



## Danone/IUF Agreement on Sustainable Employment and Access to Rights



### ***Preamble***

Danone and the IUF commit to the promotion of permanent, direct employment as an essential foundation for a sustainable business anchored in respect for human rights with an engaged, qualified workforce and a healthy labor relations environment.

Danone and the IUF commit to work together to bring about continuous progress in limiting or, where mutually agreed, reducing precarious forms of employment through a process of monitoring and negotiation.

### ***Human Rights***

Employment relationships other than permanent direct employment may restrict the protection and exercise of human rights. These internationally-recognized human rights are expressed in the United Nation's International Bill of Human Rights,<sup>1</sup> the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization and additional ILO instruments relevant to the employment relationship and the exercise of human rights at the workplace.<sup>2</sup>

### ***Forms of employment***

For the purpose of identifying potential human rights risks associated with the different forms of employment, Danone and the IUF define the employment relationship using three broad categories:

- Permanent: full- and part-time workers directly employed by Danone for an unlimited duration;
- Fixed-term: workers either directly employed by Danone or through an agency for a specified duration;
- Outsourced: workers employed by a service provider performing tasks on- or off-site. Formally independent contractors also come under this category.

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<sup>1</sup> The International Bill of Human Rights consists of the Universal Declaration of Human Rights (adopted by the United Nations in 1948), the International Covenant on Civil and Political Rights (1966) and the International Covenant on Economic, Social and Cultural Rights (1966).

<sup>2</sup> These include, in addition to the core Conventions No. 87 on Freedom of Association and Protection of the Right to Organise, No. 98 on the Right to Organise and Collective Bargaining, No. 100 on Equal Remuneration and No. 111 on Discrimination (Employment and Occupation), the Termination of Employment Convention (No. 158), and Recommendation (No. 166), the Private Employment Agencies Convention (No. 181), the Private Employment Agencies Recommendation (No. 188), the Employment Relationship Recommendation (No. 198), the Part-Time Work Convention (No. 175), the Part-Time Work Recommendation (No. 182), the Maternity Protection Convention (183), the Social Protection Floors Recommendation (No. 202), the Employment Policy Convention, 1964 (No. 122).

### ***Opportunities and risks***

Permanent direct employment provides employment predictability, social protection (including against arbitrary dismissal) and social benefits, which build the foundation for better living conditions. Sustainable employment practices:

- Contribute to increasing and sustaining business performance while securing Danone's reputation;
- Contribute to embedding respect for human rights in Danone workplaces and in operations and services upon which Danone has an impact through a business relationship;
- Contribute to the economic and social development of the people and communities upon which Danone has an impact through its business activities;
- Contribute to ensuring the comprehensive quality of products and services to customers through an engaged and qualified stable workforce;
- Contribute to fostering skills development and healthy working conditions that can in turn lead to a reduction in turnover.

Danone and the IUF recognize that fixed-term contracts and outsourced employment relationships may have the effect of depriving workers of the protections and the rights they are due. Danone and the IUF aim to prevent risks associated with precarious employment practices, which:

- May prevent workers from membership in a union of permanent workers or violate their right to collectively bargain the terms and conditions of their employment with Danone management;
- May result in unequal treatment and violate the principle of equal wages for work of equal value and may lead to discrimination;
- May result in violations of workers' right to a safe working environment;
- May result in unequal access to training and advancement;
- May result in and/or reinforce lower levels of legal/social protection compared with permanent workers.

Danone and the IUF recognize that indirect employment relationships heighten these risks.

### ***Principles and Methods***

In the context of this agreement the IUF and Danone jointly commit to bring about positive changes in employment practices through a process of monitoring and negotiation. Employment on fixed-term contracts shall be limited to circumstances where such employment can be identified exclusively as temporary and non-recurring and as such be justified as a requirement for the sustainable industrial activity of Danone locally.

Local management and trade unions shall jointly identify the circumstances under which fixed-term employment and/or the outsourcing of services may be introduced by mutual agreement. This includes agreeing that necessary mechanisms are in place to ensure that any and all service providers understand and will adhere to the human rights and fundamental social principles that are established international standards.

Plans to limit or, where mutually agreed, reduce precarious forms of employment shall be implemented in a way that guarantees both stability of employment and the sustainability of Danone's business.

Equal remuneration for work of equal value and non-discrimination with respect to working conditions shall be guaranteed to all workers, whether directly employed by Danone or through agencies or an outsourced service provider.

Significant changes in structural forms of employment shall be subject to negotiations within the collective bargaining process with the trade union in the workplace concerned with reference to the rights and principles set out in this agreement.

Local management and trade unions shall regularly review the use of fixed-term and outsourced employment in the workplace and the terms of employment, with a view to limiting the recourse to such employment.

### **Communication**

Danone corporate management shall inform local management at Danone business units<sup>3</sup> of this agreement and support its implementation and application.

Danone shall communicate this agreement and promote its implementation and application at operations in which Danone has minority ownership and at Danone Group's suppliers, in accordance with the human rights due diligence responsibilities set out in the OECD Guidelines for Multinational Enterprises.

The IUF shall inform its affiliated organizations and encourage them to discuss measures for implementation of this agreement with local management.

The IUF and Danone agree to permanently review progress in the implementation of this agreement. Danone Human Resources shall provide the information necessary for this review process.

Paris, March 15th, 2016

E.FABER  
Danone CEO



R. OSWALD  
IUF General Secretary



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<sup>3</sup> Includes businesses in which Danone has a stake of more than 50%.