisputably applicable. They represent the unquestionable basis used to build the **Danone IUF** conventions”.*

*“The provisions of this framework agreement define **EADS** standards to be applied wherever the Group operates, insofar as more favourable conditions do not exist already.”*

*“The global standards listed hereafter will be adhered to at all **Rhodia** worldwide operations. The company’s subsidiaries will apply this agreement in accordance with the economic, labor and cultural realities specific to each country in a spirit of continuous progress. Both signatories to this agreement recognize that the internationally recognized standards and principles contained within this Agreement will be applied at all Rhodia operations across the world, regardless of whether they are required by national law or regulations.”*

For global union federations and notably the **IMF**, «The IFA will in all cases take precedence over national laws that do not conform to the Core Labour Standards of the ILO».

For global union federations, notably the IMF, this position is justified by the fact that certain ILO conventions such as *freedom of association* and *protection of the right to organise*, have not been ratified by certain countries, such as the United States or China.

The report by the IMF on the IFAs mentions the difficulties in implementation for companies that signed an IFA for US subsidiaries :

*At the **Bosch** World Conference held in Germany in 2006, a number of complaints were raised about company actions, some of which breach the IFA provisions on freedom of association and the right to collectively bargain, discrimination and the right to equal pay. It became clear at the meeting that Bosch management is not prepared to handle IFA complaints centrally, but maintains they should be handled at the local level.*

One of the complaints raised at the meeting related to Bosch-owned plant Doboy in Wisconsin, USA. When members went on strike during a collective bargaining dispute, management coerced them back to work by threatening to bring in permanent replacement workers, a move that is allowable under US labour law, but arguably not under the IFA. IMF is demanding that German Bosch management responsible for implementing the IFA recognise that such an action is not in accordance with the IFA and prevent their US management from breaching it in this way.

Similarly, ongoing efforts are being made to have BMW eliminate employer opposition to union organising at its Spartanburg, USA plant, again a breach of the IFA.

During a conference organised in November 2006, the ICEM also refers to difficulties of implementation in the USA:

“US affiliates report that for them global framework agreements are largely ineffective. This is because signatory employers generally ignore the agreements’ provisions there, particularly in respect to groups of workers attempting to join unions for the first time. They therefore propose that we define for the future clearly enforceable standards for company conduct in union recruitment (organizing) drives.”

III - Implementing and monitoring the agreement

Issues

Implementation and monitoring can provide answers to two basic questions that are a constant concern for those drawing up framework agreements:

- how to make the approach credible
- how to make the content of international framework agreements known to as many employees and management representatives as possible, at every level

These questions are particularly important since there is no correlation link between the fact of being a signatory of the agreement and that of taking part in its implementation and monitoring. Therefore the procedures for implementation and monitoring should be devised to permit the involvement of those who have not necessarily been involved in initiating the approach.

As concerns the range of responsibility in implementation and monitoring, various points of view are expressed.

- Some people believe that the signature of local trade union organisations is unnecessary, and that supervision is better through a global union federation.
- Other signatories support the idea that the signature of local trade union organisations is the best guarantee of the implementation and monitoring of the agreement, because the representatives of local employees feel themselves more committed as to what the agreement becomes.

The implementation and monitoring procedures depend on a number of factors: the company's activities, geographical location, competition demands according to markets, and so on. Implementation and monitoring are also conditioned by the culture of social dialogue specific to certain sectors and the usual practices of discussion with the global union federations.

Some groups have shown no wish to formalise the implementation and monitoring procedures in the text of the agreement because their management and the global union federations have long practiced dialogue and shown great preparedness to answer questions on both sides. One may ask what happens as a consequence of staff changes.

1. The level at which implementation and monitoring of the agreement takes place

As a general rule, it is the central services of companies or employee representative organisations that are responsible for implementing and monitoring the agreement.

However certain agreements foresee other approaches, which we detail hereunder:

- application of the agreement involves only decentralised services,
- application of the agreement concerns two levels.

Decentralised implementation and monitoring

EADS “The head of each business is responsible for ensuring compliance with these principles and will take appropriate measures to ensure their implementation.”

Bosch “Responsibility for their implementation lies with the senior management of the respective divisions, regional subsidiaries and company locations.”

GEA, Röchling, Rheinmetall “The codes of conduct of GEA AG are binding within the company throughout the world. They obligate executives and employees at all levels to observe, accept and promote the agreed objectives. The management of the respective company units, and, where they exist the employees’ representatives are responsible for ensuring this.”

« It is the express wish of both Groupe **Danone** and the IUF that Groupe Danone management at every level and trade unions throughout Groupe Danone work constructively to ensure that the standards expressed in these agreements are fully met and, where possible, exceeded ».

Implementation and monitoring at two levels

“The parties agree that any difference arising from the interpretation or implementation of this agreement will be examined jointly for the purpose of making recommendations to the parties concerned. If necessary a monitoring group will be appointed that comprises two members from **OTE** and two members from **UNI** to examine and report to the President of **OTE** and the General Secretary of **UNI**.”

“In each of the major countries local social observatories will be set up. These will be made up of human resources divisions and labour unions. The social observatories will monitor the application of the Global Framework Agreement on an annual basis using a common monitoring document to be created jointly by the parties to this agreement. At the corporate level, a report on the deployment of the agreement in the countries concerned will be presented each year to the **PSA Peugeot Citroën** Extended European Council on Social Responsibility.”

EDF: « In each Group company concerned, dialogue shall be initiated between the management and the employee representatives on the initiatives to be taken and the conditions for the implementation of the present Agreement, within a period of six months following its signature. These initiatives shall take into account the local economic, cultural, professional or regulatory characteristics and set out conditions for enforcement within a policy of ongoing improvement.

A report taking stock of the implementation of the Agreement in the companies of the Group shall be disclosed to all of the employees of the Group via an appropriate channel. It shall be sent to the members of the **CCSR** one month before the annual meeting.”

2. Who is responsible for implementation and monitoring?

The responsibility for implementing and monitoring the agreement is very often shared even though a few agreements make provision for the intervention of other parties in different ways.

Implementation and monitoring may be handled:

- by the signatories jointly
- by an authority representative of employees
- by a dedicated structure
- by exterior stakeholders

2.1. The signatories jointly

Interpretation of the text is handled jointly by **Hochtief**, IFBWW and IG Bau.

ISS *"The parties agree that any difference arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of making recommendations to the parties concerned."*

To give credibility to the approach, and to make it easier for all those involved in the subjects covered in the international framework agreement to grasp the process, it may be valuable to offer training on certain points of the agreement the monitoring of which calls for special expertise.

*"NOPEF/ICEM and **Statoil** will cooperate in developing joint training arrangements covering those issues – and their implementation - dealt with in this agreement. This will include appropriate training in health, safety and environmental best practice for union delegates from countries where Statoil is the operator. It will also include Management training programmes within Statoil. The cost of NOPEF/ICEM involvement in Statoil training programmes may be covered by Statoil, subject to agreement."*

Eni *"The parties may agree to carry out programs of affirmative action geared towards promoting fundamental human and social rights, together with good work practices; these programs may consist of activities involving information, training and research."*

*« **Danone group** and the IUF confirm that the process of informing and training union members and workers representatives should develop within each Groupe Danone company in order to ensure the effective implementation of Danone/IUF conventions ".»*

2.2. The employee representative body

Even if the European business committee and the world group committee are not signatories, these groupings may occasionally accommodate meetings of the monitoring committee.

BMW *"Consultations on compliance with the goals and implementation of the principles will take place periodically via the EURO-Forum."*

*"The parties to the agreement will ensure the observation of the agreement to the extent that they are able to do so. Information with respect to problems, deviations or necessary changes of the codes will be exchanged and discussed at least once a year between the parties to the agreement. This exchange of information will take place in the EWC and in the **GEA** presiding committee."*

SKF *"All employees have the obligation to follow the Code of Conduct, Group Management and the World Works Council presidium will regularly supervise the observance of the Code of Conduct."*

Renault *"Working with the employee representatives of the relevant companies, management and the Group Works Council will ensure that this declaration is actually implemented."*

Some unions have reservations over the fact that the IFAs are signed by European works councils, and some grant them a privileged position for the follow-up and management of companies' commitments.

*"For **CGT**, its most precious help would be in relation to monitoring the agreement – an aspect which unions sometimes neglect. Plenary EWC meetings make it possible for members, who know the situation on the ground well, to meet up – even if the demand for increasing the number of plenary meetings accompanied by both preparatory and debriefing meetings has not been met yet. EWC bureau meetings are more frequent and enable their members to meet regularly, thus promoting monitoring and effective implementation of agreements negotiated by the unions."*

2.3. The dedicated structure

The establishment of a dedicated structure raises the questions of:

- its component
- its operating procedures
- the resources made available to it
- the topics to be discussed during meetings of the monitoring authority
- continuity of monitoring between meetings.

Component

The monitoring authority has equal representation; it intervenes either when the local body has not been able to resolve a point in dispute, or in order to supervise the implementation and monitoring of the agreement.

Arcelor *"The local representative authorities are first responsible for monitoring the implementation of this agreement. At Group level, a specific internal and mixed committee will be responsible for monitoring the implementation of this agreement. Within this committee, the Management Board will be represented by the Human Resources Director who, in the framework of these activities, will directly report to the Chairman of the Management Board. He will be assisted by the Human Resources Directors of the sectors and/or the regions concerned. Regarding the employees' representatives, they will be represented by the Vice-Chairman of the European Works Council, by a representative appointed jointly by the IMF and the EMF and by a representative from each geographical area covered by this agreement, who will be appointed in accordance with local rules and practices."*

*"Participants at these annual meetings will normally be 4-5 senior officials from NOPEF/ICEM and relevant managers from **Statoil**."*

Operating procedures

Except in a few cases, agreements are monitored annually. In certain cases, the operation of the monitoring authority is given in detail in the text of the agreement (timetable, circulation of information, budget, and so on).

Chiquita *"The agendas for these meetings will be agreed in advance and both parties shall provide the relevant information necessary to carry out the intent of the meetings. The Review Committee meetings will take place twice a year. An extraordinary meeting may be convened at the request of either party, in case a situation arises that requires urgent discussion by the Review Committee."*

EDF *"The CCSR shall meet once per year. During each CCSR meeting, the members shall benefit from a preparatory meeting and a follow-up meeting. In the event of a request from the majority of the members, and with the agreement of the Chairman, a special session may be held."*

Resources made available

EDF *"The Group shall cover the costs directly related to the functioning of the Committee and the Bureau, in addition to the organisation of their meetings, within the limit of an annual budget of 220,000 euros. The employee representatives designated to participate in the CCSR meetings shall be given time in the company that employs them to prepare and participate in the annual CCSR meeting (4 days per year). An additional credit of 2 days shall be allotted to the members of the CCSR bureau. Travel time shall be added as needed. All the participants shall be able to speak the language of the countries they represent. However, any report to be presented before the Committee shall, at least in its written form, be presented in English or in French (...) The employee representatives who are members of the CCSR shall have access to a specific community within EDF Group-Net and thus have an internal tool for communicating remotely, between CCSR meetings."*

Topics discussed during meetings of the monitoring authority

The monitoring meetings may discuss different points of view, ways in which the agreement is applied, differences in interpretation, or investigate complaints about the application of the agreement (see next point).

