

# IndustriALL Global Union's Conference

# on

# Global Framework Agreements and Trade Union Networks

# *"Review of Experiences and Way Forward for the Future"*

17-18 October 2012 Frankfurt, Germany

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# Preamble

The 10-Point Action Plan of IndustriALL Global Union adopted by the Founding Congress held on 19-20 June 2012 in Copenhagen, Denmark gave specific attention to global framework agreements (GFAs) and trade union networks. It puts forward the following objectives for the upcoming period:

- Develop further an MNC network strategy for exchange of information, joint initiatives, common platforms, coordination of national collective bargaining and mobilization in case of violations of workers' rights by MNCs and their suppliers
- Establish mechanisms of regular social dialogue at global and/or regional level to enable constructive industrial relations leading to global-level negotiations
- Pursue agreements with MNCs to establish mechanisms of regular social dialogue at global and/or regional-level to enable constructive industrial relations leading to global-level negotiations
- Build up the necessary organizational procedures to enable the conclusion of agreements beyond GFAs with MNCs
- Push for recognition from employers for formalized World Works Councils and networks
- Take responsibility for the respect of union rights and decent working conditions throughout their supply chains

The three founder organizations IMF, ICEM and ITGLWF developed policies and made achievements on global framework agreements and trade union networks. IndustriALL Global Union has GFAs with forty multinational corporations, namely Aker, AngloGold, BMW, Bosch, Brunel, Daimler, EADS, EDF, Electrolux, Endesa, Eni, Evonik, Ford, Freudenberg, GDF Suez, GEA, Indesit, Inditex, Lafarge, Leoni, Lukoil, MAN, Mizuno, Norsk Hydro, Norske Skog, Petrobras, Prym, PSA Peugeot Citroën, Renault, Rheinmetall, Rhodia (Solvay), Röchling, SAAB AB, SCA, Siemens, SKF, Statoil, Umicore, Vallourec, Volkswagen, while a number of trade union networks were established.

IndustriALL Global Union's Conference on GFAs and Trade Union Networks to be held on 17-18 October 2012 in Frankfurt, Germany will exchange past experiences in various sectors and seek a proper harmonization of cultures and activities with a common approach covering all industries represented.

# I – General Evaluation and Comparison

# Introduction

In response to the rapid globalization of companies and supply chains the International Metalworkers' Federation (IMF), the International Chemical, Energy, Mining and General Workers' Federation (ICEM) and the International Textile, Garment and Leather Workers' Federation (ITGLWF) each developed strategies for promoting decent work in multinational enterprises and the companies with whom they do business. One tool, utilized by all three GUFs, has been the negotiation of international, or global, framework agreements (IFAs/GFAs).

The ICEM signed its first GFA with Statoil in 1998, and since signed other agreements across a range of sectors, including paper, mining and chemicals. The IMF negotiated nineteen IFAs since 2001 while the ITGLWF had two GFAs which were signed with Inditex in 2007 and Mizuno in 2012.

# Approach to GFAs

The IMF's World Congress in May 2009 adopted a new Programme of Action which made clear that IFAs are a key priority in the period 2009 – 2013, and called for the negotiation of additional IFAs. Similarly, the ITGLWF also prioritized building relationships with companies with a view to negotiating more framework agreements. The ICEM's Congress in Bangkok, Thailand produced a special resolution on global framework agreements with a particular emphasis on making GFAs better functioning while negotiating more GFAs if the opportunity should arise.

# Content of GFAs

The GFAs negotiated by the IMF, the ICEM and the ITGLWF share a number of similarities. The IMF and the ICEM respectively developed model agreements with similar contents.

The ILO Conventions on forced labour, freedom of association, collective bargaining and worker representation, discrimination and the minimum age are mentioned in all three GUFs' model agreements/ recent agreements. The ICEM and the ITGLWF agreements also both refer to C182 on the worst forms of child labour.

	C29	C87	C98	C100	C105	C111	C135	C138	C143
ICEM	Y	Y	Y	Y	Y	Y	Υ	Y	Y
IMF	Y	Y	Y	Y	Y	Y	Υ	Y	
ITGLWF	Y	Y	Y	Y	Y	Y	Υ	Y	
	C155	C156	C159	C182					
ICEM				Y					
IMF		Υ							
ITGLWF	Y		Y	Y					

It is also important to review the provisions contained in the agreements which go beyond that prescribed by national legislation or international labour standards. The majority of agreements contain clauses on trade union rights, contract and agency labour, wages and overtime, and health and safety. The agreements often prescribe how far, and in which ways, the provisions extend to companies outside of the signatories' direct control, whether any joint work will be undertaken and how the agreement will be monitored.

#### Trade union rights

Trade union recognition is at the core of GFAs, and many agreements build on the language of the ILO Conventions on freedom of association and collective bargaining. For example, the ICEM – Freudenberg agreement states that "Wherever employees wish to organize themselves into trade unions and trade unions apply for recognition. ways are sought to develop good industrial relations in joint dialogue", the IMF – Arcelor agreement states that the company "...undertakes to maintain a constructive, trusting and transparent dialogue with all personnel representatives and with all employees, at all levels and particularly at the local level". The ICEM - Endesa agreement states that "trade union dialogue ... need(s) to be carried out in a spirit of dialogue and mutual understanding" and the parties agree to "establish a channel of dialogue and international trade union consultation within Endesa. Such an approach is also at the heart of the ITGLWF - Inditex agreement which states that both parties acknowledge ILO Conventions 87, 98, 135 and Recommendation 143 "...as the key to ensuring the sustainable and long-term observation of all other international labour standards ... because they provide workers with the mechanisms to monitor and enforce their rights at work". The IMF - ICEM - Umicore agreement states that the company will cooperate with workers' organizations in good faith and that "Even in cases of disputes the goal will always be to maintain visible cooperation in the long term".

In a number of GFAs, companies commit to taking a positive attitude in their dealings with trade unions. For example the ICEM – Norske Skog agreement states that the company shall "...take a positive attitude towards trade unions including organizing". The IMF – Leoni agreement states that "the company will be orientated towards promoting 'positive action' to support the principles of trade union freedom, organization of workers and collective bargaining". Other agreements contain neutrality clauses, in which companies commit to a policy of non-interference during organizing campaigns. One such example is the DaimlerChrysler agreement which states that "During organizing campaigns the company and its executives will remain neutral".

#### Provisions on contract and agency labour

GFAs have been used by each of the three GUFs as a tool to address the degeneration of the employer-worker relationship. The ICEM – Norske Skog agreement stipulates that "Employment shall, as a rule, be on a regular and permanent basis". A commitment on contract and agency labour was always a key priority in the negotiation of framework agreements.

Similarly, a number of IMF IFAs contain provisions to reduce the ease at which workers can be employed precariously. The IMF – GEA agreement says that "Contracts of unlimited duration always take priority over temporary contracts" and the IMF – Vallourec agreement states that the company bases its development on a qualified, permanent workforce but that the appropriate use of short-term work helps the company respond to market fluctuations. The Aker agreement states that the company "recognizes that permanent employment is preferable to both parties, and will not use hired-in personnel, part-time and temporary employment to undermine wages and working conditions". At the same time, the parties to the agreement "acknowledge that hired-in, part-time and temporary workers are occasionally necessary.

In the GFA with the ITGLWF, Inditex state that external manufacturers, suppliers and their subcontractors shall not impair the rights of workers using subcontracting, homeworking, training and apprenticeship schemes, or operate any system which prevents the promotion of regular employment within a framework of regular employment relationships. All companies who produce for Inditex are also required to apply the provisions of the agreement to all homeworkers in their supply chain, and to be transparent about the location and working conditions of homeworkers.

#### Provisions on wages and overtime

The way the three GUFs use GFAs to deal with wages and overtime differs quite substantially. While the payment of a living wage is not relevant for workers in every sector, it is a key priority for the ITGLWF. The ITGLWF – Inditex agreement states that "Wages should be enough to meet at least the basic needs of workers and their families and any other which might be considered as reasonable additional needs". A provision on payment of a living wage is fundamental to the ITGLWF in the negotiation of any future GFAs. Some IMF agreements do not contain additional language on wages, while others do, for example the agreement with GEA AG states that they "Fundamentally reject overtime pay as a substitute for insufficient remuneration" and the IMF – Vallourec agreement states that remuneration should be "fair" and "motivating". The IMF – PSA Peugeot Citroën agreement states that "Wages should ensure that employees enjoy decent living conditions" and the IMF – Aker agreement says "Wages and benefits shall be at least sufficient to cover the basic needs of the worker and his or her family".

