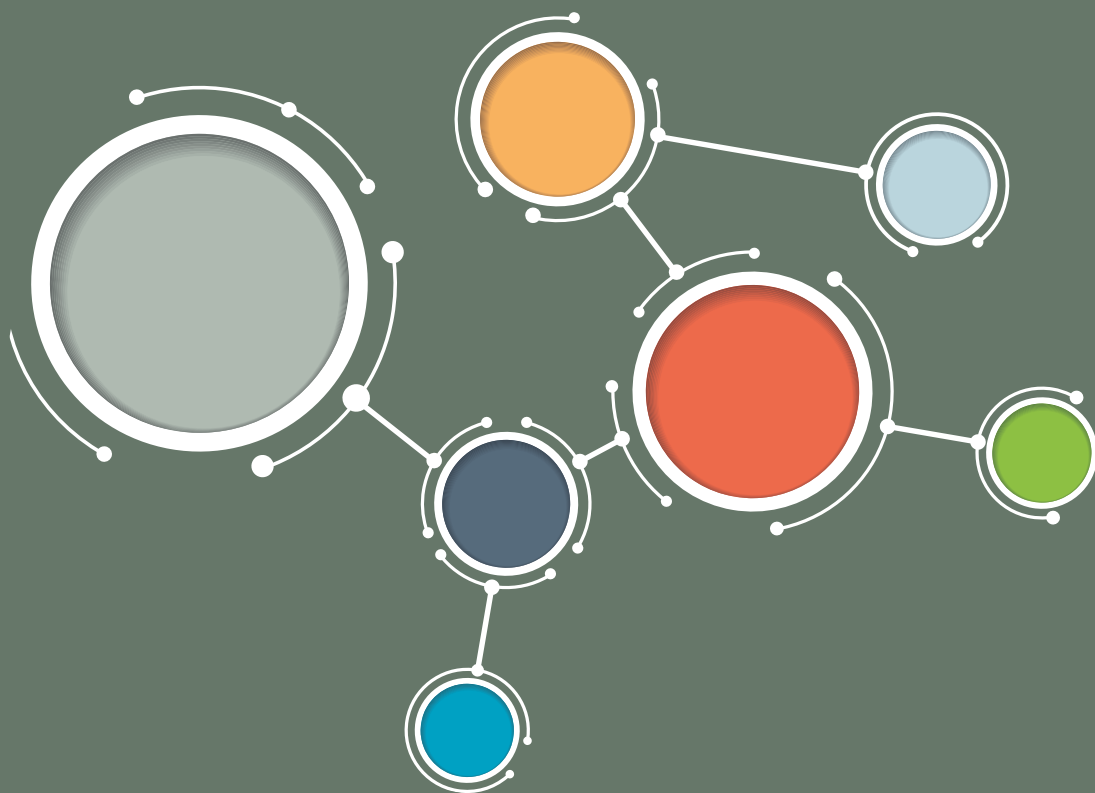


European Works Council

Cross-border Impact



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Contents

Page 4 Why a European Works Council?

Page 5 Advice and Coordination

Page 6 Who Can Have an EWC?

Page 7 ① Request for an EWC

Page 8 ② The Special Negotiating Body (SNB)

Page 9 ③ With Which Members of the Management Team Do We Negotiate?

