



Codes of conduct and international framework agreements: New forms of governance at company level

Case study: Securitas

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This case study is based on an analysis of Securitas documents as well as interviews carried out in the first half of 2007 with the following: Lars Lindgren, International Secretary of the Swedish Transport Workers' Union, coordinator of Securitas European Works Council, Tore K. Nilsen, Securitas AB, Divisional President in Securitas responsible for Securitas Europe, member of the Executive committee of Securitas European Works Council and Christy Hoffman, Organising Director, UNI Property Services Global Union.

Information about the company

Securitas started in Helsingborg in southern Sweden where the company was founded in 1934. Its main activity was related to security. The acquisition of other security companies in Sweden led to a rapid expansion in Europe.

The company is organised into five business areas and seven divisions. The business areas include:

- security service – guards;
- security systems – large alarm systems and technical equipment;
- direct – small alarm systems, private home products;
- cash handling services – value transports;
- consulting and investigation.

In the 1980s Securitas was sold and divided into two parts. The international operation became today's Group4 Securicor, while the Swedish operation became the Securitas Group. In the 1990s the Securitas Group began to expand in Europe and in the USA, which resulted in its position as the market leader. Since 1991 Securitas has been listed on the Stockholm Stock Exchange. Securitas AB has a market share of 10% in Europe and 8% in the US. Growth has taken place mainly through acquisitions. Securitas has developed a clear and effective strategy for acquiring and reorganising smaller companies in the industry and integrating them into the Securitas concept.

Nowadays over 200,000 employees are employed worldwide by Securitas, primarily in the US and Europe (Norway, Denmark, Portugal, Hungary, France, Switzerland, Austria, Germany, Spain, Finland, the UK, Poland, Estonia, Belgium). The company is also established in Canada, Mexico and Argentina. In total Securitas has operations in over 20 countries and has become and a world leader in security.

Provision of security guards and night watchmen used to be an unglamorous, low-cost, low-wage strictly national business. Part-time work and casual employment were common. Driven by increased criminal activity and international security issues, the business has grown into an international service industry with skilled staff, high-tech equipment, qualified service and wages at the level of industrial workers.

The organisation is characterised by a small number of decision-making levels. Within each country the organisation is divided into areas, which in turn consist of a number of branch offices that operate as independent profit centres. The goal is to have no more than three levels between the shop floor (guard or technician) and the country president. The country president reports to the division president who reports to the CEO.

The security industry is a service industry with characteristics very different from that of industrial production. Guards and service technicians often work alone or in small groups. Irregular working hours are very frequent and part-time work not uncommon. That constitutes a problem for the unions in recruiting and in servicing members. The security industry is traditionally not a union stronghold.

Table 1: *Profile of Securitas*

| Features | Data |
|---|--|
| History, milestones, etc. | Founded in 1934 in Sweden |
| Industry sector | Services related to security services, security systems, cash handling services, value transports, consulting and investigation |
| Ownership structure, corporate governance | Securitas AB is a Swedish public company with its registered office in Stockholm, Sweden. Securitas AB, listed on the Stockholm Stock Exchange since 1991, is governed by the Swedish Companies Act and the Swedish Stock Exchange rules |
| Employment Europe | 90,000 employees in Europe |
| Employment worldwide | 230,000 employees in over 30 countries worldwide |
| CRS context | Social responsibility is an integral aspect of the Group's operations. As guidance for all employees, the Board of Directors has adopted a code of conduct |

Source: *Schömann*

Industrial relations context

Securitas follows the traditional Scandinavian industrial relations model of cooperative relations with the unions. In Sweden Swedish Transport Workers' Union organises all security activities. The unions have had representation on the board of the parent company since the 1970s. Both the Swedish Transport Workers Union and the HTF (Salaried Employees' Union) organise the office staff in Securitas and are represented on the board. Securitas is also one of the bigger companies having a collective agreement with the Transport Workers' Union.

The management is seen as progressive and open-minded and the unions try to advance their positions and break new ground via Securitas. The management views unions as a partner with whom they have to work. A service company where a large number of employees meet the customers and represent the company externally cannot, in their view, afford to have poor or hostile relations with its employees and their representatives. This attitude is well established in Securitas corporate management and in national management in the Scandinavian countries. In other countries the picture seems to be more mixed. National industrial relations and traditions still prevail in companies that Securitas has acquired.