#### Health and safety

In many GFAs the companies commit to guaranteeing the highest possible standards of health and safety by aiming to achieve industry best practice. The SKF agreement states that the company "aims to eliminate work related accidents and injuries in its facilities" Similarly, the PSA Peugeot Citroën GFA states that the "Only acceptable target is an accident-free workplace". The Arcelor agreement states clearly that "No priorities shall be higher than health and safety", and that the 'Code of Practice on Safety and Health in the Iron and Steel Industry' will be used as a reference. In the agreement with the ITGLWF, Inditex states that external manufacturers, suppliers and

their subcontractors shall provide workers with regular training in the area of health and safety at work.

In addition to safety at work, some agreements also contain provisions on education and treatment of health problems. In their agreement Renault state that particular attention will be paid to HIV/AIDS prevention, STDs and drug abuse in countries where these are a major issue. Similarly, in the PSA Peugeot Citroën agreement the company commits to running informational campaigns on issues such as tobacco use, alcoholism, drug abuse, AIDS and STDs. Similarly, the parties to the Statoil agreement commit to ensuring that the company provides a clear and supportive policy on HIV/AIDS which is implemented effectively throughout StatoilHydro's operations.

#### **Environment**

In a number of agreements, signatory companies state that they will conduct their business with the highest regard for environmental issues. In their agreement with the ICEM, Lukoil commits to encouraging the development and diffusion of safe and environmentally friendly technologies. In a number of GFAs signed by the IMF, the companies commit to cooperating with relevant local institutions on the environment. In the Arcelor agreement, the company states that it is developing and implementing production methods whose environmental impact is as low as is reasonably possible, and is developing and manufacturing products that focus on the improvement of the environment in terms of use and recycling. In the agreement, Arcelor also commits to make efficient use of natural resources and energy.

#### Employee development

In the agreement signed together with the IMF and the ICEM, Umicore commits to promoting measures aimed at the qualification of employees to the extent that it is relevant for their job. The Lukoil GFA states that "Lukoil policy will be aimed at combining work obligations of young workers with the opportunity for them to develop professional skills and qualities". Similarly, in the Gebr. Röchling KG agreement the company states that it will support and promote training measures for employees in order for them to expand and deepen their professional and technical know-how.

#### Responsible transitions and disclosure of information

Renault, in its agreement, acknowledges its responsibility to protect jobs and states that, when restructuring takes place it will re-train the workers affected and, where possible, employ them elsewhere within the group.

In the GFA with PSA Peugeot Citroën, the company commits to "providing employees with regular information on the company's operations and on issues likely to affect working conditions and employment".

#### Type of goods produced

In their GFA with the ICEM, Freudenberg undertake not to produce weapons or any kind of war material similar to weapons.

#### Anti-corruption

In the PSA Peugeot Citroën agreement, the company commits to working against all forms of corruption. Similarly, in the IMF – Brunel agreement the company states that it is "...committed to working against all forms of corruption".

# Implementation of GFAs

Having examined the content overlap of GFAs signed by the founder three GUFs, it is important to explore the ways in which the ICEM, the IMF and the ITGLWF target, negotiate and implement GFAs particularly with respect to the involvement of affiliates and works councils, and to implementation along company supply chains.

#### Co-signing agreements

Both the ICEM and the IMF regularly co-signed GFAs with their affiliate(s) in the country in which the country is headquartered. The ICEM traditionally relied on affiliates to target companies and stressed the importance of national unions being part of the negotiations. This emphasis dates back to the ICEM's first agreement, with Statoil, which was largely brought about as the result of a personal relation between the Norwegian union and company. The ICEM tended to approach companies with whom unions have a reasonable and strong relationship with for GFA negotiations, which may partly explain the dominance of German and Nordic companies. The ICEM had a mandate from Congress outlining the principles to be included in a GFA. However before finalizing any agreement, the ICEM consulted with their affiliates in the company's headquarter country, asking them for their comments on the draft text. It was very important for the ICEM that GFAs are democratic processes.

A large percentage of IMF IFAs were initiated by its affiliates in the headquarter country. The IMF had an established procedure whereby whoever initiates the agreement must contact the IMF before entering into negotiations. The IMF was involved and took over a coordinating role, which was important so that affiliates did not implement the agreement in different ways. In the IMF's sectors, the strength of union presence in the headquarter company usually determined whether a company would or would not engage in GFA negotiations.

National unions from headquarter countries also played an important role in ITGLWF's GFA negotiations. It is important to acknowledge the reality of the garment manufacturing sector where very few multinational brands retain direct manufacturing facilities of their own.

Some IMF IFAs were co-signed with the corresponding EWC or WWC while neither the ICEM nor the ITGLWF co-signed an agreement with an EWC. The ICEM, however, was not against the idea of co-signing agreements with EWCs, arguing that having an EWC as a cosignatory may encourage the company to share information. For the IMF, one of the advantages of co-signing an IFA with an EWC or a WWC was that the works councils may be more likely to take an active interest in the IFA and to discuss the IFA's implementation in their regular meetings with management.

#### Implementation and monitoring

In the main, the trade union and works council signatories to a GFA tend to cooperate to monitor its implementation, and violations are usually brought to their attention by the union in the plant concerned. However NGOs, media contacts and GFA companies themselves have also highlighted violations. The ICEM, IMF and ITGLWF all conducted joint missions with GFA companies to see how GFAs were being implemented.

The ITGLWF made an effort to make affiliates aware of the fact that power in the sector lies with the buyer. As a result, affiliates increasingly started to identify buyers, and informed the ITGLWF if there was, for example, a violation in a plant producing for the GFA company.

All three GUFs stressed the fact that they do not interfere in issues that can be resolved locally and that escalation of a dispute to international level should only be done when all other avenues have been exhausted or when the issue is extremely urgent, such as in the case of dismissals.

Monitoring of agreements can be particularly challenging in factories and other locations which are not unionized. The three GUFs encouraged affiliates to try to organize plants covered by GFAs, thereby 'testing' the agreements. Countries that restrict the right to freedom of association are even more problematic. Both the ICEM and the IMF conducted joint missions with GFA companies to China.

Networks were also used as tools by the ICEM and the IMF to exchange information on what's happening throughout a company's locations, and to pressure the company if they failed to take adequate action against violations. In the ICEM - Lukoil agreement, the company agrees to assist the formation of a network and to provide email access and facilitate annual meetings.

All three GUFs dealt with issues as they arose but often review how the agreements were being implemented, and issues were being resolved, at annual meetings. The ICEM had a procedure whereby the relevant sector officer contacts affiliates about two months prior to the meeting. The meetings were usually attended by the ICEM General Secretary, the Industry Officer, the national union from the headquarter country, the company CEO and a HR representative. Some IMF IFAs had annual review meetings. The relevant industry officer gathered information from affiliates about how the agreement was being implemented prior to the meeting. Other IMF IFAs were regularly

on the agenda of the EWC or WWC. The ITGLWF – Inditex agreement stipulated that an annual review meeting will take place.

#### Application of GFAs to company supply chains

While content of the GFAs differs, the same applies to the way in which the agreements are implemented. Within the GFAs negotiated with the ICEM, the IMF and the ITGLWF, there were a variety of provisions concerning suppliers. Some agreements made no reference to suppliers at all. Some, such as the ICEM-Statoil agreement, stated that the company must notify its subcontractors and licensees of the agreement and encourage them to comply with the standards.

Many of the IMF's agreements, such as those negotiated with Volkswagen, Leoni, Rheinmetall AG, Renault and GEA AG state that contractors who take the GFA's provisions into account in developing their policy, create an "advantageous basis for mutual relationships". The IMF – PSA Peugeot Citroën agreement specifies that "Failure to comply with human rights requirements will result in a warning from the company 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. Specific progress will be implemented for small suppliers and subcontractors so they may comply gradually".

The ITGLWF GFAs apply exclusively to the companies' supply chains. In the agreement, Inditex commits itself to applying and insisting upon observance of the provisions throughout its entire supply chain, in all locations whether managed by Inditex or its external manufacturers or suppliers, including in workplaces not represented by ITGLWF affiliates. External manufacturers and suppliers who subcontract work for Inditex are responsible for the subcontractors' compliance with the agreement's provisions. External manufacturers, suppliers and their subcontractors are also required to appoint a senior member of management to take responsibility for the implementation and enforcement of the provisions set out in the annex to the agreement.

In the ICEM practice, there was a need to strengthen some of the language on suppliers and subcontractors in their GFAs. The other two GUFs agreed that this was a particularly challenging aspect of GFAs to enforce. Indeed, it is often not clear which companies are producing goods for the multinational concerned. The three GUFs emphasized that disclosure of supplier locations was important, as not having this information can add a tremendous amount of research to the task of implementing the agreement. Following years of IMF pressure, Indesit disclosed information about their suppliers, on an understanding of confidentiality. The IMF also had a number of agreements with IFA signatory companies whereby, upon enquiry, they will be informed whether that company is a supplier. The ITGLWF had a similar agreement with Inditex while the company was in the process of consolidating its supply chain.

