

# SOLiD

SOUTH MED SOCIAL DIALOGUE

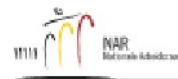
## Transnational Company Agreements A Quick Reference Guide for Unionists

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This project is co-funded by  
the European Union

A project  
implemented by



Transnational Company Agreements  
A Quick Reference Guide for Trade Unionists

February 2018

*This Guide was produced in the framework of the European Project SOLID - South Med Social Dialogue, co-funded by the European Commission (Project ENI/2015/372-042).*

*The "Local Dialogue Focal Groups in Morocco" were coordinated by ISCOS Istituto Sindacale per la Cooperazione allo Sviluppo and implemented in partnership with the CESE Economic, Social and Environmental Council of Morocco, with the participation of the unions of the UMT Moroccan Labor Union, CDT Democratic Confederation of Labor, UGTM General Union of Workers of Morocco.*

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## Preface

This small manual is to be considered a sort of Guidelines for the trade unionists who want to negotiate an Transnational Company Agreement (TCA) with a Multinational Company.

Starting from the Social Dialogue, meant as a process of consultation between the social partners in order to reach a common position on several topics regarding the socio-economic policies.

The positive outcome of this constructive dialogue is the signing of a Transnational Company Agreement where the social partners, including the Global Union Federations, have been able to reach a common position on certain matter(s).

Once you got such an Agreement, it has to be respected and properly implemented in order to be effective. For this purpose several actors have to play their own role. This Agreement will be valid worldwide, that is wherever the Multinational Company has its business units

Reading these pages you'll discover what a TCA is for and why sign it, both from a Multinational point of view and from a trade union one.

Very often you will find references to Europe/European Union because a huge number of Multinational Companies come from this Continent and they are engaged worldwide and the majority of such TCAs have been signed in Europe gathering a great experience during the years. We do think that this kind of agreements could be exported everywhere in the world.

In the next pages you can learn how to write down, step by step, a Transnational Company Agreement what are the fundamental topics to include and how to check its implementation once you signed it.

You'll also find some specificities belonging to the sectors that you have to bear in mind and to insert in the TCA. A list of the main Global Union Federations with the sectors they cover and their e-mail addresses is contained as well in this manual. It helps you to have a direct support in case you need it.

Some examples of TCAs (IFAs) are included in the last part of this manual.

You can use them (as a template) or adapt them according to your needs.

I can only wish you to sign fruitful agreements for the protection of workers all over the world.

Claudio Sottile

## Social Dialogue (SD)

### Worldwide:

Social Dialogue is a process where the actors negotiate in order to influence socio-economic policies (labor market, social protection,...).

It aims to foster the growth of employment and social well-being; concerning topics of social interest with a more favorable dynamic for reaching the agreements.

It may occur:

- between the social partners (workers' and employers' organizations) themselves (bipartite) or
- with an active involvement of Institutions (tripartite).

SD consists of relations between Labour and Management with or without a direct government involvement.

SD is a flexible instrument that allows workers' and employers' associations and governments to manage changes and reach social and economic targets.

So the aim of Social Dialogue is to find opportunities for workers to obtain decent work in conditions of freedom, human dignity, equality and security.

### In Europe:

- It is considered one of the pillars of the social model of the European Union.
- It is quite well structured in all the sectors, having several joint meetings every year.

Even if it might be tuned, it can be considered a good practice to export.

## INTRODUCTION

### What a Transnational Company Agreement is

A Transnational Company Agreement (TCA) is considered a new form of social dialogue in Multinational companies.

A TCA is signed on voluntary basis (there is no obligation from employers'/trade unions' side to sign it) that includes reciprocal commitments extended to all territories where the Multinational company operates and covers employment and working conditions and relations between employers and workers or their representatives (industrial relationships)

### Why a Transnational Company Agreement

A Transnational Company Agreement has to be meant as the tool to achieve a fair globalization with the aim to counteract the negative effects of the economic globalization in the aspect of worker protections and of the high competitiveness of companies.

Most of the Multinational Companies operating worldwide (mainly in Africa and Asia) have their Headquarters in Europe where they have some rules/laws to respect. These TCAs help Trade unions to have these rules respected even when the Multinationals operate outside the European perimeter. A Multinational must be socially responsible not only within Europe where they have precise rules but wherever they have their business.

