



## FOREWORD

Twenty years ago, Groupe DANONE and the IUF were the pioneers in social dialogue on an international level. The economic and social context, as well as Groupe DANONE's perimeter, have changed a lot since the very first convention between Groupe DANONE and the IUF. It appeared necessary to renew our mutual commitment and set ourselves in a new, worldwide dynamic approach by revising the texts of the 6 conventions<sup>1</sup> concluded since 1988, whilst retaining the spirit of their words. The topics covered by these conventions are still current issues both for Groupe DANONE and the IUF. This new conventions booklet also contains the worldwide social monitoring indicators.

The fundamental social principles are now an integral part of the "Danone IUF Conventions" booklet. Groupe DANONE is committed to gaining compliance with the fundamental social rights defined in this text, not only by management teams at its sites, but also by companies in which the Group has a minority shareholding, as well as its main suppliers and subcontractors.

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

Paris and Geneva, dated 28 July 2005.

F. RIBOUD

R. OSWALD

Groupe Danone CEO

IUF General Secretary

<sup>1</sup> The text taken as reference is that written in French.

The present document updates the following texts:

- Common viewpoint IUF/BSN dated 23 August 1988
- Plan for economic and social information in companies of the BSN group dated 26 September 1989
- Action program for the promotion of equality of men and women in the workplace dated 26 September 1989
- IUF/BSN framework agreement for skills training dated 12 April 1992
- IUF/BSN joint declaration on trade union rights dated 25 May 1994
- Joint understanding in the event of changes in business activities affecting employment or working conditions dated 9<sup>th</sup> May 1997

## REMINDER OF THE 1999 FOREWORD

The conventions contained in this booklet mark the concrete recognition by both Groupe DANONE and the IUF of the value of constructive workplace relations between Groupe DANONE management and representative, democratic and independent trade unions representing Groupe DANONE workers. The agreements also represent the recognition by both the IUF and Groupe DANONE of the social value within society and to society of such relationships in the workplace.

The conventions establish minimum standards throughout Groupe DANONE operations and as such seen as a central part of Groupe DANONE's approach to Human Resource Management. For the IUF these agreements show the possibility of engaging in the setting of social minimum standards in the context of a major international company in the food and beverage sector.

The conventions are designed to compliment existing arrangements within Groupe DANONE operations and will impact on existing arrangements only where these existing arrangements reflect standards below those laid out in Groupe DANONE /IUF agreements.

The reproduction of these conventions in this form is a clear indication of the mutual desire by the Group DANONE and the IUF to promote the application of these agreements throughout the company. It is the express wish of both Groupe DANONE and the IUF that Groupe DANONE management at every level and trade unions throughout Groupe DANONE work constructively to ensure that the standards expressed in these agreements are fully met and, where possible, exceeded.

Paris, Geneva, 26 September 1999.

F. RIBOUD

Groupe Danone CEO

R. OSWALD

IUF General Secretary

## **CONVENTION ON ECONOMIC AND SOCIAL DATA IN GROUPE DANONE COMPANIES**

In order to provide quality information and help everyone understand how the company works and the issues being faced in each Groupe DANONE company, the economic and social data detailed below will be communicated to personnel and staff representatives.

Personnel and workers representatives need these data to know about the economic and social performance of their company.

The definition of the indicators, the content, presentation and frequency (at least annually) for these data must be adapted to each company.

Some of these data are strictly confidential. Personnel and workers representatives must be made fully aware of this.

