

# Freedom of association & collective bargaining policy



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For further information see [www.global-risks.com](http://www.global-risks.com)



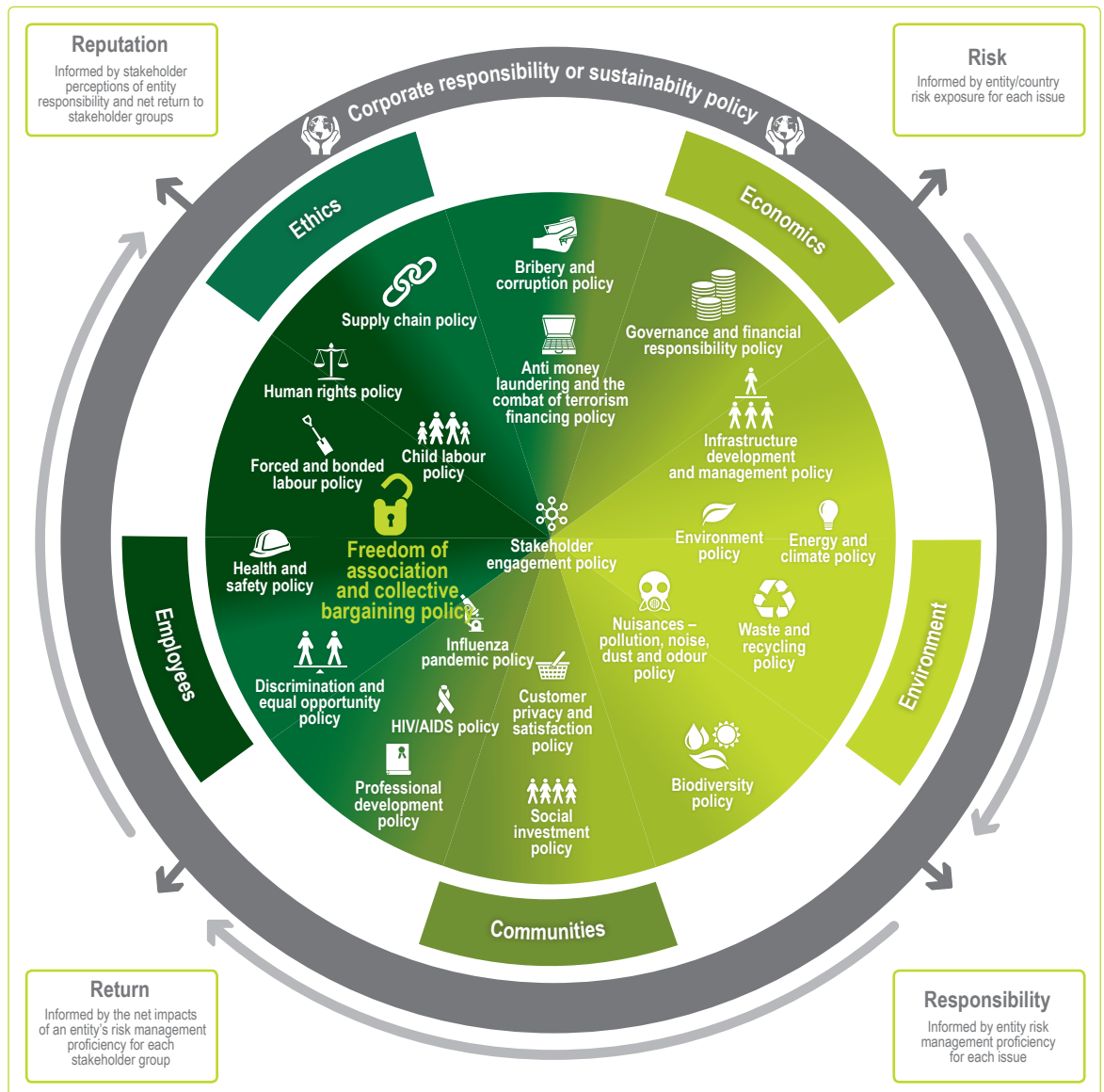
# Freedom of association & collective bargaining policy