### The Transnational Framework Agreements (TCAs) are divided into:

- European Framework Agreements (EFAs).
- International Framework Agreements (IFAs) or Global Framework Agreements (GFAs)

TCA  
Transnational Company Agreements



European Framework  
Agreements

FFA



International Framework  
Agreements/Global Framework  
Agreements

IFA/GFA

## European Framework Agreements (EFA)

EFA provides for voluntary, innovative and socially agreed solutions in Multinational companies mainly within European Union perimeter, having a regional scope of application and are signed by The European Trade Unions Federations (ETUFs) and/or National trade unions and representatives from the Central Management.

European Works Councils (EWCs) are often involved in the negotiations of such TCAs

EFA covers a variety of specific issues such as Health and Safety at work, Restructuring, Anticipation of changes, Training, Equality, Data protection.

EFAs are different from IFAs both in content and procedure also regarding signatories.



## European Works Councils (EWCs)

EWCs are transnational bodies providing for information and consultation of workers in Community-scale enterprises or groups of enterprises according to Directive 94/45/EC and its recast Directive 2009/38/EC on EWCs.

EWCs are highly significant bodies in terms of European industrial relations since they represent the first genuinely body for a social dialogue at European level and at company level.

The requirements for a Multinational Company to be obliged to establish an EWC are having at least 1,000 workers within the EU Member States and at least 150 workers in each of at least two Member States.

It is left to Member States to decide about the mechanism for determining the selection of workers' representatives, in accordance with the principle of subsidiarity. All countries where the Multinational operates are entitled to have at least a worker's representative.

Multinational Companies are obliged to inform and consult the EWC at least once a year or whenever it's needed.

EWCs are consultative bodies – they are not entitled to sign agreements – Even if there are some TCAs signed by EWCs alone (not all EWCs or not all its members are unionized) – For this reason, ETUFs don't recognize TCAs signed by EWCs alone.

## World Works Councils (WWC)

In some cases, instead of setting up an EWC, some Multinational Companies together with Trade Unions agreed to sign an agreement to set up a World Works Council (or Global Works Council or an International Work Council) with the aim to extend the information and consultation rights to workers employed in the extra EU countries where the Multinational Company is operating (many cases in the metalworker sector: Renault, Bosch, Electrolux, GdF Suez, Volkswagen).

On April 29, 2015 an amendment was signed in order to strengthen the participation of workers' representatives from outside Europe in the **Renault Group** Works Council and to establish a single status for all.

The Amendment was signed by union representatives from major Renault facilities in Europe, IndustriALL Global Union and Renault management. It is part of a process initiated several years ago to build social dialogue at global level and strengthen the role of workers' representation within the Group. The agreement sets out the various configurations for the Group Council meetings.

The **World Works Council** meets once a year for the purpose of interaction with top management on the situation and strategic issues of the Group as well as development prospects. It is composed of 40 titular members, 9 of whom are from outside the European Economic Area. In 2015, for the first time India was expected to have a seat on the Council while **Morocco**, where the company was operating in two plants with over 6,000 workers, was expected to have two representatives.

## PURPOSE OF THE IFA

IFA (also called **GFA**) has a global scope of application and is considered a global tool whose main purpose is to ensure that the Multinational Company respects the International Labour standards in all the countries where it has its operations.

The term International Framework Agreement is used in order to distinguish a “negotiated agreement” from the voluntary Codes of Conduct (Ethical Code) that Multinational Companies usually adopt unilaterally to demonstrate their commitment to Corporate Social Responsibility (CSR).

If Codes of Conduct are unilateral initiatives by the Multinationals alone, the negotiation of an IFA are to be meant like a shared CSR between the signatories (usually Central Management, International Trade Union and local Trade Unions of the country where the Multinational has its own Headquarters).

By the end of 2015, about 300 TCAs (IFAs and EFAs) had been signed. The majority of the agreements came into being after 2000. In most cases, the request to negotiate IFAs came from the home country trade unions where the Multinational Company has its Headquarters and also from EWCs (EFAs cases).

# IFA

## From a Multinational Company point of view an IFA...

represents a means to foster industrial peace through the dialogue with their workers and trade unions.

is a way to promote a positive public image in order to avoid potentially economically damaging public Campaigns, to have access to capital and product markets, and building up good relations with political and economic decision-makers

## ...and from a Trade Union point of view IFA is...

an opportunity to have a commitment from the Multinational Company to respect some standards on human and labor rights wherever it operates and having the aim to improve the conditions of workers and trade unions worldwide too.

→Monitoring its implementation is a crucial aspect. It avoids a risk of a dangerous complicity of the trade unions. It just refers to those unfair Multinational Companies that consider IFA as a flagship for their business.

