

Global Framework Agreement on Digital Transformation between

Solvay Group

and

Solvay Global Forum (SGF) & European Works Council (EWC)

This Global Framework Agreement on Digital Transformation has been signed between:

Solvay Group, represented by its CEO & Chairman of the EXCOM, **Ilham Kadri**,

and

Solvay Global Forum & European Works Council represented by Albert Kruft

TABLE OF CONTENT

TABLE OF CONTENT

PREAMBLE

- 1 SCOPE OF THE AGREEMENT
- 2 COMMUNICATION & INVOLVEMENT IN ALL DIGITAL PROJECT PHASES
- 3 PROJECT PREPARATION & IMPLEMENTATION
- 4 TRAINING AND COMPETENCE DEVELOPMENT
- 5 EMPLOYMENT/REPOSITIONING
- 6 OCCUPATIONAL SAFETY AND HEALTH RISKS/WORK LIFE BALANCE
- 7 ETHICAL ASPECTS OF PRIVACY AND DATA PROTECTION
- 8 IMPLEMENTATION AND MONITORING
- 9 FINAL PROVISIONS
- 10 SIGNATORIES

APPENDIX 1: Eurofound skills index on job quality:

APPENDIX 2 : Social Media Guidelines For Employees

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Technology has long been a driver of change and progress within Solvay. In the past, waves of technological change, such as process control, material requirements planning and enterprise resource planning have worked their way through the industry, requiring employers and employees to adapt to new circumstances. When new technologies are introduced, there is often a significant impact on the organization of Solvay, as well as on the working conditions and the occupations of employees. Employees and their representatives have to be involved from the beginning of the implementation of new technologies and organizational change.

Technological changes are inevitably affecting the working patterns and imply adaptation of the workforce and the organization of work. Digital transformation creates significant opportunities for employees, making jobs energizing, improving job quality by reducing dirty, dull and dangerous tasks but also empowering employees to make decisions. While a certain amount of jobs will fall into obsolescence or face radical redesigning with the incorporation of new digital technologies, some jobs will remain unchanged, others, newly created, will require specific and new skill sets. A well skilled and motivated Solvay workforce is key to the Solvay economic performance, innovation, job creation, competitiveness and customer satisfaction.

Technological and digital developments are transforming the chemical industry. The pace of digital change and its impact will continue to accelerate over the future. Digital Transformation is therefore not an option for Solvay but a strategic imperative. Digital is part of Solvay's strategy and an enabler to speed up its transformation to deliver more value to our customers. It reinforces competitiveness through increased productivity and quality, reduced costs, and creates greater operational efficiencies along the value chain (including production and supply chain). Digitalization is also key to differentiate versus competitors, to enhance customer experience and create new services.

The agreement has a global coverage and aims to address the social effects of digital transformation in the Solvay Group. The signatories concur that an agreement is key to guarantee high quality standards, which lead to reinforce competitiveness and job creation for Solvay.

The aim of this document is to provide a framework for management and employee representatives to engage with these issues locally to achieve detailed joint action plans. It defines the principles that Solvay should follow in order to make a successful implementation of digital projects.

This agreement has been discussed and elaborated with the European Works Council (EWC) and the Solvay Global Forum (SGF) with the support of IndustriALL Global Union after one year of discussions and exchanges with the Solvay management.

1 - SCOPE OF THE AGREEMENT

The Agreement covers all employees of Solvay throughout the world. This global agreement is made on a voluntary basis and goes beyond legislation. In case of discrepancies with legislation, the legislation providing the best protection for workers will apply.

The definition of digital transformation is as follows:

- digital is the conversion of an analogue signal conveying information to binary bits
- *digital technologies* are electronics tools, systems, devices and resources that generate, store, process, exchange or use digital data
- digitalisation is the application or increase in the use of digital technologies
- digital transformation entails the adoption of digital technologies in production and consumption activities that rely on a significant dimension of data development and data analysis
- new technology in this agreement is defined as any innovation that affects the
 jobs of employees within Solvay including new techniques, machines,
 controls, materials, processes and/or work organization systems.

This agreement is applicable for any project of significant importance which implements / introduces a new technology.

This agreement provides a framework and a set of principles to apply across the organization to address the issues that arise from digital transformation.

2 - COMMUNICATION & INVOLVEMENT IN ALL DIGITAL PROJECT PHASES

Social dialogue is key in order to shape the digital transformation.

In case of a project of significant importance, the main phases should be an opportunity for a discussion and a process of proper information and consultation will take place between management & employee representatives at the appropriate level according to the magnitude of the project (Global, European, National and/or site). If there are no employee representatives, local management will involve employees according to the principles stated in this agreement.

The qualification of significant importance of the project will be discussed between Solvay management and employee representatives if needed. If there is a disagreement between management and employee representatives about the impact of the project, the conflict resolution process, mentioned in this agreement point 8, can be initiated.