### **ECONOMIC DATA**

#### **COMMERCIAL DATA**

- Market: the company's position and development trends
- Volume of sales (tons or hectoliters) by product type
- Export sales (including internal group sales)
- Total number of "new products" launched in the previous two years

#### **FINANCIAL DATA**

- Net sales
- Consolidated earnings or earnings before tax (according to the country)  
According to accounting rules specific to each country, companies will select indicators that give a reflection of their financial situation (cash flow, net profits, etc.).
- Total capital expenditure
- Total advertising expenditure
- Research and development expenditure for each WWBU
- Total amounts paid for profit sharing/shares schemes when these exist in the company

## SOCIAL DATA

### EMPLOYMENT

- Monthly average permanent workforce  
Using all useful breakdown types that exist in the company e.g. : non managers, managers, men, women, length of service)
- Permanent/non-permanent workforce

### WAGES AND SOCIAL CONTRIBUTIONS

- Total wage costs managers/non-managers
- Total employer's social contribution

### WORKING HOURS

- Total number of hours worked in the year
- Absenteeism rate
- Number of part-time employees
- Number of employees working shifts including night shifts

### SAFETY

- Frequency  
$$\frac{\text{Number of accidents with work with time off} \times 1\,000\,000}{\text{Number of hours worked}}$$
- Severity  
$$\frac{\text{Number of days lost} \times 1\,000}{\text{Number of hours worked}}$$
- Number of fatal accidents
- Measures taken to improve conditions at work as including cost (e.g. amount of preventive investment, setting up of a safety plan)

### TRAINING

- TOTAL expenditure on training
- Number of hours training (including a breakdown for the following categories : men/women and managers/non-managers)
- As far as possible, analysis of the impact of training on careers development and qualifications in the company.



## **CONVENTION FOR THE PROMOTION OF EQUALITY OF MEN AND WOMEN IN THE WORKPLACE**

Groupe DANONE and IUF recognize the interest of promoting actions to encourage equality of men and women at work in Groupe DANONE companies.

In each company, discussions will take place in liaison with workers representatives to define objectives for equality at work.

This will aim to find a methodical approach in order to study the respective situation of women and men in the company. It will cover the implementation of equality of remuneration for work of equal value, promotion opportunities, access to training, specific maternity issues and getting back to work after maternity leave as well as measures intended to get the right balance between family and professional life.

Achievement of the target objectives will be monitored in liaison with workers representatives





## **GROUPE DANONE/IUF CONVENTION ON SKILLS TRAINING**

In liaison with workers representatives, companies will try to anticipate changes in jobs and skills and will define training programs intended to maintain the level of skills required for jobs and to help maintain its employees' employability.

Actions will be carried out with employees to increase awareness concerning the importance of training for their future.

Initiatives such as professional assessments could be carried out and negotiated with union organizations.

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

Skills training should take account of the wishes and needs of the company and of employees (geographic and/or professional mobility in the company and in Groupe DANONE).

Skills training programs must be validated so that the people concerned can prove their new competencies through recognized qualifications, in order to encourage mobility within Groupe DANONE.

Particular attention will be paid to the conditions under which training is carried out so that employees are not financially penalized for taking part in them (maintaining of income and paying expenses related to the training).

Workers representatives will receive information on training directions and actions every year.







## GROUPE DANONE/IUF CONVENTION ON TRADE UNION RIGHTS

Groupe DANONE and the IUF

- underline the fundamental right of each employee to be represented and defended by the trade union organization of her/his choice;
- assert that the counterbalance represented by the trade union organizations contributes to the respect of the needs and aspirations of the workforce by company executives
- mutually recognize the legitimacy of each party and their right to participate in the social as well as economic spheres, each mindful of their respective responsibilities as far as these conform with laws, collective agreements or other contractual agreements in effect;
- are convinced that reinforcing democratic forms of co-operation in the enterprise is the responsibility of both parties, and that this implies the recognition of divergent approaches and differences in judgment as well as the search for negotiated solutions;
- note that achieving this objective requires efforts to provide economic and social education and information to the entire workforce as well as their representatives<sup>1</sup> to better understand the problems, the limitations faced by the company, and what it has at stake

In this spirit, Groupe DANONE and the IUF are committed to

1. check throughout all Groupe DANONE subsidiaries the correct application of ILO conventions 87, 98 and 135 which concern respectively
  - the right of employees to join the trade union organization of their choice,
  - the protection of employees against any act of discrimination leading to the restriction of trade union rights,
  - the protection of all workers' representatives from all prejudicial measures, including firing, resulting from their status or activity as representatives of the workforce in accordance with the law, collective agreements, or other forms of contractual agreement in effect.