Both the code of conduct and the agreement aim to foster this approach in the other countries where Securitas operates. The EWC structure has been used as facilitator; the idea is to create a worldwide works council.

The Securitas Code of conduct and agreement

Background

The Securitas code of conduct dates from 2003 and was revised in April 2006. Based on the simultaneous interest and initiative of both the management and the Swedish Transport Workers' Union, the code was developed by the board of directors of Securitas in Sweden, in which the trade unions are represented. According to the management, it is its responsibility to have a code of conduct in order to better promote ethical standards and be competitive in the international market. The code deals with the group's mission and related ethical conduct and values. It is part of its corporate social responsibility. Those principles apply throughout the group and, within Securitas' sphere of influence, to all those with whom the group does business. Based on a tradition of social dialogue in Sweden, the content of the code of conduct has been elaborated in consultation with the trade unions. Its revision in April 2006 was also carried out in consultation with the trade unions.

As a consequence, the EWC started to discuss how to implement the code of conduct and as a result of those discussions, its representatives and trade unions representatives agreed to put forward a demand to Securitas management, which regulates among others the actual implementation of the code of conduct. The Agreement between Securitas AB, Union Network International (UNI) and the Swedish Transport Workers' Union was signed on 30 March 2006. The Agreement's objective is to organise the implementation of the code of conduct in order to develop good and better working conditions. Negotiation took place between, on one side, Securitas management and, on the other, the international secretary of the Swedish Transport Workers' Union and the organising director of Union Network International, Property Services Global Union. The European Works Council was informed about the procedure and the content of the agreement.

Both management and trade unions consider that the agreement is innovative as regards the explicit references to ethic and values, but also regarding its content and scope of application. A main feature of the Agreement is the implementation section, including the establishment of a monitoring body (an implementation group) that annually reviews the implementation of the agreement and takes action as necessary.

Motives and drivers of CSR

In 1950 management and workers agreed on a set of values that can be found in the Securitas' employee guide 'Basic Values'. According to management, the code of conduct is an adjustment of the guide established in consultation with the trade unions and the European Works Council. The code of conduct is part of the firm's strategy on corporate social responsibility.

For the group's management, the adoption of a code of conduct has several objectives:

- to be seen as a general investment;
- official document issued by the board of directors to formalise existing practices;
- given the need to be competitive on the Stock Exchange in respect of ethical standards, it should influence the markets where Securitas operates;
- to create a relatively high ethical reference in a sector of high social dumping;
- to promote good working conditions in countries where Securitas operates and in the sector in general, based on human rights, social dialogue, reasonable work and workers' dignity;
- to contribute to the development of an international social dialogue within the group;
- to contribute to better risk management;
- to motivate the employees, attract skilled workers and develop workers' loyalty.

For the trade unions, the consultation with reference to a code of conduct served several objectives:

- securing information about the management's commitment to respect ethical standards;
- participation in the selection of ethical standards, which trade unions would like to be more specific;
- making suggestions for references to United Nations' Universal Declaration of Human Rights and the ILO fundamental principles on rights at work;
- to promote and respect good working conditions in and outside Securitas sites;

- to contribute to the development of a sustainable social dialogue within the group, based on the Swedish model of industrial relations;
- to better protect workers and gain more members in a sector of high workforce turnover;
- to reduce the side effect of social dumping for workers.

Based on the trade unions' initiative, the objective of the agreement is to organise the implementation of the code of conduct in order to develop good and better working conditions. Furthermore, the agreement between Securitas AB, UNI and the Swedish Transport Workers' Union has to be transferred to an international context, and in particular in respect of trade unions' recognition in Securitas' firms in the US. In 2003 Securitas recognised trade union rights in the US-based firm although domestic legislation does not require it. Management and worker representatives of Securitas AB in Sweden were contacted as a sister organisation to mediate the process. They did not detect any anti-trade union bias in the course of the process. The objective of the process was to extend to the US and other worldwide Securitas locations the existing high ethical standards in place in Europe.