### What an IFA must include .... and promote

Fundamental principles of Human Rights as defined in the “Universal Declaration of Human Rights” (1948)

The “ILO Declaration on Fundamental Principles and Rights at Work” (1998)

The “ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy” (2000)

The OECD Guidelines for Multinational Enterprises (2011).

### Multinational Company and trade unions must:

Recognize that the industrial sustainable development is in the interest of both the company and its workers;

Recognize the need for open democratic industrial relations and for fair collective bargaining procedures for union and company representatives;

Recognize that corruption, bribery and anti-competitive practices distort market rules and hamper economic, social and democratic development.

## All IFAs are based on ILO Core Labor Standards.

The majority of the IFAs refer to:

- **UN Conventions** No. 87 (the freedom of association) and
- No. 98 (the right to collective bargaining).

A great number of IFAs also refer to Convention No. 135 (non-discrimination of labor representatives).

Most of the IFAs recognise the following **ILO Conventions**

- No. 29 and No.105 (abolition of forced labour),
- No. 100 and No. 111 (prevention of discrimination in employment and equal pay for work of equal value),
- No. 138 and No. 182 (elimination of child labour).

## Other topics to include in an IFA

Various agreements go beyond the recognition of the ILO Core Labour Standards in ensuring also *decent wages* and *working conditions* as well as a *safe and healthy environment*. In some cases, IFAs are used as a tool to extend labour policies and cooperative industrial relations to the company's locations outside the home country.

It's crucial to include in the IFA a *monitoring mechanism* in order to verify the implementation of such an IFA. Experiences with the implementation of existing IFAs can vary considerably. In some cases, employees have been informed about the existence of an IFA, in others, more concrete steps have been taken to set up **international union networks** (*local trade unions where the Multinational Company operates with trade unions from the Multinational Company home country through the International Trade Union Federation*) that are an active role of monitoring by verifying and ensuring if an IFA is correctly implemented or not and in case take the necessary steps for complaints.

It's very important to set up a mix monitoring group (representatives from the Company – International Trade Union Federation – Trade unions from the Multinational home country) in order to evaluate and monitoring the implementation of the agreement also through inspection visits at workplaces. In some cases, *at least one annual meeting* with the monitoring group and the Company management has to be foreseen in the agreement in order to be updated on the already completed and ongoing orders and the new ones awarded for the future.

It's recognized that no legal enforcement mechanism exists at the global level. This means that any enforcement of IFA provisions depends on the Company Management will to cooperate and/or on the of trade unions ability to oblige Multinational Companies to solve complaints.

Although IFAs are considered to be useful in those countries where labour legislation is weak or poorly enforced and also where Trade Union movement is not so powerful, some case studies show that nowadays, IFAs find application also in old and new EU Member States.

## List of Global Union Federations

**BWI (Building, Building Materials, Wood, Forestry and Allied sectors).**

E-mail address: [info@bwint.org](mailto:info@bwint.org)

**Industrial Global (Metal, Chemical, Energy, Mine and General Workers Unions and International Textiles Garment and Leather)**

E-mail address: [info@industriall-union.org](mailto:info@industriall-union.org)

**UNI Global (Cleaning, Security, Commerce, Finance, Gaming, Graphical and Packaging, Hair and Beauty, Information, Communication, Technology and Services, Media, Entertainment, Arts, Temporary workers agencies, Post, Logistics, Tourism, Social Insurance and Health Care, World Players)**

E-mail address: [contact@uniglobalunion.org](mailto:contact@uniglobalunion.org)

**IUF (Agriculture and plantations, preparation and manufacture of food and beverages, hotels, restaurants and catering services, all stages of tobacco processing)**

E-mail address: [iuf@iuf.org](mailto:iuf@iuf.org)



How to proceed to get an  
IFA..... from trade union side:

If the Multinational Company Headquarters are located in  
Morocco:



Refer to the Global Trade Union Federation (GUFs) of the sector concerned (see  
list above)

GUF, together with the trade unions of Morocco and the MNC's Management,  
are the actors of the negotiations.

Once you have established a contact with both of them you can start fixing dates  
for the meetings and begin the negotiations.

Follow the template (provided by the GUF) to write the agreement including all  
that is specified in "what an IFA must include" referring to ILO Declarations,  
OECD Guidelines for Multinational Companies, Human Rights, ext...

Remember to include: *specificities of the sector* (if needed), the *monitoring  
mechanism* (follow up), the *duration of the agreement* and the *commitment for a  
wide dissemination in all the languages and the business units* of the MNC  
GUF/TUs and MNC will insert the IFA in their own websites as a means of  
dissemination also for setting up a trade union network.

