

TCAs in practice

Cooperation of company and trade union employee representatives for the implementation and control of international framework agreements in the enterprise

2nd Transnational Project Workshop

July 2nd - 4th, 2012 in Trelleborg (Sweden)

National and European trade union representatives and shop stewards from the enterprises Pfeiderer, Wilkhahn, Schwan-Stabilo and Staedlter have held their 2nd transnational project workshop in Trelleborg (Sweden) close to the site of the Pfeiderer subsidiary PERGO. The focus of the meeting was the exchange of information, practices and strategies of the employee representatives from Germany, Poland and Sweden about the handling of monitoring standards and audits of the TCA implementation



Participants in the 2nd Workshops at Pfeiderer- PERGO in Trelleborg.

Session of the European project group July 1st/2nd 2012)

Klaus Gutbrod (AuL BI) greeted the participants and informed about the workshop's programme. **Gisbert Brenneke** (AuL Bi) reported briefly about the project implementation up to this point with the focus on raising the public awareness (1,500 flyers in three languages, PASOC website as a platform for information, company and union information about the project), gathering of information, (IFA check lists from all involved companies), development of material (questionnaire/check list for Pfeiderer, multi-language audits) as well as implementation activities (two audit events at Pfeiderer in Poland, accompany through the PASOC core team).

Main topics of the 2nd workshop are: (1) experiences with the conclusions from the IFA audits and (2) information and involvement of employee representatives and staff members in the IFA implementation.

Christer Joensson (EBR/PERGO) informed about the current developments at PERGO. In the context of the restructuring of Pfeleiderer, PERGO will be sold. However, the information about this is sparse and contradicting. On the EBR session one week before the workshop, it was reported that PERGO would be sold in two parts (Europe/Sweden and USA). The Swedish management has stated that they assume a whole sale. Currently, there are negotiations with three interested parties. For the employees on site, the uncertain situation is discomforting. This has also hindered the implementation of the IFA in Sweden. The employee representatives however wish that the basic values and progression regulations of the current IFA are adapted for the new enterprise.

Rolf Gehring (FFBH, Brussels) explained the work regulations on the EU level in context to the memo KOM (2011) 681 of the European Commission from October 25th, 2011 "A new EU strategy (2011-14) for social responsibility of companies (CSR)".

The EU commission defines CSR as "the responsibility of the company for its consequences on the society. Only when the legal regulations and the collective wage agreements with the social partners are respected, this responsibility can be fulfilled." The European CSR demands the integration of social, ecological and ethical issues as well as human rights and consumer issues in the enterprise policies.

Relevant fields of regulations in the context of the CSR guidelines include:

- human rights
- labour and employment practices
- education and further training
- health and wellness of the staff
- climatic change, resource efficiency, pollution prevention
- social and ecological responsibility for the whole supply chain
- bribes and corruption

The fulfillment of these objectives shall be supported by the following activities (selection):

- creation of CSR platforms on a sector level
- handling the issue of deceiving marketing
- definition of codes of conduct for self-regulation
- opening to the EU programme for "life-long learning"
- orientation guidelines for human rights questions
- intensification of the relations to public mandates and suppliers

(From the discussion) **Bert Römer** (IGM) emphasized the European debate about the CSR objectives (social enterprises, sustainable economics, social and employment security) are effectively counteracted by the "prescribed" deconstruction of social rights which takes place in the context of the Euro financial crisis. Examples are Greece (salary cuts, layoffs, precarisation of employment, pension cuts), Italy (pejoration of dismissal protection) and Spain (budget, personnel and social services cuts). The countries in southern Europe have more problems to offer public support in societal, social and economic contexts. The likely result will be that these consequences in southern and south-east Europe will also affect northern and central Europe.

Rolf Gehring (FFBH) sees the danger that many achievements which have become a "European Standard" (salaries, social security, labour conditions) will be "pushed back" again. The political and economic influences are shifting to the significant disadvantage of the employees. Currently, Europe has grown distant from the aim of the harmonization of work, social and living quality

standards. In this climate, trade unions will have to fight harder for participation and involvement rights on all levels. He also emphasized that the EU does not maintain a homogeneous neoliberal policy but that there are always approaches for a more progressive policy in various thematic fields.

(The EU memo as well as the presentation about this topic are documented on the PASOC website.)