Freudenberg *"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."*

Continuity of monitoring between two annual meetings

As we have already seen, the agreement is usually monitored annually. This interval is not always relevant, particularly when the links between management and trade union organisations are not straightforward. Some agreements make provision for a middle way.

EDF *"During its first meeting the CCSR may decide to create a bureau emanating from the CCSR and intended to ensure the proper functioning of the Committee between meetings. This bureau may meet one to two times between the CCSR sessions. It shall be composed of six members appointed from within the CCSR, including at least one representative per geographic zone concerned by the present Agreement. The secretary of the CCSR, elected during each annual meeting of this body, shall be in charge of coordinating the work of the bureau and the CCSR members."*

"Chiquita, the IUF, and COLSIBA will each identify a contact person responsible to facilitate communication and the timely resolution of any emergency issues that may be identified between meetings of the review committee."

"OTE agrees to give advance notification to UNI and hold an extraordinary meeting with a UNI delegation if, in the interval between the annual meetings, new developments occur which are likely to have a significant impact on employees' interests. OTE, OME-OTE and UNI will each appoint a contact person, who will be responsible for making practical preparations for the meetings, including the advance distribution of background documents"

2.4. Intervention by a stakeholder outside the company

The company may have recourse to external parties to ensure follow-up and management of the IFA.

These could be:

- **local institutions**

*"The protection of the environment as well as the enhancement of living conditions and environmental conditions are important corporate objectives of the **Rheinmetall** group. To achieve the individual international, European and national environmental standards and to comply with them in practice, Rheinmetall co-operates with the relevant local institutions."*

- **NGOs**

The IMF recommends its members to :

«Where appropriate, contact should be made with NGOs to assist with implementation efforts».

*"The CCSR is chaired by the **EDF** Group Chairman, or his representative. He may be assisted by managers of the Group. CCSR is made up of 28 representatives and a guest observer from EnBW (...) The Committee may invite NGO representatives to attend its assemblies, by common agreement among its Members, and as justified by relevant items on the meeting agenda."*

*As to implement its engagement en favor of the social rights, **Carrefour** has formalized a partnership with an NGO, the International Federation of Human Rights (FIDH), through the foundation Infans. This one is in charge of monitoring the agreement implementation and the follow up of the group co-contractors.*

*In 2003, the World Employee Committee of **DaimlerChrysler** organised a Hearing of Experts in conjunction with the company, with the participation of the IMF, to gather ideas and perspectives on the IFA, its implementation and monitoring. Representatives attended from the ILO, the ICFTU, IG Metall and a range of NGOs active on labour issues. The message was that implementation should not exclude any stakeholders and that while unions are best placed to monitor IFAs, the assistance of recognised NGOs is welcomed, especially where unions are weak or non-existent.*

3. Resources for implementation

Certain agreements mention specific implementation procedures:

- circulation of the document,
- incorporation in the managerial procedures and identification of targets,
- training on the points covered in the agreement,
- local impact.

The implementation of the framework agreement is not restricted to the procedures laid down in the text of the agreement. For example Carrefour, which is committed to the importance of social dialogue, has set up a European information and coordination committee, Danone has negotiated some twenty social indicators with the IUF in order to "measure the progress made on the key topics in the social policy of the Danone group".

In the last agreements that were signed the importance of proper follow up raised the issue of the financial means in terms of human time necessary to cope with that task:

- for the company (Headquarter and subsidiaries)
- for the trade unions representatives (GUF, European federation, works council, local representatives).

Danone has decided as a trial measure over one year to finance a permanent IUF position to follow up on the agreement.

3.1. Circulation of the text of the agreement

For what publics?

Circulation may be to:

- employees,
- external stakeholders (subcontractors/suppliers, public authorities),
- the management.

For the IMF, the company should ensure that the agreement is distributed :

- *To all the workers and management, for all the operations carried out by the company*
- *To all the suppliers and subcontractors*

It should be noted that promotion of the agreement may be carried out by the local authorities who could see an opportunity therein to make all the companies on the territory aware of it.

Thus, in Argentina, the agreement of PSA Peugeot Citroën was the subject of information issued by the government to the local and international companies to encourage them to take action on the social responsibility of their companies.

Following information provided by EDF on their framework agreement in China, this company was “selected” by the Chinese minister of commerce for the creation of a book on the social responsibility of multinational companies based on the territory.

Circulation also involves the responsibility of the unions. In this regard, the IMF, in liaison with its regional offices (Africa, Latin America), is carrying out advertising campaigns.

In Latin America, a regional seminar on implementing and monitoring IFAs was held in Brazil in November 2005. The meeting brought together affiliated unions with plant representatives from IFA companies including Volkswagen, DaimlerChrysler, LEONI, SKF, Arcelor, Bosch and Renault.

The meeting approved a plan of action which includes:

- *An information campaign on IFAs*
- *Establishing communication networks between unions in the same company and between unions with IFAs in different companies*
- *Implementation strategies including a regional map of suppliers*
- *Elaborating social monitoring projects together with NGOs.*

12 Background to International Framework Agreements in the IMF Argentine affiliate ASIMRA is currently attempting to use the Renault, SKF and Volkswagen IFAs to organize white-collar workers, a category of workers which

Under which form?

Circulation may be general or personal, joint or each signatory may forward it to its own constituents.

Frequently the internal communication media of companies and their locality are mobilised (company journals, intranet, posters at the workplace, and so on).

The text may be communicated personally to employees or the latter may simply be informed that it exists. In certain cases “information forums” may be held to collect the collective views of employees

As regards its form, circulation may be:

- written or oral,
- agreement into at least ten languages (Volkswagen, Prym, Freunderberg, PSA Peugeot Citroen, and so on).

In what languages?

The audited trade union organisations insisted on the importance of translating the agreements in every language spoken in the group so as to allow a real understanding by the staff in every country where the company is set up.

Number of translations Freudenberg : 16 Leoni : 13 Renault : 11 EDF : 9 PSA Peugeot Citroen : 21

Some companies put the agreement on line on their internet site (with this being mentioned explicitly in the agreement itself: Rhodia)

Most of the global union federations (IMF, ICEM, IFBWW) put all the agreements they have signed on line on the Internet.

Some agreements make provision for the ways and means of circulating the agreement to be discussed between signatories: <i>«Following consultation with the respective associate representatives, associates will be informed through the proper channels about the content of the above principles.»</i> <i>“The employees of Ballast-Nedam will be informed orally and in writing of all the stipulations of this agreement. The content of this agreement will be displayed at all work stations in the respective languages.”</i>

What are the deadlines ?

The IMF would like the negotiators to consider deadlines for informing salaried employees appropriately, as it has been noted that in some companies, the salaried employees were not aware of the IFA for some years after its signature.

3.2. ***Incorporation in managerial procedures and the identification of goals***

Depending on the particular agreement, the incorporation procedures are more or less precise and are not made formal in the same way: declaration of intent, translation of the principles set out in the agreement into the code of conduct, incorporation into a managerial manual.

*"With this declaration **LEONI** documents fundamental social rights and principles which represent the basis of LEONI Corporate Policy."*

*"These principles will be incorporated into the "Management System Manual for Quality, Environment, Safety, and Security in the **Bosch** Group". Responsibility for their implementation lies with the senior management of the respective divisions, regional subsidiaries and company locations. "*

*"Improvements in the health, safety and working conditions of its employees are a priority for the Renault group (...) **Renault** has made a commitment to implement this policy by carrying out the relevant audits and producing action plans"*

*"(...) **EDF** undertakes to ensure that, by the end of the term of this Agreement, each employee of every EDF-controlled company shall be covered by social benefits systems (...) In abidance with local laws and rules, EDF Group companies shall aim to be among the companies of their sector of activity demonstrating good practices in the country in question (...) Profit-sharing incentives, must be included in each company of the Group, at the latest by the end of the application period of the present Agreement."*

3.3. Training

The framework agreement may include management training :

- for those responsible for local entities
 - for representatives of local unions
- (cf. heading III.2.1. The signatories jointly)

3.4. Local impact

In certain companies, the framework agreement concluded at head office level is only the first stage in the social dialogue, which is general to the entire group.

Thus for certain companies the framework agreement should lead to ratification of the text at local level, while some of them make provision for real local negotiation about the points in the text.

Norske Skog *"Both parties accept that effective local monitoring of this agreement must involve the local management, the workers and their representatives, health and safety representatives and local trade unions."*

EDF *"In each Group company concerned, dialogue shall be initiated between the management and the employee representatives on the initiatives to be taken and the conditions for the implementation of the present Agreement, within a period of six months following its signature. These initiatives shall take into account the local economic, cultural, professional or regulatory characteristics and set out conditions for enforcement within a policy of ongoing improvement."*

PSA Peugeot Citroën *"Beyond the national- level negotiations in use (such as for salaries, working hours, etc.), each subsidiary agrees to negotiate with labour unions on the implementation of actions designed to meet the commitments and principles in this chapter and, in particular, those concerning training, career advancement and occupational safety."*

4. Whether complaints are possible over non-compliance or problems in interpreting the agreement

4.1. Making complaints

Direct complaints from employees

Employees may take action either directly or through their representatives.

*"In the countries in which **EADS** operates, trade union or works council representatives may inform central management orally or in writing of any breach of one or more terms of the aforementioned provisions. EADS central management shall take appropriate measures to eliminate any breach of the aforesaid principles, reporting on any measures taken to a plenary session of the European Works Council. The European Works Council may submit proposals for corrective measures to ensure compliance with this agreement to the management of EADS or the relevant Business Unit."*

*"All employees are responsible for complying with the law and with the company's commitments and rules of conduct. They may alert their supervisors to any violations and may also refer matters to the local representative of the Human Resources or Legal Department. **Rhodia** is committed to setting up a special mechanism that will allow employees to report their concerns in the event the usual means of communication are not functioning properly."*

Complaints by stakeholders

DaimlerChrysler *"The senior managers of each business unit are responsible for ensuring compliance with these principles; they will take appropriate measures in respect of implementation. They will designate contacts to whom business partners, customers and employees can turn in case of difficulty. Any complaint brought to the managers' attention in this way shall not result in adverse consequences for the complainant."*

4.2. Protection for the complainer

GEA *"All the employees have the right to address subjects and problems in conjunction with the agreed principles. They will not suffer any disadvantages and / or sanctions as a result."*

5. Procedure for settling differences

5.1. Level at which complaints and procedures are dealt with

Most agreements made provision for settlement of differences at various levels: this should be tried first locally, i.e., at the level of the site or country. The global level becomes involved only in the event of serious or systematic violations of the rights set out in the agreement that cannot be resolved locally. Regardless of the level at which the complaint is dealt with, it is very often with equal representation.

