

**APPLICABLE CONVENTION IN THE EVENT OF  
CHANGES IN BUSINESS ACTIVITIES AFFECTING  
EMPLOYMENT OR WORKING CONDITIONS  
1997**

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.