Global Reporting Initiative  
SA8000

ISO14001  
FTSE4Good

Dow Jones Sustainability Index  
Equator Principles  
OHSAS18001

Figure 1: Our policy categorisation continuum

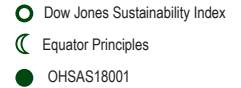


Within the policy categorisation continuum a corporate responsibility or sustainability policy forms the top-level commitment statement for an entity. Underlying this, there are issue specific policies that can be located within the categories of ethics, economics, environment, communities and employees, or as issues that cut across more than one category. Implementation of policy supports risk, responsibility, return and reputation:

- an entity's risk arises from the risk exposure of that entity and the country in which it operates to issues
- the responsibility of the entity at managing risks proficiently for stakeholder groups provides a return in the form of contribution to society
- proficiency at managing these risks is indicative of the responsibility of the entity
- the perceived responsibility of the entity and its contribution to society influences the reputation of that entity.



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Policies are statements that oblige and guide a company (entity) and its employees to behave in a particular way and that demonstrate to stakeholders the commitments the company has made. In our suite of policies, each document consists of two chapters.

### The first chapter is the adoptable policy itself. This includes best practice policy elements in the following areas:

- An introduction section that outlines the scope, aims and objectives of the policy.
- An implementation section that includes:
  - » a statement of high-level company commitments relating to the subject of the policy
  - » specific content requirements to ensure complete attainment of the above high-level commitments
  - » monitoring and reporting requirements for evaluating the impact and effectiveness of the policy
  - » communication and awareness mechanisms to ensure relevant stakeholders understand the policy and the business implications of not adhering to it
  - » management requirements to ensure policy implementation, integration into business practice, auditing and policy review.
- A responsibilities section that details where responsibility for implementing the policy rests within the company, including the signature of the Chief Executive as a sign of top level commitment to the issue.

### The second chapter provides guidance, background resources and insight into effective policy implementation. This includes:

- Information on how to implement the policy as part of a management system and details of other Maplecroft tools available to assist in this process.
- Policy development and adoption information.
- Resources, including links to key websites, example policies of other businesses and definitions of key terms.

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Throughout the policy, elements that reflect the requirements of recognised standards and principles are indicated using icons. A key to these icons can be found within the guidance section.



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### 1 Introduction

Freedom of association enables workers to voice their opinions free of interference by the employer or government. Collective bargaining provides a means of reaching agreement on behalf of a firm's workers that can be universally applied. "The entity" respects and supports the rights of employees to freedom of association and collective bargaining.

"The entity" is firmly committed to creating strong business growth, which is not achieved at the expense of the environment, quality of life or social equity. ☺

The aim of this policy is to ensure that "the entity" respects and facilitates freedom of association and collective bargaining, enriching the rights and morale of employees, with a subsequent balanced level of productivity, avoidance of strike action and enhancing the organisation's relations and reputation. ☺

The objective of the policy is to set out the ways in which "the entity" will:

- facilitate freedom of association and collective bargaining
- allow and provide for employee representation
- ensure that freedom of association and collective bargaining take place without discrimination.

This policy encourages the development and implementation of responsible business practice. ☺



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## 2 Implementation

### 2.1 Commitment

Recognising the rights of employees as one of our key stakeholders “the entity” will:

- Comply with national law on freedom of association and collective bargaining and follow recognised international standards of best practice.
- Facilitate, and not hinder, the development of parallel means of free association and bargaining, where the law restricts the right to freedom of association and collective bargaining, respecting the rights of all employees to conduct activities aimed at achieving independent and free association and collective bargaining on the premises, within the law.
- Identify operations in which the right to exercise freedom of association may be at risk and take action to support these rights. [HR5]

### 2.2 Employee representation

Working to facilitate freedom of association and collective bargaining “the entity” will:

- Ensure that employees have the right to form and join worker representative bodies/trade unions of their own choice and freely associate.
- Allow employee representatives to be elected by employees.
- Ensure employee representative body/trade union representatives are allowed to operate at “the entity” and to visit the workplace freely, and not interfere with the activities of the workers’ associations.
- Be proactive in representing employees, when unions are state controlled.
- Make formal provisions for employee representation in decision-making and management. [LA13]
- Recognise employee representative bodies/trade unions as a party in the collective bargaining process and will allow representatives to conduct negotiations with management.