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<sup>1</sup>Workers' representatives is understood here as it is defined in Article 3 of ILO Convention 135: *The term "workers' representatives" means persons who are recognized as such under national law or practice, whether they are: (a) trade union representatives, namely, representatives designated or elected by trade unions or union members; (b) or elected representatives, namely, representatives who are freely elected by the workers of the undertaking in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are recognized as the exclusive prerogative of trade union in the country concerned.*

2. encourage management and trade unions to negotiate agreements by publicizing these agreements with the workforce as far as possible,
3. encourage management and employee representatives to negotiate and conclude agreements seeking to ensure that trade union and employee representatives benefit, with comparable ability, from the same opportunities of access to training, salary progression and promotion as other employees, and that the remainder of their professional development is taken care of when they decide to stand down from office.

Groupe DANONE and the IUF confirm that the process of informing and training union members and workers representatives should develop within each Groupe DANONE company in order to ensure the effective implementation of DANONE/IUF conventions



## **APPLICABLE CONVENTION IN THE EVENT OF CHANGES IN BUSINESS ACTIVITIES AFFECTING EMPLOYMENT OR WORKING CONDITIONS**

This convention defines the procedure for implementing the provisions of the protocol agreement for the constitution of the Groupe DANONE Information and Consultation Committee on issues affecting employment and working conditions.

Further to conventions on economic and social data, skills training, equality at work and union rights, this text is intended to add supplementary measures to those already existing in the companies part of the Group. These measures are applicable in the event of the implementation of new techniques, and organizational processes, substantial changes in production volume, the partial or total closing of facilities and more generally in all situations whereby working conditions or the nature of employment contracts are significantly affected.

Local management, union organizations, or otherwise workers representatives in Groupe DANONE are responsible for transposing the general principles defined below into practical procedures. These provisions should under no circumstances be substituted to more favorable provisions existing in the Group's companies.

### **1. TRAINING**

The signatories consider that training, as part of the anticipated management of competencies, is an essential preventive approach to protect jobs by preparing for technological or economic change.

The signatories call on management and unions to take inspiration from the following principles :

- in the event of major changes in working conditions or in business activities causing job losses, the employees concerned should be entitled to receive training for the purpose of helping them find occupation either within the companies of Groupe DANONE or elsewhere;
- the conditions involved in training programs (duration, cost, objectives) shall at least be communicated to the trade unions concerned or, in their absence, to workers representatives.
- management shall make sure that employees are not required to incur any expenses in connection with training. Any expenditure in this respect must be covered by management

### **2. CONSULTATION**

Subject to legal and statutory provisions in effect in the country concerned, the management of subsidiaries or facilities undertakes to consult with unions representing their employees, or in their absence with employee representatives. The following shall be applicable to consultations:

- this must take place as early as possible before the planned change, when this change concern a significant number of jobs (partial or total closing). The reference timeframe is 3 months. Any exception to this principle will be subject to preliminary discussions between the IUF General Secretariat and Groupe DANONE General Management.
- this must be accompanied by documents explaining the decision and giving the objectives and reasons for this decision,
- this must clearly indicate the consequences of the decision on workers in terms of changes in contracts or conditions of employment or any job cuts,
- the transfer of employees affected by the decisions to other positions within Groupe DANONE companies should be examined prior to any other measure being considered. Transfer of employees within Groupe DANONE must, as far as possible, be looked for within a close geographical zone,
- it should enable union organizations or otherwise workers representatives to present alternative proposals to the management's plan (redistribution and shortening of working hours, reductions in overtime, etc.). Union organizations shall have the option of being assisted in this task. Management should examine and respond to proposals within a reasonable timeframe (within one month at most) and defend its decisions before the concerned bodies,
- In the case of job cuts, actions intended to maintain permanent jobs will be given priority.