For the group's management, the adoption of the Agreement has the following objectives:

- to implement the code of conduct;
- to find an appropriate procedure for implementation;
- to gain information on working conditions and employment practices in the group;
- to establish an appropriate procedure in case of implementation difficulties or problems arising in the group due to infringement of the code and/or agreement.

For the trade unions, the adoption of the agreement was based on the idea that Securitas needs to go a step further and to serve several objectives:

- to foster the implementation process of the code of conduct and better reflect trade union concern;
- to jointly work to secure observance of the rights and principles established in the code of conduct;
- to find an appropriate procedure for implementation, where management and trade unions jointly participate;
- to gain information on working conditions and employment practices in the group;
- to better organise the sector, as there is a real difficulty in maintaining union density in a sector with high workforce turnover and somewhat isolated workers;
- to export the Scandinavian industrial relations tradition in Securitas units to other countries.

Contents and role of actors

The Securitas code of conduct is based on the initiative of the management, whereby it was submitted to the Swedish Transport Workers' Union for consultation. The code was agreed within the board of Directors; then it was presented at a meeting in the Securitas European Works Council. According to the management, it is its responsibility to better promote ethical standards in order to be competitive in the international market, especially in respect of ethical funds. The objective is to spread ethical principles throughout the group and, within Securitas' sphere of influence, to all those with whom the group does business. Although worker representatives did not have codetermination rights in the elaboration of the code of conduct, their interest in the exercise was clear from the outset. They have influenced the content of the code of conduct in using their consultation prerogatives.

The negotiation process of the Securitas agreement involved, on one side, the international secretary of the Swedish Transport Workers' Union together with the organising director of Property Services Global Union of Union Network International and, on the other side, the Securitas divisional president responsible for Securitas Europe.

Both the international secretary of the Swedish Transport Workers' Union and the divisional president responsible for Securitas Europe are members of the Securitas European Works Council.

Negotiations started in 2003. The main challenge was to agree to go further than required by legislation, especially in the US. Thanks to a European-Scandinavian delegation of management and trade unions from Securitas, a campaign for the recognition of trade unions was successfully organised in the US and greatly influenced the content and the signature of the agreement in 2006. The role of UNI was significant in respect of the better understanding of industrial relations in the US and the added value the agreement would provide in the US context. In this respect, significant principles and related wording were introduced in the agreement.

The Securitas European Works Council was set up under Article 13 in June 1996. It was a joint initiative from the management and the Swedish Transport Workers' Union in Securitas. The setting up of the EWC was not a controversial issue. It was seen as a constructive initiative to establish a forum for information and dialogue at international level.

The EWC meets once a year for a half-day meeting. The union delegates have a separate meeting the day before to discuss internal union business. There is also a tradition that the executive committee meets the day before the union meeting and plans the EWC meeting.

During negotiations, the EWC was regularly informed and consulted on the issues at stake. The structure of the EWC was used during negotiations. However, according to the statutes, the role of the EWC is to be a forum for information and consultation in matters relating to more than one country. The EWC is not a forum for negotiations and should not deal with matters regarding wages and conditions in an individual country. In this respect, the EWC was not directly part of the negotiation rounds.

Its structure provides a logistical support for the follow-up of the agreement: as specified in the agreement, the meeting of the implementation group is held in conjunction with the annual meeting of the EWC. In this respect, the EWC works as a contact forum between the management and the trade unions in the Securitas group.

Contents and issues

The code of conduct and its implementation agreement apply throughout the group and, within Securitas' sphere of influence, to all those with whom the group does business.

The code of conduct draws on the United Nations' Universal Declaration of Human Rights, and on the ILO fundamental principles on rights at work.

The following issues are expressly mentioned in the code of conduct:

- freedom of thought, conscience and religion;
- freedom of opinion and expression;
- freedom from any kind of discrimination based on race, creed, colour, nationality, ethnic origin, age, religion, gender, sexual orientation, marital status, disability, or other status;

- freedom from arbitrary detention, execution or torture;
- freedom of peaceful assembly and association;
- rejection of forced labour and child labour;
- right to unionise;
- right to collective bargaining;
- right to equal opportunities, non-discrimination at work (in hiring, compensation, training, promotion, termination or retirement);
- non-tolerance of harassment and bullying;
- health and safety at work;
- social dialogue;
- wage levels that meet or exceed a 'living wage';
- working time;
- non-acceptance of corruption and bribes.

