

<p style="text-align: center;"><b>Danone / IUF Agreement on health, safety, working conditions and stress</b></p>
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Problems of health, safety, working conditions and stress were a major focus of the CIC session in 2009. On that occasion, the Chairman of Danone requested the opening of negotiations on those issues in order to conclude an agreement with IUF.

Insofar as they are applicable to them, IUF and Danone shall uphold the principles set out in the Seoul Declaration of 29 June 2008 on safety and health at work, and those contained in the relevant ILO Conventions.

In this respect, the management of every Danone company should define, apply and periodically review a coherent policy on the safety, health and working environment of employees, in consultation with trade unions and/or staff representative bodies. This policy is intended to prevent occupational accidents and health risks that are consequent upon work, work-related, or occur during working time, by minimizing, as far as possible, the causes of risks in the workplace.

By this Agreement, Danone undertakes to comply with the articles of the relevant ILO Conventions, Recommendations and Protocols in the countries where Danone is established.

### **1- General principles**

Protection of health at work, safety and working conditions, and the prevention of stress at work are complex and closely connected issues. Any deterioration in these areas may be caused by multiple factors. Several of the measures to be implemented are common to all four subject areas covered by this Agreement.

The parties recall that risk prevention must take place as far upstream of project implementation as possible (when drawing-up specifications) and in the procurement process (of materials and equipment, etc.) in consultation with trade unions and/or staff representative bodies and employees concerned by the various projects.

### **Conditions for the success of an agreement on health, safety, working conditions and stress**

Within every Danone company, and for every stakeholder, it is important to take into account the conditions for the success of an agreement on health, safety, working conditions and stress:

- Measures concerning health, safety, working conditions and stress require perseverance and coherence and need to be sustained in the long term in order to bear fruit;
- Collaboration between management and trade unions and/or staff representative bodies is essential;
- These measures must not preclude upgrading of equipment (for quality and

reliability) or actions by management and employees alike. However, such measures must complement each other;

- Those measures must not be a source of bureaucracy which could generate additional stress, but must do all that is necessary in terms of appropriate support systems which are both easy to implement and to understand.

### **Consultation and involvement of employees**

IUF and Danone emphasize the need to involve trade unions and/or staff representative bodies at all stages of deliberation and action concerning health and safety at work. Furthermore, the parties agree on the importance, with the agreement of trade union and management, of having resort to experts (physicians, ergonomists, etc.) for advice on specific issues concerning health, safety and working conditions.

IUF and Danone encourage trade unions and management of affiliates and sites to enter into negotiations at national and/or local level, with a view to concluding agreements on issues of health and safety at work, and regularly to review those that already exist.

The parties agree to promote specific consultation on all sites, on health, safety, working conditions and stress with Trade unions and/or employees representation delegates and to encourage participative courses of action involving employees on these issues.

### **Danone's undertakings**

Danone's obligations are set out in the body of this Agreement. In particular, Danone undertakes to abide by the following principles:

- Definition of a policy, the engagement of management and an exemplary attitude at all levels of management;
- Setting up a specific body to coordinate safety, health and working conditions on every site (including head offices), whether managed from the site itself, at company, country or regional level;
- Evaluating, eliminating or reducing risks at source, and failing that, implementing collective or individual protection at the company's expense;
- Consulting with trade unions and/or staff representative bodies;
- Providing appropriate information to employees on measures taken by management to safeguard health and safety;
- Involvement and participation of employees in safety and health at work actions;
- Training of staff and their representatives.

### **Employees' rights and duties**

In tandem with actions initiated by management, all employees must take care of their personal safety and health, as well as the safety and health of others who might be affected by their actions at work. This means, in particular:

- The right to leave the workplace in the event of a situation of risk to health and safety and the duty to help find a solution;
- Compliance with safety and health instructions and procedures;

- Taking part in training and awareness activities relating to safety and health;
- Collaborating with management with respect to measures concerning their safety and health at work.

## **2- Health at work**

### **Principles**

No-one should suffer discrimination on the grounds of their health.