*Complaints regarding possible breaches of the above principles will be investigated; any action required will be discussed and implemented by the senior management and associate representatives responsible. The Executive Committee of the Europa Committee of the **Bosch** Group will be informed about any complaints that cannot be dealt with satisfactorily at a national level. If necessary, the implementation of this declaration will be discussed at meetings between the Board of Management and the Europa Committee."*

*"Reports on compliance with this agreement and eventual infractions, which could not be resolved through discussions in the workplace, will be addressed by an application group comprising **Skanska's** Human Resources Director (Senior Vice-President Human Resources), EWC Skanska's executive committee and IFBWW."*

SCA *"The employee or his/her local trade union should raise the complaint with the local site management. If the complaint is not resolved with the local site management the appropriate national trade union will raise the issue with the human resource department et business group or regional level. If still unresolved, the complaint will be referred to ICEM / Pappers who will raise the issue with SCA Corporate Management."*

5.2. Dealing with disputes

The complaint may lead to the preparation of recommendations/proposals, an amiable settlement or an arbitration procedure.

"All employees are responsible for complying with the law and with the company's commitments and rules of conduct. They may alert their supervisors to any violations and may also refer matters to the local representative of the Human Resources or Legal Department. Rhodia is committed to setting up a special mechanism that will allow employees to report their concerns in the event the usual means of communication are not functioning properly."

Accor *"Both parties agree that any differences arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of making recommendations to the parties concerned."*

Freudenberg *"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."*

*"In a situation of conflict, the arbitration process will be mutually agreed by the **EADS** head of Human Resources and the European Works Council."*

6. Procedure for audit, supervision and assessment

Certain companies make provision for:

- audit and supervision procedures
- instruments to assess the level of application of the agreement in different countries

6.1. Audit and supervision procedure

DaimlerChrysler *"Corporate Audit will also examine compliance with these principles in its reviews and will include them in the audit criteria. In addition, Corporate Audit has established a general open line. This shall be the point to accept allegation of non-compliance with these principles at a decentralized level. Upon indication of violation, Corporate Audit will take appropriate action."*

*"To ensure application of the principles and conventions referred to above, **Eni** undertakes to carry out adequate monitoring activities by means of its own control instruments. In the course of the annual meeting, as indicated under point 3.5, appropriate procedures may be agreed on for the involvement of local trade unions or – where these do not exist – of representatives designated by the trade unions signing the present agreement"*

Skanska *"The Senior Vice President Human Resources and executive committee will each appoint one representative to visit and inspect selected work sites at least once a year. IFBWW participates at its own expense in meetings of the application group and the aforementioned visits to work sites."*

6.2. System for assessing the application of the agreement

❖ Global evaluation

The question of evaluation of the application of the agreement arises for the two signatory parties.

How can it be ensured that the agreement is satisfactory when financial and human resources, and the reputation and image of the signatories have been involved?

The signing parties may consider themselves to be above the evaluation criteria or make use of follow-up meetings to ensure this evaluation.

Since 2005, the **IUF** has redefined its strategy for the signature of framework agreements, and has set itself strict criteria: *"The main criteria of the IUF for assessment of an agreement will be an increase in manpower and union strength within a given company. These assessments will be presented annually to the affiliated members representing the company's employees, and also to the executive committee of the IUF."*

The signing parties may consider:

- a quantitative evaluation of application of the agreement (on the union presence in the company, for example) with follow-up indicators (next heading)
- and/or a qualitative evaluation determined by the signing parties.

❖ Local evaluation

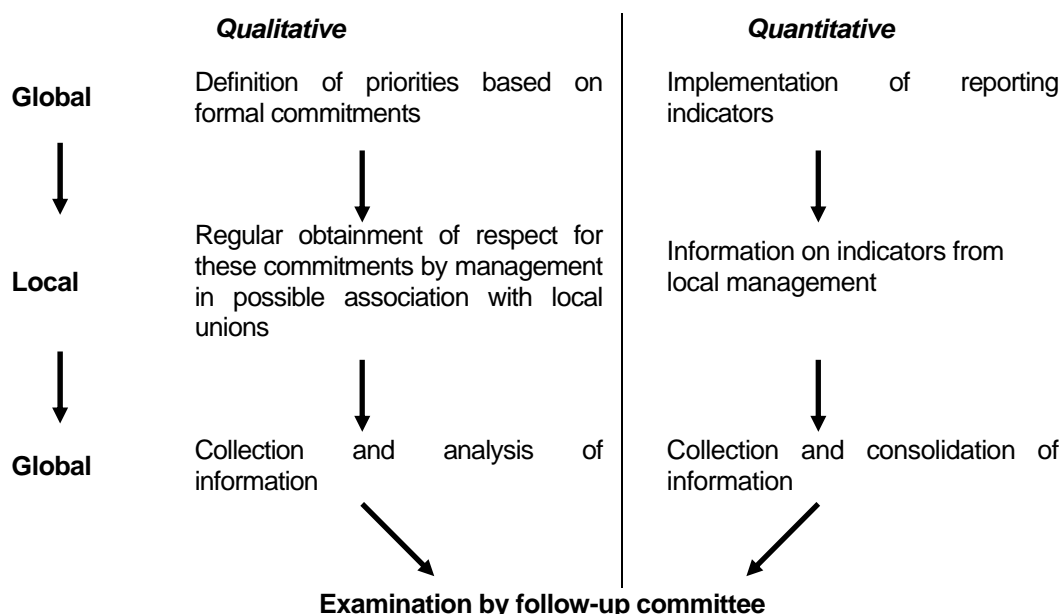
A few companies such as EDF and PSA Peugeot Citroën, which have made provision for decentralised implementation of their agreement, prepare an annual review of the application of each objective in each country where the group has a presence.

This review is done by the management in the country, either unilaterally or together with the representatives of local trade unions.

Opening a dialogue with local representatives in different countries can be facilitated if the employee representatives have been involved in the agreement negotiation process.

According to some company managers local translation of the group framework agreement "is a new occasion proposed to workers representatives and union organisations to address issues along with corporate management that are traditionally not in their field of social dialogue, such as for example diversity or environmental issues.

Evaluation of company obligations



7. Formalising the monitoring of the agreement

Monitoring of the agreement may lead to:

- the preparation of reporting indicators
- the production of a review.

7.1. Reporting indicators

Monitoring the agreement makes it necessary to establish reporting indicators that might be included in the text (Rhodia, Danone) or may be the subject of negotiation by the agreement monitoring authority (EDF).

"Rhodia will draft an annual review assessing the application of this agreement based on the indicators selected.

Health, safety, environment: Percentage of sites audited in terms of health, safety and the environment over the past three years, according to the company's reference database, TF1: work-accident frequency rate leading to time off, expressed in terms of the number of accidents per million working hours, TF2: work-accident frequency rate either leading or not leading to time off, expressed in terms of the number of accidents per million working hours, environmental impact and natural resources: water, air, energy consumption, waste management.

Employees and labor-management dialog: Mobility: number of jobs filled by internal candidates, job training, current dialog structures.

Rhodia and ICEM will discuss ways to optimise the currently reported labor indicators and determine new requirements."

Danone: *« When the increasingly international context in Groupe Danone, and considering new facilities being up in new territories, it appears necessary to redefine together the most significant social indicators. These indicators, intended for Information and Consultation Committee (CIC) members and IUF affiliate organizations, highlight our determination to measure progress achieved on key topics in Groupe Danone's social policy. This information covers all Groupe Danone activities. It is given in a consolidated form for all relevant levels (Group, WWBU's, geographical zones or countries concerned) according to the appended list. This information is made available to CIC members via the IUF channel before the annual CIC meeting, and refer to year Y-1. The present convention shall apply for the first time in 2005. the parties agree to assess the enforcement of this convention and to review the content as appropriate in 2007.*

For monitoring the **EDF** agreement, the signatories have made provision for a series of monitoring indicators to be negotiated by the monitoring authority officers.

7.2. The review of application

This may be drawn up on an equal basis or by the management and submitted to various audiences: representatives of employees, shareholders, and so on.

The circulation procedures vary. It may or may not be included in the group's reporting documents, or might be drawn up together with the social responsibility/sustainable development reports.

Lafarge *"The annual review of the present agreement should be incorporated into the Lafarge Group's reporting with the consent of all signatories."*

EDF *"The annual review document shall be translated in all the languages of the CCSR members. It shall be disclosed to all of the employees of the Group via an appropriate channel. It shall be sent to the members of the CCSR one month before the annual meeting."*

”

Conclusion

From the analysis of nearly fifty framework agreements it is possible to draw a few conclusions:

- most of these agreements are very recent.
Nearly half of the 48 agreements are less than 3 years old.
- the importance placed on the tools of implementation in the very latest agreements: they are too recent for us to be successful in reviewing them.
- the desire on the part of negotiators, both in company managements and in trade union representations, to formalise their commitment (for those of the 2005-2006 generation) to their social responsibility approach in companies
- these agreements go into great detail and are highly disparate, not only in the processes of negotiation but also as regards the signatories and their monitoring system. This diversity of practices relates to the cultural, social and economic background of these companies.

The over-representation of European companies (43 out of 48) among IFAs (and especially the German, French, and Nordic ones, totalling a number of 33) can be explained by a tradition and culture of social dialogue, which is one of the characteristics of the European social model.

Nonetheless this does not mean that framework agreements are not meant to be extended to non European companies. On the contrary, the purpose of this document is to highlight the diversity and richness of these agreements in terms of their procedures and levels of negotiations as well as in their content and implementation methods.

Taken together, these results show us that it would be vain to define a typical framework agreement or legal framework.

However a great deal remains to be done to promote international framework agreements as an instrument of international social dialogue.

ORSE for its part, taking account of the support of all its members (major companies, trade union organisations, Medef), is resolutely committed to such promotion because we believe that there is a place, between the regulations on CSR applying to companies and the goodwill of companies (in the form of unilateral undertakings) for companies to contractualise their CSR commitments with employees' representatives.

Indeed ORSE has benefited from the consultation process of the parties involved in France as regards the revision of the GRI guidelines, to propose that a new indicator should be created and inserted in the chapter on social reporting indicators:

“initiatives concerning the introduction of international social dialogue”

There is a need to implement active surveillance of framework agreements so as continuously to highlight the great wealth of practices of the companies committed to this route.

ORSE will contribute to this development in conjunction with its members (trade union and employers' organisations, signatory companies) together with the major international public organisations (ILO, OECD, the European Commission) and private bodies.