**If the Multinational Company Headquarters are located  
outside Morocco**



Refer to the Global Trade Union Federation (GUFs) of the sector concerned GUF, together with the trade union(s) of the country where the Multinational Headquarters are located and the MNC's Management, are the negotiators of the IFA.

If the MNC Headquarters is within the European Union and has an EWC, its steering group can be present at the negotiations.

Once you have established a contact with both of them you can start fixing dates for the meetings and begin the negotiations.

Follow the template (provided by the GUF) to write the agreement including all that is specified in "what an IFA must include" referring to ILO Declarations, OECD Guidelines for Multinational Companies, Human Rights, ext...

Remember to include: specificities of the sector (if needed), the monitoring mechanism (follow up), the duration of the agreement and the commitment for a wide dissemination in all the languages and the business units of the MNC. GUF/TUs and MNC will insert the IFA in their own websites as a means of dissemination also for setting up a trade union network.

## Why a trade union network

Setting up a TU network is very crucial and useful.

It's very important establish, at first, a contact (through GUF) with the TU(S) of the country where the MNC has its own Headquarters, and then also with TUs of other countries where the MNC operates, referring always to the GUF.

### TU network helps:

- for solving problems that could arise at local level where the MNC is engaged with its works (the TU(s) of the country of the MNC can intervene directly with the Central Management before planning an eventual visit on the spot).

- for a better implementation of the agreement, having a constant monitoring locally.

- for inviting (when needed) at the annual meeting with the Central

Management, representatives from TU(s) of those countries that had problems, together with the local Management, an "enlarged" social dialogue could be helpful in finding solutions that could fit both sides.

**REMEMBER:** an IFA must be supported by a well structured TU network in order to be properly respected and implemented!

## List of Italian Multinational Companies present in Morocco

AGROBIO SARL	Food products (dairy)
AIR CLIMA S.A.	Electricity, gas, steam and air conditioning (also from Renewable sources)
ANSALDO BREDA	Other means of transport (ships and boats, locomotives and rolling stock, aircraft and spacecraft, military vehicles)
BANCA INTESA SAN PAOLO	Financial and insurance activities
CIMENT DU MAROC	Construction - cement production – [former own <b>Italcementi</b> (thisMultinational had an IFA) since July 2016 taken over by HeildebergCement/Germany but no IFA now
CONITAL S.A.	Food products (stuffed chili peppers)
COSFARA MAROC S.A.R.L.	Construction (residential and tourist building)
CRISTALSTRASS	Products of other manufacturing industries production of chandeliers and Crystal items
CSSM GRANDS TRAVAUX TGV Viaduct)	Construction/Infrastructure - Construction of ( <b>Salini</b> – Matarrese Consortium) ONCFLoukous
DENSO THERMAL	Electricity, gas, steam and air conditioning (also from renewable sources)
SYSTEMS MOROCCO SARL	Products of other manufacturing industries
DIVERSAM COMARAL	Producers / distributors of matches and <b>S.A.</b> decorative candles

ESSAOUIRA INTERIOR SARL	Construction - production of wooden frames, interior and exterior finishes in wood
GRANDI NAVI VELOCI	Other means of transport (ships and boats, locomotives and rolling stock, aircraft and spacecraft, military vehicles)
MIROGLIO MAROC	Articles of clothing (also in leather and fur) production and distribution of articles of clothing (pret-à-porter)
OLEOPLANT GROUP MAROC	Food products - specialized in the sales of fruit plants and in the preparation of vineyards and olives grooves
ORZI AGRI SARL	Food products - Production of cereals (wheat and corn) and early olive cultivation
Unione di Banche Arabe ed Europee S.p.A. (UBAE)	Financial and insurance activities

## Examples of IFA that involved Morocco

### The example of Ciment du Maroc

On 17 June 2008, **ITALCEMENTI**, the fifth largest cement producer in the world based in Bergamo Italy, signed an international framework agreement with the **Building and Wood Workers' International (BWI)** and its Italian affiliates, Filca-Cisl, Feneal-Uil and Fillea-Cgil with the aim to secure trade union and social rights of employees working on Italcementi projects worldwide.

With this IFA, Italcementi has committed itself to promote the same principles with its subsidiaries, contractors, subcontractors and suppliers.

In 2008, Italcementi had

- a worldwide presence in 22 countries, in four continents,
- an industrial network of 62 cement plants, 15 grinding centres, 5 stand alone terminals, 610 concrete batching units and 139 aggregates quarries,
- more than 23,000 employees worldwide.