Page 10 ④ The Contents of an EWC Agreement

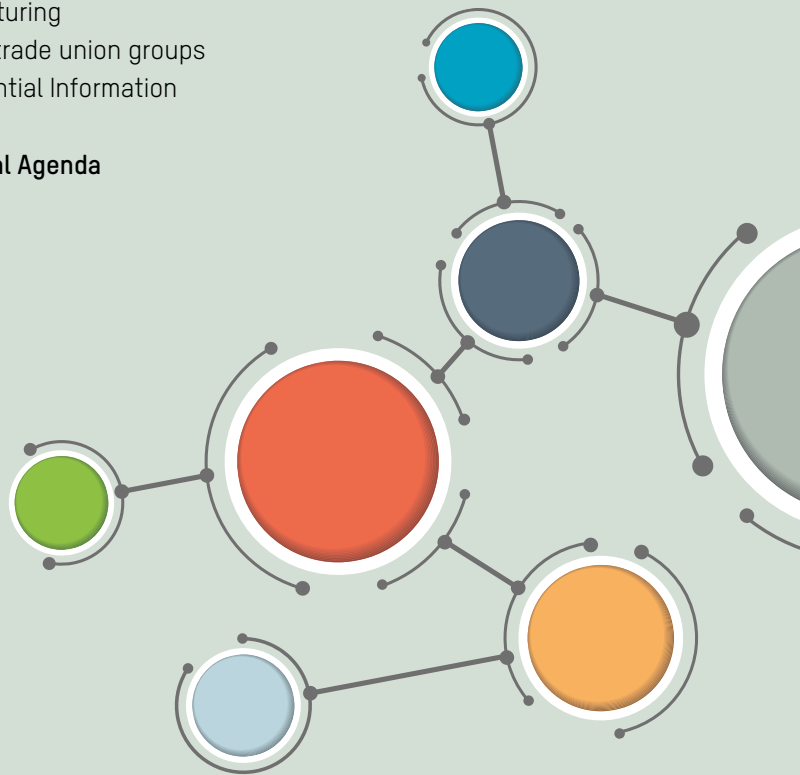
Page 11 The Role and Responsibility of the EWC Member

Page 13 Restructuring

Page 13 Ad hoc trade union groups

Page 13 Confidential Information

Page 14 Example of a Typical Agenda



Why a European Works Council?

Let's start with a little story about the vacuum cleaner manufacturer Hoover. They manufactured vacuum cleaners at two factories in Europe: in France and Scotland. In 1993, Hoover planned to consolidate production in Europe in a single factory to remain competitive in the global vacuum cleaner market. Hoover played the French colleagues against the Scottish. The employees who could accept the greatest deterioration to working conditions would be allowed to keep their jobs. The Scottish workforce was willing to accept more of the management's humiliating demands, so Hoover closed the factory in France. A textbook example of social dumping.

The Hoover affair happened in 1993. In 1994, the first EWC directive was adopted.

European Works Council (EWC)

The EWC exists to prevent situations like the one to which Hoover subjected their workers. In a multinational company, decisions made in one country can easily have consequences for the employees in another country. An EWC provides the employees of a multinational company with the opportunity for an international information and consultation process on the decisions that affect their working lives. You get an opportunity to meet the company's top central management team and air your points of view about the decisions the management wants to make.

An EWC provides employees of a multinational company with the option of an international information and consultation process on the decisions that affect their working lives.

You also get the opportunity to create network relationships with the group's colleagues in the other European countries, where you can exchange knowledge about pay and employment conditions, working environment, IT, personnel policies, climate impact and trade union issues. You can also use the EWC to organise colleagues in other countries, thus avoiding social dumping and relocation.

Strong, active EWC work can help to influence management's decisions regarding matters that transcend national boundaries, and thus influence the working conditions throughout the group.

That is why the EWC is an important part of the union work.

Advice and Coordination

The Central Organisation of Industrial Employees in Denmark can assist with all EWC and SNB tasks.

The company is headquartered in Denmark	The company is headquartered abroad
<p>When your EWC work is up and running, we provide</p> <ul style="list-style-type: none"> • The annual EWC conference • Newsletters and updates • Talks at your EWC meetings, such as about the Danish model or inspiration for EWC work • Review of agreements and proposals for improvements • Review of agendas and development of attitudes in relation to them • Option of attending the EWC meeting as an expert advisor for the B side • Assistance with restructuring and other special events • Presentation of training material • On-going day-to-day advice • Legal assistance 	<p>When your EWC work is up and running, we provide</p> <ul style="list-style-type: none"> • The annual EWC conference • Newsletters and updates • Coordination with international trade unions – particularly in the context of restructuring and extraordinary events • Review of agendas and development of attitudes in relation to them • Option of attending the EWC meeting as an expert advisor for the B side • Talks about the Danish model if your EWC holds meetings in Denmark • Presentation of training material • On-going day-to-day advice
<p>During the negotiations in the SNB we provide</p> <ul style="list-style-type: none"> • A chief negotiator • Development of negotiation themes and ideas for the content of the agreement • Review of outlines and drafts • On-going day-to-day advice • Legal assistance 	<p>During the negotiations in the SNB we provide</p> <ul style="list-style-type: none"> • Review of outlines and drafts • On-going day-to-day advice

International coordination

The Central Organisation of Industrial Employees in Denmark is part of the European industrial union IndustriAll Europe, which coordinates and logs EWC work. IndustriAll has a database where you can read all EWC agreements and see how many members the different countries have. All EWCs have a trade union coordinator from the country where the company is headquartered. That is why we can always help you to get in touch with a shop steward colleague abroad.