Dialogue in the form of an open communication with those affected by Securitas activities is also mentioned under the priorities in the code of conduct. This include the employees, the clients, the investors or the public and their representatives

The agreement refers expressly to the following principles:

- the fundamental basic values reflected in Securitas' code of conduct;
- the right of all employees to form and join the trade union of their choice;
- the right to bargain collectively in accordance with local laws and principles;
- to promote the organisation of workers in accordance with local laws and principles;
- to secure an ongoing mechanism for unions to access the workforce;
- company assistance in the organisation process of union activities (supply of relevant employee-related information, organisation of meetings);
- to search for joint acceptable and practicable solutions in case of infringements of the code of conduct.

Implementation and monitoring

Dissemination / Information to employees and local managers

Dissemination of the code of conduct is done via the Securitas Group website.¹ The code of conduct is in English only. It is based on the Securitas' employee guide 'Basic Values' that each employee receives when hired.

¹ <http://www.securitas.com/en/About-Securitas/Corporate-Social-Responsibility/Code-of-Conduct/>

Training programmes for managers include the information and explanation of the code of conduct and the Agreement. Some training programmes are jointly organised by management and trade unions.

Dissemination is also provided by means of CoESS, a European umbrella organisation for national private security associations via training sessions and financing of travel to attend international meetings.

Dissemination of the agreement is the task of the trade unions. As stated in the agreement itself, UNI and Swedish Transport Workers' Union undertake to inform affiliated trade unions as well as other trade union organisations representing employees of the Securitas Group about the content of the code of conduct and the agreement.²

Management as stated in the agreement has provided translation of the agreement. Translated initially into five languages, it is available in the 13 languages used in the Securitas Group since December 2006.

Management and workers' representatives state, however, that further efforts have to be made to develop the collective ownership of the agreement among the employees and management.

Implementation

The code of conduct contains a last paragraph on implementation. It deals with:

- the responsibility of each employee to observe and promote the code of conduct;
- the request to employees to report any violation of the code of conduct;
- reporting to local senior management, if the complaint is not resolved or the allegation is serious;
- the necessity to ensure comprehensive investigation and corrective measures where appropriate.

In general, the code of conduct reflects management's intention that day-to-day business should be conducted in an ethical manner; this applies internally (to management and workers) and externally (to suppliers, subcontractors, clients), as well as within the group's overall sphere of influence.

The agreement is based on the fundamental rights and principles contained in the code of conduct. It is designed to provide for practical implementation of the code, the procedure for dealing with infringements where they occur and specify its duration. The agreement also provides for interpretation of the code.

The main implementation measure of the agreement is the establishment of an implementation group. It is composed of two members from the trade union side (UNI and Swedish Transport Workers' Union) and two members from management. It meets annually to review the implementation of the agreement as well as any infringements of it. The implementation group is organised in conjunction with the EWC annual meeting, whereby it can also meet in exceptional cases upon joint request.

In case of infringement, a special section of the agreement deals with the procedure to be followed.

A jointly accepted principle is that in case of a complaint or problem arising, the first step is to try to resolve it at local level. In this respect, the implementation group can agree on setting up a local implementation group in particular cases.

² The text of the agreement is to be found on the website of UNI (UNI press release: <http://www.union-network.org/uniinfo.nsf/0/5f5d66704ab99359c125715c002a07ad?OpenDocument>).

Where no solution can be found at local level within a reasonable time or if the allegation requires higher competences, the appropriate national union organisation should be asked to raise the issue with Securitas' country president. The next step would be to put the issue on the agenda of the executive committee of the EWC. The final step would be to address the implementation group as stated in the agreement.

In case of non-respect of the code of conduct by a business partner, Securitas will address the issue and upon a written request ask its business partner to comply with the Securitas values and principles as stated in the code of conduct and the agreement. If no improvement can be seen, Securitas will consider ceasing to do business with him / her.