## International Framework Agreement to promote and protect worker's rights

To be signed between Italcementi Group and the Building and Wood Workers International (BWI) to promote and protect worker's rights .

**Italcementi Group is the fifth largest cement producer in the world. It has a worldwide presence in 22 Countries, in 4 continents, through an industrial network of 62 cement plants, 15 grinding centres, 5 stand alone terminals, 610 concrete batching units and 139 aggregates quarries. In 2007, Italcementi Group consolidated revenues amounted to more than 6 million euros. Italcementi Group has a staff of over 23.000 and its headquarter is in Bergamo, Italy.**

**The BWI is the Global Union Federation grouping free and democratic unions with members in the Building, Building Materials, Wood, Forestry and Allied sectors. The BWI groups together around 350 trade unions representing around 12 million members in 135 countries. The BWI's mission is to promote the development of trade unions in the building and wood industries throughout the world and to promote and enforce workers' rights.**

The agreement is based on the signatories' joint commitment to respect basic human and trade union rights, acknowledging the fundamental principals of human rights as defined in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work as well as relevant ILO Conventions and jurisprudence and the OECD guidelines on Multinational Companies. The parties also commit themselves to achieving continuous improvements within the areas of working conditions, health and safety standards at the workplace and positive democratic industrial relations and fair collective bargaining procedures with representative trade unions.

This agreement relates to all Italcementi Group operations. The Italcementi Group will secure compliance with the principles set out in this agreement and commits itself to promote the same principles with its subsidiaries, contractors, subcontractors and suppliers. This agreement shall not in any way reduce or undermine existing labour relations practices or agreements relating to union rights or facilities already established by any BWI affiliate or group of affiliates or any other union within Italcementi Group.

The company recognises that corruption, bribery and unfair anti-competitive actions distort markets and hamper economic, social and democratic development.

In this spirit the Italcementi Group and the BWI shall work together to verify the effective application by all Italcementi Group activities and undertakings of the following requirements.

BWI model IFA

Page 1

**1. Freedom of association and the right to collective bargaining are respected**

All workers shall have the right to form and join trade unions of their own choice. These unions shall have the right to be recognised for the purpose of collective bargaining in conformance with ILO Conventions 87 and 98. Workers' representatives shall not be subjected to any discrimination and shall have access to all necessary workplaces in order to carry out their duties as representatives (ILO Convention 135 and Recommendation 143). The company shall take a positive attitude to trade union activities. The company will follow the most expeditious process in the event that BWI affiliate requests union recognition.

**2. Employment is freely chosen**

There shall be no use of forced or compulsory labour, including bonded labour. Workers shall not be asked to surrender passports, identity papers or valuables (ILO Conventions 29 and 105).

**3. No discrimination in employment**

All workers shall have equality of opportunity and treatment regardless of their ethnic origin, gender, religion, political opinion, nationality, social origin or other distinguishing characteristics. Workers shall receive equal pay for work of equal value (ILO Conventions 100 and 111). Migrating and posted employees must enjoy at least the same conditions as the national work force.

**4. Child labour is not used**

Child labour shall not be used. Only workers above the age of 15 years, or over the compulsory school-leaving age if higher, shall be employed (ILO Convention 138). Children under the age of 18 shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182).

**5. Living wages are paid**

Workers shall be paid wages and benefits for a standard working week that will enable them and their families to enjoy a reasonable standard of living which are more favourable than the minimum conditions established by national legislation or agreements. All workers must be provided with clear verbal and written information about wage conditions, as well as specific information regarding every payment period (ILO Conventions 131 Minimum Wage Fixing, 1970, C.95 Protection of wages, 1949, C. 94 Labour Clauses (Public Contracts), 1949). Deductions shall not be made from wages unless otherwise stated in national law or collective agreements. Information regarding pay and deductions should be provided to workers each time wages are paid, and these should not be changed other than by written consent of the individual worker or by collective agreement.

A collection of handwritten signatures and initials in black ink, scattered across the bottom of the page. Some are large and stylized, while others are smaller and more legible. They appear to be signatures of various individuals involved in the document's creation or approval.



## 6. Hours of work are not excessive

Hours of work shall comply with appropriate national legislation, national agreements and industry standards but in no circumstances should be unreasonable. Overtime shall not be excessive, shall not be demanded on a regular basis and shall always be remunerated at a premium rate. All workers shall be given a minimum of a one day weekly rest period.