Example:

A multinational group has companies in Germany, Poland, Denmark and France.

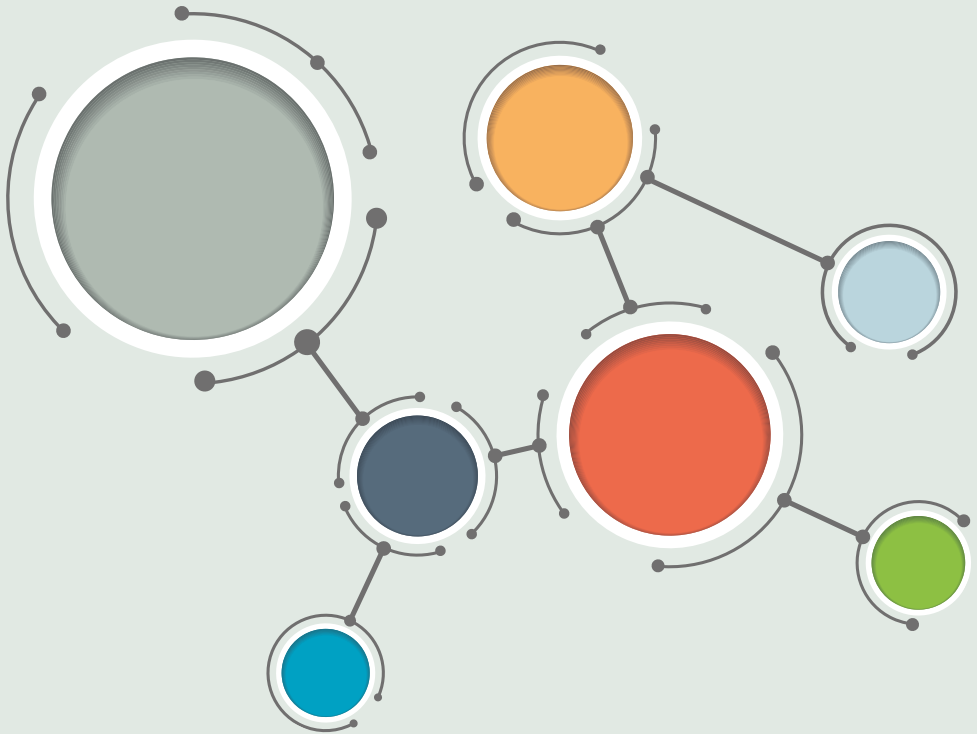
The German and Polish colleagues send the request for forming an EWC.

IndustriAll then contacts the Central Organisation of Industrial Employees in Denmark and the French trade union to inform them that negotiations are about to begin, in which they are entitled to participate.

The Central Organisation of Industrial Employees in Denmark informs the unions, who in turn inform the shop stewards of the Danish company.

The WC appoints a member for the special negotiating body and gives the member's name to the Central Organisation of Industrial Employees in Denmark, who then passes it on to IndustriAll.

Remember, you can always contact the Central Organisation of Industrial Employees in Denmark for help and guidance in the process.

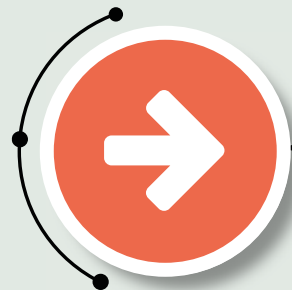


Who can have an EWC?

To set up an EWC, the following requirements must be met:

1. The group must have at least 1,000 employees within the EU/EEA
2. There must be at least 150 employees in two different EU/EEA countries

Read all about the process here



1

Request for an EWC

To set up an EWC, a letter must be sent to management from the employees in two different countries, each of which must have at least 100 employees. Management is then obliged to form a special negotiating body (SNB) on their own initiative and to provide

all information about the group's structure and the number of employees in the EU/EEA. The Central Organisation of Industrial Employees in Denmark can help you get in touch with a colleague in another country.