Despite the challenges inherent in the supply-chain issue, there are numerous examples of how signatory companies have used the GFAs to effect change in their suppliers' behaviour. The IMF had a number of cases where an IFA company had

written to their supplier, giving a deadline and threatening that they would lose the contract after that, to good effect. When this did not work, some IFA signatory companies had chosen to end their contract with suppliers who violated the terms of the agreement. For example, Bosch stopped its relationship with a South African supplier after they broke the terms of the agreement.

Resolving conflicts and GFA violations in the supply chain was at the core of the ITGLWF – Inditex agreement. This approach was an effective way to resolve disputes in the garment supply chain but, recognizing that it is highly reactive, the ITGLWF and Inditex were working together to develop mature systems of industrial relations at these factories in an attempt to prevent the reoccurrence of such conflicts.

#### Joint Activity

As previously mentioned, where problems occurred in the Inditex supply chain, the company and the ITGLWF agreed that they will cooperate to resolve the problem, including collaborating on training programmes for the managements and workers concerned.

A commitment to carrying out joint work was also included in the ICEM – Statoil agreement, in which the signatories agree to carry out joint training on health, safety and the environment. The agreement states that the cost of the ICEM or its Norwegian affiliates' involvement in such training may be covered by the company. Similarly, Lukoil and the ICEM agree to cooperate in developing joint training covering issues dealt with in their agreement, including health and safety, the environment and management training programmes.

# Trade Union Networks

The IMF and the ICEM gave specific focus on trade union networks in multinational companies at various levels.

The goal of the IMF was to build effective solidarity and cooperation among affiliated unions present in transnational corporations in the metal industries to ensure an equal playing field for workers, which go far beyond minimum standards.

Trade union networks in multinational companies, in IMF practice, brought together unions cooperatively and strategically as global partners, to advance workers' rights throughout a company and supply chains. The IMF used trade union networks to build greater capacity for working together in defence of workers' interests across national boundaries.

Each network defined its own goals that may include regular exchange of information, development of joint initiatives and common platforms, building solidarity, organizing

unorganized plants, joint union initiatives and contacts with the real decision-makers within the enterprises.

Likewise, the ICEM built union networks within major multinational companies in its sectors. An ICEM-affiliated union with membership in the company concerned was required to assume responsibility for administering a particular network. This would normally be a union based in the company's headquarters country.

An ICEM Global Corporate Network was primarily described as 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.

The IMF produced guidelines for trade union networks with the following major points:

1. A political mandate from the affiliates involved. A network can be initiated by the IMF or its affiliates, after which a sufficient amount of affiliates need to commit themselves to building and participating in the network.

2. Trade unions in the home country of the TNC play a vital role in establishing a network and in making it function. IMF affiliates with membership in the company should be consulted and involved at an early stage of the process. The initiative from the union in the home country of the TNC is an important element.

3. The networks should be independent union bodies. From that independent position, they could pursue recognition from the company, including financial support where appropriate, provided they maintain their independence.

4. The network should also be transparent and open to all unions that wish to participate with the agreement of the IMF affiliates.

5. Each union itself decides over who participates or not in the networks recognizing the importance of representation and participation from the shop floor.

6. An action plan should be developed to set out the objectives, priorities, structure, ways of communication, role of the coordinator, etc.

7. The goal of the network is to increase the power of the unions vis-à-vis the company at the national, regional and global levels.

The IMF's major concentration was to develop global company networks such as Alcoa, Rio Tinto/ BHP Billiton/ Xstrata/ Vale, Caterpillar, Fiat/Chrysler, Hyundai/ Kia, Tata, GM/ Opel, Bosch, Tenaris, and Gerdau.

As far as the ICEM was concerned, union networking was a priority duty and activity defined by the Congress and World Sector Conferences with the purpose of building effective solidarity, support and cooperation among affiliated trade unions organized at the same multinational companies and/or sectors.

In the ICEM practices, various types of networks were developed. Multinational company union networks (global, regional and national) and sectoral networks (world sector conferences, regional and national sectoral networks).

# II – Particular Sectoral and Cross-Sectoral Evaluations

# Sectors:

#### Mining and DGOJP Industries

#### Global Framework Agreements

#### AngloGold Ashanti

Headquartered in Johannesburg, South Africa, AngloGold Ashanti has 20 operations in 10 countries on four continents, as well as several exploration programmes in both the established and new gold producing regions of the world. It has major exploration projects in Australia, the DRC, and Colombia. Its operations are in the USA, Brazil, Argentina, Australia, Mali, Guinea, Ghana, Tanzania, Namibia, and South Africa.

AngloGold Ashanti is in the enviable position of being the only Mining MNC that has a signed Global Framework Agreement. The agreement was signed with the former ICEM in September 2002. Although the agreement experienced some teething implementation problems in the early stages of the agreement, both management and the regional office of the former ICEM showed some character and maturity in ensuring that the agreement became a living document, at least in the Sub-Sahara region.

The agreement came up for review in 2005 and several initiatives were undertaken to improve on the implementation, evaluation and monitoring of the agreement. The company has made efforts to live up to the agreement and has funded most shop steward activities related to the scope and application of the agreement. Some of these activities were the following:

- The NUM South Africa, send a union delegation to Mali in 2005, sponsored by the company, as part of the NUM's trade union building project in Africa. The shop stewards were able to link up with an existing mining union in Mali and through continuing bilateral contacts, the Mali sister union, SYNACOME (Mining and Energy Union) affiliated to the ICEM in 2006.
- Another NUM delegation visited the Ghana operation in May 2007.
- Another beneficiary of the GFA was TAMICO in Tanzania.
- The company funded an ICEM delegation led by its former President and General Secretary to Brazil to interact with mineworkers at AngloGold Ashanti operations. AngloGold Ashanti workers had complained to the ICEM that the

AGA GFA was consistently violated by local management and that they lacked familiarity with the GFA.

• In 2007, the AGA GFA was used to successfully resolve a dispute that had the potential to escalate into conflicts and tension that would undermine labour relations in the mine.

There are however serious flaws with the implementation of the agreement in so far as its application in other countries. Except for the Sub Sahara Africa region, the AGA GFA has no profile as it is suppressed by local management in those operations.

The Sub-Sahara region has formed a coordinating committee called the AGA Africa Continental Shop Stewards' Council. The Council's brief is to use the AGA GFA as an organising tool. The Council is committed to building solidarity between workers of AngloGold Ashanti in Africa to improve wages and conditions, to make management more responsive to social responsibility, to monitor company operations and to build equitable regional economic integration.

The council has enlisted the support of FES in the region to support the council financially as well as practically with the collection of information in various countries in Africa where AGA has operations.

The challenge for IndustriALL Global Union is how to escalate the AGA GFA to the different regions in which AngloGold Ashanti operates. The scope of the coordinating committee will need to be expanded to include all AGA operations. A communication system and collecting and sharing of information will need to be established.

#### **Goldfields Limited**

The former ICEM, with the assistance of the NUM in South Africa initiated several attempts with Gold Fields SA aimed at negotiating a Global Framework Agreement. The furthest these attempts could go was a "Memorandum of Understanding" between the former ICEM and Gold Fields as a first step to negotiating a GFA. With the assistance and involvement of the NUM – South Africa, the former ICEM had an introductory meeting with senior management in Brussels in February 2007 and a follow-up meeting in Johannesburg in May 2007. The proposed MoU was seen as an opening for social dialogue on issues affecting workers globally.

These attempts were stalled by a change of guard in management at the corporate headquarters in Johannesburg. IndustriALL Global Union and the NUM need to initiate discussions and reopen negotiations for a GFA with Gold Fields.

Gold Fields is one of the world's largest unhedged producers of gold with annualized production of 3.5 million gold equivalent ounces from eight operating mines in Australia, Ghana, Peru and South Africa. Gold Fields also has an extensive and diverse global growth pipeline with four major projects in resource development and feasibility.

Goldfields Limited is a member of the World Global Council and the ICMM.

#### Anglo American

Anglo American is one of the world's largest mining companies focusing on platinum group metals, diamonds, copper, nickel, iron ore, and metallurgical and thermal coal.

With a global presence in Europe, North America, South America, Asia and Australia, Africa, Anglo American has its primary listing in London on the London Stock Exchange.

Tentative steps have been initiated with Anglo American with the intention to enter into the negotiation of a Global Framework Agreement. Through the assistance of the NUM in South Africa, contact has been made with Cynthia Caroll, who has provided a lead person within Anglo American to take the discussions further.

Anglo American is a member of the World Gold Council and the ICMM.