## 7. Health and Safety of Workers

A safe and healthy working environment shall be provided. Best occupational health and safety practice to prevent injuries and ill health shall be promoted and shall be in compliance with ILO Convention 155 Occupational Safety and Health Convention, 1981 and ILO Convention 167 on Safety and Health in Construction, 1988 and the ILO Guidelines for Occupational Health Management Systems.

All workers shall also be given Personal Protective Equipment, at no cost to themselves, and training on occupational hazards and their prevention. Workplace Health and Safety Committees shall be established and workers shall have the right to elect Health and Safety Representatives. Trade Unions shall be encouraged to appoint and train Health and Safety Representatives.

Italcementi group will promote health and safety culture towards suppliers, contractors and sub-contractors.

## 8. Welfare of workers

At every work site the company shall provide an adequate supply of wholesome drinking water; sanitary and washing facilities; facilities for changing and for storage and drying of clothing; accommodation for taking meals and for shelter.

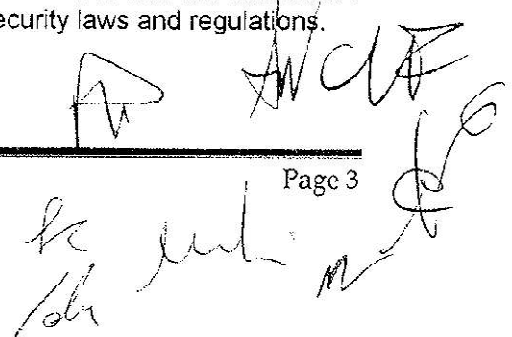

When workers are offered living accommodation, this shall be planned, built and maintained to provide reasonable housing conditions. The company shall provide health education and an HIV/AIDS awareness raising and prevention programme in accordance with the ILO Code of Practice on HIV/AIDS and the World of Work in countries with particular risks.

## 9. Skills training

All workers shall have the opportunity to participate in education and training programmes including training to improve workers skills to use new technology and equipment.

## 10. The employment relationship is established

The company shall respect obligations to all workers under labour and social security laws and regulations arising from the regular employment relationship (Social Security Minimum Standards Convention C102). In locations where conditions permit, efforts shall be made to offer fixed employment opportunities and directly employ all labour. All workers shall receive a written contract of employment. The company encourages contractors and sub-contractors to respect obligations to all workers under labour and social security laws and regulations.



## 11. Follow up

The Italcementi Group will ensure that appropriate translations of the agreement are available at all workplaces and should include suppliers, contractors and subcontractors. The agreement will also be made public on the Company's website and Intranet.

- a) Both parties recognize that effective local monitoring of this agreement must involve the local management, the workers and their representatives, health and safety representatives and local trade unions.
- b) To enable local workers and union representatives of BWI affiliated unions to play a role in the monitoring process, they will be given adequate time for training and involvement in the monitoring process. The company will ensure that they are provided with information, access to workers, and rights of inspection necessary to effectively monitor compliance with this agreement.
- c) A reference group shall be set up, composed of representatives of Italcementi, and of the concerned BWI affiliated union(s) in the home country of the company, the European Works Council (EWC)-Coordinator and a BWI coordinator. It will meet at least once a year, or when necessary, to evaluate reports on compliance and to review the implementation of the agreement.

Italcementi Group shall make the necessary resources available for the implementation of the agreement.

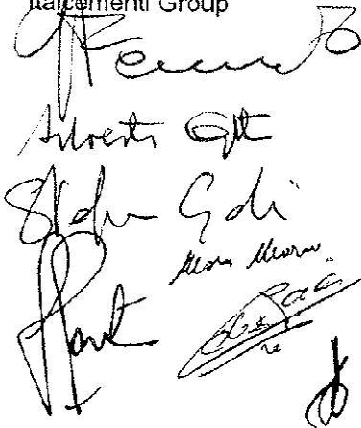
Signatories agree that any difference arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of clarification