3 – PROJECT PREPARATION & IMPLEMENTATION

Solvay is constantly adjusting to the surrounding context with adaptation issues, such as innovation, evolution, through projects, reorganizations of varying size, etc..., all of which have an impact on the employees: the meaning given to the work, the organization of the teams, the content of the work, occupational safety and health, etc. The change can offer opportunities for employee development but can also be a source of imbalances and generate anxiety, stress, difficulties.

It is therefore important to anticipate transformation projects by integrating the human dimension into change management in order to ensure ownership of the project, maximize its chances of success and avoid an increase of psychosocial charge and a deterioration of well being at work and employees health.

Management will initiate a systematic process, as far upstream as possible, of human impact analysis, for any project, of significant importance, of evolution of the organization, by a prospective approach, in connection with the internal expertise.

To this end, new technology assessments of risks and opportunities will be done after prior and proper information and consultation with relevant employee representatives bodies where existing, before the decision of introduction of a new technology in the workplace.

New technology assessments will specifically include any potential and significant impact on:

- Occupational Health and Safety, especially the mental health of employees
- employees with physical disabilities
- workload
- monitoring or surveillance functions
- working time
- work content
- organization
- job quality (see Eurofound skills and discretion index in appendix)
- job quantity
- financial implications

The new technology assessment is an integral part of any project preparation and implementation at Solvay. Solvay will assess the need for necessary tools / infrastructure within the project budget constraints. Then management will provide employees with the necessary tools, after discussion with employee representatives.

4 – TRAINING AND COMPETENCE DEVELOPMENT

Training, education and competence development is key to manage the impact of digitalization in a social way not only to match the jobs, tasks and work organization needs of today but also of tomorrow. These include high social competencies, being

adaptive, customer-centric, data-driven, open, curious and innovative, as well as possessing distinctive communication skills and media competencies.

Reskilling and upskilling of our workforce are key in the context of the implementation of new technology and digitalization. GBUs and functions within Solvay will develop, with the HR support, a general strategy and updated business plans which will include appropriate initiatives and resources in this area.

Particular attention will be paid to the training of managers. This training will not only focus on technological matters but also on people management skills, in relation to working in a digital environment.

Special attention will also be paid to employees who are less familiar with new technology and digitalisation.

As principle, training will take place during working hours. If it is not the case, training time spent outside working hours will be compensated.

Solvay will provide the necessary resources for training and competence development with the full support of the management.

5 - EMPLOYMENT/REPOSITIONING

The signatories concur that all measures are taken to ensure that no one is left behind by digital transformation.

Within Solvay, all efforts, including constructive social dialogue, are made with a view to find alternative solutions.

In case of restructuring, Solvay will provide the necessary support in terms of job individual coaching, education and training, outplacement, repositioning with priority to redundant employees and other forms of support.

Locally, Solvay will develop the support process and measures which fits best with the specific context and this according to local regulations.

Redundancies are only considered to be the very last resort in the frame of restructuring. Solvay will continue to apply this principle in any kind of future restructuring.



6 - OCCUPATIONAL SAFETY AND HEALTH RISKS/WORK LIFE BALANCE

While digital transformation is a great enabler of improved work-life balance and choice for parts of society, for others it creates change and pressure, and this can be reflected in mental health conditions.

Solvay recognizes the fundamental importance of a balance between professional activity and employees personal life, to enable a better quality of life and better performance. Through these guiding principles, applicable in all its sites and operations, Solvay fosters and promotes culture, work organization, method of management and behaviours that favour this balance. In an international context and one of rapid technological developments, these guiding principles are a reminder to all of us, in a pragmatic manner, of the good practices that must be followed.

Particularly, it is important to remind everyone about good practice when it comes to using electronic communication so as to contribute to greater effectiveness at work and respect for the work/life balance.

- Favour face-to face communication, either in person or through video conferencing technologies.
- Do not expect people to respond on leisure time, on public holidays and vacation time. In the event of a crisis or emergency, use the telephone.
- Promote guidelines on using and reinforcing best practices in electronic communication such as
 - o avoid reply to all,
 - o put time aside for emails and chats. Usually, e-mails do not require instant action.
- Adopt a simple style of communication when using electronic communication.

Regarding all these points, managers at all levels of the organization must demonstrate high exemplarity.

Everyday work and life have already undergone profound changes in the twenty-first century due to the emergence of new ICT (information and communication technologies) and globalization. ICT allows for employees to connect with network servers and colleagues anytime, anywhere, while a globalized world often demands that employees be available outside traditional working hours. This flexibility is sometimes at Solvay advantage but must never be operated without respect to employee well being. At the same time, the changing structure of family life has meant that many employees are demanding more flexible working arrangements.

A good work-life balance is important and beneficial for both the employee and the company.

Teleworking, if applicable, will be agreed and developed upon locally taking into account local legislation and social regulation.

Health and safety representatives will be informed and consulted when new technologies could impact the well-being of employees according to the regulation in this area.