Danone companies must ensure that in the course of their work, the health of Danone employees, temporary staff and subcontractors is not put in danger (chemicals, toxic products, noise, heat, ambient air, humidity, load carrying, repetitive tasks, etc.).

Danone considers that its health mission must be reflected primarily in actions for the benefit of its employees. To this end, Danone has taken a number of initiatives (Health@Work, Dan'Cares). Health@Work actions are designed to inform and make Danone employees aware of better health through dietary habits and physical activity, etc.). Similarly the Dan'Cares action plan is intended to provide minimum medical cover for all employees, primarily by ensuring that fundamental needs (hospitalization, maternity, medical consultations) are covered by local schemes and/or insurance co-financed by Danone companies and its employees, at a cost and of a quality and accessibility above or at least equal to those offered by other locally established international groups.

The application of the Dan'Cares action plan could be the subject of dialogue between the trade unions and/or staff representative bodies. Subject to local legislation, where staffs are asked to contribute, the introduction of medical care cover shall be the subject of negotiation.

Employees of all Danone companies shall be covered under a disability/life insurance scheme.

### **Means**

#### **Limiting risk of exposure to hazards**

Danone undertakes to implement the necessary measures to limit exposure to the following hazards: chemicals, vibrations and noise, air pollution, repetitive tasks, handling of heavy loads, etc.

#### **Systematic medical monitoring**

Danone undertakes to have its employees' health at work monitored in all its companies. This may be provided by healthcare services established under national law. Such monitoring shall include medical examination prior to recruitment, and regular medical examinations, totally free of charge for the employee concerned. The monitoring of employees' health related to work shall not entail any financial loss for the employee and shall take place, whenever possible, during working hours. These medical examinations shall be performed by a physician with a recognized qualification (generally a degree) who is independent from the company.

Danone shall ensure that a clause stating those principles is included in contracts concluded with temporary employment agencies or subcontractors operating on Danone sites.

Danone's health services or external services shall liaise with the company's other specialists, when the follow-up and protection of employees' health requires multidisciplinary actions.

#### Procedure in case of specific health problems, fire outbreaks and explosions

Emergency means of rescue and first aid in case of accident, occupational disease, intoxication or indisposition shall be made available in all workplaces. Particular attention shall be given to the organization of rescue operations for employees working on night shifts and during public holidays.

Regarding rescue, fire fighting and evacuation of employees, Danone companies shall take the necessary measures appropriate for the type of business and size of the site, and taking into account other people on the site. Danone companies shall organize the necessary contacts with outside services.

In case of serious danger, involving immediate and unavoidable threat to the safety of staff and/or others, the employee must immediately alert his immediate superior. If such contact is not possible, the employee must, without delaying the measures to be taken, and on the basis of his knowledge and technical facilities, take appropriate measures to avoid the consequences of such a danger, which may include leaving his post or danger zone.

The employee shall not be compelled to return to the work post until corrective actions have been carried out, and shall not be made to bear the consequences of the exercise of the right of withdrawal whenever it is justified.

#### Occupational diseases

The Danone companies shall report, occupational diseases, and cases of illness of suspected occupational origin, to the authorities concerned or insurance agencies. Measures to be taken in order to prevent such diseases shall, as far as possible, be considered in collaboration with the occupational physician, trade unions and/or staff representative body.

When an employee who has sustained a work accident or occupational disease is fit to return to work (with or without restrictions) by a physician, Danone shall provide to the employee a position as comparable as possible to the previous one in terms of content and level of pay. Where this is not possible, the management shall do their utmost to relocate this employee under the best possible conditions in another Danone company or elsewhere.

### **3- Safety**

#### **Principles**

In sites for which Danone is responsible, it is for the local management to take all measures necessary to ensure that all persons present are safe, whether they are

Danone employees, temporary staff, subcontractors or visitors. Within its sites, Danone must provide all its employees and temporary employees under its management with the necessary safety means (personal protective equipment, training, materials, vehicles, operating procedures, etc.). With regard to subcontractors operating regularly for Group companies, Danone must seek to instil in them a culture of safety at work, notably by disseminating its standards and involving employees of subcontractors in safety training actions.