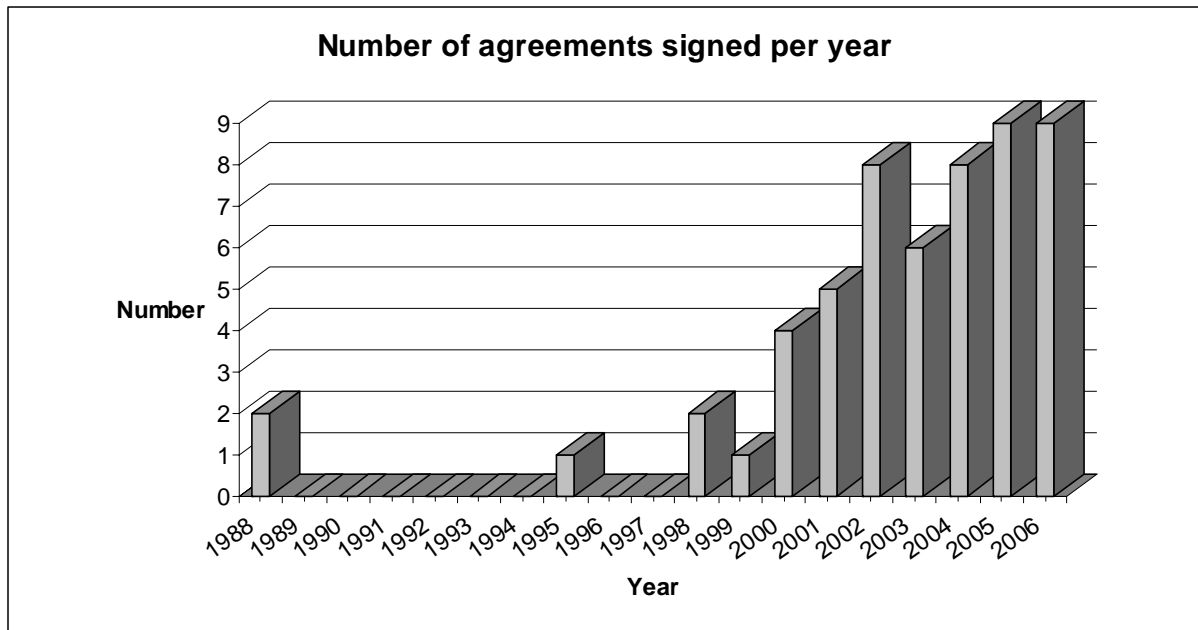
APPENDICES

- **Presentation of the International Framework Agreements (IFA)**
- **GUF:** Presentation of Global Union Federations
 - **ITGLWF:** International Textile, Garment and Leather Workers' Federation
 - **IFBWW:** International Federation of Building and Wood Workers
 - **IMF :** International Metalworkers' Federation
 - **IUF:** International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
 - **ICEM:** International Federation of Chemical, Energy, Mine and General Workers' Union
- Motivation of companies that signed an international framework agreement
 - EDF
 - Lafarge
 - Leoni
 - PSA Peugeot Citroën
 - Rhodia
- **Position of the different professional organisations and trade unions in a national, european and international scopes**
 - Contribution by **CGT:** For the legal securing of IFAs and the creation of new rights
 - Bargaining: preliminary guidelines for an European Trade Union Confederation position (**ETUC**)
 - **ICFTU** Contribution
 - **IMF** Recommendations of the International Framework Agreement (IFA)
 - Relationships between **ITGLWF** and multinationals
 - Position International Organisation of Employers (**IOE**)
 - The Guiding Principles of the **OECD**, a complementary tool for the international framework agreements
 - **IUF** and “global framework agreements”
 - **ICEM** world conference for the energy industries
- Bibliography

Appendix

Presentation of the International Framework Agreements (IFA)

<i>Company</i>	<i>Year</i>	<i>Country</i>	<i>Sector</i>	<i>GUF</i>
ISS	August 1988	Denmark	Cleaning and services	UNI
DANONE	23 August 1988	France	Food industry	IUF
ACCOR	9 June 1995	France	Tourism	IUF
IKEA	May 1998	Sweden	Retail	IFBWW
STATOIL	July 1998	Norway	Energy	ICEM
FABER-CASTELL	3 March 2000	Germany	Office equipment	IFBWW
HOCHTIEF	15 March 2000	Germany	Building	IFBWW
TELEFONICA	12 April 2000	Spain	Telecommunication	UNI
FREUDENBERG	30 June 2000	Germany	Textile	ICEM
SKANSKA	8 February 2001	Sweden	Building	IFBWW
CARREFOUR	15 May 2001	France	Retail	UNI
CHIQUITA	14 June 2001	United States	Agriculture	IUF
OTE	26 June 2001	Greece	Telecommunication	UNI
MERLONI	December 2001	Italy	Metal	IMF
ENDESA	25 January 2002	Spain	Energy	ICEM
BALLAST NEDAM	18 March 2002	Netherlands	Building	IFBWW
FONTERRA	8 April 2002	New-Zealand	Dairy industry	IUF
VOLKSWAGEN	6 June 2002	Germany	Automotive	IMF
NORSKE SKOG	24 June 2002	Norway	Paper	ICEM
DAIMLER-CHRYSLER	September 2002	Germany	Automotive	IMF
ANGLOGOLD	13 September 2002	South Africa	Mines	ICEM
ENI	29 November 2002	Italy	Energy	ICEM
LEONI	14 April 2003	Germany	Automotive/electricity	IMF
GEA	30 April 2003	Germany	Engineering	IMF
RHEINMETALL	15 October 2003	Germany	Automotive	IMF
SKF	1 November 2003	Sweden	Manufacturing	IMF
PRYM	20 November 2003	Germany	Automotive	IMF
H & M	14 January 2004	Suede	Retail	UNI
BOSCH	2 March 2004	Germany	Automotive	IMF
SCA	15 April 2004	Sweden	Paper	ICEM
CLUB MEDITERRANEE	16 April 2004	France	Tourism	IUTA
LUKOIL	12 May 2004	Russia	Energy	ICEM
RENAULT	12 October 2004	France	Automotive	IMF
IMPREGILO	4 November 2004	Italy	Building	IFBWW
RÖCHLING	30 November 2004	Germany	Automotive	IMF
EDF	24 January 2005	France	Energy	ICEM,ISP, FMTI
RHODIA	31 January 2005	France	Chemical	ICEM
FALCK	21 March 2005	Denmark	Property service	UNI
VEIDEKKE	31 March 2005	Norway	Building	IFBWW
BMW	26 April 2005	Germany	Automotive	IMF
EADS	8 July 2005	Netherlands	Spatial	IMF
STABILO	7 September 2005	Germany	Office	IFBWW
LAFARGE	12 September 2005	France	Building	IFBWW, ICEM
ARCELOR	13 September 2005	Luxemburg	Metal	IMF
Portugal Telecom	18 January 2006	Portugal	Telecommunications	UNI
PEUGEOT PSA	March 2006	France	Automotive	IMF
SECURITAS	30 March 2006	Sweden	Services	UNI
NAMPAK	29 May 2006	South Africa	Packaging	UNI
ROYAL BAM	3 April 2006	Netherlands	Building	IBB
NAMPAK	29 May 2006	South Africa	Packaging	UNI
EURADIUS	4 August 2006	Netherlands	Printing	UNI
STAEDLER	10 November 2006	Germany	Office	IBB
National Australia Bank	20 December 2006	Australia	Bank	UNI
France TELECOM	21 December 2006	France	Telecoms	UNI
VolkerWessels	22 January 2007	Netherlands	Building	IBB
Quebecor	04 avril 2007	Canada	Printing	UNI



<i>Europe</i>		<i>Nordics</i>		<i>Southern Europe</i>		<i>Extra European countries</i>	
49						6	
Germany	16	Denmark	2	Spain	2	South Africa	2
France	10	Norway	3	Greece	1	Australia	1
Luxemburg	1	Sweden	6	Portugal	1	United States	1
Netherlands	5			Italy	3	New Zealand	1
						Russia	1
						Canada	1

Presentation of Global Union Federations (GUFs)

UNI

Union Network International

1	Sectors that are covered	Commerce, electricity, finance, gaming, graphical, hair & beauty, media entertainment & arts, postal, property services, social insurance, telecom and tourism
2	Number of affiliated Trade Unions	900
3	Number of countries in which UNI is present	140
4	Number of Union members	15,5 millions
5	Number of International Framework Agreements (IFA)	13
6	List of companies that have signed	Carrefour, Falck, H&M, ISS, Nampak, OTE, Portugal Telecom, Securitas, Telefonica, Euradius, Metro, France Telecom, National Bank of Australia
7	Existing topic concerning IFAs on the web site	Yes on : http://www.union-network.org/UNIsite/In_Depth/Multinationals/GFAs.html
8	Availability of IFAs on the web site	Yes, partly
9	Existing IFA model	No, but a guide on the international codes of conduct is available, elaborated in 2001 Union Network is also proposing a "union guide for the creation of networks" for multinationals to allow trade unionists to: <ul style="list-style-type: none"> - exchange information - help each other with organisation - represent each other jointly before company management - sign global agreements. This guide may be downloaded in English and French
10	Positioning regarding IFAs	If a company agrees to leave open the door to union organisation, then it's up to the unions to build on this. For the unions in the home country of the company, it means international questions become a legitimate subject of discussion and negotiation with the management. This can be crucial when, for example, a company wishes to outsource work to another country. Some unions have negotiated their own globalisation agreement with companies.
11	Web site	www.union-network.org

ITGLWF

International Textile, Garment and Leather Workers' Federation

1	Sectors that are covered	Textile, garment and leather
2	Number of affiliated Trade Unions	220
3	Number of countries in which UNI is present	110
4	Number of Union members	10 millions
5	Number of International Framework Agreements (IFA)	
6	List of companies that have signed	
7	Existing topic concerning IFAs on the web site	No but rubrique of codes of conduct : http://www.itglwf.org/Focuspage.aspx?issue=20&langue=2
8	Availability of IFAs on the web site	No
9	Existing IFA model	No but guidelines "How to Use Codes of Conduct to Help Secure Fundamental Worker Rights » with participation of SAI: http://www.itglwf.org/pdf/HowtoUseCodes-pp43-56.pdf
10	Positioning regarding IFAs	Therefore ITGLWF is committed to : <ul style="list-style-type: none"> • promote cooperation between affiliates dealing with the same multinational enterprises; • build an organising strategy throughout the operations of selected multinationals operating in the sector, including European, US, Taiwanese and Korean companies, which covers the operations in importing countries, as well as contracting, subcontracting and licensing operations; • in conjunction with its regional organisations, develop a dialogue with multinational enterprises with a view to concluding international framework agreements relating to trade union organisation and collective bargaining as well as to information and consultation rights; • promote the creation of world-wide company councils within individual multinational corporations; • encourage affiliates to make use of framework agreements and codes of conduct as a tool for organising workers and improving working conditions; • campaign to reduce the number of codes of conduct in operation, to ensure they are firmly grounded in the main Conventions of the ILO, are managed on a multi-stakeholder basis and are applied with the same intent as the ILO Conventions and that they include a system of implementation, internal monitoring and viable independent verification, with regular impact assessments; • campaign to ensure that codes of conduct are not used as a substitute for effective labour legislation, nor as an alternative to union organisation;
11	Web site	www.itglwf.org