### **3. PLACEMENT ASSISTANCE**

A specific structure shall be set up whenever a management decision results in job losses. Its task shall be to help employees having lost their job find positions corresponding to their qualifications, skills, pay level, working conditions and place of residence. The structure shall be created at the time of management's decision, subject to applicable legal provisions, and may remain in existence after the implementation of said decision.

Trade unions - or, in their absence, employees representatives - shall be entitled to participate in the monitoring of placement activities.

Management, aware of the economic repercussions for communities where jobs are being eliminated, shall propose to support efforts aimed at creating new jobs and stimulating economic development through measures designed to promote the development and growth of local business firms. Such support may, if appropriate, be given jointly with local government authorities. It may consist of various measures, such as consulting services, market or feasibility studies and possibly financial assistance.

### **4. TRADE UNION RIGHTS**

In the event of partial or full closing of a facility, delegates of unions representing its employees may be granted time off with pay in order to perform their duties, if applicable regulations or agreements do not already call for it. This exceptional procedure shall be negotiated with management at local level.



## **DANONE/IUF CONVENTION**

### **ON THE SETTING UP OF SOCIAL INDICATORS AT GROUP LEVEL**

Within the increasingly international context in Groupe DANONE, and considering new facilities being set up in new territories, it appears necessary to redefine together the most significant social indicators. These indicators, intended for Information and Consultation Committee (CIC) members and IUF affiliate organizations, highlight our determination to measure progress achieved on key topics in Groupe DANONE's social policy.

This information covers all Groupe DANONE activities. It is given in a consolidated form for all relevant levels (Group, WWBU's, geographical zones or countries concerned) according to the appended list.

This information is made available to CIC members via the IUF channel before the annual CIC meeting, and refer to the year Y-1.

The present convention shall apply for the first time in 2005. The parties agree to assess the enforcement of this convention and to review the content as appropriate in 2007.



# GROUPE DANONE ANNUAL SOCIAL INDICATORS

		Group	WWB U	Zones <sup>1</sup>	Coun- tries
<b>WORKFORCE AND JOBS</b>	Salaried workforce as of 31/12				
	Average annual permanent/non-permanent workforce				
	Permanent workforce as of 31/12 managers/non managers				
	Permanent workforce as of 31/12 non managers men/women				
	Permanent workforce as of 31/12 by age group <sup>2</sup>				
	Permanent staff turn-over <sup>3</sup>				
<b>SOCIAL DIALOGUE</b>	% of employees covered by a sectoral collective agreement or multi-domain collective agreements				
	% of employees with collective representation (elected or designated by a trade union)				
	Number of conflicts with work stoppages				
<b>SAFETY AT WORK</b>	Number of accidents at work, with time off work				
	Number of fatal accidents				
	Frequency of accidents at work <sup>4</sup>				
<b>REMUNERATION</b>	% of employees covered by a collective profit sharing scheme				
	Non-manager salaries compared with the country's legal minimum and the average local market (comparison by country using several benchmark jobs). Empirical and progressive approach				
	% of employees covered by protection for major risks (death - invalidity)				
<b>TRAINING</b>	% non-manager employees taking training in the year r				
	% managers employees taking training in the year				
	% of Men/Women employees taking training in the year				
	Average number of hours of training in the year				
	Average number of hours of training in the year (managers/non managers)				

Key = information given in dark blue will be available in 2005, that in light blue in the following years

<sup>1</sup> 5 zones: Western Europe, Eastern Europe, Americas, Asia Pacific, Africa Middle East

<sup>2</sup> 6 age groups: <18, between 18 and 25, between 26 and 35, between 36 and 45, between 45 and 55, >55

<sup>3</sup> Staff turn-over = (number of people joining + number of people leaving)/(average workforce x 2)

<sup>4</sup> Frequency = number of accidents with time off work per million hours worked.