[Name of CEO]
[Address of company]

[Date and place]

Re. formation of a European Works Council

With reference to the Act on European Works Councils, Act No. 281 of 6 April 2011, Chapter 2, and on the basis of Directive 2009/38/EC, we hereby request, on behalf of the employees in [company name], the formation of a special negotiating body (c.f. chapter 4, section 11, subsection 1 of the act) with a view to setting up a European Works Council.

We are submitting this request on behalf of the employees in [company name] in Denmark and we are aware that a similar request will be submitted from our colleagues in [country].

In order to ensure the necessary preparation, we also request that a representative from the group be appointed who may be responsible for the negotiation, and that an overview be prepared of the group's structure and list of the subsidiaries that may/will be involved in the forthcoming negotiation: c.f. chapter 3, Section 9 of the Act.

We kindly ask you to submit this request to group management with a copy to us and to [the coordinator] who will assist us in the process.

Sincerely yours,
[Vice Chairman of the WC/WC B side].

C.C.
Central Organisation of Industrial Employees in Denmark
Molestien 7, DK-2450 Copenhagen SV, su@co-industri.dk

2

The Special Negotiating Body (SNB)

The SNB is not the European Works Council. It is the group whose job it is to negotiate an EWC agreement with management. Thus, it is the SNB that owns the agreement. It is also the SNB that must renegotiate when the agreement expires.

The distribution of mandates in the SNB is described in the EWC Directive:

"Each member state shall be allocated one seat per 10% of the total number of employees – or a fraction thereof." In other words, everyone is guaranteed a seat, but if you have more than 10% you get 2 seats, 20% 3 seats etc. In Denmark, the WC appoints representatives to the SNB. If you do not have a WC, the shop steward can make the

appointment. Alternatively, there must be an election in which all employees can vote.

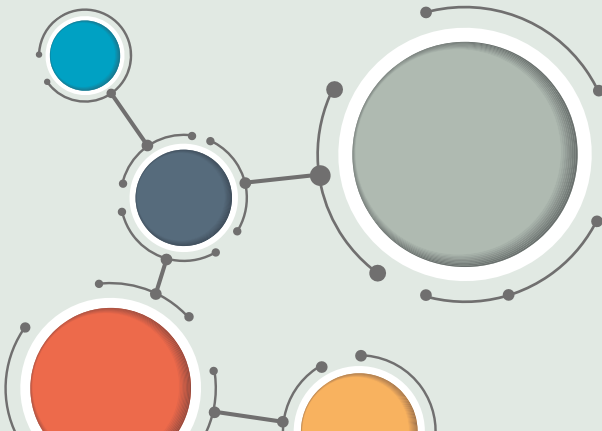
Members of the SNB are protected in the same way as shop stewards.

The company must pay any expenses related to the negotiation. This applies to loss of earnings, transport, meals, interpretation services etc.

The SNB is entitled to expert assistance. It is therefore always possible to get a consultant from the Central Organisation of Industrial Employees in Denmark to handle the negotiations if the company is headquartered in Denmark.

Example:

Country	Number of employees	Percentage of the total number of employees	Number of seats in the SNB
Denmark	400	16	2
Germany	900	36	4
Poland	700	28	3
Spain	300	12	2
Greece	150	6	1
Czech Republic	25	1	1
Italy	12	0.48	1
Norway	13	0.52	1
Total	2,500	100	15



3

With Which Members of the Management Team Do We Negotiate?

The EWC Directive is implemented differently from one EU country to another. In other words, there may be a difference between negotiating an agreement that is covered by Danish law and an agreement that is covered by, say, French law.

An EWC agreement is always covered by the legislation of the country in which the company is headquartered.