IFBWW

International Federation of Building and Wood Workers

1	Sectors that are covered	building, building materials, wood, forestry and allied industries.
2	Number of affiliated Trade Unions	350
3	Number of countries in which UNI is present	127
4	Number of Union members	12 millions
5	Number of International Framework Agreements (IFA)	9
6	List of companies that have signed	Impregilo, Ikea, Faber-Castell, Hochtief, Skanska, Ballast-Nedam, Veidekke, Stabilo, Lafarge
7	Existing topic concerning IFAs on the web site	Yes in 5 languages on : http://www.ifbww.org/index.cfm?n=189&l=2
8	Availability of IFAs on the web site	Yes on : http://www.ifbww.org/index.cfm?n=189&l=2
9	Existing IFA model	Yes on : http://www.ifbww.org/index.cfm?n=44&l=2&c=952
10	Positioning regarding IFAs	<p>Through initiatives and pressure from the United Nations, OECD, governments and others, a growing number of big Multinational Companies (MNCs) have entered into a Corporate Social Responsibility (CSR) process based on a sustainable development approach including the three pillars of social responsibility, environmental protection and economic viability.</p> <p>However, the vast majority of MNCs are operating without respecting such standards. It is also known that many governments in developing countries but also in Central and Eastern European Countries do not put pressure on foreign MNCs to respect labour standards because of the need to attract investments.</p> <p>There are, however, many examples of Multinational Companies achieving high productivity and good business by respecting labour standards and motivating and training employees</p> <p>Multinational companies signing Global Company Agreements with BWI commit themselves to respect workers' rights based on the core conventions of the International Labour Organisation (ILO). In addition, the company should also agree to offer decent wages and working conditions as well as to provide a safe and healthy working environment; and in many cases they contain a complaint and/or monitoring system and cover also suppliers and subcontractors. Some consider framework agreements to be negotiated codes of conduct with complaints systems; however, this is not a useful way of looking at these agreements which are qualitatively different from codes of conduct. These framework agreements constitute a formal recognition of social partnership at the global level. These agreements provide a global framework for protecting trade union rights and encouraging social dialogue and collective bargaining. Therefore they complement and do not substitute for agreements at the national or local level.</p> <p>The purpose of International Framework Agreements (IFAs) is to assist affiliates to get recognised as unions and to start a social dialogue on the company and national level with companies, suppliers and subcontractors of BWI partner companies. This should lead to collective bargaining and finally to improved working conditions and better wages. However, the success of any global company agreement will depend on the strength of the unions at the national level and full implementation of the global agreements is only possible when workers are organised in free trade unions and are able to bargain collectively at the national and enterprise level.</p>
11	Web site	www.bwint.org

IMF

International Metalworkers' Federation

1	Sectors that are covered	metal industry		
2	Number of affiliated Trade Unions	200		
3	Number of countries in which UNI is present	100		
4	Number of Union members	25 millions		
5	Number of International Framework Agreements (IFA)	15		
6	List of companies that have signed	Indesit (Merloni), Volkswagen, Daimler-Chrysler, Leoni, GEA, Rheinmetall, SKF, Prym, Bosch, Renault, Röchling, BMW, EADS, Arcelor, PSA Peugeot Citroën		
7	Existing topic concerning IFAs on the web site	Yes on: http://www.imfmetal.org/main/index.cfm?n=47&l=2&c=7786		
8	Availability of IFAs on the web site	Yes on: http://www.imfmetal.org/main/index.cfm?id=47&l=2&cid=8202		
9	Existing IFA model	Yes in 8 languages on: http://www.imfmetal.org/main/files/0505102301487/ifamodel_total_english.pdf		
10	Positioning regarding IFAs	<p>The Global Instrument: International Framework Agreements (IFAs) are negotiated between a transnational company and the trade unions of its workforce at the global level. It is a global instrument with the purpose of ensuring fundamental workers' rights in all of the target company's locations. Thus, IFAs are negotiated on a global level but implemented locally. Generally, an IFA recognises the ILO Core Labour Standards. In addition, the company should also agree to offer decent wages and working conditions as well as to provide a safe and hygienic working environment. Furthermore, there is an agreement that suppliers must be persuaded to comply and, finally, the IFA includes trade unions in the implementation..</p> <p>Mutually Beneficial: Transnational business operations and a global economy raise issues that go beyond the reach of national legislation. Through IFAs, the ILO's Core Labour Standards can be guaranteed in all facilities of a transnational company, which is especially helpful in transitional and developing countries, where legislation is sometimes insufficient, poorly enforced or anti-worker. For transnationals, IFAs can secure good relations with trade unions and contribute to a positive public image. More and more companies increasingly see the need to respond to the growing ethical concerns of consumers and investors. For trade unions, IFAs are a way to promote workers' rights in the global arena. The arrangement guarantees influence and the possibility of a dialogue that is mutually beneficial. Unlike unilateral Codes of Conduct, IFAs emphasise implementation, which paves the way for actual improvements.</p> <p>Codes of conduct versus International Framework Agreements</p> <table><tr><td><p>Codes of Conduct</p><ol style="list-style-type: none">1. Unilateral initiatives2. Do not necessarily recognise all core labour standards3. Rarely cover suppliers4. Monitoring, if any, controlled by management5. Weak basis for labour-management dialogue</td><td><p>International Framework Agreements</p><ol style="list-style-type: none">1. Negotiated between labour and corporate management2. Recognise all core labour standards3. Usually cover suppliers4. Unions involved in implementation5. Strong basis for dialogue between trade unions and management</td></tr></table>	<p>Codes of Conduct</p> <ol style="list-style-type: none">1. Unilateral initiatives2. Do not necessarily recognise all core labour standards3. Rarely cover suppliers4. Monitoring, if any, controlled by management5. Weak basis for labour-management dialogue	<p>International Framework Agreements</p> <ol style="list-style-type: none">1. Negotiated between labour and corporate management2. Recognise all core labour standards3. Usually cover suppliers4. Unions involved in implementation5. Strong basis for dialogue between trade unions and management
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11	Web site	www.imfmetal.org		

IUF

International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations

1	Sectors that are covered	Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
2	Number of affiliated Trade Unions	351
3	Number of countries in which UNI is present	127
4	Number of Union members	10 millions
5	Number of International Framework Agreements (IFA)	5
6	List of companies that have signed	Danone, Accor, Chiquita, Fonterra, Club Méditerranée
7	Existing topic concerning IFAs on the web site	No
8	Availability of IFAs on the web site	Yes, partly
9	Existing IFA model	Yes
10	Positioning regarding IFAs	A document on IUF's policy adopted by the executive committee in March 2006 concerning the international framework agreements summarises IUF's position: considerable vigilance, a requirement for specific application to companies, the request for recognition of IUF at an international level and its affiliated members at a national level, the implementation of systems ensuring strong representation of salaried employees by the unions, and evaluation of the value of the agreement by measuring union growth in the company. The existing agreements should be renegotiated on these bases.
11	Web site	www.iuf.org

ICEM

International Federation of Chemical, Energy, Mine and General Workers' Union

1	Sectors that are covered	Energy, Mining and Quarrying, Chemicals and Bioscience, Pulp and Paper, Rubber, Diamonds, Gems, Ornaments and Jewellery Production, Glass, Ceramics, Cement and Associated Industries, Environmental Services
2	Number of affiliated Trade Unions	379
3	Number of countries in which UNI is present	132
4	Number of Union members	20 millions
5	Number of International Framework Agreements (IFA)	12
6	List of companies that have signed	Anglogold, Endesa, EDF, Freudenberg, Lukoil, Lafarge, Eni, Norske Skog, Rhodia, Statoil, SCA, RAG
7	Existing topic concerning IFAs on the web site	Yes on : http://www.icem.org/?id=69
8	Availability of IFAs on the web site	Yes on : http://www.icem.org/?id=69
9	Existing IFA model	No but ICEM is building union networks within major multinational companies in its sectors. An ICEM Global Corporate Network is primarily a means of communication for those working for the same employer across the world, and for their trade unions, allowing them to cooperate and coordinate. ICEM Global Corporate Networks exist for the following companies: Bridgestone, Basf, ExxonMobil, Goodyear, International paper, Novartis, Rio Tinto, Sappi, DuPont. Also see the Trade Union Guide to Networking, available in English, French, German and Italian
10	Positioning regarding IFAs	<p>In 1999 at the ICEM's Durban Congress in South Africa, the global union federation made it a priority to achieve negotiated Global Framework Agreements with multinational companies. Through hard work and diligent attention to language, the ICEM now has several Global Agreements in the oil, chemical, electric, rubber and paper sectors. ICEM's aim in achieving Global Agreements is to put in place the very best standards on trade union rights, health, safety and environmental practices, and quality of work principles across a company's global operations. Global Agreements establish a set of principles in all operations of a multinational regardless of whether or not those standards exist in an individual country's legal statutes.</p> <p>The ICEM signs Global Agreements in concert with an affiliate or affiliates in the multinational's home country. A Global Agreement does not supplant collective bargaining at a particular worksite, but rather assures that high standards are consistently met regarding human rights, trade union rights and health, safety, environmental practices wherever a company has operations.</p> <p>A key ingredient to the content of ICEM Global Agreements is language providing a mechanism to regularly review the agreement by top officers of the company and trade union leaders. This makes the agreement a practical, living document that better enables monitoring of a company's performance and one that can be amended or improved in light of experience. This review mechanism also distinguishes a Global Agreement from a company's standard code of conduct.</p>
11	Web site	www.icem.org

Motivation of companies that signed an international framework agreement

EDF – The result of several factors :

Signature of an Agreement on Corporate Social Responsibility by EDF is the result of several factors:

- **The specific value of the activity and trades**

By its very nature of being vital for well-being, electricity confers a mission of public service on EDF, and therefore particular responsibility in terms of economic and social development. EDF's responsibility naturally exceeds the French borders, supported by the desire of the Group to share common values in all the subsidiaries.

- **EDF takes on an international dimension**

Due to the opening of markets in France, EDF has actually turned towards other international markets (United Kingdom, and also countries in central Europe, Latin America, and Asia).

- **A historically based culture of dialogue**

Social dialogue is a continual process rooted in EDF's culture.

When the company became an international group, it seemed natural for it to extend this dialogue to the new dimensions of the Group.

- **The EWC : catalyst for steps to be taken by the EDF Group on CSR**

It was the EWC for the EDF Group, created in 2001, which encouraged the EDF Group to make a concerted effort on CSR.

To judge the value of such a step on social responsibility, in 2003 a brainstorming session took place that brought managers and trade unionists together from all the companies in the EDF Group. On this occasion, a process for social dialogue was created for the Asia/Pacific region.

