

## DIRECTORY FOR INTERNATIONAL FRAMEWORK AGREEMENTS NEGOTIATIONS

### INTRODUCTION

ORSE members (enterprises, investors, trade unions, employers organisation, NGO, ...) 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 to formalise their CSR commitments.

These commitments take 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 have emerged virtually exclusively from European companies (49 of the 55), originating in Germany (16), France (10), Scandinavia (Sweden, Norway and Denmark (11), in the industrial sector (15 in the metals sector, 7 in the construction sector and 6 from the energy sector).

### SCOPE OF THE STUDY

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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 55 international framework agreements that have global scope. They have the common feature of having been signed by global union federation.

#### Methodology in drawing up the guide

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.

The authors of this guide proceeded in two stages:

#### 1. An analytical phase which involved:

- examining every framework agreements
- holding interviews with the trade union representatives coming either from signatory companies, or from national or global federations, or global union federations (ICEM, IFBWW, IMF, IUF, UNI)

- holding interviews with the directors of signatory companies (Carrefour, Danone, EDF, Lafarge, PSA Peugeot Citroën, Renault, Rhodia, and so on).
- utilising contributions from university researchers (legal specialists, sociologists).

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

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

#### Analysis:

The formalisation of an IFA is described according to the following three parts:

1. Negotiation process
2. International framework agreements: content and themes
3. Implementing and monitoring the agreement

### NEGOTIATION PROCESS

The negotiation process lays down the following questions:

- **What background to negotiation?**
  - What starting point?
  - What issues at stake?
  - How much time can be devoted to negotiation?
- **What are the necessary resources for conducting negotiations?**
  - What logistics?
  - What financial means?
- **Identifying the different players in the negotiation process**
  - On the company side: general management, subsidiary management, human resources, purchasing, sales, sustainable development, legal divisions.
- On the trade union side: Global Union Federations, local trade unions, regional federations, The European work council (EWC) or the World Group Committee (WGC)
- **What motivation for the agreement (what preamble?)**
- **What title for the agreement?**
- **What Period the agreement is signed for?**
- **Scope of the agreement**
  - What geographical limits?
  - What legal application ?
  - What areas that may fall within the scope of the agreement?
  - Procedure if boundaries change during the period of the agreement (owing to company sales, incorporation, and so on).
- **Relationships with the other contracting parties**
  - This topic may be the subject of a separate section or incorporated in another part of the content,
  - The extent of the responsibility of the signatory principal in the value production circuit
  - Provision by the agreement for dealing differently with suppliers and subcontractors
  - Priority topics regarding suppliers and subcontractors
  - Ways and means of implementing the international framework agreement with suppliers and subcontractors
  - Follow up procedures foreseen by the agreement
  - Consequences for suppliers and subcontractors if the international framework agreement is not adhered to.

### NORMATIVE AND THEMATIC CONTENT OF INTERNATIONAL FRAMEWORK AGREEMENTS

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. They 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.

- **Content**

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

  - **fundamental social rights:** freedom of association and collective bargaining, 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 related to corporate social responsibility:** environment, human rights, governance and transparency, business ethics and corruption
- **Do IFA oppose territorial anchoring with local regulations?**
- **What international norms mention in the IFA?**
  - ILO international conventions
  - the United Nations Universal Declaration of Human Rights
  - the OECD guidelines for multinational companies
  - the United Nations Global Compact

### Implementing and monitoring the agreement

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,
- **At which level implementation and monitoring of the agreement takes place?**
- **Who is responsible for implementation and monitoring?**
  - The signatories jointly
  - The employee representative body
  - The dedicated structure
- **Intervention by a stakeholder outside the company**
- **Resources for implementation**
- **Circulation of the text of the agreement (audience, format, language, time frame)**
- **Incorporation in managerial procedures and the identification of goals**

- **Are complaints possible over non-compliance or problems in interpreting the agreement?**
  - Making complaints
  - Complaints by stakeholders
  - Protection of the plaintiff
- **Procedure for settling conflicts**
  - Level at which complaints and procedures are dealt with
  - Dealing with disputes
- **Procedure for audit, supervision and assessment**
  - Audit and supervision procedure
  - System for assessing the application of the agreement
- **Monitoring formalisation of the agreement**
  - Reporting indicators
  - The review of application

### Union Federations that signed an IFA:

<b>ICEM</b>	International Federation of Chemical, Energy, Mine and General Workers' Unions	Present in 121 countries: 20 million members	11 IFA	www.icem.org
<b>IUF</b>	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations	Present in 100 countries: 15 million members	5 IFA	www.iuf.org
<b>IMF</b>	International Metalworker's Federation	Present in 100 countries: 25 million members	15 IFA	www.imfmetal.org
<b>Union network</b>	Global union for skills and services	Present in 104 countries: 15 million members	11 IFA	www.union-network.org
<b>IFBWW</b>	International Federation of Building and Wood Workers	Present in 125 countries: 10 million members	11 IFA	www.ifbww.org

## CONCLUSION

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

- most of these agreements are very recent. Nearly half of the 55 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 (49 out of 55) among IFA signatories (and especially the German, French and Nordic countries, numbering 37) can be explained by a tradition and a culture of social dialogue, which is one of the characteristics of the European social model.
- However this does not imply that IFAs do not apply to extra-european companies. On the contrary, the aim of the authors was to highlight the diversity and the richness of these agreements, in their processes and their levels of negotiations as well as in their contents and their implementations procedures.

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, backed-up by its members (Enterprises, trade-unions, employers organisations...), genuinely commits to this promotion because we believe the enterprises are offered an opportunity to contractualize their CSR engagements with employee 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"**. In spite of our recommendation, this indicator has not been adopted.

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), CSR networks as well as professional, national, european and international unions.

Presentation of the International Framework Agreements (IFA) signed by IFAs and companies

<b>Company</b>	<b>Year</b>	<b>Country</b>	<b>Sector</b>	<b>GUF</b>
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
METRO	10 september 1999	Germany	Distribution	UNI
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
RAG	1st august 2003	Germany	Chemical	ICEM
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	Sweden	Retail	UNI
BOSCH	2 March 2004	Germany	Automotive	IMF / 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-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
PSA PEUGEOT CITROEN	March 2006	France	Automotive	IMF
SECURITAS	30 March 2006	Sweden	Services	UNI
ROYAL BAM	3 April 2006	Netherlands	Building	IFBWW
NAMPAK	29 May 2006	South Africa	Packaging	UNI
EURADIUS	4 August 2006	Netherlands	Print	UNI
STAEDLER	10 November 2006	Germany	Office	IFBWW
NATIONAL AUSTRALIA GROUP	20 december 2006	Australia	Bank	UNI
FRANCE TELECOM	21 december 2006	France	Telecommunications	UNI