### 2.3 Discrimination

Ensuring that freedom of association and collective bargaining take place without discrimination “the entity” will:

- Not tolerate discrimination against members of a worker representative body or trade union representatives, whether from management or co-workers.
- Enable employees to join (or not join) and carry out union activities without fear of being penalised by “the entity”.

### 2.4 Measuring and reporting

Continually evaluating our performance “the entity” will:

- Record and report descriptions of formal agreements with trade unions or other bona fide employee representatives.
- Record and report on the percentage of employees represented by trade unions or other bona fide employee representatives. [LA3]
- Produce a publicly available annual report including the above indicators and other relevant information required to understand performance on the issue.



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## 2.5 Communication

Supporting stakeholder collaboration as part of successful implementation “the entity” will:

- Effectively communicate the policy and associated guidance and procedures to personnel and other interested parties. ✓
- Provide all new employees with a copy of the policy, and provide formal training on the policy, either as part of the employee induction process or as part of an apprenticeship scheme. ✓
- Provide employees with regular training and awareness building covering the issues in this policy in order to foster an awareness of shared responsibility and accountability. ✓
- Seek to make existing employees aware of the issues covered in this policy. ✓
- State clearly how this policy relates to other policies in “the entity”. ✓
- Display the policy publicly and prominently. ✓

## 2.6 Management

Managing the provisions of this policy to work towards successful implementation “the entity” will:

- View this policy and associated guidance as ‘living documents’ to be reviewed by the Board on an annual basis, drawing from ongoing stakeholder consultation. ✓
- Ensure all elements of this policy are managed as integral parts of its business and planning. This will include ensuring that estimates of the costs of present and expected actions are included in the preparation of investment plans, risk reviews and annual accounts. ✓
- Maintain a management system that aims to integrate freedom of association and collective bargaining issues into its decision-making and risks review processes. ✓
- Develop procedures and guidelines to facilitate policy implementation and empower management to ensure policy aims are met. ✓
- Put in place a monitoring system to gauge performance against the implementation requirements of this policy and conduct regular audits to evaluate compliance with and the effectiveness of this policy. ✓
- Have in place a procedure for responding to cases in which the policy has not been followed or has been breached. ✓
- Report the outcomes of audits, including details of corrective action plans annually to its supervisory board or governing body to promote continuous improvement. ✓
- Where relevant, attain external verification of the audit process against SA8000 as the foundation from which to improve. ✓

## 3 Responsibilities

- A senior member of “the entity” will be responsible for the effective implementation of this policy across all operations owned or managed by “the entity”. The senior member will also be responsible for reporting to the Board and external stakeholders about performance with respect to policy implementation. ✓
- All employees have an important role in assisting “the entity” in successful implementation of the principles of this policy.

Chief Executive’s Signature



## Guidance

### Policy development and adoption

This generic adoptable policy is rooted in international and national law and the best practice policies of global companies. Throughout the policy, elements that reflect the requirements

of recognised standards, instruments and international best practice principles are indicated using the following icons:

### Key



The **Global Reporting Initiative** (GRI – G3 indicators version 3) are marked with a star '★' and identified with the relevant indicator numbers of the Sustainability Reporting Guidelines. They will therefore help entities prepare for reporting in conformance with GRI.



The **SA8000** Social Accountability standard are marked with a tick '✓'. These policy elements are reflective of those one would expect a professionally trained SA8000 auditor to inquire into during the audit/certification process. They will therefore help entities prepare for conformance with SA8000.