Negotiations followed, taking place over 6 months. The process resulted in agreement on the Corporate Social Responsibility (CSR) of the EDF Group, signed unanimously on 24 January 2005 by the president of EDF, Pierre Gadonneix, all the representatives of the salaried employees of the eleven countries where the company has a major presence, and the four international trade union organisations in the sector.

- **The desire to anticipate and overcome the risks for the Group**

For the EDF Group, the choice of concerted action on CSR contributes to the company's objective of sustainable development.

LAFARGE - Making the company's social ambition more visible and reinforcing its practices of international social dialogue.

Through the intermediary of the EWC (whose creation dates from 1994), the Lafarge group has maintained a long-term relationship with their European trade union partner EFBWW (European Federation of Building and Woodworkers), and in particular with their Dutch secretary general.

The themes of sustainable development formed part of their discussions. On the occasion of publication of the group's first report on sustainable development (2002), the EFBWW suggested raising the level of social dialogue to the managers of Lafarge to an international level by making contact with the GUF affiliated with the EFBWW, the IFBWW, (the International Federation of Building and Woodworkers).

For several years the dialogue was built with the different union federations in their sector on different subjects: health-safety, resolution of local disputes, social reporting...

The request to open negotiations for this global agreement was made in December 2003. After several sessions of negotiating, Lafarge and the IFBWW made a contract through this dialogue in the form of an IFA that they signed jointly.

This signature responds to the following objectives:

- To reinforce the group's action on social responsibility by demonstrating the reality of its commitments
- To develop a global social dialogue at a group level on subjects that have already been refused at a local level, such as health and safety, social reporting
- To allow prevention of risks due to the influence and expertise of an international trade union partner
- To draw up contracts with the parties concerned.

For Lafarge, "the signature of an agreement on the respect of basic human and social rights with international trade unions is recorded as affirmative action of its social responsibility and also as action demonstrating the reality of its commitments. This partnership is considered to be as binding as partnerships with NGOs (CARE, WWF)".

LEONI

For more than 10 years LEONI has expanded its production facilities into more than 20 countries. Many of those facilities are in so called low wage countries. This is a necessity, because one of the main products of LEONI - wiring harness systems for cars - needs many unskilled workers in the production process. Therefore the product cannot competitively be produced in Germany or Western Europe.

As there are often protests by certain groups to globalisation, we wanted to express that LEONI worldwide does respect human rights and the rights of workers. It is not the intent of LEONI to exploit people.

LEONI has always conducted its business and its labour relations in an ethically proper way - it was the desire to document that at LEONI, this is not only valid for Germany, but worldwide.

Further, it was meant to make clear to the managers and supervisors of other cultures that LEONI insists on this ethically proper attitude even in countries where governments and companies may not normally treat the employees in the way it would be common in Western Europe.

We discussed this with our European Works Council and coordinated with them the wording. As in our European Works Council there are union members, they asked whether it would not make sense to have the IMF sign as well.

We discussed then with the IMF, who wanted to call this declaration an "International Framework Agreement", which we declined, as it is not a product of negotiations, but is clearly the ethical attitude of LEONI.

However, we found that in addition to the signature of our Board of Directors, the signature of our European Works Council and the signature of the IMF would provide some more emphasis and credibility.

PSA Peugeot Citroën – the wish to extend and reinforce global action for social responsibility by becoming involved with the trade unions

The PSA Peugeot Citroën group registered its agreement during the process of continual progress in its CSR action that began in 2002. Having drawn up an ethical charter in March 2003, the group wanted to move beyond unilateral commitment and proposed making this commitment into a contract by implementing different agreements that it signed with trade union representatives on an international scale.

Implementation of this action was begun by signature of an agreement on male/female equality, followed by another on anti-discrimination in 2003. In 2005, another agreement was signed on the integration and security of the handicapped. The subsidiaries in Argentina and Spain followed these initiatives, and in turn signed an agreement on equality. The international framework agreement arrived as a logical stage, a natural progression by the group in its commitments to CSR: initially, the management of PSA made the IMF and the EMF aware of their desire to engage in discussion. Having been received positively by the two federations, the contacts built an open relationship for 6 months before producing a first text. This text, initiated by the management of PSA Peugeot Citroën, was the subject of modifications giving rise to a 10 page document built on the consensus of the two parties.

Signatories list for the International Framework Agreement

Signed in Paris the 1st of March 2006 :

By the top management of PSA Peugeot Citroën :

- Chairman of the Board, Mr Jean-Martin FOLZ,
- Human Resources Director, Mr Jean-Luc VERGNE.

By International Metalworkers Federation (IMF) :

- General Secretary, Mr Marcello MALENTACCHI.

By Européan Metalworkers Fedederation (EMF) :

- General Secretary, Mr Peter SCHERRER.

Signed by the trade union organisations of the countries where the sites admit more than 500 salaried employees.

Germany, in Francfort, on May 5th, 2006, by trade union IG METALL.

England, in Coventry, on March 31st, 2006, by trade unions AMICUS et T&GWU.

Argentina, in Buenos Aires, on May 11th, 2006, by trade unions UOM La Plata, UOM 3 de Febrero, ASIMRA.

Belgium, in Bruxel, on November 23rd, 2006, by trade unions CNE, CSC-Transcom, SETCA, CSC Métal, FGTB-UBOT, FGTB-FMB, CGSLB.

Brazil, in Rio de Janeiro, on September 12th, 2006, by the Confédération Nationale des Travailleurs de la Métallurgie affiliée à Força Sindical.

Spain, in Madrid, on March 23rd, 2006, by trade unions CGT, CC.OO, AIC, CCP, UGT, CIG, USO, SIT-FSI.

France, in Paris, on March 2nd, 2006, by trade unions CFDT, CFE-CGC, CFTC, FO, GSEA.

Italy in Rome, on April 26th, 2006, by trade unions FILCAMS-CGIL, FISASCAT-CISL, UILTUCS-UIL.

Portugal in Porto, on July 13th, 2006, by the legal representatives of the workers from Peugeot Citroën Automobiles in Portugal

Slovakia, in Trnava, on March 29th, 2006, by trade union OZ KOVO

RHODIA - A wish at the highest level to become involved with a strong international trade union contact

The Rhodia agreement is the product of strong commitment by General Management. It is the expression of a practice of social dialogue forming part of the group's culture and is naturally in keeping with their action on sustainable development.

The agreement is also in harmony with internal tools such as the "management book" and the "compliance policy" defining managerial functions and rules on integrity.

For Rhodia, the global economy is only tolerable and acceptable if it occurs within the framework of commercial, financial and social regulations. It was this conviction that led them to make an agreement. The decision to negotiate with the international federation for the sector, the ICEM, which has 20 million members, responds to the requirement to deal with a contact whose representativeness and field of authority correspond to the agreement.

The agreement was presented to Rhodia's Group Committee and European Committee, as was the first balance sheet drawn up with the ICEM. Involvement of national and regional trade union contacts may also occur under framework agreements for the area or country taking the local realities into consideration.

Contribution by CGT

For the legal securing of IFAs and the creation of new rights

For the CGT, International Framework Agreements (IFAs) should be the opportunity for legal creativity and social/union rights for salaried employees and their union representations, both at a national, European and international level, in a multinational and/or trans-national company.

Within this logic, particular attention should be given to the salaried employees of the subcontracting companies and suppliers of the company, and to respect for the fundamental rights of all the salaried employees to freedom of association and protection of the right to organise.

For this purpose, this new dialogue, introduced by the IFAs, should genuinely be labelled as “social” and, in order to be validated as such, respond to different legal obligations to which the different parties to any contract under private law are accountable, including at an international level.

The CGT is intending to legally secure the IFAs, specifically to go beyond the simple moral commitment, which is the case, for example, when it is one single management body of a group that acts for the subsidiaries; legal security provides the salaried employees with genuine assurance on commitments for social progress at a national level, for example, exclusion and/or corruption of national law due to the non consideration of the national union representations, however creating law and rights.

Creating a law for the negotiation and application of company Contracts/Conventions at an international level becomes even more important and better, when the two parties to the Contracts/Conventions are not equal, either in the contractual Employer/Salaried Employee relationship, or in the collective transaction, and this would enable the representation of the salaried employees – during negotiation – to be accorded recognition and legal legitimacy that it does not have: under these legal and institutional conditions it is possible to participate in a re-balancing of parties, which is the “major innovation” of the IFAs.

This logic conferred on the IFAs should also allow the salaried employees and their representatives to regain their real place in the company as creators of wealth. In this regard, considering them as “parties concerned”, even internally, heightens a political and economic concept that limits the company to its capital, specifically to the shareholders and their representatives, or just the management. This concept of “parties concerned” has the effect of considering the salaried employees as elements that are external to the company, and in fact of contracting them just as adjustment variables.

CGT has signed certain IFAs in their capacity as champion of new rights for the salaried employees, and also at an international level.

Bargaining: preliminary guidelines for an European Trade Union Confederation position (ETUC)

In the Social Agenda 2005-2010, the Commission stated its intention to create an optional European framework for transnational collective bargaining. The Commission's initiative aims to supplement the structure of European social dialogue, on the basis of Articles 138 and 139 of the Treaty. The current social dialogue framework is structured around two levels: cross-industry and sectoral. This initiative will supposedly be complemented by social dialogue at company level.

At this point we should make a number of observations:

- We should bear in mind that the increased development of transnational activity by multinational groups and ongoing delocalisation and merger operations at transnational level have so far taken place outside an effective bargaining power or framework;
- however, if an agreement is concluded anyway, it will have no legal value and there would thus be no prospect of sanctions and no recourse if the employer concerned failed to implement or respect it;
- most of the agreements already signed deal with subjects linked to workers' rights, such as health and safety, training and anti-discrimination standards and/or more general principles such as respect for the environment and issues related to CSR. Having said that, some agreements were signed with the aim of countering transnational restructuring processes, a phenomenon that is sure to expand in the future.

For these reasons ETUC believes that this Commission initiative meets an undeniable need and must figure within a consistent framework that strengthens and regulates industrial relations at European level with an eye to bolstering the European social dialogue.

ETUC acknowledges the relevance of the Commission's initiative, but also regrets the working method it adopted in this connection.

ETUC cannot agree to see the analysis of the problem being entrusted mainly to a group of experts who, though no doubt competent, whatever their knowledge do not belong to the world of the social partners. Bargaining is the 'core business' of the social partners in all the EU Member States. ETUC regrets that the social partners, the importance of whose role has been underlined by the Commission on several occasions, were not invited to present their vision of a European framework for cross-border collective bargaining before taking any other initiative.

ETUC also deplores UNICE's opposition to this initiative, especially since the arguments it puts forward are inconsistent with the dynamics of the European social dialogue: In actual fact, UNICE refers to the fact that collective bargaining should be undertaken exclusively at national level without playing any role at cross-border level. Amongst other things, this stance denies the social consequences of company mobility as well as the reality of the creation of the internal market.