## DURATION

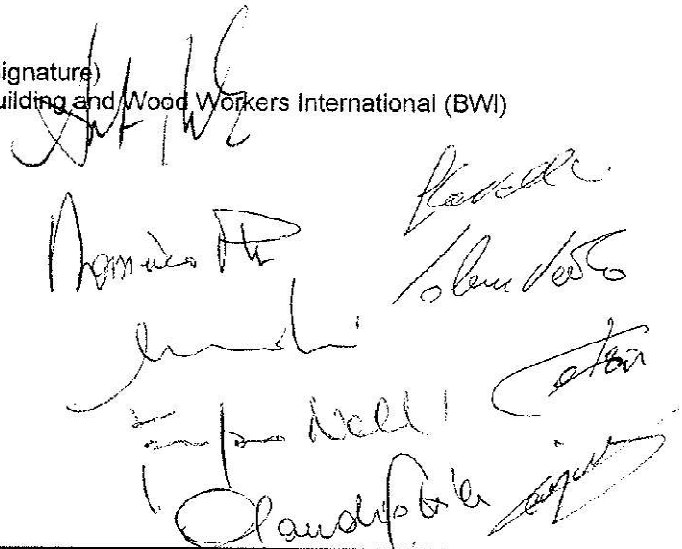
This agreement is effective from today's date, with a mutual three month notice of termination. Within February 2009 the signatories of this agreement will meet in order to evaluate the dissemination and application of this agreement and to define the implementation mechanisms and confirm the (already established) composition of the reference group as mentioned in c)

Bergamo, 17 June 2008

(Signature)  
Italcementi Group



(Signature)  
Building and Wood Workers International (BWI)





## The example of CSSM GRANDS Salini – Matarrese Consortium

Another example of IFA also present in Morocco (CSSM GRANDS - Salini – Matarrese Consortium) currently in force (below you'll find the full text) can be considered a *best practice* (also a template for a new IFA) for several reasons:

- contains specificities of the sector (building in this specific case) related to migrant and posted workers, Consortia, contractors, subcontractors and suppliers, bogus self-employment (highlighted in yellow in the agreement) that are subject to the same rules of Salini-Impregilo.
- has an efficient monitoring system of the IFA implementation:
  - a) through the trade union network
  - b) through the annual meeting with the MNC Management foreseen by the agreement itself
  - c) through some visits during the years (when needed) in those business units of those countries where serious problems arose (i.e. Island and Qatar building-sites)

International Frame Agreement between  
SALINI-IMPREGILO S.p.A.  
and  
BWI, FENEAL UIL, FILCA CISL and FILLEA CGIL

An international company operating as a contractor in complex large-scale infrastructure projects, **Salini Impregilo S.p.A.** results from the merger of the two major Italian construction companies (Impregilo S.p.A. and Salini S.p.A.).

**BWI** is an international trade union and organizes workers of the construction, building, wood and forestry industries and of the allied trades and industries. **BWI** represents 320 affiliates in 125 countries around the world.

Salini Impregilo S.p.A. and BWI along with the Italian federations Feneal-UIL, Filca-CISL and Fillea-CGIL:

- recognize that the industrial sustainable development of the construction industry is in the interest of both the company and its workers;
- recognize the need for open democratic industrial relations and for fair collective bargaining procedures for union and company representatives;
- recognize that corruption, bribery and anti-competitive practices distort market rules and hamper economic, social and democratic development;
- highlight the need to promote and monitor the implementation of the fundamental principles of Human Rights as defined in the *"Universal Declaration of Human Rights"* (1948), the *"ILO Declaration on Fundamental Principles and Rights at Work"* (1998), the *"ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"* (2000) and the *"OECD Guidelines for Multinational Enterprises"* (2011).

The parties commit themselves to working along these guidelines in order to achieve social justice and sustainable development, **both within the activities and companies/consortia of Salini Impregilo, and with its contractors, subcontractors and suppliers.**

In this spirit, Salini Impregilo S.p.A. and BWI are going to work together to assess the implementation of the following social criteria within all of the activities and companies of Salini Impregilo S.p.A..

Whenever a BWI affiliate seeks the recognition of a union, Salini Impregilo S.p.A. shall follow the most effective procedures. Salini Impregilo S.p.A. shall also allow its employees to join trade unions and ensure that workers' representatives shall not be discriminated against and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).

### Living Wages

Workers' wages shall comply with the applicable laws and collective agreements. They shall therefore be fair and non discriminatory, and sufficient for workers to cater for the fundamental needs of a decent life in the social context where they live and work.

The company shall seek to enhance the minimum conditions prescribed by law for the members of the most disadvantaged groups, including through collective bargaining.

Any wage deduction shall be previously agreed by the worker concerned, unless it is prescribed by national regulations, or by national, company and/or territory-based bargaining. All workers shall be provided with both written and verbal information on wage conditions.

### Working Hours

The amount of working hours shall comply with national regulations and collective agreements.

Overtime work shall be voluntary whenever possible, shall not be demanded on a regular basis and shall always be paid at a premium rate, without prejudice to the fact that one rest day a week shall always be guaranteed.