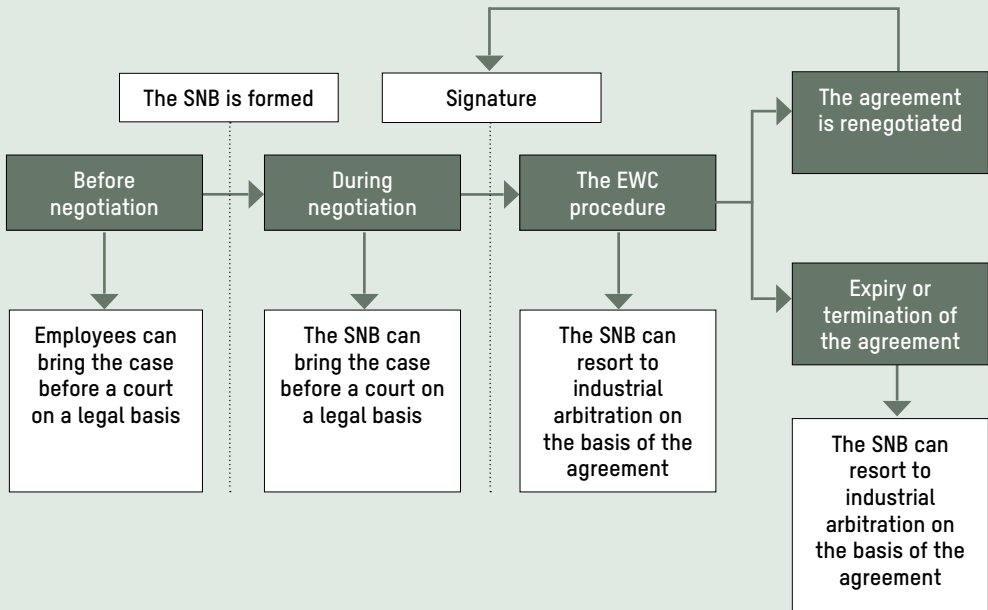
However, there may be cases where the group is headquartered outside the EU, but employs so many employees in the EU that the company still meets the requirements for an EWC. In this case, the agreement is covered by the legislation of the EU country where the com-

pany's authorised agents are. If the management does not have any authorised agents, the agreement will be covered by the legislation of the EU country where the company employs the most employees.

Settlement of industrial disputes

Disputes relating to an EWC agreement must be resolved by different authorities, depending on when they occur.

In general, when an ESU agreement is signed, it acquires the same status as a collective agreement and can be pursued through trade union law. Until then, a case of violation of the law must be brought before a public court.



The Contents of an EWC Agreement

The SNB has 3 years to agree with management on an agreement which stipulates the following:

1. Which companies in the group are covered by the agreement?

- If, for example, the group owns a property management company, should it then be part of the EWC?
- Should the EWC be split into two if, for example, the group is involved in both oil and wind?

2. Size and composition of the EWC

- The SNB and management must agree about the composition of the EWC. Should a sales office with five employees be represented and entitled to a mandate?
- If there are two major production units in the same country, it probably makes sense for that country to have two seats.
- Who can be elected? In some poorly organised countries, management may seek to appoint EWC members.

3. The EWC's powers and procedure for information and consultation

- It is important for the agreement to state what the information and consultation process consists of. This could include, for example, the company's strategy, acquisition and divestment of companies, new production methods, relocation of jobs, etc.
- Deadlines and extraordinary meetings.
- When should the EWC be notified – before or at the same time as the national bodies?
- Try to distinguish between what belongs to the EWC and what belongs to the national WC and collective agreements.

4. Venues, frequency and duration of meetings

- It is important to have the option of holding a preliminary meeting without the management.
- How many meetings should be held each year and when?
- Should the meeting always be held at the head office, or should it be in different locations?

5. What funds should be made available to the EWC?

- It is important for the EWC to have the necessary funding: This could be, for example, for interpreters, a secretary, IT tools, EWC work training and expert assistance.
- Are the travel expenses of EWC determined by cost or a budget?

6. Rules on adapting, amending and terminating the agreement

- You must agree on how and how often the agreement can be amended and renegotiated.
- Remember that if the management terminates the agreement, you can always enter into negotiations again.

7. Rules for establishing a select committee in the EWC

- It is a good idea to have an executive committee that is in close contact with management regarding the agenda and ongoing events.

If the SNB and management do not have a successful agreement within three years, the minimum provisions stipulated will enter into force. The minimum provisions are usually expensive for management, since all countries have a right to the services of interpreters.

Therefore, management is often willing to let the EWC hold several meetings per year if they can avoid the cost of interpreting services.

Write to your cartel for an anonymous example of an EWC agreement.

The Role and Responsibility of the EWC Member

The EWC work does not only take place at the ordinary EWC meetings or executive committee meetings. Being an EWC representative is all about constantly being at the forefront of developments.

EWC representatives must regularly follow the announcements from management and talk to their colleagues about what is going on in the other countries. That is why it is a good idea to invest in building good relations between EWC members. When the network is successful, it is very useful.