Since 2006, the implementation group has had to deal with two cases where no solution could be found at the local / national level. In one case, the relevance of the agreement to a European country was questioned, as no representative of this country was amongst the signatory parties. The implementation group, at its annual meeting, organised in conjunction with the EWC annual meeting, made a recommendation stating that the agreement applies throughout the organisation, i.e. all Securitas companies in the world.

Monitoring

Both Securitas and the trade unions (UNI and Swedish Transport Workers' Union) are responsible for the monitoring and interpretation of the agreement. The agreement states that exchange of information shall occur between the parties to facilitate monitoring of compliance.

Next to a clause on the non-disclosure of confidential information exchanged pursuant to the agreement, both Securitas and the trade unions agreed that any interpretation of the agreement remains an exclusive competence of the implementation group. Only the implementation group can make recommendations to the parties concerned.

Furthermore, the parties specify that the agreement can in no way replace legal provisions, collective bargaining or labour related procedures or local industry practices to be found under national law, especially in respect of alternative disputes resolution mechanisms.

The code of conduct was revised on 4 April 2006. The implementation group has to be consulted prior to any change or amendment to the code of conduct introduced by management.

The Agreement came into effect on the date of the signature, 30 March 2006, for a period of two years. If no written request of termination of the agreement is put forward by either party six months prior to the expiry date, the agreement will be automatically renewed each year. However, in case of breach of contract, a party may terminate the agreement with immediate effect. Swedish law applies to the agreement.

Outcomes and impact

Securitas's experience of promoting values and principles aimed at enhancing its competitiveness in the world market is striking in many respects. It is based on a need to address the globalisation of its activities due to a hasty acquisition process; the means used for this is the 'export' of a successful social dialogue model that has proved to be a key added value in the group's national and European expansion. Both issues are addressed in the code of conduct as well as in the agreement; the code of conduct is a product of Securitas's management in consultation with workers whereas the agreement is a negotiated instrument to better and jointly monitor the implementation of the values and principles of the code of conduct. The agreement clearly reflects trade union concerns more so than the code of conduct. Both instruments serve to promote the Nordic model of social dialogue, based on consultation and participation of the workers' representatives/trade unions in the day-to-day business as well as in the multinational's European and

international activities. Clearly the code of conduct as well as the Agreement should not replace collective bargaining or legislation, where it exists. Increasingly, both instruments are seen as a means of exporting a successful model of social dialogue to international locations where Securitas operates. The understanding is that management and trade unions gain from their joint commitment: management sees its commitment to social and fair business as a real investment in respect of market share and positioning at the Stock Exchange, whereas the trade unions' objective is to increase membership to 50% of the Securitas workforce.

The agreement is still at an early stage so that it is difficult to draw any clear conclusion as to its impact on Securitas sites in Europe, the US and the other international locations, compared to competitors.

However, three concrete examples of the impact of the agreement can be identified. The negotiation process itself shows how international framework agreement may spread a 'model of good functioning industrial relations' outside its home-country sphere of operation. Furthermore, cooperation between the European, Swedish-based Securitas management and workers' representatives and the Securitas representatives in the US sites facilitated the recognition of trade unions as well as the acceptance of trade union concerns in the agreement. Finally, and although the agreement is of recent origin, two cases have already been brought to the implementation group, in order to clarify the agreement's scope of application. This enforcement mechanism adds weight to the agreement.

Additionally, the content of the agreement in respect of the establishment of an implementation group, and also the setting up of a procedure in case of infringements, can be seen as a good practice. This aspect of the agreement shows not only the commitment of both management and workers to resolve difficulties encountered in the implementation phase of the agreement but also their willingness to give it the necessary importance and weight in order to enable concrete actions to be taken.

There is still scope for improvement in respect of dissemination of the agreement and its acceptance at all levels, in particular at local level as well as at the EWC. Areas for improvement include the involvement of the EWC in the promotion of the agreement, its diffusion at national and local level, and the better use of resources in respect of translation, for example. The communication of information to local management and trade unions is also an issue requiring specific action; this would give additional strength to the agreement. It is clear that the agreement is an instrument that needs to be combined with activities and tools at local level in order to be effective.

Additional improvements in the future could include making provision for mediation such as an alternative dispute resolution mechanism (as in the US and with reference to Swedish mediation for the EU). On the trade union side, no real strategy has been worked out to promote the agreement. Additionally, there is a need for a worldwide works council given the expansion of Securitas outside Europe. Finally, the agreement should also serve as a basis for further agreements in other branches of the sector.