### Working Conditions

According to the ILO Conventions 155 and 167 and to the OECD Guidelines on Multinational Companies (2011), a safe, healthy and sustainable working environment shall be provided. The best health and safety practices will be promoted and shall comply with the ILO Guidelines for Occupational Health Management Systems, **in coordination with contracting and subcontracting companies within the same construction site.**

Training on safety and risk prevention at the work place shall be provided to all workers on a regular basis.

## Environmental Issues

Salini Impregilo commits itself to respecting the international Conventions on environmental impact and to safeguarding workers and local people who might be concerned by the effects of the activities or projects carried out by the company, its contractors or subcontractors.

## Specialized Vocational Training

All workers shall be granted the opportunity to take part in educational and training programmes, including special training to develop the necessary skills about new technologies and machinery.

## Workers' Welfare

Consciousness shall be raised about any risk of endemic diseases which might originate within the workplace and implement a prevention programme as prescribed by the ILO HIV-AIDS codes of practice.

In case employees are offered accommodation near the construction site, this shall be designed, built and maintained to provide reasonable housing conditions.

## Employment relations

Employers' obligations towards employees are prescribed by laws and regulations on employment and social security and originate from the compliance with a regular labour contract.

Salini Impregilo commits itself to promoting and abiding by the fundamental principles of Human Rights as provided by the *"Universal Declaration of Human Rights"* (1948) and the *"ILO Declaration on Fundamental Principles and Rights at Work"* (1998). In particular, Salini Impregilo commits itself to implement the *"ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"* (2000) and the *"OECD Guidelines for Multinational Enterprises"* (2011).

Salini Impregilo S.p.A. considers the respect of workers' rights to be a fundamental component of sustainable development and its subcontractors and suppliers shall also recognize and meet the above-mentioned criteria.

The company shall pay any social security and pension contributions as required under applicable legislation in the place where the worker works, except when more favourable individual conditions apply. The company shall raise the awareness of its consortia and subsidiaries in order to avoid that workers are classified as self-employed although they are assigned typical employee tasks (bogus self-employment).

### **Implementation and Assessment**

Salini Impregilo S.p.A. shall provide all construction sites and workplaces with information on the Agreement, both in written (in the local language and/or dialect) and verbal form.

All Parties are made highly aware of their responsibilities to disseminate the contents of the Agreement among all activities of Salini Impregilo S.p.A. as thoroughly as possible.

Salini Impregilo S.p.A. HR representatives and the delegates of the signatory federations will be part of an advisory/monitoring group. At least once a year – or when the need arises – the group shall meet in order to assess and review the implementation of the Agreement. **Before opening a construction site, Salini Impregilo S.p.A. shall discuss site-related activities with the signatory organizations, as long as doing so does not hinder the need for confidentiality of the commercial phase.** Salini Impregilo S.p.A. shall make the necessary resources available for the BWI representative to be able to perform his/her functions.

Each organization shall communicate the names of its representative in the working group.

With the prior consent of both Parties, the annual review of the Agreement may be integrated in the Salini Impregilo S.p.A. annual report. The Parties agree that any dispute arising from the interpretation or execution of the Agreement will be jointly discussed for the purpose of its settlement.

### **Terms of the Agreement**

The Agreement shall remain in force until one of the Parties terminates it with a written notice to the other Party at least 3 months in advance. Not earlier than 2 years after signing the Agreement, any Party may request to review it.

The Parties have read, confirmed and signed the Agreement.

Milan, 13th October 2014



## GLOSSARY

Corporate Social Responsibility – CSR

European Framework Agreement – EFA

European Trade Union Federation - ETUF

European Works Council – EWC

Global Union Federation(s) – GUF(s)

International Framework Agreement – IFA or Global Framework Agreement – GFA

International Labor Organization – ILO

Multinational Company -MNC

Organization for Economic Co-operation and Development – OECD

Social Dialogue – SD

Trade union(s) – TU(s)

Transnational Company Agreement – TCA

United Nations – UN

World Works Council – WWC or Global Works Council – GWC

**ILO:** The only tripartite U.N. agency, founded in 1919. It brings together governments, employers and workers of 187 member States, to set labor standards, develop policies and devise programs promoting decent work for all women and men. ILO is based in Geneva.

**OECD:** is an international organization of economic studies for member countries, developed countries having a market economy in common. It was founded in 1961. The organization mainly plays a role of advisory assembly that allows an opportunity to compare political experiences, to solve common problems, to identify commercial practices and to coordinate the local and international policies of the member countries The OECD has 35 member countries and is located in Paris.



This project is co-funded by the European Union

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