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CORPORATE SOCIAL RESPONSIBILITY IN THE EUROPEAN SUGAR INDUSTRY

CODE OF CONDUCT

I - INTRODUCTION

Corporate Social Responsibility in the European Sugar Industry is a framework within which we as a sector have voluntarily decided to promote social development as well as respect for fundamental rights. Through the creation of this framework we recognise that Corporate Social Responsibility is becoming increasingly important and thus commit ourselves to pursue and demonstrate the overall sustainability of the sugar industry¹. As an industry, our companies are not only responsible for their products and services but also for the conditions under which they are produced.

For a number of years the European Sugar Industry has already given its support to a European social model through a whole series of guarantees going well beyond legal requirements. It is a social model in which the involvement of the employees in the social dialogue at all levels is one of the major elements.

This is why the Social Partners decided to take a joint initiative on Corporate Social Responsibility.

Now this CSR framework in the European Sugar Industry goes even further and sets voluntary minimum standards in a number of areas such as human rights, education and training, health and safety, pay and working conditions, restructuring, as well as relationship between social partners.

Moreover, this framework has been created to serve as a vehicle for sharing experiences and will function as a source for learning to develop best practice throughout the whole European Sugar Industry as an inspiration for continuous improvement.

¹ In this context the European Sugar Industry covers the Members of the CEFS operating in countries where the CEFS is represented and within the field of activity of the CEFS - See list of CEFS Members in Annex II.

Finally, it clearly positions the European Sugar Industry in relation to our stakeholders, be they employees, consumers, customers, shareholders, suppliers, public and financial authorities, the European Commission or the World Trade Organisation.

Our vision for this work is to create added human and social value by incorporating Corporate Social Responsibility into all our activities.

Our approach will be built upon a holistic view, transparency and an open dialogue with our stakeholders, also on other CSR issues and developments.

II - MINIMUM STANDARDS

The Members of the CEFS in the countries where the CEFS is represented undertake to comply with the minimum standards set out below and, as appropriate, to promote these standards beyond the area of activities for which the CEFS has a mandate (see Annex II). These voluntary standards of a general scope are usually much lower than the standards actually applicable in the Union. The respect of these standards shall not constitute a valid reason for reducing pre-existing higher standards, on the contrary.

1 HUMAN RIGHTS

The European Sugar Industry complies with the principles and rights at work as defined by the ILO and in the UN Universal Declaration of Human Rights and the European legislation.

The European Sugar Industry:

- a) respects the freedom of association and thus the right for all workers to establish trade unions and to affiliate, including for workers representatives the right of access to the enterprise (ILO convention 87).
- b) recognizes the effective right to collective bargaining as well as the right for worker representatives to get facilities as appropriate in order to carry out their functions promptly and efficiently. (ILO conventions 98 and 135).
- c) confirms the fact that exercising these rights won't cause any personal or professional damage to the workers and their representatives.
- d) will not operate with any form of forced or compulsory labour (ILO Convention 29).
- e) is opposed to child labour (Convention 182) and meets ILO convention 138 in relation to the minimum age for admission to employment.
- f) Is against all discrimination, be it based on ethnic or national origin, religion, sex, sexual orientation, affiliation to trade union, age or political affiliation and undertakes in particular to guarantee and promote equal opportunities and equal treatment for men and women (ILO conventions 100 and 111 – EU directives n° 76/207/EEC of 9.2.1976, n° 2000/43/EC of 29.06.2000 and n° 2000/78/EC of 27.11.2000).

2 EDUCATION, VOCATIONAL AND LIFE LONG TRAINING

The European Sugar Industry endeavours to invest in its employees by providing them with the best possible skills and abilities in order to develop their individual potential to the maximum, and thereby contributes to the success and competitiveness of the enterprise. It gives specific training to employees as regards technical aspects connected with the production process and the field of health and safety at the workplace, and all other relevant aspects connected with the enterprise.

Education and training constitute an integral part of the social dialogue in the companies. Proposals and initiatives by the employees and their representatives are welcome and will be implemented in accordance with national habits.

The European sugar industry recommends to sugar companies, whenever economically and socially feasible, to make a significant effort to offer more young people training periods and places as apprentices in order to improve their skills on the labour market.

3 HEALTH AND SAFETY

The European Sugar Industry pays special attention to health and safety. This is why the Sugar Industry strives to create working conditions that give its employees the possibility to work considering the human aspect and particularly without any risk for their health. In cooperation with the Employees and their representatives, the Sugar Industry will care for a healthy and safe working environment based on secure facts and practices regarding work protection; all preventive measures on health and safety are considered as a priority. The sugar industry does not only pay special attention to the European legislations on health and safety and, in particular, the framework directive of 1989, but in most cases, it goes beyond the legislations.

Specific training programmes, safety procedures and policies, tailor-made for the sugar industry and taking into account the specific hazards linked to the manufacturing process, are implemented in all sugar factories and pay special attention to prevention.