## FUNDAMENTAL SOCIAL PRINCIPLES

### 1. CHILD LABOUR

The company does not employ children aged under 15.

If the law sets a higher minimum working age or compulsory schooling is to a higher age, it is this limit that applies. (ILO Convention 138)

Educational programs and training are not included in this limitation.

### 2. FORCED LABOUR

The company does not use forced or compulsory labour, meaning any work or service performed under threat or that is not consented to by the person concerned. (ILO Conventions 29 and 105).

### 3. DISCRIMINATION

With due regard for applicable law, the company refuses to engage in any discriminatory practices.

Discrimination means any distinction, exclusion or preference limiting equality of opportunity or treatment.

It may be based on race, color, sex, sexual orientation, religion, political opinion, age, nationality, family obligations or other considerations (ILO Conventions 100 and 111).

### 4. FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

The company recognizes and respects employees' freedom of association and their right to freely choose their representatives.

The company also recognizes employees' right to collective bargaining (ILO Conventions 87 and 98).

The company ensures that employee representatives do not suffer any discrimination (ILO Convention 135).

## **5. HEALTH CARE AND SAFETY AT WORK**

The company ensures that the workplace and its environment do not endanger the physical integrity or health of employees (ILO Convention 155).

Action to reduce the causes of accidents and improve working conditions is the object of ongoing programs.

Sanitary equipment, canteens and housing provided to employees are built and maintained in accordance with applicable legal requirements.

As a minimum, the company must provide employees with drinking water, clean toilets in adequate numbers, adequate ventilation, emergency exits, proper lighting and access to medical treatment.

## **6. WORKING HOURS**

The company must ensure that national applicable legal restrictions on working hours, including overtime, are complied with.

Employees have at least one day off each week, apart from exceptional circumstances and for a limited period.

## **7. PAY**

The company ensures that:

- no wage is lower than the applicable legal minimum;
- all employees receive a pay slip;
- employees receive a decent wage relative to the country;
- wage rates for overtime are in all cases higher than for normal hours.





**Remarques - Bemerkungen - Comments -- Забележки - Observaciones -  
Huomautuksia – Megjegyzések – Tanggapan-tanggapan – Osservazioni –  
Keterangan – Opmerkingen – Uwaga – Comentários – Remarci – Примечание –  
Poznámky – Poznámky – Açıklamalar – Примітки -注意**

- ◆ Le texte de référence des conventions est le texte en français.
- ◆ Bezugstext der Rahmenvereinbarungen ist der französische Text
- ◆ The reference text for conventions is the French text.
- ◆ Референтен текст на споразуменията е текстът на френски език.
- ◆ El texto de referencia de las convenciones es el texto redactado en francés.
- ◆ Sopimusten ranskankielinen teksti on sitova.
- ◆ A megállapodások alapszövege francia nyelven készült.
- ◆ Naskah acuan dari konvensi-konvensi adalah naskah bahasa Perancis.
- ◆ Il testo di riferimento delle convenzioni è quello in lingua francese.
- ◆ Perjanjian referensi adalah perjanjian dalam Bahasa Perancis
- ◆ De referentietekst van de afspraken is de Franse tekst.
- ◆ Wersja francuska umów jest wersją nadrzędną.
- ◆ O texto de referência das convenções é o texto em francês.
- ◆ Textul de referință al convențiilor este textul în franceză.
- ◆ Официальным текстом соглашений является текст на французском языке.
- ◆ Referenčný text dohôd je text vo francúzštine.
- ◆ Francouzský text je právoplatným textem všech dohod.
- ◆ Anlaşmaların referans metni Fransızca metindir.
- ◆ Основним текстом угод вважається текст французькою мовою.
- ◆ 法文文本为协议的参考性文本。