#### **Networks and World Committees**

#### Rio Tinto Global Union Network:

Despite the fact that Rio Tinto does not have a Global Framework Agreement in place, a rather informal network has emerged over the years as a result of Rio Tinto's aggressive anti-union philosophy.

RTGUN was formed in 1997 after Rio Tinto became very aggressive at its operations in Australia, with the CFMEU spearheaded organizing it. The first meeting was held in South Africa, the second in Australia, the third in Paracatu (Brazil). In 2003 the USW (USA) organized the 4th meeting in Salt Lake City.

RTGUN is in the process of being revived as a direct response to its recent anti-union actions with the USW Quebec and as a consequence of the Sydney World Mining Conference resolution. The revival is being driven by three of the major affiliates of IndustriALL Global Union; the CFMEU, USW and the NUM in South\_Africa.

A series of teleconferences are planned and the strategy for the RTGUN will be unveiled at the CFMEU Convention in October 2012.

#### BHP Billiton:

The former ICEM and IMF jointly organized a global conference on BHP Billiton in October 2007. The conference included a number of mining countries in which miningenergy multinational BHP Billiton operated. The conference was aimed at constituting a formal network of unionized workers at BHP Billiton.

The Sydney World Mining Conference resolved to re-launch and re-energize the BHP Global Network and that the CFMEU and AMWU will lead, resource, and provide key regional coordinators for the BHP Billiton Global Network. The resolution further resolved that IndustriALL Global Union will provide research support for a global mapping exercise of BHP's DNA and to demand the negotiation of a global framework agreement and the recognition of the BHP Global Network.

#### <u>Xstrata:</u>

The first steps towards a Global Trade Union Network at Xstrata were taken in Montréal, Canada, in October 2008. Despite the initial enthusiasm that accompanied the launch and the declaration that emerged, the initiative did not go beyond the sharing of information through an internet based communications network.

The Sydney World Mining Conference resolved to re-launch and re-energize the Xstrata Global Network, to be led by the NUM and USW. The NUM and USW would lead, resource and provide key regional coordinators for the network. IndustriALL Global Union will provide research support for a global mapping exercise of Xstrata's DNA, which is likely to change as a result of the Glencore merger if successful. A demand for global framework agreement will be the goal of the global trade union network.

#### Mechanical Engineering

Mechanical engineering is a heterogeneous and diversified industry which covers a wide range of subsectors that have their own specificities. Official sources distinguish about a dozen different groups including e.g. machine tools, machinery for metallurgy, mining and construction, machinery for textile, apparel and leather production, agricultural and forestry machinery, lifting and handling equipment, pumps and compressors, bearings, engines and turbines, industrial furnaces and burners, power transmission engineering, and environmental technology equipment.

So far there are only a limited number of global framework agreements and networks to be found in mechanical engineering but a large potential for progress, in particular in the sub-sectors construction and mining equipment, agricultural machinery and lifting equipment.

#### **Global Framework Agreements**

<u>SKF:</u> The company employs 46,000 workers with its headquarters in Sweden. The SKF agreement ("Code of conduct") was signed in November 2003 by management and the Chair of the EWC also representing the former IMF. As spelled out in the agreement, monitoring is management and the World Works Council Presidium's primary responsibility. Implementation has been discussed on some occasions during the yearly meeting of the World Union Committee but not in a systematic way. The Agreement falls short of IndustriALL standards for GFAs, therefore it would be appropriate to review and improve its content, in particular in relation to the supplier clause, reference to ILO conventions, sustainable development and the GFA's enforcement with a view to making it a valuable tool for advancing workers' rights at SKF facilities worldwide and its business partners.

<u>GEA:</u> The company employs 24,000 workers with its headquarters in Germany. The GEA agreement ("Declaration on Principles of Social Responsibility") was signed in 2003 by management, the Chair of the EWC and the President of the former IMF, and it

was renewed in 2007. The agreement was used in 2011 and 2012 to try to resolve a dispute at the GEA ATR facility in Gebze, Turkey, where management had illegally locked out union members and dismissed workers because of their union activities, and to support an organising drive at the GEA operations in Wisconsin, USA. Unfortunately, the organizing campaign had to be shelved. The union could not get enough signed pledge cards because of management pressure on workers. Experience with the GFA's implementation at the GEA plant in Gebze was not positive either, despite mobilization and various actions at the global level and in Germany. The plant was eventually shut down and part of the production transferred to another location in the country. Given the company's anti-union behavior in the USA and their lack of commitment to find a just resolution in Turkey, the question of our relationship with GEA should possibly be reconsidered.

<u>PRYM</u>: The company employs 3,800 workers, headquartered in Germany. The agreement ("Declaration on Social Rights and Industrial Relations") was signed in 2004 by management and the President of the former IMF. Among other things, Prym is a supplier of fastening systems and accessories to the garment and textile industries. IndustriALL has not initiated any steps towards implementation, nor is it aware of any such steps taken by unions at the global level.

#### **Union Networks and World Committees**

SKF World Union Committee: in 1995 the former IMF and SKF management reached an agreement on the establishment of an SKF World Union Council. This was the first company to enter into negotiations for an international body of employee representatives with the former IMF and union members concerned. The Council meets once a year in various places and the costs for the meetings are borne by the company. The Council currently consists of union delegates from fifteen countries. IndustriALL Global Union is part of the Council. Observers from China and Ukraine have been invited to this year's annual meeting to be held in the United Kingdom. Topics on the agenda of past meetings have included e.g. the economic and financial crisis and measures that had been negotiated with the company at national and plant level to reduce the impact of the crisis on employment, and flexibility systems in force in various countries. Trade unions have identified outsourcing and precarious work as important issues to be addressed, with the need for more information sharing and better communication between the members of the committee. Efforts are being made to strengthen the links among workers between these annual meetings and take action to make the SKF network more active than it has been so far.

<u>Caterpillar Global Network:</u> the network was established in 2010 as an outcome of a meeting in France that gathered union delegates from various Caterpillar plants across the world. A drafting group composed of representatives from the various regions, which then became the Steering Group for the network, was given responsibility to develop a work plan for the network. The work plan was discussed and adopted at a meeting in the USA the following year. Two surveys were carried out as part of this plan - one of training and skills development and the other on occupational health and safety at

IndustriALL Conference on GFAs and Trade Union Networks, 17-18 October 2012

Caterpillar facilities worldwide. Both surveys revealed major differences between countries in these areas and a need for upward harmonization. The issue of the supply chain at Caterpillar Inc. was also raised and has highlighted the importance of extending the network to workers employed by subcontractors as well as dealers and engineering service providers. In 2012 the network was expanded and strengthened further with the involvement of unions representing Caterpillar workers in India and those at Bucyrus International that Caterpillar acquired a year ago. The network was requested on several occasions to provide solidarity support to affiliates during collective bargaining and it has achieved some encouraging results. As an example, the support extended to the AMWU's members during the dispute at the Caterpillar mining machinery plant in Australia has helped to maintain workers' solidarity in the face of the company's attempts to break the union, and to reach a positive outcome in the struggle. In line with the Action Plan of IndustriALL Global Union, initiatives have been taken to engage Caterpillar global management in a constructive dialogue on issues of mutual concern and obtain formal recognition of the network.

#### **Chemical Industry**

#### **Global Framework Agreements**

There have been significant developments and activities in two multinational companies, namely Rhodia (Solvay) and Umicore.

<u>Rhodia:</u> The company is a French-based company which is a world leader in the development and production of specialty chemicals, is now part of Belgian-based Solvay. The GFA with Rhodia was originally signed in 2005, and renewed in 2008 and 2011. The agreement contains adherence to ILO Core Labour Conventions 87 and 98 regarding freedom of association, and the right of representation and collective bargaining. Under the section entitled Labour-Management Dialogue, a clause has been agreed by saying "Rhodia respects the right of employees to be collectively organized and shall remain strictly neutral concerning their choices in this matter." Further to that section, "Rhodia pledges to not practice any discrimination due to unionization either when hiring or when managing employees' careers."

Along with renewal, a series of joint activities for implementation of the GFA were also put into practice. ICEM and Rhodia representatives journeyed to China in 2007, Brazil in 2008, USA in 2009, South Korea in 2010, and China in 2011.

In addition to joint missions, a joint Global Safety Forum was created in order to bring higher health and safety standards into the company's operations worldwide. Having agreed to an addendum to clarify terms and conditions of the global forum, ICEM and Rhodia signed and officially established the body, which consists of nine members, three appointed from Rhodia Group's general management, two from the ICEM Secretariat, and one Rhodia employee each from the company's four operational zones (Asia, Europe, Latin America, and North America), to be selected by the ICEM. <u>Umicore:</u> The company is a Belgian-based materials technology group. Its activities are centered on four business areas: Advanced Materials, Precious Metals Products and Catalysts, Precious Metals Services and Zinc Specialties. The agreement was first signed in 2007, and renewed in 2011.