4 RELATIONSHIP BETWEEN THE SOCIAL PARTNERS

The social partners of the European sugar industry - represented by the Comité Européen des Fabricants de Sucre (CEFS) and the European Federation of Food, Agriculture and Tourism (EFFAT) - consider that a constructive social dialogue with the employees representatives and trade unions at all levels is an important element for a successful functioning of enterprises. Informing and consulting the employees representatives promotes confidence and cooperation between employees and employers.

This is why the sugar industry has steadily carried out a social dialogue at European level since 1969, officially recognized by the European Commission by the creation in 1999 of a sectorial dialogue committee for the sugar industry. Furthermore the social partners have jointly developed a certain number of surveys and vocational training programmes, particularly in the field of safety. They will continue with and further develop this dialogue.

At national level, the representation of employees and collective bargaining apply in accordance with the legislation and often go beyond.

The European legislation on information and consultation is implemented in all companies.

In connection with the enlargement of the European Union, the social partners express the wish that, with the complementary assistance and support of the public authorities, a genuinely constructive and responsible dialogue can be established with a view to laying the foundations for an enlarged Europe capable of combining social model with economic competitiveness in the applicant countries.

5 FAIR PAY

The present pay levels in the sugar industry meet or exceed the minimum rates provided for by branch or industry collective agreements and/or legal provisions. When no agreement or pay scale exists, wages are enough to ensure that workers and their families have a decent standard of living as defined by the Universal Declaration of Human Rights and the ILO Tripartite Declaration².

In order to avoid any discrimination, the sugar industry also recognizes the right for employees in similar conditions to get equal pay for equal work (ILO Convention 100, EU Treaty 141, Directive 2000/78/EC).

6 WORKING CONDITIONS

The European Sugar Industry meets the European legislation covering working conditions and complies with branch or industry standards on working hours. As far as working time during the processing season is concerned, special agreements may have been concluded between the Social Partners or with the Public Authorities.

When no standard exists, the social partners can conclude appropriate agreements. At least working conditions must be equivalent to those offered by comparable employers in the country concerned.

² Universal Declaration of Human Rights - Art. 23: "everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity".

ILO Tripartite Declaration : "Wages, benefits and conditions of work offered by multinational enterprises should not be less favourable to the workers than those offered by comparable employers in the country concerned".

7 RESTRUCTURING

At European level, within the framework of the European social dialogue, regular information, exchanges of views and, if necessary, joint action can be organised in relation to all issues, including those related to the Community policy and the Community legislations where they have economic and social effects for the sugar sector.

This dialogue meets or exceeds the national and European legislation on information and consultation.

Since an open dialogue between management and employees is a pre-requisite for a climate of mutual respect and confidence, employees and their representatives will be regularly kept aware of the situation of the enterprise as well as informed and consulted on planned restructuring measures in due time.

In case of restructuring, as well as in the event of investments having a social impact as provided by the present Code of Conduct, the sugar industry acts in a socially responsible way.

Steps are taken to improve the employability of employees.

8 BUSINESS RELATIONS AND CHOICE OF SUPPLIERS

The European Sugar Industry expects a socially responsible behaviour from its suppliers. Suppliers are generally chosen on a professional business basis, but for major suppliers this also includes a consideration of their corporate social responsibility according to the provisions of this Code of Conduct. The European Sugar Industry will thus contribute to circulate the concept of corporate social responsibility at global level and see if it can make a concrete contribution to the fight of child labour.

It supports all European provisions aimed at counteracting fraud and corruption in the trade developed with different countries of the world³ and, in the general context of business ethics, undertakes to comply with the OECD guidelines for multinational companies, or, beyond the CEFS area of activities, to promote them as far as possible.⁴

³ See Regulation on the General Scheme of Preferences n° 2501/2001 of 10.12.2001-OJEC L 346 of 31.12.2001, art. 26, and withdrawal or suspension provisions included in different regulations as regulation 2007/2000/EC on Balkans, as well as in bilateral agreements.

⁴ See the OECD Website: "<http://www.OECD.org>"

III - MONITORING, ASSESSMENT, UPDATING

1. The EFFAT and the CEFS will, within the context of their Sectoral Social Dialogue Committee, ensure the monitoring of the progressive implementation of this Code of Conduct and the regular updating of the examples of good practice.
2. To this effect the EFFAT and the CEFS will conduct a joint assessment of the implementation of the Code of Conduct at European level, in the form of an annual report covering the calendar year and to be presented in February of the following year, within the framework of the Sectoral Social Dialogue Committee, at a meeting specifically devoted to this subject
3. This annual report will be prepared on the basis of data collected by the European social partners. To this effect, every year the EFFAT and the CEFS will designate an ad hoc group which will be responsible for the process of collecting, preparing and presenting these data and including two Sectoral Committee members from each organisation.
4. This Code of Conduct will come into effect on January 1st 2004. The year preceding this date will be devoted to prepare for its implementation. The first report, to be presented in February 2004, will take stock of the activities undertaken so far and the monitoring structures jointly arranged at European level to ensure adequate communication, promotion and training on the CSR Code of Conduct. The examples of good practice will also be updated as needed.
5. To ensure a wide dissemination and good understanding of the Code of Conduct at national level, it will be translated into the different European languages by the national delegations. The French, English and German versions will be deemed authentic.

Brussels, 7th February 2003



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