The **ISO14001** Environmental Management System (EMS) standard are marked with a club '♣'. These policy elements are reflective of those one would expect a professionally trained ISO14001 auditor to inquire into during the audit/certification process. They will therefore help entities prepare for conformance with ISO14001.



The **FTSE4Good** Index Series inclusion criteria are marked with a diamond '◇'. Addressing and capturing data against these issues will help entities prepare the EIRIS questionnaire and further chances of inclusion in the FTSE4Good Index.



The **Dow Jones Sustainability Index** criteria (DJSI World) are marked with a ring '◉'. Addressing and capturing data against these issues will help entities prepare for completion of the SAM questionnaire and further chances of inclusion in the DJSI.



The **Equator Principles** are marked with a half moon '☾'. Working in conformance with these issues will assist entities in complying with the environmental and social project finance conditions of banks that have signed up to the Equator Principles.



The **OHSAS18001** Occupational Health and Safety Management System standard are marked with a '●'. These policy elements are reflective of those one would expect a professionally trained OHSAS18001 auditor to inquire into during the audit/certification process. They will therefore help entities prepare for conformance with OHSAS18001.

Sector specific supplements to this policy are available that will take into account sector best practice standards. Any entity wishing to adopt this policy should review the immediate relevance of policy content to the entity, its core business and impacts. The entity may wish to omit certain clauses as being less relevant. The entity should also refer to its own management framework, business processes and approach to splitting management functions in order to ensure integration of the policy with its own strategy and culture.



## Guidance

### Best practice

UDHR (accessed 2007). Articles 20 and 23. <http://www.udhr.org>

International Covenant on Civil and Political Rights (ICCPR, 1966) (accessed 2007). Articles 21 and 22. <http://www.unhchr.ch>

International Covenant on Economic, Social and Cultural Rights (1996). (accessed 2007). Article 8. <http://www.unhchr.ch>

Convention on the Rights of the Child (CRC, 1989) (accessed 2007). Article 15. <http://www.unhchr.ch>

European Convention on Human Rights (ECHR, 1950) (accessed 2007). Article 11. <http://www1.umn.edu>

American Convention on Human Rights (ACHR, 1969) (accessed 2007). Articles 14 and 15. <http://www1.umn.edu>

African Charter on Human and Peoples' Rights (ACHPR, 1981) (accessed 2007). Articles 10 and 11. <http://www1.umn.edu>

ILO Convention 87 on Freedom of Association (1948) (accessed 2007). <http://www1.umn.edu>

ILO Convention 98 on Right to Organize and Collective Bargaining (1949) (accessed 2007). <http://www1.umn.edu>

United Nations Norms (accessed 2007). Norm 9. <http://www.unodc.org>

UN Global Compact. Ten Principles (2004) (accessed 2007). Principle 3. <http://www.unglobalcompact.org>

### Example policies

ABB (accessed 2007). Social Policy. <http://www.abb.com>

Aviva (accessed 2007). Human Rights Policy. <http://www.aviva.com>

Centrica (accessed 2007). Human Rights Policy. <http://www.centrica.com>

DHL (accessed 2007). Human Rights. <http://www.dpwn.de>

National Grid (accessed 2007). Human Rights Policies. <http://www.nationalgrid.com>

Tesco (accessed 2007). Suppliers and ethical trading. <http://www.tescopl.com>

The Coca-Cola Company (accessed 2007). Workplace Rights Policy. <http://www.thecoca-colacompany.com>

### Key terms

#### Freedom of association

Freedom of association allows for workers to meet freely and form and join trade unions, workers' organisations or religious groupings, without interference. This right is protected under international human rights law. This right enables workers to voice their opinions free of interference by the employer or government.

#### Collective bargaining

Collective bargaining is the negotiation of working conditions or terms of employment between the employer and an independently represented group of employees – generally represented by a freely elected trade union. The primary goal of collective bargaining is providing a means of reaching agreement on behalf of a firm's workers that can be universally applied. Collective bargaining serves a dual purpose. It provides a means of determining the wages and conditions of work applying to the groups of workers. It also enables employers and workers to define by mutual agreement the rules governing their relationship.