Personal safety is one of the fundamental values of the Group's social policy. Danone undertakes to ensure that workplaces, machinery and work processes present no risk, or if a risk cannot be eliminated, to limit its effects on staff health and safety. Safety falls under the company's responsibility (site manager) and is an integral part of management.

Staff representative bodies and/or trade unions must be stakeholders in safety prevention and action programmes (policy, diagnosis, action plans and their implementation).

### **Means**

Protective devices (individual and collective) shall be provided at the company's expense to all persons working at a Danone site.

Danone shall ensure that every employee and every person working at its sites receives adequate safety and health training, specifically designed for their post or function. Such training shall be provided upon recruitment, transfer or change of function, installation or change of work equipment, introduction of a new technology, and shall be periodically renewed.

In respect of certain potentially hazardous operations, the Danone Group agrees to carry out measures to prevent, eliminate or manage risk. These concern electrical works, energy supplies (compressed air, etc.) moving loads using equipment (manually or mechanically), driving vehicles, working in a confined space, moving machinery. In addition, special attention must be provided to recently appointed employees, weaker employees, temporary employees and subcontractors.

A specific organization shall be set up for collaboration with subcontractors on site. Local Danone management shall ensure that employees of the company and/or external establishments have received appropriate instructions concerning safety and health risks, while they are operating on site.

Investment or procurement plans must automatically take account of safety criteria.

High standards have been set by Danone in order to limit major risks<sup>(1)</sup>. Employees, trade unions and/or staff representative bodies shall be informed of, and trained on the content of those standards. They must also be involved in the definition of procedures deriving from those standards.

The reporting of accidents is a management responsibility. It is mandatory and must be carried out according to the rules set out by the Group. An employee who reports an accident at work shall not be penalized for reporting it.

Danone undertakes to analyse all accidents at work, and progressively to extend such analysis to narrowly avoided accidents, by liaising with the employees concerned and staff representative bodies, in order to learn the lessons and prevent such accidents from recurring, or prevent narrowly avoided accidents from actually occurring in a more or less serious form.

The safety indicators listed in the Agreement between Danone and IUF on economic and social indicators shall be regularly discussed with the staff and their representatives.

#### **4– Working conditions**

##### **Principles**

The company's survival and development require a constant improvement in productivity. However this should not be to the detriment of working conditions. Productivity gains must be found, in particular, through product design, raw materials, purchases, installation of machines and more efficient processes and through reviewing the organization of work.

These provisions complement the clauses on training, consultation; help with reassignment and trade union rights contained in the Agreement between Danone and IUF which “apply in case of implementation of new methods, new organizational processes, significant variations in production volumes, and any situation which significantly affects working conditions or the nature of employment contracts”.

##### **Means**

The management of performance and implementation of associated systems and tools must involve the employees concerned at the grass roots in identifying ways of improving productivity and striking a balance between efficiency and wellbeing at work. By participating in the management of performance, employees help to simplify the work, reduce workloads, improve safety and quality, optimize processes and thus enhance operational efficiency. The involvement of the persons concerned upstream of projects through participatory workshops is key.

The following items shall be discussed with trade unions and/or staff representative bodies: working time, rest breaks, innovative organization, specialists' contribution to work cycles, night work, compensatory time off rather than monetary compensation,

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<sup>1</sup> As at 31 December 2010, standards have been set concerning reporting and investigation of accidents at work, subcontractors operating at Danone sites, car driving on the road, connection and disconnection of power supplies.

team work, rest places, planning and communication before team changes, work load assessment (work overloads should only be exceptional, for a limited period of time and paid), age-related issues (young people, older workers), and gender (maternity). Managements shall decide with trade unions and/or staff representative bodies the subjects to be negotiated.

Executives and middle management must be trained in people and team management and managerial behaviour. Any promotion to a managerial position shall automatically be accompanied by training in managers' social and human responsibilities.