It is also incompatible with the ambitions that autonomous European social dialogue ought to have, as demanded in Laeken in 2001.

On the other hand, ETUC believes that a framework of reference may be useful, though the criteria envisaged for its implementation and efficiency must be clear and precise.

In this respect, there are many problems that need to be raised in advance and thoroughly dealt with before the framework is implemented.

These problems include the following:

- validation standards for transnational agreements, their binding character, and extension thereof, which will necessitate an appropriate legal framework within the European standards system;
- possible sanctions and means of recourse;
- the Court of Justice's specialisation in the field of labour law;
- actions intended to deal with potential conflicts of interest during bargaining or the implementation of concluded agreements;
- the question of the hierarchy of standards negotiated at crossborder level amongst the various contractual levels.

ETUC is now in a position to pinpoint several key aspects of this framework:

1. The first relates to the negotiating mandate and the right to sign transnational agreements.

The power to do this must remain solely and strictly a trade union right, owing to their representativeness, long recognised by the Commission, which also specified as much in a text. Transnational agreements as such must be left up to collectively responsible and thus players with a mandate to represent their members. Trade union organisations are recognised to be representative due to the fact that they undertake collective representation, and this has legal ramifications.

If this power were transferred to company level today, it would threaten to lead to the fragmentation of collective bargaining to the detriment of the unions.

EWCs, which we stress were only given powers of information and consultation, are not appropriate bodies for negotiations given the current state of the legislation.

Moreover, the powers of information and consultation are so weak that we are insisting they be improved via a review of the directive in question. In addition, introducing a possibility of cross-border bargaining must not be allowed to become a pretext for stepping up the current trend towards greater individualisation in company-level bargaining.

2. The second fundamental point resides in the response to be made to the fact that this new level must fit in the existing structure of collective agreements negotiated at various levels, but without changing or interfering with national powers and responsibilities. In our opinion, this level should add to and enrich the overall framework of negotiation available to the social partners at all levels.

3. As regards the third point, concluded agreements must not be allowed to adopt the lowest common denominator from clauses already negotiated in collective agreements or national legislation. Therefore, enforcement of the 'non-regression' clause must be clearly specified: cross-border bargaining highlighted by the Commission cannot be allowed to weaken acquired rights and undermine the protection of the workers.

ICFTU Contribution

Dwight Justice - 27 november 2006

A certain number of factors contribute to the existence of IFAs:

The appearance of a code of conduct for suppliers constituted a first reaction for the companies to prevent from risks of reputation. The adoption of codes like this one revealed the lack of similar codes at an international level. In addition, the IFAs are set on the evolution of the social dialogue contents: facing the development of the multinationals, these agreements are a response to the absence of an overall social policy. In their design, the IFA are compared with the national agreements of branch and companies bargaining agreements. The best IFAs formalize a relation which already existed between the company and the trade-union actor as it is often the case in France and Germany.

Comparison between a code of conduct and an international framework agreement:

ICFTU distinguishes the codes of conduct from the International Framework agreements of which the difference lies in their property. Whereas the codes of conducts are management policies which belong to the company, the IFA are the result of a joint responsibility between the management of a company and the trade unions. ICFTU does not recognize the code of conduct as an engagement because it does not allow negotiation, except for some particular cases. Whereas the codes of conducts constitute a technical solution, the IFA anticipates the problems. On the contrary of the codes of conducts, IFAs are not spring of the labour relations. The only means to legitimate the code of conduct would be to make it controled by the government or ILO. The EWC should not sign nor negotiate the IFA. Only the Global Union federations (GUF) should hold this role. The local trade-union organizations can be involved in particular in the implementation of the agreement but do not have to be decision makers at the time of the negotiation.

Prospects, future

ICFTU is optimistic as for the future of the IFAs. In order to ensure their durability, the companies will have to give a financial support for the follow-up ensured by the GUF, as they did with the EWC. This support will guarantee to the GUF an independence with respect to their members.

International Metalworkers' Federation
Recommendations of the International Framework Agreement (IFA) Conference
Frankfurt, Germany 26/27 September 2006

1. Improving the content of IFAs

Having thoroughly discussed the question of improving the content of IFAs, taking into account that IFAs are primarily a tool that the IMF and its affiliates can use to establish minimum labour standards across the operations of transnational corporations (TNCs) and their supply chains, this Conference proposes that:

- 1.1. All IFAs must:
 - Contain the Core Labour Standards of the International Labour Organisation (ILO), clearly referenced by number
 - Cover all company operations throughout the world
 - Include a strong and unequivocal commitment by the TNC that suppliers and sub-contractors will be advised to adopt similar standards for their workers, with the ultimate sanction for non-compliance being severing of business with such supplier or sub-contractor
- 1.2. The IFA will in all cases take precedence over national laws that do not conform to the Core Labour Standards of the ILO
- 1.3. A representative of the IMF, or a duly authorised person of the IMF, shall be a signatory party
- 1.4. Within an agreed time after signing the IFA, TNCs must ensure the agreement is disseminated in the appropriate languages:
 - Throughout the company's operations to all workers and managers
 - To all suppliers and sub-contractors

IMF will only sign IFAs that meet all of the above conditions

- 1.5. Every effort should be made to include the content of the IMF Model Framework Agreement as well as other relevant issues such as:
 - Union access to sites
 - Provisions to forbid use of replacement workers
 - Implementation processes

2. Initiating and negotiating IFAs

The Conference recommends that IMF establish an ideal process for negotiating IFAs that IMF and affiliates must follow. The conference therefore proposes the following principles for future negotiations:

- 2.1. Strategic targeting of TNCs for IFAs must be done by the IMF in consultation with the relevant affiliate/s
- 2.2. The IMF coordinates the approach to the TNC to begin discussions
- 2.3. When the issue of an IFA is raised with a company, information must be immediately conveyed to the IMF and affected affiliates prior to any negotiations beginning
- 2.4. Ongoing consultation with IMF affiliates who have membership in the TNC must take place at all stages of the negotiations where those affiliates are not directly part of the negotiations
- 2.5. All affected affiliates should be kept informed of the fact that IFA negotiations are taking place
- 2.6. Consideration should be given to involving other GUFs in the negotiations when required

- 2.7. IMF and affiliates should continue to make efforts to achieve IFAs outside Europe
- 2.8. IMF needs to make more direct contact with companies and increase its profile as a negotiating partner
- 2.9. Affiliates need to generate grass roots pressure for IFAs
- 2.10. The achievement of an IFA should be considered as one of the aims in global campaigns that target particular companies
- 2.11. When IFA companies merge or are taken over, efforts should be made to extend the IFA to the entirety of the new company's operations.

3. Implementation of IFAs

The Conference recognised that the implementation of IFAs is of critical importance in building strong industrial metal unions, with a membership base not only in the TNCs, but extending into their supply chains and the local enterprises where the majority of metalworkers in most national economies are employed.

This conference proposes the following measures to realise effective implementation of IFAs:

- 3.1. The overall co-ordination of implementing IFAs is the role of the IMF, but it is the responsibility of all
- 3.2. Implementation work should be planned for in advance of signing an IFA and should begin immediately upon signing
- 3.3. Establishing union networks is of primary importance and should be prioritised
- 3.4. Training and improved communication methods must be developed to ensure affiliates are equipped to genuinely implement IFAs
- 3.5. IMF Regional Offices should play a central role in assisting affiliates with training on the use of IFAs and with their implementation
- 3.6. Where appropriate, contact should be made with NGOs to assist with implementation efforts
- 3.7. Affiliates should develop plans to organise plants of the IFA company where there is currently no union;
- 3.8. Suppliers and sub-contractors account for many IFA violations and affiliates should develop specific strategies for organising in these workplaces and for enforcing the IFA
- 3.9. When requested, IMF will co-ordinate country specific organising campaigns in which the IFA can be used and which require solidarity from affiliates around the world
- 3.10. Affiliates should report on progress with IFA implementation to the IMF
- 3.11. Regular progress reports on IFA implementation must be made by the IMF Secretariat to the IMF Executive Committee.

4. Enforcement of IFAs

Recognising that IFA enforcement relies almost entirely on union strength, the Conference recommends that:

- 4.1. Affiliates must be strongly encouraged to notify the IMF of abuses of IFAs and should provide clear information and evidence of violations
- 4.2. All efforts should initially be made to resolve IFA complaints at the local/national level
- 4.3. IMF investigate possible instruments to enforce IFAs in companies, especially where violations continue
- 4.4. IMF and affiliates conduct global campaigns against companies where breaches continue
- 4.5. Withdrawal from the IFA should be a final resort.

INTERNATIONAL TEXTILE, GARMENT AND LEATHER WORKERS' FEDERATION

Relations between ITGLWF and multinationals companies

November 6, 2006

Making the 'Social' in CSR Sustainable

Gap Inc. and the global union for textiles, the International Textile, Garment and Leather Workers' Federation are blazing the trail in translating corporate social responsibility into long-term sustainable practice at factory level. In a joint work programme the two are now engaged in the initial stages of developing and promoting a mature system of industrial relations throughout the Gap Inc. supply chain.

As part of the programme the ITGLWF have embarked on joint work with Gap Inc. at global, sub-regional and national levels with the aim of creating a better understanding of the right of workers to form unions and to bargain with their employers as part of the process of social dialogue on which mature systems of industrial relations are based.

Staff from the ITGLWF engaged recently in detailed briefings for the entire Gap Inc. social compliance team – some 100 persons – on the theory and practice of freedom of association and on how collective bargaining can secure and maintain standards in line with national law and international practice.

In a second tier of action, the ITGLWF and its national affiliates have met with Gap Inc. social compliance staff in two sub-regions – South Asia and South East Asia - to better understand how both organizations work, to examine some of the key compliance issues and to establish how better to improve industrial relations in the company's supply chain.

In Delhi, India, Gap Inc. staff, the ITGLWF and trade unions from Sri Lanka, Bangladesh and India conducted an overview of the company's CSR operations in these countries, while a similar exercise in Jakarta, Indonesia brought together Gap Inc. staff, the ITGLWF and trade unions from Vietnam, Cambodia, Thailand, Malaysia and Indonesia. In both exercises the emphasis centered on developing a long-term sustainable approach at national and supplier level.

Discussions revolved around how to identify whether freedom of association and collective bargaining are respected, how to proceed where there are, at present, no unions, how employer resistance to deal with unions can be overcome, how to develop in-plant capacity on the part of both management and unions, and how promote the benefits of mature systems of industrial relations.

The next stage of the process involves developing a national dialogue, in the different countries, with Gap Inc. suppliers and involving Gap Inc. buyers and compliance staff, manufacturers supplying Gap Inc. and the relevant trade unions with a view to identifying and resolving industrial relations issues in the Gap Inc. supply chain.

Says ITGLWF General Secretary Neil Kearney, "Moving beyond auditors, consultants and the host of other CSR fads is essential for long-term sustainability in good labour practice in global supply chains. Key to such sustainability is the establishment of mature systems of industrial relations built around social dialogue.

