

# **Final Statement by the UK National Contact Point for the OECD Guidelines for Multinational Enterprises**

## **Complaint from the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) against Compass Group PLC on Eurest Algeria Spa (Algeria)**

### ***Background***

#### **OECD Guidelines for Multinational Enterprises**

1. The OECD Guidelines for Multinational Enterprises (the Guidelines) comprise a set of voluntary principles and standards for responsible business conduct, in a variety of areas including human rights, disclosure, employment and industrial relations, environment, combating bribery, consumer interests, science and technology, competition, and taxation.
2. The Guidelines are not legally binding. However, OECD governments and a number of non-OECD governments are committed to encouraging multinational enterprises operating in or from their territories to observe the Guidelines wherever they operate, while taking into account the particular circumstances of each host country.
3. The Guidelines are implemented in adhering countries by National Contact Points (NCPs) which are charged with raising awareness of the Guidelines amongst businesses and civil society. NCPs are also responsible for dealing with complaints that the Guidelines have been breached by multinational enterprises operating in or from their territories.

#### **UK NCP complaint procedure**

4. The UK NCP complaint process is broadly divided into the following key stages:
  - a) Initial Assessment - This consists of a desk-based analysis of the complaint, the company's response and any additional information provided by the parties. The UK NCP will use this information to decide whether further consideration of a complaint is warranted;
  - b) Conciliation/mediation OR examination - If a case is accepted, the UK NCP will offer conciliation/mediation to both parties with the aim

of reaching a settlement agreeable to both. Should conciliation/mediation fail to achieve a resolution or should the parties decline the offer then the UK NCP will examine the complaint in order to assess whether it is justified;

- c) Final Statement – If a mediated settlement has been reached, the UK NCP will publish a Final Statement with details of the agreement. If conciliation/mediation is refused or fails to achieve an agreement, the UK NCP will examine the complaint and prepare and publish a Final Statement with a clear statement as to whether or not the Guidelines have been breached and, if appropriate, recommendations to the company to assist it in bringing its conduct into line with the Guidelines;
  - d) Follow up – Where the Final Statement includes such recommendations, it will specify a date by which both parties are asked to update the UK NCP on the company’s progress towards meeting these recommendations. The UK NCP will then publish a further statement reflecting the parties’ responses and, where appropriate, the NCP’s conclusions on those responses.
5. The complaint process, together with the UK NCP’s Initial Assessments, Final Statements and Follow Up Statements, is published on the UK NCP’s website:  
<http://www.bis.gov.uk/nationalcontactpoint>

### ***Complaint from the IUF and response from Compass Group***

6. On 14 December 2009, the IUF wrote on behalf of the “Syndicat National Autonome des Personnels de l’Administration Publique” (SNAPAP) to the UK NCP raising a number of concerns which it considered constitute a Specific Instance under the Guidelines in respect of the operations of Eurest Algerie Spa (Eurest), a subsidiary of the UK-registered company Compass Group PLC (Compass). The IUF alleged that Eurest refused to acknowledge the formation of a union and harassed union members, and therefore acted inconsistently with Chapter IV(1)(a) of the Guidelines<sup>1</sup> which states that:

*“[Enterprises should, within the framework of applicable law, regulations and prevailing labour relations and employment practices] Respect the right of their employees to be represented by trade unions and other bona fide representatives of employees, and engage in constructive negotiations, either individually or through employers’ associations, with such representatives with a view to reaching agreements on employment conditions”.*

---

<sup>1</sup> OECD, *OECD Guidelines for Multinational Enterprises*, June 2000 – available at <http://www.oecd.org/dataoecd/56/36/1922428.pdf> (accessed on 17 January 2012).

7. More information about the allegations made by the IUF in respect of Eurest can be found in the Initial Assessment which is available on the UK NCP's website<sup>2</sup>.
8. Compass wrote to the UK NCP on 22 January 2010, denying these allegations and confirming its respect for trade unions rights as recommended by the Guidelines. More information about Compass' response can be found in the Initial Assessment which is available on the UK NCP's website<sup>3</sup>.

### ***UK NCP process in this Specific Instance***

9. On 28 April 2010, the UK NCP concluded its Initial Assessment on this complaint<sup>4</sup>, accepting for further consideration the alleged breach by Compass of Chapter IV(1)(a) of the Guidelines. In particular, the Initial Assessment concluded that the UK NCP would attempt to facilitate a negotiated settlement in relation to the issue of the establishment of a union branch at Eurest. **The acceptance of this Specific Instance for further consideration by the UK NCP does not mean that the UK NCP considers that Compass acted inconsistently with the Guidelines.**
10. The UK NCP offered, and both parties accepted, conciliation / mediation. The UK NCP therefore appointed ACAS<sup>5</sup> mediator Dr Karl Mackie to serve as conciliator-mediator. The parties met at three meetings in London on: 24 September 2010, 22 October 2010 and 7 December 2010. The meetings were chaired by Dr Mackie.

### ***Outcome of the conciliation***

11. Following a series of discussions from 7 December 2010 to 15 January 2012, the IUF and Compass have reached a settlement on issues relating to Eurest's operations in Algeria. The settlement reinforces ongoing guarantees that workers at Eurest Algeria will be able to exert their rights of freedom of association in line with Algerian law and applicable internationally recognised labour standards. A process has been put in place whereby former named employees of Eurest may apply for suitable future employment with Eurest Algeria. Both parties have also agreed that no outstanding issues from the IUF's original complaint need to be examined by the UK NCP.

---

<sup>2</sup> <http://www.bis.gov.uk/assets/biscore/business-sectors/docs/i/10-1000-initial-assessment-ncp-compass-group-plc.doc> (accessed on 17 January 2012).

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Advisory, Conciliation and Arbitration Service.

## ***UK NCP conclusions***

12. Following the successful conclusion of the conciliation process by Dr Karl Mackie and the agreement reached by the parties, the UK NCP will close the complaint. The UK NCP will not carry out an examination of the allegations contained in the IUF's complaint or make a statement as to whether there has been a breach of the Guidelines.
13. The UK NCP congratulates both parties for their efforts in reaching a mutually acceptable outcome and for constructively engaging in the discussions.

**1 February 2012**

**UK National Contact Point for the OECD Guidelines for Multinational Enterprises**

**Steven Murdoch, Danish Chopra, Sergio Moreno**