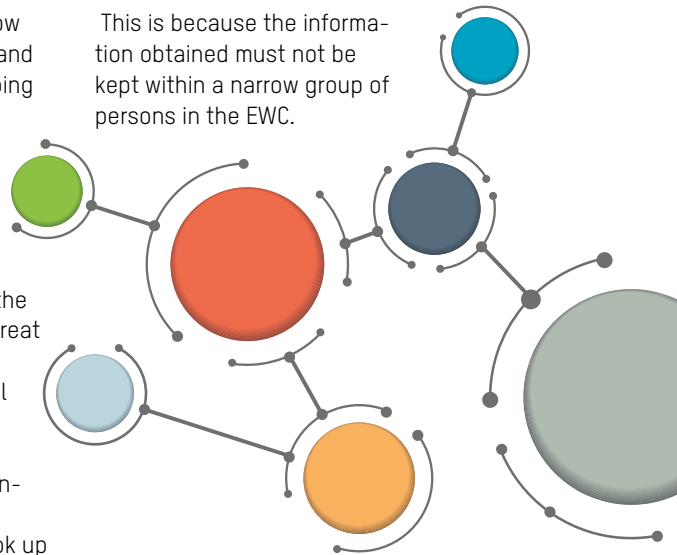
Information can be exchanged and union-related issues discussed across the board. The collaboration can provide a great deal of knowledge about the conditions within the group's companies at national level.

This means that rumours can either be confirmed or refuted. For example, if management claims that production will be relocated to Portugal if things do not look up locally, you can use the EWC network to ask the Portuguese if they have the capacity to take over such production. You can use the answer for further negotiations with management. Hence, a good EWC collaboration makes it more difficult for management to play the employees off against each other.

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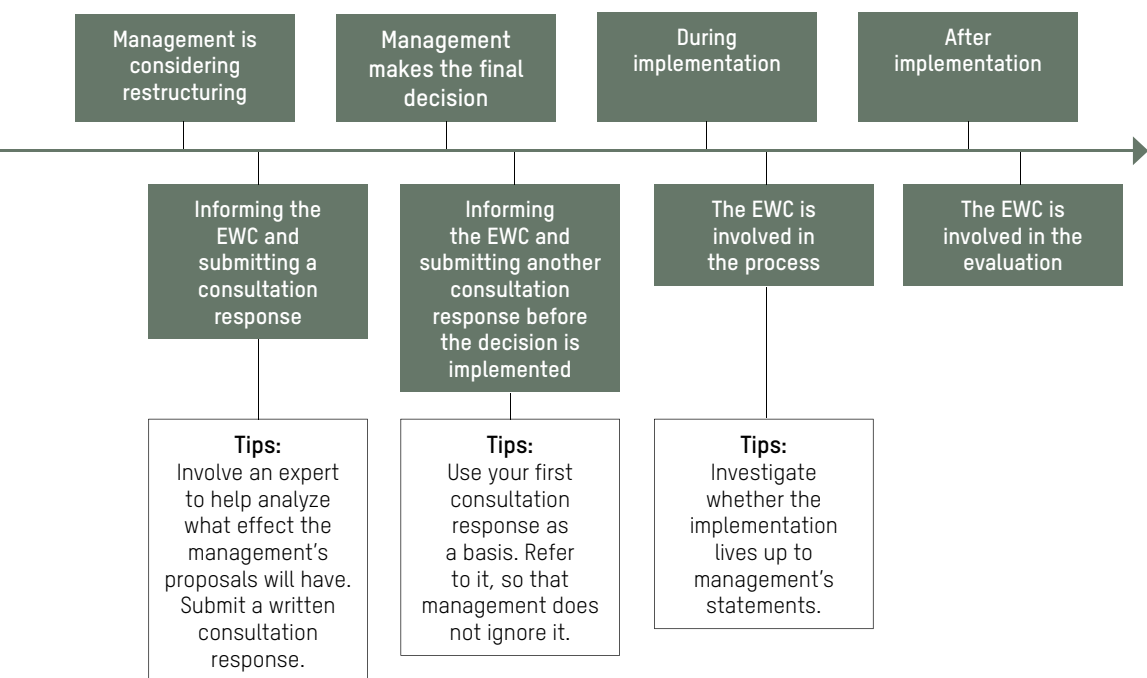
In addition to the networking activities, the EWC representative's duties also consist of keeping colleagues in Denmark informed of what is going on at the EWC meetings.