The agreement contains 6 articles: Human Rights, Working Conditions, Environment, Implementation of Agreement, Monitoring, and Validity of Agreement. Under Human Rights, Umicore pledges to adhere to the UN Declaration of Human Rights, as well as adherence to ILO core labour standards. The latter specifically includes ILO Conventions 87 and 98 on freedom of association and collective bargaining, and other Conventions regarding child labour, forced labour, and non-discrimination and equal opportunities practices.

In line with the relevant article of the agreement calling for the parties to have an annual mission to a Umicore worksite to monitor compliance, joint visits in China in 2009, Brazil in 2010, South Africa in 2011 and US in 2012 were made. Along with joint missions yearly monitoring committee meetings have also been held which heard and discussed presentations on the annual sustainable development reports and external verification report, among others.

Evonik (ex-RAG): The ICEM and its German affiliate IG BCE signed a global framework agreement with RAG, predecessor Company of Evonik in 2003. Following significant changes in the company's name and businesses, ICEM sent a proposal to the company to renew the global framework agreement in vigor by enriching content of the text. Evonik has a substantial business in the chemical industry particularly since taking over ex-Degussa plants. A joint mission in Turkey in 2010 was conducted to discuss union organizing matters at the company's operations.

# Trade Union Networks:

# Regional Sector Networks:

*i) Middle East and North African Chemical Unions' Network:* In September 2009 in Beirut, Lebanon, the ICEM continued to carry out reinvigorated activities in its Middle East/North Africa Region (MENA) by organizing a workshop for chemicals and petrochemical unions of the region entitled "Seminar on Reinforcing Trade Union Representation, Industrial Relations, and Social Dialogue in the Petrochemical Industry in MENA."

*ii) Asia/Pacific Pharmaceutical Unions' Network:* The ICEM organized a workshop for the pharmaceutical industry in the Indonesian capital Jakarta on 28-29 September 2010, attended by around 30 trade union representatives from Indonesia, South Korea, Japan, Vietnam, Pakistan, Singapore, Nepal and Thailand. The workshop was participated in by a number of union representatives from very well-known pharmaceutical multinational companies, such as Sanofi Aventis, Merck, GlaxoSmithKline, Bayer Schering, Takeda, Meiji, Tanabe, Hisamitsu, and Kawasumi.

#### Global Company Union Networks:

*i) Akzo Nobel Global Union Network:* Around 20 trade union leaders from the Netherlands, Germany, Belgium, Indonesia, Turkey, and Brazil decided to form a global network among the unions organizing the Dutch-based chemicals company Akzo Nobel through a meeting which was held on 31 May - 1 June 2010 in Amsterdam, upon invitation of ICEM's Dutch affiliate FNV-Bondgenoten.

*ii) Unilever Global Union Alliance:* Since 1973 the international union movement with support of Dutch trade unions has made several attempts to achieve international recognition from Unilever. All these attempts failed due to effective company tactics to prevent local unions from international activity. ICEM and its sister International IUF globalized support to local resistance at Unilever.

<u>Regional Company Networks:</u> A number of regional company networks developed such as BASF Latin America Network, BASF Asia Pacific Network, Akzo Nobel Latin America Network, Solvay Latin America Network, Bayer Latin America Network, and Linde Asia Pacific Network.

#### Base metals

The section has a number of well- developed networks that operate with different action plans and structures.

<u>ArcelorMittal:</u> The main tool in ArcelorMittal is the Joint Global Health and Safety Committee. The committee meets 4 times a year and you can find out news about the visits and activities on the IndustriALL website also a full review of all the JGHSC work.

<u>Alcoa:</u> The Alcoa network meets once a year prior to the company's annual shareholders meeting. This system was developed as a way to get management to recognize the union network and now the CEO meets with the participants before they attend the shareholders meeting. A report of the last meeting can be found on the IndustriALL website.

<u>Gerdau:</u> The network has developed its own action plan and has a regular flow of information in 3 languages amongst participants. The USW play a central role in the coordination of the network.

<u>Tenaris:</u> Similar to Gerdau this network meets and communicates on a regular quarterly basis (more if needed). It is also facilitated by the USW and has had success in supporting solidarity actions plus organizing in Colombia. The network continues to campaign for recognition from management.

<u>Tata Steel Group:</u> This is a recently developed network and its primary focus is on supporting organizing drives throughout the company. The network has developed an action plan and more information can be found on the IndustriALL website.

#### Aerospace

This sector has developed a unique approach of using large airshows to engage with Industry leaders. It has 2 IFA/GFA agreements the most recently signed with SAAB. This agreement was only recently signed and implementation is still being developed.

We also have an agreement with EADS, which should be developed further to support organizing activities especially in North America. Initial attempts to use the agreement to organize in North America have been problematic and centered around different interpretations of the language on freedom of association.

<u>Rolls Royce:</u> We did have an agreement for a world company council (WCC) but the company since decided to withdraw. The unions on the Council have been developing a response to management that could include considering other tools such as an IFA/GFA.

#### Pulp and Paper

IndustriALL Global Union has two Global Framework Agreements in the Pulp and Paper Sector: SCA and Norske Skog. Our goal was and still is to gain more such agreements with pulp and paper companies.

Notable progress has been made with each over the past few review meetings, including specific topics regarding outsourcing and HIV/AIDS inside the SCA agreement. At a review in March of 2009, ICEM, host union Swedish Pappers and SCA agreed to insert the anti-discrimination language of the ILO Code of Practice on HIV/AIDS and the world of work in the agreement and also agreed to strengthen language on outsourcing.

The review in 2009 also saw ICEM and Pappers address a joint venture SCA has with "Productos Familia" in Colombia. Specifically, the trade union partners expressed concern these towel and tissue operations are staffed by workers on short-term and constantly renewable one-year contracts. SCA has been unable to get its managing partner to open the plants for investigation.

In March of 2011 the three parties conducted another review of the agreement. The Union side put forward some 8 concerns, including a joint venture that SCA has in tissue and packaging operations in Turkey. As well, the union partners called into question the issue of unionization in existing SCA and newly built towel and tissue plants in Mexico. The investigation showed that most of the five SCA operations there were under protection contracts or agreements between an outside individual and plant management in which workers had no right to speak, no democratic control of their union, and no role in the terms and conditions of their work.

The agreement signed by the ICEM, Norwegian affiliate Fellesforbundet and Norske Skog contains some of the best language in any Global Framework Agreement regarding non-permanent work, stating that all jobs will be "based on permanent employment" and "temporary and part-time employees should as a main rule receive the same relative terms and conditions as full-time permanent workers".

Considerable efforts have been made to get other pulp, paper and packaging companies to start a process toward global agreements including UPM, Stora Enso, Huhtamaki, and Asia Pulp and Paper (APP).

#### **Rubber Industry**

#### **Global Framework Agreements**

There is only one global framework agreement in the rubber industry, with Germanbased group Freudenberg. This GFA was improved by including a special clause to the agreement about neutrality on union organising. The new clause states: "The Freudenberg Group respects the right of its employees to freely decide whether or not to establish or to associate with any legitimate trade union of their choice. The Freudenberg Group shall remain strictly neutral concerning its employees' choice in the matter."

The agreement also contains a provision, stating, "ICEM and IG BCE agree to use their best efforts to promote constructive approaches in local organizing drives in the spirit of social dialogue and to achieve positive Labour relations as expressed in this Agreement".

To establish the mutual trust and constructive approach in labour relations, the ICEM helped to arrange a meeting in Pittsburgh, Pennsylvania, USA on 1 October 2008 that brought managers of Freudenberg together with some of ICEM's North American affiliates, including the United Steelworkers (USW), United Electrical, Radio and Machine Workers of America (UE), and the Communications, Energy, Paperworkers (CEP) Union of Canada. At the end it was agreed that a model case would be implemented and executed regarding social dialogue procedures based on neutrality.

#### **Union Networks**

#### Global Company Networks:

<u>Bridgestone Global Union Network:</u> Affiliated trade unions from Brazil, Japan, South Africa, Spain and the US are represented on the steering committee, and Gomu Rengo, the Japanese Rubber Workers' Union Confederation, chairs the network. The agenda of the network is composed of main developments and challenges in the global rubber industry, Bridgestone's economic situation, Labour relations and particularly health and safety issues. The network also deals with on-going trade union struggles and collective bargaining rallies in different countries.

<u>Goodyear Global Union Network:</u> The Network produced a statement which included a call for management to begin discussions on a global agreement, starting with talks on occupational health, safety, and environmental issues. The Steering Committee of the network is composed of representatives from USW, as chairs, and FUB of Brazil, Gomu Rengo of Japan, IG BCE of Germany and NUMSA of South Africa.