The agreement is a joint exercise with important issues at stake for both management and trade unions. The agreement is indeed the way in which both partners commit themselves to promote better working conditions and enhance labour standards, without duplicating existing legislation but by adapting to local practices and cultures. Clearly, the agreement helps to maintain and improve trade union density in a sector with little institutional industrial relations and high workforce turnover. This latter characteristic of the sector is seen as a weakness both by management and trade unions. For this reason, their joint objective is to provide the conditions for the workforce to stay within Securitas by providing good and better working conditions in a sector marked by high social dumping. Indeed a joint, expressed interest is to help to stabilise this branch of the services sectors. This is the challenge accepted by both partners with the signature of the agreement. Furthermore, the aim of such agreements is also to reach a kind of model or best practice that serves both trade unions and management, in which multinationals recognise the need for more socially responsible practices in respect of their international activities.

Annex

Agreement between Securitas AB and UNI and the Swedish Transport Workers' Union on the development of good working relations in the Securitas Group

1. Preamble

This agreement (the 'Agreement') has been concluded between Securitas AB (publ) ("Securitas"), parent company in the Securitas Group and Union Network International ('UNI') / The Swedish Transport Workers' Union ("Transport"),

Securitas' operations are based on three fundamental basic values: Integrity, Vigilance and Helpfulness.

Integrity: Securitas insists on honesty in the way it conducts its business. The success of any business is largely dependent upon the honesty and integrity of its employees. A Securitas employee must be honest in order to be trusted to work unsupervised on the customer's premises and with valuables. Securitas can never compromise in its demand for integrity and truthfulness. Integrity also includes openly expressing one's opinion and reporting improprieties and other relevant information.

Vigilance: Securitas insists on professionalism in the way it conducts its business. A Securitas employee must always be attentive and able to observe, listen and evaluate in order to protect the customer's premises and property and the ethics and values Securitas stands for.

Helpfulness: Securitas is committed to making peoples' lives safer. A Securitas employee should always be ready to help and assist. We must be ready to support and take care of our colleagues, clients and others who need assistance.

The Agreement is based on the signatories' joint commitment to respect and secure the fundamental basic values and principles reflected in Securitas' Code of Conduct (the "Code"), attached hereto as Annex 1.

This Agreement sets out, by reference to the attached Code, guiding core principles by which Securitas and UNI / Transport will work in order to secure the compliance of the rights and principles established therein.

2. Implementation

The parties agree that Securitas' business is based on trust. To make sure that Securitas is trusted in the countries and communities in which it operates and by its customers, employees and other stakeholders, all employees must respect and protect Securitas' ethical philosophy and basic values as reflected in the Code and in Securitas' employee guide "Basic Values".

The parties expect all employees to respect the norms and principles reflected in the Code which is to be respected and applied throughout the Securitas Group and, within Securitas' sphere of influence, by all those with whom Securitas does business. If a business partner does not fulfil the requirements set out in the Code and does not undertake to comply with the Code upon written request from Securitas, Securitas shall consider not doing business with that particular partner.

UNI / Transport will publicly support companies that they consider to be leaders and frontrunners in the security services industry.

Securitas will ensure that appropriate translations of the Code and this Agreement are available throughout its organisation.

UNI / Transport undertake to inform affiliated trade unions as well as representing employees of the Securitas Group about the content of the Code and this Agreement.

The parties believe in co operation and Securitas will respect the rights of all employees to form and join trade unions of their choice and to bargain collectively in accordance with local laws and principles. In order to ensure harmonious labour relations, the parties agree that when a UNI affiliated union notifies Securitas of its intention to organise security officers in a given area, the local parties should, in accordance with local laws and principles, designate appropriate representatives to meet in order to establish a relation built upon a professional and respectful manner. The local parties will adhere to the following basic principles.