## **5 – Stress**

### **Principles**

Danone and IUF recall the definition of stress adopted by the European Agency for Safety and Health at Work

“A state of stress occurs when there is unbalance between someone's perception of the constraints due to work environment and one's perception of one's own resources to cope with those constraints. Individuals are capable of managing short term pressure but they experience great difficulties under continuous or repeated exposure to intense pressures. Moreover, different individuals can react differently to similar situations, and the same individual can, at different moments of his life, react differently to similar situations. Stress can reduce efficiency at work and be the cause of severe health problems”.

Danone must include stress and psycho-social risks in occupational risks and undertakes to take them into account in its company health policy.

The object of this Agreement is to fix a general framework which must be adapted to each country to prevent, detect, avoid, and treat cases of stress at work by:

- increasing awareness and understanding of stress by the company, employees and their representatives;
- drawing their attention to signs likely to indicate problems of stress at work, as early as possible;
- finding a system of working within Danone companies that reduces factors that generate stress.

### **Means**

A stress measuring process at site level will be encouraged in cases where trade unions and/or staff representative bodies or employees themselves report suspected stress at work to local management. Good practices will be shared.

Training in stress and stress factors of all those involved in the company, and in particular senior and middle management, and staff representatives, will help to develop awareness and understanding of stress and its likely causes, and provide ways to prevent and deal with it.

Danone and IUF have elected to foster collective vigilance. It is recommended that counsellors should be appointed to identify employees in distress and help to find

solutions. They should be appointed from among on-site staff members (trade unions and/or staff representative bodies, members of committees on health, safety and working conditions, management, human resources manager, occupational physician). While site managers are responsible for safety and health of people at work, colleagues who spot stress situations can report them through these counsellors.

For all significant changes, human consequences must be taken into account, notably psycho-social risks, work load, ergonomics and skill requirements.

The managers' training programme must include change management skills. The role of local managers must be strengthened whilst maintaining both the company's efficiency and employees' wellbeing. As far as possible, the manager must be in close physical proximity to the team as often as possible.

To take into account personal organisational constraints, and give employees optimal visibility on work schedules, they should be planned as far as possible in advance. Working time, rest time and vacations must be respected, and working on public holidays should be avoided as much as possible

## **6- Monitoring of the Agreement**

The application of this Agreement in one or several Danone companies shall not override pre-existing situations that are more favourable to employees, whether derived from national laws, the application of a collective agreement at national or any other level, or pre-existing custom at the site. Any dispute on this point shall be referred to the Interpretation Committee. In case of interpretation divergence, the text in French will prevail.

Danone and IUF agree to the establishment of joint monitoring of this Agreement in the Group companies. This monitoring shall consist of at least one annual special meeting of the IUF/Danone Steering Committee to analyse the following indicators which will be included in the annual report of financial and social indicators to all the CIC members:

- Number of accidents per business;
- Accident frequency rate;
- Accident severity rate;
- Social welfare cover rate;
- Number of cases of occupational illness;
- Percentage of yearly appraisal interviews performed;
- Percentage of sites having a specific health, safety and working conditions body with staff representation;
- Percentage of sites having a medical monitoring unit.
- Number of companies having an agreement or plan on prevention of stress and psycho-social risks.

Best practices reported to the Steering Committee shall be the subject of a presentation to the C.I.C. Exchange of best practice among sites or companies, both at management and staff representative levels, shall be encouraged.

Any trade union or company management shall be entitled, via the appropriate channels (IUF for trade unions), to submit the matter to the Agreement Interpretation Committee if it considers that one or several provisions of this Agreement present a difficulty of application. The actual dispositions concerned must be clearly indicated.

The Danone/IUF Steering Committee shall act as the Interpretation Committee. Should the findings be unanimously arrived at, they shall become enforceable. In the opposite case, each party shall remain free to act as it sees fit, subject to the provisions of this Agreement.

## **7- Communication**

Company managements shall forward one copy of this Agreement, in the language of the country concerned, to the trade unions represented in the company and/or to the staff representative body. They shall find further appropriate means to inform all personnel concerning the principles of this Agreement.

IUF shall circulate this Agreement to affiliated organisations represented in the Danone companies.

Danone shall circulate this Agreement, in accordance with best practice, to its suppliers and subcontractors.