"In the industrial context effective dialogue requires a voice for workers as well as management. Unfortunately, serious shortcomings in the application of the right of workers to freedom of association and to bargain collectively make social dialogue almost impossible.

"Increasingly, it is recognized that no matter how well intentioned the corporate social responsibility approach of brands and retailers, the impact is limited and unsustainable in the longer term without social dialogue. Given that social dialogue is a key outcome of unionisation and collective bargaining it is now essential that these be at the heart of any CSR programme.

"The ITGLWF commends Gap Inc. on its far-sightedness and its pioneering efforts in the garments supply chain. We welcome the opportunity to work with Gap Inc. to help build a mature system of industrial relations grounded in social dialogue across the global garment industry and we look forward to engaging with other brands in the same endeavor."

ICEM WORLD CONFERENCE FOR THE ENERGY INDUSTRIES
27-29 NOVEMBER 2006

(Report extract)

6.8 ICEM affiliates and our Global Framework Agreements

ICEM affiliates in the energy section generally appreciate our Global Framework Agreements. There remain however some difficulties.

US affiliates report that for them global framework agreements are largely ineffective. This is because signatory employers generally ignore the agreements' provisions there, particularly in respect to groups of workers attempting to join unions for the first time. They therefore propose that we define for the future clearly enforceable standards for company conduct in union recruitment (organizing) drives.

Unions in regions where communication is not easy find that there is still a lack of information and access to the provisions of the agreements. The priority for those unions would be to ensure that not only did ICEM have a global framework agreement but that it is shared and understood globally and as a result implemented in a co-ordinated manner at affiliate level depending on the circumstances of particular countries and affiliates.

Quite a few unions, although not in a position to directly use the existing Agreements report that they have usefully resorted to them to steer the union work and to define objectives. They were used as a reference for dealing with multinational companies especially in Latin America. They facilitate contacts with foreign unions (in particular with European unions).

They are also seen a first step to recognizing global unions as a partner.

For the future, some unions feel a need for formulating more definite and clear provisions on suppliers' and subcontractors' obligations in global agreements and some that there must be an evaluation of the existing GFA's and that we should together develop a new model Global Framework Agreement.

International Organisation of Employers (IOE)

Increasingly, trade unions are operating over borders with international involvement in domestic disputes. To date, there are numerous instances of such activities, including coordinated transnational boycotts.

Globalization has provided the trade union movement with a number of new strategies to attempt to broaden in a very new way industrial relations at the international level. While paradoxically there has been a move towards bargaining at the enterprise level, unions have sought to exert influence through initiatives at the supra-national and international levels, principally aimed at multinational enterprises, i.e. International Framework Agreements (IFAs).

These agreements are in their infancy, with a great many unanswered questions. However, many companies that have signed IFAs principally see them as a vehicle for deepening dialogue, first and foremost, and *not* as an industrial relations exercise. The difficulty however is that International Trade Unions see them as the latter, which might explain the growing trend of including dispute resolution mechanisms in the text of IFAs.

It is too early to say definitively what the final destination is in this process, but perhaps some of the future issues that may emerge relate to sectoral approaches, attempts to alter existing agreements or perhaps even widening them to include reference to wages and conditions of work.

The IOE is available to provide guidance in relation to IFAs to Employers' Organizations and their members. We can help you weigh the benefits against the risks or costs of engaging in such a process.

Some issues companies should consider before signing IFAs :

- What could be the potential impact of an IFA on the local partner(s) and what ramifications could an IFA have on such a relationship(s)?
- What is the legal status of such an agreement and how might it impact in a national legal context?
- How might the company's undertaking to recognize a union and its affiliates at the global level impact in the national context?
- How do the global obligations regarding provisions relating to restructuring fit with national law and local agreements?
- Are there inconsistencies between what has been agreed globally and what exists in current local agreements?
- What is to happen if or when the agreement expires?
- How might obligations be placed upon supplier companies?

The Guidelines for multinational enterprises of the OECD, a complementary tool for the international framework agreements

Contribution by the TUAC, the Trade Union Advisory Committee to the OECD

The guiding principles of the OECD for multinational companies are recommendations that the 30 member States of the OECD and the other States that signed the OECD Declaration on Investment address to multinational companies with regard to their respective jurisdictions.

They cover the following fields:

- transparency and disclosure of information
- employment and social dialogue
- environment
- fight against corruption
- consumer interest
- science and technology
- competition and taxation

As well as respect for basic work regulations, the social section of the Principles requires information and consultation of salaried employees in the case of restructuring, and a ban on use of the threat of relocation following negotiations on employment conditions or representation of salaried employees.

The Principles have no legal binding power. However, every multinational company whose head office is based in the OECD may have to account for application of the Principles.

This regulation actually has a mechanism for the settlement of differences. Any party may refer to the National Contact Point (NCP) of a signatory country (located in a ministry, usually the Treasury) regarding a company suspected of violating the Principles.

The NCP is then required to offer to act as mediator between the parties concerned, or issue an opinion on the nature and extent of the case raised.

Follow-up of implementation of the Principles is the responsibility of the OECD's Committee on Investment, which meets two or three times a year, with regular consultation of the TUAC, the BIAC (employers' organisation) and the NGOs.

Since revision of the Principles in 2000, 130 more cases have been brought before the NCPs, of which 80 were presented by unions.

The three types of violation most often reported by the unions concern:

- the right to collective representation and negotiation
- the right to information and consultation
- and the implementation of contractual or legal obligations.

The geographical distribution is relatively balanced between cases located in the OECD countries and those outside the CDE. However, since 2004 there has been a growing number of "transatlantic" cases involving a European multinational company in the United States and vice versa.

The OECD unions support the effective implementation of the Principles and the good operation of the NCPs. Since 2001, the TUAC has organised two or three information/training seminars each year throughout the world, and produces various publications and reports.

A user guide and training kit for European works councils are available on their web site.

The Principles are a complementary tool for the IFAs.

The social section of the Principles supports a large part of the content of the IFAs. The flexible and confidential mediation procedures offered by the NCP system can also be a vehicle for the appropriate negotiations in the case of settlement of differences affecting the IFAs.

For further information on the guidelines :

- TUAC website: www.tuac.org
- OECD website : www.oecd.org/daf/investment/guidelines
- Site du PCN français: www.minefi.gouv.fr/directions_services/dgtpe/pcn/pcn.php

Facts about TUAC :

The TUAC (Trade Union Advisory Committee) was founded in 1949. After the creation of the OECD in 1961, it was recognised as an independent entity authorised to represent union organisations attached to the OECD.

The TUAC has 56 union groups for the member countries of the OECD.

POLICY POSITION

THE IUF AND "GLOBAL FRAMEWORK AGREEMENTS"

In order to clarify our future efforts to establish mechanisms within transnational companies that enhance affiliates' efforts to grow stronger in those companies the secretariat proposes the following principles be adopted by the Executive Committee to be endorsed at the 25th Congress in March 2007.

NEGOTIATING GLOBAL AGREEMENTS

1. The IUF has no mandate to negotiate or sign any agreement with a TNC without first ensuring that we involve, consult with and get agreement from a representative group of affiliates with membership in the target company.
2. The IUF has a mandate to sign any agreement that includes as a minimum concrete language that at least:
 - states in straightforward terms that the company is aware of its obligation to respect all legal and regulatory labour rights and benefits as well as the core conventions of the ILO and, in the case of companies headquartered in OECD countries, the OECD Guidelines for Multinational Enterprises. Any language that suggests the company has any discretion over these obligations or that these obligations are in any way voluntary cannot be included in any agreement signed by the IUF secretariat;
 - states that nothing in the agreement shall in any way reduce or undermine existing labour relations practices or agreements relating to union rights or facilities already established by any IUF affiliate or any union within that company;
 - specifies in what way the company will facilitate its workers putting any rights referred to in the agreement into practise;
 - that provides both "in principle" **and** concrete practical rights which affiliates can use to defend **and** increase their membership within the target company;
 - provides affiliates with the option of negotiating closed shop agreements or "fair share" (agency shop etc [1]) or equivalent arrangements where these are not illegal in any particular country or region of a country and where an affiliate wished to secure such arrangements;
 - agrees to a national or local recognition process for any IUF affiliate able to show it represents a significant number of workers - that process to be based on the most expeditious and straightforward steps legally permitted in a country or region of a country that lead to the recognition of that IUF affiliate by the company;
 - agrees to recognition to the IUF and its affiliates as a global union organization;
 - guarantees the total exclusion of any form of discriminatory action against any worker or union representative in their effort to implement all aspects of this or other applicable union rights/recognition agreements, local law and practice or internationally recognized labour standards;
 - states that the company views union membership positively and indicates the mechanisms it will employ to convey that fact to its workforce;
 - speaks to how the company proposes to ensure that information about and respect for the agreement is forcefully implemented through the company to the lowest level of management and steps to be taken should any level of management obstruct or oppose the implementation of the agreement.

3. The IUF shall evaluate any agreement signed principally in terms of the increase in union membership and union strength within the particular company. Such evaluations shall be presented annually to affiliates representing workers in the company and to the IUF Executive Committee.
4. The IUF has no mandate to sign any agreement whose primary or exclusive objective is judged to be an exercise in Corporate Social Responsibility (CSR) initiated by or driven by the target company with the primary objective of polishing the company's image and not of strengthening union membership, union presence and union power in the company.
5. Notice is to be given to companies of the IUF's intention to renegotiate existing agreements within a maximum period of 12 months so they enshrine at least these minimum standards. In the event that such renegotiations is not possible the IUF secretariat is mandated to consult with relevant affiliates to determine whether the agreement should continue or be considered terminated and publicly inform the company of that fact.

[1] "Fair share" refers to an arrangement where workers benefit from the terms of any collective bargaining process but do not wish to be union members pay an agreed fee to the relevant union (at a locally negotiated level equivalent to full union fee or a proportion of it). The fee to reflect the benefit they gain from union members' successful efforts to improve wages or other terms and conditions of employment

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Acknowledgements

This guide was written by Delphine Poligné for ORSE and Natacha Seguin for Alpha Etudes for the 2nd and 3rd parts of the guide.

Alpha Etudes is the Alpha group's centre for economic and social study that published several studies on CSR and notably on the social reporting of companies quoted in France and on the ethical charters and codes of conduct.

We are extremely grateful:

- to the companies and union organisations members of ORSE that participated in the creation of this document, through their involvement in the work group, “the involvement of unions in action on CSR” and/or their comments and exchanges on drawing up this document.
- to the university researchers who allowed ORSE to benefit from their expertise on the international framework agreements:
 - André Sobczak
 - Isabelle Daugareihl
 - Michèle Descolonges
 - to representatives from the ICFTU and global union federations (IMF, IFBWW, ICEM, IUF and Union Network) who met us, provided us with their comments, and thus enriched this document.

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