#### Regional Company Networks:

<u>Freudenberg Brazilian/Latin American Regional Network:</u> A country-wide network of Freudenberg workers was launched in the rubber, chemicals, metals, and textile sectors. The network is attended by six unions through the Rubber Workers Union of Brazil, (FUB) as well as IG BCE from Germany and Freudenberg European Works Council.

<u>Pirelli Latin American Regional Network:</u> Latin America is the second largest production and marketing area for Italian-based Pirelli with production units in Brazil, Argentina, and Venezuela. The region's rubber workers' unions decided to get together to form a network of workers. The network includes these trade unions: Rubber Workers` Union (FUB) of Brazil, Tire Workers Union of Argentina (SUTNA), Bahia Rubber Workers Union of Brazil, and the São Paulo Rubber Workers' Union of Brazil.

<u>Goodyear Asia/Pacific Regional Network:</u> The regional network met four times in Indonesia, Philippines, Singapore and Malaysia with union representatives from Japan, Indonesia, Malaysia, India and Thailand. The regional network decided, through an action plan, to escalate targeting of joint organising efforts, to focus on training and education programmes, as well as to engage in regular and detailed information exchange through electronic means.

<u>Regional Sectoral Networks:</u> This includes FUTINAL, Latin American Rubber Unions' Network; Asia-Pacific Rubber Workers' Unions Regional Network and Central European Rubber Unions' Regional Network.

<u>National Sectoral Networks</u>: Special rubber industry national networks have been established in India and Thailand.

#### **Materials Industries**

#### **Global Framework Agreements**

Lafarge: The agreement stipulates compliance of fundamental principles of ILO (Convention 87, 98 and 135), UN Global Compact and OECD Guidelines for MNCs. It covers provisions on discrimination, forced labor, child labour, health and safety, living wages, employment conditions, working hours and skills training, with reference to the core labor conventions of the ILO. A Reference Group meeting composed of management and GUFs is to hold an annual meeting to follow up and review implementation of the agreement. French Unions are invited to be signatories for the newly-revised agreement (negotiation in progress).

The agreement was put to the test by union-busting by local management of Lafarge North America during a union election and collective bargaining process. The deauthorization campaign by Lafarge NA was a clear violation of the international principle of freedom of association. After a two year long dispute and negotiation, the CEO of Lafarge agreed to settle with the following statement: *'Lafarge will respect the right of*  our employees to decide whether or not to establish or to associate with any legitimate trade union of their choice. During any organization drive, Lafarge will refrain from any communication with employees to influence their decision on trade union representation and will ensure all communications with its employees are factual and non-hostile toward the trade union seeking organization. Upon certification, Lafarge will engage in good faith bargaining, aim to achieve a collective agreement in a timely manner, and strive to produce a positive and constructive relationship with trade union(s). Lafarge will remain strictly neutral concerning employees preference to remain with, transfer, or abandon their relationship with a legitimate trade union(s).

Major improvements through a revised Lafarge agreement are demanded and now being negotiated on the provisions of freedom of association, precarious employment and disputes settlement. A joint proposal has been made by IndustriALL and sister international BWI.

<u>Holcim (in progress)</u>: Currently, a discussion on the formation of a Global Joint Forum on OSH is under way, a Joint Labour Management Forum on global and regional level with regular meetings. The Complaint to OECD Swiss NCP on recognition of short-term contract workers' union was submitted by PCSS India and IndustriALL in January, 2012. Initial Assessment was accepted by the NCP and the meeting of mediation as a second procedure is to be held in November, 2012. The final step will be decision by the tripartite committee of NCP before January, 2013.

# **Trade Union Networks**

<u>Saint Gobain:</u> With support of FCE-CFDT and FES, a Central and Eastern Europe network meeting in Slovenia, and Asia Pacific Network Meeting in Korea were held in 2012. A network for Latin America is being initiated by affiliates in Brazil. This will complete formation of global networking- bottom up approach, along with on-going networks in the EU and North America. A Global Network Meeting will be organized in November 2013, in conjunction with the IndustriALL World Conference for Materials Industries in Bangkok, Thailand. A proposal on a GFA is to be submitted to the management representative present at the meeting.

<u>AGC (Asahi Glass)</u>: EU Network (Glaverbel) has been operated by FGTB. With support of JAF and Asahi Glass Union, an Asia regional network was set up in 2011.

<u>Owens Illinoi:</u> Steelworkers of USA took the initiative in building a global network. Conference calls are organized for information sharing and solidarity actions. In Colombia, SINTRAVIDRICOL faces job losses with outsourcing and hiring of short term contract workers.

<u>NSG (ex-Pilkington)</u>: EU Network has been operated by GMB, UK. With support of JAF and NSG Glass Union, Asia regional network was set up in 2011.

#### **ICT, Electrical and Electronics**

#### **Global Framework Agreements**

<u>Aker:</u> The agreement reflects the company's "commitment to respect basic human and trade union rights in the community, acknowledging the fundamental principals of human rights as defined in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work and the OECD guidelines on Multinational Companies."

The agreement covers provisions on freedom of association and collective bargaining rights, discrimination, forced labour, child labour, health and safety, living wages, employment conditions, working hours, HIV/AIDS, environmental issues and skills training, referencing the standards as established by the core labour conventions of the International Labour Organization (ILO). The agreement relates to all parts of Aker and states that the company will use its influence to secure compliance with the standards set out in the agreement with its subsidiaries and third party business associates, with non-compliance ultimately resulting in potential termination of a contractual relationship.

The signatories to the agreement hold an annual meeting in order to review the principles, practice, effectiveness and impact of the agreement.

<u>Norsk Hydro:</u> The agreement covers provisions of freedom of association and collective bargaining rights, discrimination, forced labour, child labour, health and safety, wages, working conditions, employment conditions, skills training, HIV/AIDS, and environmental conditions, referencing the standards established by the core labour conventions of the International Labour Organization (ILO). In addition to the agreement, the parties agreed to establish a working group on the U.S. legislation and U.S. practices related to freedom of association and collective bargaining rights.

The parties agree to meet annually at a mutually convenient time and location, to review the principles, practice, effectiveness, and impact of the agreement. (Recently took place in August 2012)

<u>Electrolux</u>: Linked to the Electrolux Code of Conduct, the GFA references all of the ILO core labour standards including Convention 87 on freedom of association and Convention 98 on the right to bargain collectively. Implementation of, and compliance with, the GFA will be discussed once a year with the employee representatives of the Electrolux Board of Directors in Sweden. In addition, representatives of Swedish confederations LO and PTK will participate in the committee monitoring compliance with the GFA and the company's code of conduct.

In addition to the GFA, the parties made a separate agreement which commits the company to not organize or finance company or 'yellow' unions, to not implement or support any union busting activities and to not adopt any initiatives capable of discouraging workers from forming authentic unions.

Implementation and compliance will be reported on and discussed once per year with the employee representatives (KFD) of the AB Electrolux Board of Directors. One representative each from LO and PTK will participate in the committee monitoring compliance of the IFA and the Electrolux Code of Conduct.

<u>Siemens:</u> In the agreement Siemens commits itself to fundamental workers' rights such as equal opportunity and freedom of association and collective bargaining.

The Agreement refers to the fundamental workers' rights contained in the relevant international conventions, the core labour standards of the International Labour Organization (ILO) and the UN initiative of the Global Compact. These include, for example, the abolition of forced labour, a ban on discrimination and the principle of equal treatment, prohibition of child labour, the establishment of a minimum employment age, and freedom of association and collective bargaining.

The "Verhandlungsdelegation" (Central Works Council negotiating team) has the task of supporting the worldwide implementation of the agreement and advising on suitable measures. The "Verhandlungsdelegation" meets with employees or employee representatives, after agreement with the company, once a year on an alternating rolling basis in the Metaclusters.

# Trade Union Networks and others

<u>Philips:</u> In November 2011, representatives (France, Belgium, Netherlands, Brazil, Philippines, Germany, Romania and Singapore) from unions present in Philips and supplier companies met together to discuss how to strengthen cooperation between themselves and to build a global trade union network. The meeting focused on concrete actions that could be taken by unions to ensure a continuing and sustainable exchange of information between the different trade unions on issues of concern to Philips workers. The meeting determined a number of initial objectives for the development of the network which start with establishing contacts with all unions present in Philips and starting an exchange of information. The network is in the process of further development based on the outcomes of the meeting.

