



END OF THE MONITORING OF “ACCOR” SPECIFIC INSTANCE

2 April 2015 - Statement of the French National Contact Point

The NCP is pleased that, as a result of its good offices, labour conflicts in Ontario and Benin between the Accor Group and the IUF have lessened.

Background:

The French National Contact Point (NCP) for the implementation of OECD Guidelines for Multinational Enterprises received a referral on 8 November 2010 within the framework of its good offices mission from the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) concerning the activities of the Accor Group in three hotels in Ontario, Canada and Cotonou, Benin. The IUF reported anti-union practices, emphasising that this contravened the global framework agreement signed between the Accor Group and the IUF in 1995. It was agreed with the Canadian NCP that the French NCP would deal with this specific instance as the Accor Group headquarters are located in France and there is no NCP in Benin.

The referral focused on Article 1.a) of Chapter IV, Employment and Industrial Relations in the Guidelines version dated 27 June 2000¹: "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."

After having offered its good offices to the parties, the NCP closed the referral in December 2012. In a statement dated 11 December 2012², the NCP noted that the Accor Group had not complied with the recommendation of the OECD Guidelines concerning freedom of association for workers in the three hotels in Ontario and workers' rights to engage in constructive negotiations in Cotonou. The NCP observed that, following the decision of the Ontario Labour Relations Board (OLRB) concerning one of the hotels, the Group agreed to resolve the remaining disputes in Ontario, where the situation was extremely tense. The NCP also noted the Group's efforts to strengthen social dialogue in Benin. The NCP recommended that the Group introduce a constructive dialogue in Ontario and continue discussions in Benin. In doing so, the Group should take into consideration the revised 2011 Guidelines, particularly Article 1 of the General Policies concerning sustainable development and Articles 1a, 1b and 3 of Chapter V, Employment and Industrial Relations concerning freedom of association, collective bargaining and consultation between employers and workers. The NCP continued to exchange with the Accor Group and the IUF in order to monitor its recommendations.

1. Procedure followed by the NCP following the closure of the specific instance

In 2013 and 2014, the NCP continued to work on this case to assess the information provided by the Accor Group on its efforts in Ontario and Benin, and those provided by the IUF. The NCP met with the Group on a number of occasions. The parties agreed to the principle of a joint meeting with the NCP during 2014, which did not take place due to a lack of mutual availability. On 2 December 2014, the IUF told the NCP that it could stop its monitoring activities. The NCP met with the Accor Group on 8 December 2014. Following these meetings and on the basis of the results obtained, the NCP closed the referral's follow-up and drafted a statement. Both parties were consulted prior to publication.

2. NCP Decision

The PCN observed that the Accor Group had introduced the due diligence measures that it had recommended in order to safeguard freedom of association and the right to collective bargaining in Ontario and Benin, particularly through a close monitoring structure led by the Human Resource Department and the Corporate Social

¹ Since the referral was filed in November 2010, it refers to the Guidelines from 2000. Article V 1.a) was amended in May 2011, with the addition of Article V 1.b) on collective bargaining.

² <http://www.tresor.economie.gouv.fr/File/397222> (ENG)

Responsibility and Labour Relations Department, whose actions were supported by the Group's executive management. This structure involved regional executives. Combined with ongoing, high-level talks with the IUF, it led to successful negotiations in the four hotels and to greater awareness for all of the Group's teams.

In December 2014, the NCP noted the following results:

In Benin, the specific hotel agreement at the Cotonou Novotel, discussions of which began in 2000, was signed in April 2014 by worker and employer representatives. It included a wage scale and the setting up of a health and safety committee. It was introduced in May 2014 at the Beninese General Labour Directorate, and then amended. It is currently awaiting the signature of the Beninese Minister of Labour.

In Ontario, the struggle that began in 2008 to unionise the Novotel Mississauga, Novotel North York and Novotel Ottawa hotels led to considerable tension and to the filing of a number of complaints by the *Unite Here!* union with the Ontario Labour Relations Board (OLRB) prior to and during the referral to the NCP, claiming anti-union practices. Two elements contributed to settling the disputes: the OLRB's decision dated 12 September 2012, automatically introducing the *Unite Here!* union in the Novotel Mississauga and condemning the illegal actions by the hotel's management, and the NCP's decision of 11 December 2012, noting the non-compliance with the OECD's Guidelines. Since then, Accor senior management made a commitment to the NCP to negotiate with the local union and the IUF, under the aegis of the OLRB, to resolve similar conflicts in the other two hotels.

The NCP noted that, starting in July 2013, Accor entered into a close and constructive high-level dialogue with the IUF, including a joint mission in Ontario in January 2014. By exerting a positive influence on all the conflicting parties with support from the OLRB, which acted as mediator, this dialogue allowed both sides to gradually leave behind old, inbred conflicts. Under the terms of the signed agreement, the automatic unionisation by *Unite Here!* was validated at the Novotel Mississauga in 2013, and a specific hotel agreement was signed in October 2014. The voluntary acknowledgement of *Unite Here!* was registered for the Novotel North York, where the negotiation of a specific hotel agreement is underway. On the other hand, the situation remains conflictual at the Novotel Ottawa, where the hotel is a franchise. The NCP therefore continued its monitoring efforts. In August 2014, the OLRB rejected the complaint filed by the union in March 2014, as it deemed that the complaint violated its efforts to quickly resolve the dispute³. Finally, an agreement was reached under the auspices of the OLRB on 14 November 2014, which stipulated that the Novotel Ottawa owner must remain neutral during a six-month new unionisation campaign⁴. The Accor Group hopes that the campaign will take place under good conditions. In December 2014, the IUF noted that the NCP had completed its examination and that Accor had established a more regular and substantial dialogue with the IUF. It thanked the NCP for its unwavering support in monitoring the case.

3. Conclusion

In 2013 and 2014, the Accor Group and the IUF kept the NCP informed about the progress of the various negotiations. The NCP thanks them for their cooperation and openness, and for the quality of their exchanges. It thanks Accor senior management for its involvement in the process and for establishing a close working relationship with the IUF, which was a decisive factor in resolving the various conflicts.

Moreover, the NCP is pleased that the Accor Group has updated its Ethics and Corporate Social Responsibility Charter in 2014 in a bid to make hotel managers, including franchises, aware of the need for regular dialogue with stakeholders, and that training sessions would continue in 2015 in order to ensure the Charter's operational deployment.

The NCP is satisfied with the results, and ends its monitoring of this specific instance. It recommends that the Accor Group review its global framework agreement with the IUF in order to take full advantage of the procedure carried out between November 2010 and December 2014 with the French NCP and include a mechanism for receiving and processing complaints.

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³ “Should the Board permit such amendments, it would result in a never-ending expansion of the litigation while the case was being litigated. This would not be consistent with the Board’s efforts to bring speedy resolution to disputes between the parties”, OLRB cases n°3829-12-U and n° 0088-13-R, August 7, 2014.

⁴ The OLRB handed down its decision on 27 January 2015 (OLRB, cases no. 3829-12-U and no. 0088-13-R, January 27, 2015)