This is because the information obtained must not be kept within a narrow group of persons in the EWC.



You can provide colleagues with information, for example, by sending out minutes and newsletters, or by giving an account of the last EWC meeting at a joint club meeting. You also have to attempt to include input from colleagues in the EWC work. That way, the EWC does not become a closed entity, and you ensure that all employees gain ownership of the EWC.

It can be a challenge to make the EWC cooperation work smoothly in the face of differences in language, culture, trade union traditions and labour market models. As an EWC representative, for example, you will find that the language skills of EWC representatives differ hugely.



It takes time to establish trust, both with each other and with management so that the collaboration becomes efficient.

Knowing a foreign language is not a requirement for an EWC representative. However, both in the formal collaboration and in the informal social contexts, being able to communicate directly with your EWC colleagues in English is an advantage. You do not have to be brilliant at foreign languages to get involved, but a certain knowledge of languages will often be a significant advantage.

As an EWC representative, you will also find that not all EWC members are unionised, and that agreements are concluded in other ways than in Denmark. In some countries, the view is that it is necessary to strike first and negotiate later in order to be heard. Therefore, in a newly established EWC, you need to be aware

that it takes time to create a common understanding of how to negotiate with management and what the EWC can/should be used for. It also takes time to establish trust, both with each other and with management so that the collaboration becomes efficient.

Another challenge of EWC works lies in being able to figure out the strategic and financial considerations behind executive decisions. For example, management's decision to move production to another country – what is that all about? Is it about labour costs or logistics, or are there, for example, government subsidies for the establishment of companies in the country in question? It is also important to be able to understand large consolidated accounts. How and why is the money moved around between the group's companies? If you have insight into the management's room for manoeuvre vis-à-vis the group's growth opportunities, it is easier to influence the decisions.

Restructuring

International groups can outsource, buy, sell and transfer companies to each other. Many employees have probably experienced the challenges of international restructuring.

The EWC has the right to information and consultation regarding the restructuring of the company.

There can be many reasons for restructuring a company, but new technology in particular is perceived as something that changes the market and thus the conditions for production. However, there are many examples of managers who rush into restructuring and forget to think long-term. During a process of restructuring, the EWC can invoke a fair number of legal requirements that can help anticipate the challenges that restructuring may have for employees.

For one thing, the EWC has the right to both information and consultation. In other words, the EWC must be involved in the process before the decision to restructure the company is made. This means you can prepare for what management is planning. In most EWCs, there is an opportunity for extraordinary meetings in the context of extraordinary situations such as restructuring. Remember to take advantage of this opportunity.

The EWC plays an active role in the international transformation process. This can help buy time, which can be crucial, because, while restructuring is an international decision, it can often cost jobs at the local level. Remember that you can involve expert assistance. The Central Organisation of Industrial Employees in Denmark can provide advice, if your company intends to restructure.

Ad Hoc Trade Union Groups

If you believe that the circumstances are particularly compelling in the context of a restructuring, the EWC has the option of convening trade union meetings under the auspices of IndustriAll. This enables you, for example, to:

- Devise common strategies
- Agree on common demands for management
- Coordinate your response to management's decisions
- Ensure that trade unions in different countries act as a single entity

An ad hoc trade union group usually consists of:

- Shop stewards from the production units involved
- Joint shop stewards from the company
- Board members elected by employees
- Union employees who are responsible for the company, the industry or the region

Contact the Central Organisation of Industrial Employees in Denmark, if you wish to form an ad hoc trade union group.

Confidential Information

Management often use the argument that certain information is confidential. They either wish to keep the information away from you or prevent you from passing it on.

So, it is important for you to ask why the information is confidential, and more importantly: For how long? Then you will know when you can inform your colleagues.

Remember also that you always have the option of consulting a lawyer in the Central Organisation of Industrial Employees in Denmark.

Example of a Typical Agenda

"Agenda"

1. **Group financial status**
2. **Group strategy**
 - Restructuring
 - Changes to production
 - Organisational changes
 - Acquisition and divestment of companies
 - Future investments
3. **Training and education**
4. **Health and safety**
 - Work-related injuries
 - Illness
 - Health
 - Senior policy
5. **IT and digitalisation**
6. **CSR**
 - Report on working conditions in the value stream
 - Recycling strategy
 - CO2 emissions
 - Gender statistics
 - Social initiatives and charity



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