<u>Siemens:</u> The International Meeting of the Siemens Employees' Representatives took place in April 2012 and worker representatives from Siemens' operations in Europe,

North America, Brazil, Argentina, India and Indonesia exchanged information and discussed the negotiation of the IFA and the stepping up of efforts to intensify the cooperation between plant / company-based workers' representatives and existing unions in different regions and countries and the installation of a functioning information network. The union in home country of Siemens, IG Metall has appointed a specialist to support the implementation of the GFA, developing contacts with worker representatives globally, and the establishment of the network for the next year.

IBM (joint alliance with IndustriALL Europe and UNI): Unions in IBM that are affiliates of IndustriALL, IndustriAll European Union and UNI agreed to create a Global Union Alliance in IBM on 6 May 2011. The alliance aims to work together at the global level to strengthen cooperation and implement joint action, with a view to engaging IBM in dialogue at the global level and increasing union membership at IBM. The first joint action was taken in June 2011, in conjunction with the 100th anniversary of IBM, to promote the important role of unions in looking after worker interests in the company and demand respect for IBM employees, including respect for their union rights. Further joint activities and development of the alliance will be discussed.

# Energy (oil, gas, electricity and nuclear)

# **Global Framework Agreements**

<u>Electricite de France (EdF)</u>: The agreement affirms a commitment to uphold all Fundamental ILO Core Conventions on Trade Union and workers' rights, UN Declarations on Human Rights, and the ten principles of the UN's Global Compact.

A review of the Global Agreement's universal implementation will occur each year, and a Consultative Committee on EDF Group Corporate Social Responsibility (CCSR) that includes representatives from each signatory trade union and international union organization has been created to conduct the annual reviews.

<u>Endesa</u>: Spanish-based power multinational Endesa meets unions from its operations worldwide in a regular global council, as stipulated in the Global Framework Agreement with IndustriALL.

Union rights, health and safety, vocational training, labour relations, company prospects and employment trends are the main topics for consideration by the new council.

<u>ENI:</u> The agreement arose from a Protocol on Industrial Relations entered into between ENI management and Italian trade unions FILCEA, FEMCA and UILCEM in June 2001. This protocol established procedures for dialogue on the socio-economic impact of the

company's activities across the globe and respect for human and trade union rights as contained in the ILO Core Conventions.

ENI is a privatized company in which the Italian government has retained 30 per cent equity. It has operations in oil and gas exploration, production, refining, marketing, engineering and oil field services, electricity generation, and in the petrochemicals industries.

<u>GDF SUEZ</u>: the world's second largest gas, water services, and electric utility, IndustriALL, BWI, and PSI are committed to the "Global Agreement on Fundamental Rights, Social Dialogue, and Sustainable Development". The agreement contains best practice language on trade union rights.

The Global Framework Agreement also commits the parties to "positive and constructive industrial relations inside all GDF SUEZ companies," as well as promoting such practices with business partners. It sets forth a framework regarding employee training, health and safety, and stable and sustainable employment, including priority on direct employment and adherence of company subcontractors to pay social security and pension contributions for their workers.

It also pledges environmental stewardship that enjoins labour and management to combat climate change, protect workers' rights and interests in accord with the principles of Just Transition, and supports efforts to control the impact on the environment of the company's resources and activities.

<u>Lukoil:</u> The most recently renewed of all IndustriALL's GFAs, on 4 October, the Lukoil agreement was first signed in 2004. The agreement commits the Russian-based oil and gas company to guarantees for working women, expectant mothers, nursing mothers and women with large families under ILO Convention 156.

The GFA establishes an international trade union network for Lukoil. The representatives of every trade union have the right to meet annually, with the company covering the cost of interpretation, travel, administration and training in human resources.

<u>Petrobras:</u> One of IndustriALL's youngest GFAs, the agreement with the world's third largest energy company, embodies many of the social principles that we expect companies in extractive industries to adhere to.

The agreement was made possible through the support of Brazilian trade union affiliate, the Oil and Gas Workers' Unified Federation (FUP).

The agreement commits Petrobras to recognizing the right of freedom of association and to bargain collectively for all employees, as well as establishing formal dialogue channels between staff and management. It also promotes working conditions that are favorable to a balance between work, personal, and family life.

<u>Statoil:</u> Founder organization, the ICEM's first GFA, signed in July 1998 in coordination with Norsk Olje og Petrokjemisk Fagforbund (NOPEF), the Norwegian trade union.

It covers all trade union rights, health, safety and environmental commitments, and provides for internal training programs for such. The agreement was renewed and improved upon in March 2001, and further updated and strengthened in August 2003 and June 2005.

# Trade Union Networks

The 2010 World Conference for the Energy Industries Action Plan stated: "An increased focus on industrial networks at a regional and sub-regional level including Energy Industry-wide forums as well as individual oil, gas electric power and nuclear networks as deemed necessary and useful. Such work must be expanded in both Africa and Latin America."

<u>Repsol:</u> Set up in 2005, the Repsol Network brings together unions organising workers within the Spanish energy multinational Repsol from Latin America, the Caribbean and Spain.

The International Nuclear Workers' Union Network, (<u>INWUN</u>) meets annually. INWUN covers all nuclear workers and not just those involved in electric power generation, but also unionised workers producing medical or industrial isotopes, and workers involved in the reprocessing and enrichment of uranium and uranium mining.

Others include:

- Asia-Pacific Electric Power Industry Network
- Asia-Pacific Region Oil and Gas Industry Network
- Caspian Sea Oil & Gas Workers' Network
- South-East European Regional Energy Trade Unions Network

# Automotive

The automotive sector, jointly with affiliates, focuses on building global networks of workers and unions and aims at engaging automotive companies and their suppliers to protect the interests of workers in the sector.

# **Global Framework Agreements**

<u>BMW:</u> Signed in 2005, the agreement commits BMW to comply with all the International Labour Organisation core labour conventions along with provisions on remuneration, working time and occupational health and safety.

The agreement also states that the BMW Group expects its business partners and suppliers to adopt these principles as a criterion for lasting business relationships.

<u>Daimler:</u> In September 2002, a "Social Responsibility Principles of Daimler" was signed by Daimler and the Daimler World Employee Committee, on behalf of the IMF.

In the agreement, Daimler acknowledges its social responsibility and supports the principles on human and workers' rights and the environment which form the basis for the United Nations' Global Compact initiative.

The framework agreement also states that Daimler supports and encourages its suppliers to introduce and implement "equivalent principles" in their own companies and expects its suppliers to incorporate these principles as "a basis for relations with Daimler."

Ford: A recent GFA, the agreement with Ford was signed in Detroit (USA) on 25 April.

The agreement deals with a number of subjects including freedom of association and collective bargaining, harassment and unfair discrimination, forced and child labour, working conditions and wages, occupational health and safety, education, training and development, sustainability and protection of the environment. In addition the company committed to creating the Ford Global Information Sharing Forum where both parties will consider issues and look for mutual solutions at their annual meetings.

<u>PSA Peugeot Citroën:</u> The GFA with PSA Peugeot Citroën was signed in 2006 and renewed in 2010. The new agreement strengthens the company's commitments to the international core labour standards and stresses the extension of the Group's requirements to its business partners. In addition it incorporates new commitments to environmental protection and sustainable development.

The renewed agreement commits the company to strengthening the provisions on occupational health and safety; the application of the principle of equal pay for work of equal value, regardless of the contractual arrangement under which workers are employed; the promotion of environmental protection and commitments to reduce greenhouse gas emissions; the involvement of trade unions in the audits carried out as part of the monitoring process; and the setting up of a World Works Council to follow up the agreement implementation.

<u>Renault:</u> The GFA covering 128,000 Renault employees was signed on October 12, 2004. Among other items, the GFA stipulates that ILO Conventions No. 87 (Freedom of Association) and No. 98 (Right to Collective Bargaining) will be respected. Moreover, the company supports and encourages its contractors to take this declaration into account in their own respective corporate policies. Renault "views this as an advantageous basis for mutual relationships".

<u>Volkswagen:</u> The GFA deals with the freedom of association, collective bargaining, prohibition of child work and forced labour and non-discrimination, as well as remuneration, health and safety and working time.

Company management reports to the Global Works Council and its Steering Committee, and in cases of reported violations, one of the two will become active and discuss ways to solve the problems. The IndustriALL's coordinator for the VW Global Works' Council is involved in this discussion and will bring in the position of the IndustriALL and its affiliated unions.

# **Cross-Sectoral Issues**

# Health, Safety and Sustainability

IndustriALL Global Union now has forty Global Framework Agreements with multinational companies; plus one global agreement dealing exclusively with health and safety (ArcelorMittal). The following is a survey of the content of these agreements, in the areas of health, safety and environment/sustainability, broadly defined. Some indicative excerpts in these subject areas (not an exhaustive list) from each agreement are listed below.