- a) The organisational process shall ensure that the company shall remain competitive within the market being organised.
- b) The company shall recognise the union as the representative of the employees so long as the union satisfies the minimum legal requirements for recognition under applicable law. Upon recognition the local parties will agree on the principles for the continuous cooperation and after recognition the ongoing mechanism for union access to employees. This could include, for example, access to company sponsored training and access to introduction meetings.
- c) The company will provide assistance in the organisational process in accordance with local laws and principles. Such assistance shall, if possible in accordance with local laws and principles, include the supply of relevant employee related information. The company will enable local union representatives to arrange meetings with employees in a non disruptive manner.
- d) In cases of non compliance with the norms and principles of the Code, the parties are prepared to cooperate in order to find acceptable and practicable solutions in each individual case.

The parties acknowledge that social, cultural, legal and other factors may differ from country to country and that such differences naturally have to be taken into consideration in the application of the Code.

In order to fulfil the implementation of the Code the parties agree to set up an implementation group consisting of two members from UNI / Transport and two members from Securitas (the 'Implementation Group').

The Implementation Group will meet annually to review the implementation of this Agreement and any reported breaches of its terms. The meeting of the Implementation Group will be held in conjunction with the annual meeting of Securitas' European Works Council. In exceptional cases the Implementation Group will meet by mutual agreement.

The Implementation Group may, if required in order to fulfil the implementation of the Code in a particular country, decide to establish a local implementation group consisting of members from Securitas' senior local management and members from the appropriate local UNI affiliated trade union.

The parties accept that effective local monitoring of this Agreement must involve the local management, the employees and their representatives, health and safety representatives and local trade unions.

Although Securitas may, at any time, make necessary changes or amendments to the Code, Securitas undertakes to consult the employee representatives of the Implementation Group prior to any changes or amendments.

Each party will, in accordance with applicable local legislation and principles, ensure that the other party is provided with information to enable monitoring of the compliance with this Agreement.

3. Infringements

- a) It is the responsibility of each Securitas employee to observe and promote the Code. Each employee is requested to report violations of the Code to his/her manager for investigation. If a complaint is not resolved within a reasonable time or where the allegation can be considered to be of a serious nature, it must always be reported to local senior management who will ensure that a comprehensive investigation is carried out and, when necessary, that relevant corrective measures are implemented.
- b) If the complaint is not resolved with local senior management according to Clause a) above, the union representatives may refer the matter to the appropriate national union organisation who may raise the issue with Securitas' country president.
- c) If the complaint is still unresolved after the measures in Clauses a) and b) above, representatives of the national union will inform the union representatives of the Implementation Group about the matter who may then decide to raise the matter with Securitas' representatives in the Implementation Group.

4. Administration, interpretation and duration

The parties agree that all conversations and negotiations taking place pursuant to this Agreement shall be held in a professional and respectful manner. Information exchanged between the parties which are of a confidential nature shall remain in confidence and shall not be disclosed to third parties.

The parties agree that any differences with respect to the implementation or interpretation of this Agreement shall be discussed in the Implementation Group, for the purpose of making recommendations to the parties concerned.

For the avoidance of any doubt, it is acknowledged that this Agreement shall not in any way replace any applicable collective bargaining procedures or other labour related procedures or regulations or local industry practice under national law or otherwise be used as a parallel route to solve local or national issues or disputes related to labour matters.

This Agreement shall come into affect as from the date of signing. The period of agreement shall be two (2) years. In the event that neither party has given written notice of termination to the other party six (6) months prior to the expiration date, this Agreement shall continue in full force during successive periods of one (1) year until terminated at the end of each such one year period by either party giving to the other party a written termination not less than six month in advance. After negotiations a party may also terminate this Agreement with immediate effect upon any material breach of contract by the other party.

This Agreement shall be governed and construed in accordance with the laws of Sweden.

Any notice relating to this Agreement shall be made in writing and sent to the address shown below or such other address as such addressee shall have designated in writing to the other party:

If to Securitas:

Securitas AB
Lindhagensplan 70
P.O. Box 12307
SE 102 28 Stockholm
Sweden

If to UNI / Transport:

Union Network International
Ave. Reverdil 8 10
CH 1260 Nyon
Switzerland

Swedish Transport Workers' Union
Box 714
101 33 Stockholm
Sweden

This Agreement has been executed in three (3) copies, of which the parties take one each.

Isabelle Schömann, ETUI-REHS, Belgium