Telework and other flexible work arrangements can allow employees to find a better balance between their working life and personal life, This new way of working helps to promote the inclusion in the labour market of older employees, employees with family responsibilities, people with disabilities and other vulnerable groups. However, Solvay is paying attention to the fact that remote working can also lead to lack of sense of belonging and isolation. This erosion of the borders between work and leisure can intensify work- and time-related stress.

In line with the work life balance policy, Solvay actively supports the general principle for disconnecting outside of working hours.

7 - ETHICAL ASPECTS OF PRIVACY AND DATA PROTECTION

As a consequence of the respect for people value, Solvay recognizes and supports the privacy interests of all persons, and respects these interests when Solvay collects and processes Personal Data. In particular, Solvay respects the privacy of its employees. In addition to the restrictions and obligations of the Solvay DataProtection & Privacy Policy, Solvay complies with the applicable national laws that protect the privacy of Personal Data, all laws and regulations in the jurisdictions in which Solvay conducts its business.

A data protection and privacy policy has been established and communicated.

Solvay is responsible for taking appropriate measures to ensure the protection of data used and processed for professional purposes.

Solvay ensures appropriate security levels of IT systems, including monitoring systems, while respecting the privacy of employees.

The signatories agree that no monitoring or surveillance functions will be introduced into the workplace without prior information and consultation of relevant employee representatives body, when existing. If there is not any employee representative body, then the management will search a certain level of acceptance by employees.

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Any proposed new technology must, as a minimum, comply with the following principles:

- Employees should receive timely and clear advice on any monitoring or surveillance functions of the new technology;
- Any employee related data gathered by digital transformation will be clearly stated and not be used for any other purpose.

In addition, the importance and impact of social media are still growing. Guidelines have been defined to help Solvay employees, clarify some do's and don'ts in their social media usage (See <u>Social Media Guidelines For Employees</u> in Appendix).

8 – IMPLEMENTATION & MONITORING

Solvay will translate this agreement into all the languages of the countries where it operates.

Solvay will inform all its employees about this agreement and put it on its intranet and web site.

Information sessions will be organized locally with the involvement of employee representatives to raise awareness and promote understanding on the issues covered by this agreement.

Solvay, IndustriALL Global Union, SGF and EWC will continuously monitor the correct application of this agreement.

Solvay will provide the SGF and EWC with annual report and analysis of the installation projects.

This report will be discussed during the annual meetings of the SGF and EWC.

The panel of the global framework agreement with IndustriAll Global Union will observe the right implementation of this agreement during their annual joint mission on sites.

In the spirit of good governance, the Solvay Global Forum and the EWC can decide, during the annual meeting, to assess the current situation of digital transformation in the company, discuss new issues and trends, and propose practices to address the opportunities and challenges.

As in the global framework agreement, the signatories agree that they are mutually available on an ongoing basis to inform each other of any problems encountered and to determine the best solutions.

They believe that problems are best resolved as close as possible to the location where they have arisen.



Nonetheless, the signatories agree that in the event of difficulties which cannot be resolved or failure to apply the terms of this agreement, a process of conflict resolution as below will be followed:

- If no satisfactory solution is found, the matter shall be dealt directly by the national management and related trade unions, in liaison with the signatories of this agreement.
- Failing that, the signatories shall have the possibility to bring the case to Solvay headquarters, notwithstanding the place where the agreement is executed, or/and call for the intervention of a third party.
- In the absence of an agreement between the signatories, competent jurisdiction may intervene.

9 - FINAL PROVISIONS

This agreement will enter in application on 1st January 2020 for an unlimited duration after appropriate communication and information at all levels of the organisation.

The agreement may be revised at any time by means of a contractual amendment, with a view to adapting the agreement. The agreement can be denounced by one of the signatories with a prior notice period of six months allowing a renegotiation.

This agreement is governed by Belgian legislation.

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10 - SIGNATORIES

Solvay Group, represented by its CEO & Chairman of the COMEX, Ilham Kadri,

And:

Solvay Global Forum Coordinator and Secretary of the European Works Council, Albert Kruft

APPENDIX 1: EUROFOUND SKILLS INDEX ON JOB QUALITY:

Cognitive dimension	Solving unforeseen problems
	Carrying out complex tasks
	Learning new things
	Working with computers, smartphones and laptops, etc. (at least a quarter of the time)
	Ability to apply your own ideas in work ('sometimes', 'most of the time' and 'always')
Decision latitude	Ability to choose or change order of tasks
	Ability to choose or change speed or rate of work
	Ability to choose or change methods of work
	Having a say in choice of work colleagues ('always' or 'most of the time')
Organisational participation	Involved in improving the work organisation or work processes of own department or organisation ('always' or 'most of the time')
	Ability to influence decisions that are important for your work ('always' or 'most of the time')
Training	Training paid for or provided by employer over the past 12 months
	On-the-job training over the past 12 months

Source: page 82 from the report

https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1_634en.pdf]

APPENDIX 2: SOCIAL MEDIA GUIDELINES FOR EMPLOYEES

https://drive.google.com/file/d/10qTNlp4T3VmTAKaL73sleaxDUmxG_pHM/view