In general, the provisions relating to health and safety, environmental issues and sustainability are weak, inconsistent, and lacking in precision. References to specific ILO Conventions can be limiting as they imply an exclusion of non-listed ILO Instruments. An approach that may work is to simply refer to "the labour standards of the International Labour Organization (ILO)."

The wording in Global Framework Agreements is important. Some wording appears that can be used to justify corporate behaviour that we do not agree with. Even when this wording appears in an agreement with a company that we generally have good relations with, we should be cautious. Changes in the management team or a shift in the balance of power of ownership can radically change corporate behaviour, and ambiguous text may allow them to do so while still claiming to respect the GFA.

# 1.1. Health and Safety Provisions

We live in an era where there are many initiatives justified as health and safety measures that unions have never, and will never, agree with. These include: behaviourbased safety programmes; post-incident drug testing and/or fitness for work evaluation; random testing for substance abuse without probable cause and with the potential for job loss to result from a false-positive; and various permutations of victim blaming, compensation claim denial, suppression of the reporting of accidents as a form of "loss control". It is therefore crucially important that safety be understood as the interaction of systems designed to control hazards and minimize risks. Workers' rights (to refuse/shut down unsafe work; to know about workplace hazards, and to participate in the design and implementation of health and safety policies, programmes, and procedures) are crucial to building a credible internal responsibility system, with effective Joint Health and Safety Committees (JHSCs) the centrepiece of the system. Global Framework Agreements that effectively commit IndustriALL or its affiliates to support employer initiatives, without a commitment that those initiatives should be mutually acceptable and agreed upon, are not only ineffective in raising global health and safety standards but can even be damaging to the rights and interests of our affiliates.

A continued emphasis on sudden, violent accidents over occupational diseases (even though diseases kill many more workers than accidents) and a reliance on flawed statistics such as lost time accidents (LTIs) as indicators. An aspiration to have zero LTIs virtually guarantees the suppression of accident reporting.

The agreements commit both parties to work together to implement the objectives. However, there is no comparable commitment that the details of that implementation will be mutually acceptable or agreed upon. This allows some companies to unilaterally define their health and safety program to include e.g. behavioural safety or post-incident drug testing, individual safety rewards and/or penalties. The present wording of some of our GFAs would then almost imply that we had agreed to support such programmes. Continuous improvement is frequently mentioned, but continuous improvement is not always applicable to health and safety policies, programmes, or procedures. Similarly, we should demand that IndustriALL have a say in determining what the most important occupational health and safety indicators might be.

Commitments to comply with national laws should be unnecessary in a GFA. Surely we would not even consider signing a GFA with a company that would flout the law?

Workers' rights in occupational health and safety, and a strong commitment to Joint Health and Safety Committees, are rarely mentioned.

1.2. Sustainability, Sustainable Development, and/or Environmental Provisions

It is also the case that some companies, while eager to be seen as giving lip service to the concept of sustainable development, are eager to find a narrow definition of sustainability. Sustainability is not minimal compliance with national environmental laws, nor is it simply trying to minimize environmental impact while maximizing profit. Sustainability must be understood in its broadest sense. Several of the agreements contain little or no acknowledgement of sustainable development or even the environmental dimension of sustainability, other than perhaps to use the words once or twice, usually in the preamble.

Where the word sustainability/sustainable is used, it is sometimes qualified with words like environmental, growth, performance, economic competitiveness, etc. A full understanding of the broad and radical definition of sustainability seems to be lacking.

IndustriALL should discourage references to voluntary industry initiatives, or corporate codes of conduct, from being referenced in our GFAs. We cannot control the content and they are subject to change by mutual agreement among groups of employers. Note that it is a different situation if the text of the initiative or code is incorporated into the body of the GFA since then changes would be subject to negotiation.

Where we have signed a commitment to work with employers on the goal of sustainability or sustainable development, it must also be with the understanding that our core values must be respected in the definition of what sustainability means to that company's operations, particularly in the social dimension.

1.3. Model GFA Language - Historical

The former ICEM had model language for Global Framework Agreements (see appendix 1, page 14), although significant deviations from the model were the rule rather than the exception. Even so, the model language on health, safety, environment and sustainability issues was weak and ambiguous.

#### **Gender Issues**

In general it is safe to say that the gender dimension has room for improvement in the GFA's. Most of them limit themselves to reciting ILO Conventions 100 and/or 111. The ones who make reference to those conventions are: Aker, AngloGold Ashanti, BMW, Bosch, Brunel, Daimler, EADS, EdF, Electrolux, Eni, Evonik, Ford, Freudenberg, GdF Suez, GEA, Indesit, Lafarge, Leoni, Lukoil, MAN, Mizuno, Norsk Hydro, Norsk Skog, Petrobras, Prym, PSA Peugeot Citroen, Renault, Rheinmetall, Rhodia, Röchling, SAAB, SCA, Siemens, SKF, Statoil, Umicore, Vallourec, and Volkswagen.

This often includes a specific commitment to equal opportunities and the pledge to diversity and the rejection of discrimination. EdF even subscribes specifically to the Declaration on the Elimination of all Forms of Discrimination against Women. Equal opportunities must always be seen in the context of recruitment, hiring, training and promotion. Most agreements do not reflect all of these aspects.

Affirmative action is specified by Eni and Umicore.

The next most often cited element that is relevant to gender is pay. Agreements that make reference to pay or equal remuneration, sometimes between men and women but not always, are: BMW, Bosch, Brunel, Daimler, EADS, EdF, Ford, Lafarge, Leoni, Lukoil, MAN, Norsk Hydro, Prym, PSA Peugeot Citroen, Renault, Rhodia, Siemens, Statoil.

This often includes the concept of equal pay for work of equal value. One interesting detail is a reference to 'objective appraisal of jobs and the work to be performed' (EADS).

Those agreements which indicate a commitment to work-life balance are: Aker, Lukoil, Petrobras, Rhodia, and SAAB. Lukoil 'respects family values and will practically implement provisions of ILO Convention 156, paying special attention to defending rights of working women, expectant mothers, nursing mothers and women with large families.' Rhodia refers to family responsibilities for both genders and equal opportunities for pregnant and nursing women. Rhodia's benefits include additional maternity and retirement benefits; maternity is also a concern for EdF.

SAAB, Siemens and Umicore forbid expressly harassment, including sexual harassment.

One recommendation on a text for a future agreement could be the diversity policy that St Gobain recently published:

*More women.* Within the framework of the 3rd commitment taken by the group, increasing and valuing the presence of women, the agreement defines a common series of measures to develop the presence and facilitate the path of women throughout their professional career. These measures include developing the group's attractiveness in activities where women are underrepresented, and dedicating time to the measures to take to reduce the gender pay gap as part of the mandatory annual negotiation. Businesses observing a severe unbalance in the gender division of executive positions will have to take action to encourage women to apply and, if necessary, get or develop their skills.

Besides, the agreement lays down a reference framework to take account of the situation of employees on maternity or parenthood leave. The framework provides for a "preliminary information interview" before maternity or parenthood leave to assess the modalities for departure and adjustments that may be necessary afterwards (training, work organization, professional path...) as well as a "coming back interview" focusing on needs in terms of updating, adjusting or upgrading skills. Saying that "beyond special measures, the work organizations within the Group's undertakings must, insofar as is possible, be compatible with parental responsibilities," the Group's businesses are encouraged to "study, having regard to their activity, trade and organizations, the possibilities and conditions to develop voluntary telework."

#### **Precarious work**

Precarious work is increasing across all industrial sectors, including within MNCs and their supply chains. GFAs provide an opportunity to set agreed limits on precarious employment through global level negotiations with companies around what is a necessary level of temporary employment for the particular demands faced.

Increases in precarious work at workplace level are eroding bargaining strength by taking more and more workers out of the bargaining unit. In many workplaces of multinational companies, and even more of their suppliers, there is no union presence. In this context, language reflecting the commitment of an MNC to reduce precarious employment throughout its global operations and those of its suppliers can be very useful. It can be used to address situations where temporary, agency, outsourced or other forms of precarious employment have replaced permanent employment and support reinstatement of permanent, direct employment and (re)establish unionization.

Together with PSI and BWI, IndustriALL is party to a GFA with GDF Suez which states that the company 'recognizes the importance of secure employment for both the individual and for society through a preference for permanent, open-ended and direct employment. GDF SUEZ and all sub-contractors shall take full responsibility for all work being performed under the appropriate legal framework and, in particular, shall not seek to avoid obligations of the employer to dependent workers by disguising what would otherwise be an employment relationship or through the excessive use of temporary or agency labour.' While much remains to be done to implement it, this clause holds great potential for limiting precarious work and can serve as a model for other agreements. Certainly there is more scope for exploring how GFAs can be effectively used to regulate the use of precarious work in multinational companies and their supply chains.