
AGREED ARRANGEMENTS RELATING TO WORLD SOURCING

1 WORLD SOURCING

1.1. SCOPE

This Appendix to the Partnership Agreement between CSC and Amicus sets out the agreed framework and processes for dealing with the transfer of work to CSC Global Delivery Centres or offshore 3rd Party Suppliers, where this transfer may affect employees covered by the Partnership Agreement.

1.2. BACKGROUND

CSC is operating in a market where potential clients, as a pre-requisite, often require bidders to have a global capability. In order for CSC to serve its clients wherever they are located and compete effectively, it may be necessary to resource work across a number of CSC locations in other countries.

1.3. PURPOSE

CSC needs this flexibility to be able to provide clients with equal or improved services at advantageous prices, thereby enhancing competitiveness and delivering greater value to its clients. CSC will therefore utilise its World Sourcing capability to offer cost effective bid propositions for new work or to help existing clients meet growing cost reduction pressures.

2. CORE PRINCIPLES

2.1. Amicus recognises that CSC has adopted this strategy in order to increase its service and cost efficiencies and to remain competitive in the market place.

2.2. CSC recognises that Amicus is seeking to safeguard the job security and maintain the skills and careers of its members and the workforce in general.

2.3. Amicus and CSC will work together in the best interests of all concerned to realise their respective objectives as set out above.

3. CONSULTATION

3.1. CSC will consult with Amicus on its strategy proposals in relation to World Sourcing in order to allow meaningful consultation to take place as early as possible in accordance with the CSC/Amicus consultation framework, as described in Appendix 2 of the Partnership Agreement, before any decisions are made or communicated to employees and keep Amicus informed on a regular basis on its strategy implementation progress.

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- 3.2 Where CSC identifies any additional situation in which this type of sourcing via the World Sourcing Model is being considered within an established business area and which is likely to affect existing employees, meaningful consultation will take place with Amicus as early as possible in accordance with the CSC/Amicus Consultation Framework before any decisions are made or communicated to employees.
 - 3.3 In order to ensure an informed consultation process, CSC will provide Amicus with the necessary business case information.
 - 3.4 Amicus, for its part, commits to maintain confidentiality in accordance with the Partnership Agreement

4. JOB SECURITY

- 4.1. CSC is committed to the principle that its World Sourcing activity in the UK will not result in the need for compulsory redundancy and in the event of any associated surpluses, will work with Amicus to avoid the need for compulsory redundancy, through the provisions of the Job Security Arrangements as described in Appendix 5 of the Partnership Agreement.
- 4.2. Where it is necessary to redeploy people as a result of work relocation, the prime focus will be to redeploy to jobs of at least similar career value and terms and conditions of employment. The aim is both to maintain the careers as well as the terms and conditions of CSC employees.
- 4.3 A share of continuing financial savings will be invested in skill development of the UK workforce towards the achievement of a higher place in the skill chain. All employees will have regular career/life reviews, skills assessments and individual plans (GIDP's) to enable their ambitions to be realised as much as possible.

5. ETHICAL TRADING

- 5.1. In the event that CSC takes the decision to move work to an offshore 3rd Party supplier, CSC will encourage high standards of terms and conditions of employment. In respect of new CSC contracts, CSC will include a clause committing the offshore resource to follow the CSC Code of Ethics and internationally recognised guidelines from the International Labour Organisation and the United Nations Declaration of Human Rights.

These guidelines are:

- (a) The appropriate law is applied
 - (b) Employment is freely chosen
 - (c) Freedom of association and the right to collective bargaining are respected
 - (d) Working conditions are safe and healthy
 - (e) Child labour is not permitted
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- (f) Living wages are paid
 - (g) Working hours are not excessive
 - (h) No discrimination is practised
 - (i) Regular employment is provided

- 5.2. In addition, a contract clause would commit the supplier, if requested by CSC, to complete a risk assessment questionnaire. CSC would require this request to be made unless the supplier had previously completed the same questionnaire within the last two years, for the same procurement category.
 - 5.3 To the extent legally permissible, the clause would also commit the supplier to co-operate with CSC and permit CSC and its authorised representatives on reasonable notice access to the supplier's premises and records, in order to assess compliance with the above provisions. Where shortfalls in the standards are identified, CSC would work with the supplier to agree and monitor improvement plans.
 - 6. These arrangements shall be subject to annual review and shall remain in force subject to notice of termination given by either party. In such circumstances, termination shall take effect six months from the date of notification.
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