➤ **Monitoring-Standards and Conclusions from the Implementation of Audit Events for the Monitoring and Implementation of IFAs.**

Frank Bergmann (EBR-chairman Pfeleiderer AG) and **Bert Römer** (BHI/IGM) reported about the two currently implemented IFA audits in Poland the two Pfeleiderer production sites in Grajewo and Wieruszow in the week between June 18th and June 22nd, 2012. From the employee representatives site, the colleagues Römer, Hahn, Bergmann (PASOC monitoring committee), Brennecke (for the PSOC project) and the local union representatives Niczewski (Grajewo) and Morta/Mikolajczyk (Wieruszow) participated.

The concrete cause for the implementation of these first audits in the Polish Pfeleiderer production sites resulted from the critical position of the Polish colleagues at the 1st project workshop in Hamelin about the lacking support of the Polish management for the implementation of the IFA. The main points of critique were (a) the insufficient public information about the IFA - no own activities of the management on its own - and (b) the insufficient information and inclusion of the trade union representatives. This led to the prioritization of the audit in Poland in 2012.

The first audits at Pfeleiderer were a completely new experience concerning the standards and procedures. The current experiences with the preparation and implementation of the audit however allowed the following conclusions concerning the prerequisites of the event:

- precise, written invitations from the responsible parties of the enterprise including a list of participants, a schedule, the expected standards as well as a consideration about necessary documents
- Inclusion of time reserves for the preparation of the audit participants.
- Obligation for the use of the check list (questionnaire) in the preparation through the management; the check list needs to be accepted by both parties as binding structuring instruments.
- The filled and with documents supplemented check list have to be made available to all audit participants within due time
- All key information from the audits are treated as internal information by all participants to prevent "information blockades".
- For the beginning of the audit, an introductory company presentation (regarding the audit topics) are helpful for the mutual exchange of information
- For audits at location abroad, additional time resources for the internal preparation of the European and national employee representatives are necessary
- The protocolisation of the discussion results need to be the result of a mutual agreement; it is an essential basis for the follow-up audits
- The audit results have to be included in the internal reports (controlling, quality management, personnel management etc.)
- For the (local) implementation of the IFA between the audits it is helpful to establish monitoring teams consisting of participants from both sites who then can continuously follow the implementation process, especially the outstanding points from the previous audits.
- The employee representatives have to use the chance of the audits to include locally disputed topics, company policy positions and unsolved conflicts in the debate.

- The employee representatives have to develop ways and procedures for the information of the staff about the results and changes.

In the discussion **Piotr Morta** (Pfleiderer Wieruszow) criticized the lack of a regulation for the watcher role of union representatives from other production sites. At the Polish locations, the local trade unions have not been able to secure their information right from the employer. The preparation check list for the audit is very concrete and helpful for him for the step by step implementation of the IFA. The check list's information are also a helpful tool for the interior monitoring of the employer. **Alfred Dennenmoser** (Thermopal Leutkirch) emphasized the necessity of intense public relation activities for the continuous improvement of the information of the employees and to create more support for the measure through this. The employee representatives should regularly include specific topics based on the social charta in the consultation talks with the employers and they should also emphasize that topics which are not solved on a local base will be included in the next EWC. **Eugeniusz Formejster** (Pfleiderer Grajewo) demanded that the Pfleiderer board in Germany give more binding resolutions for the implementation of the IFA through the management in Poland. This includes a binding report obligation about initiated IFA measures from the bottom to the top.

➤ Practices and Experiences from other IFA Companies

Gustav Meier & Dieter Pfister from the company Schwan-Stabilo. The IFA at Schwan-Stabilo was concluded in 2005 after three years of preparation. This was difficult due to the inclusion of two different business fields (writing utensils and cosmetics).

Management and shop council agreed mutually on the basic questionnaire for the audits. During the already implemented audits, this first questionnaire was expanded to include other categories such as temporary employment, handicapped persons and trainees. Company audits have been implemented in Germany, the Czech Republic, China, Malaysia, Brazil and the United States.

The supply chain is currently systematically included (albeit with a simplified check list) and a supplier audit is planned for 2013. The suppliers have basically "blindly" signed to uphold the agreement. In single cases, interventions with suppliers have occurred in the past. In one example, one supplier wanted to prevent the election of a shop council. The work stewards at Schwan-Stabilo learned about this and brought their own management to inform the supplier about the valid CSR standards; afterwards, the shop council elections took place.

The information of the management representatives during the audits were resolved in written form. The filled-out check lists were at the disposal of the auditors. In addition to the check lists, all auditors also receive the relevant documents (such as workplace security reports, collective wage agreements/ company agreements, overviews about wages and salaries). It is important to review the check lists regularly. Presentations with company information about relevant topics are common.

The local trade union representatives are involved in the preparation and implementation of the audits. It is very important to have persons on location who are responsible for the remedy of occurring problems. The staff is informed about the implemented audits (employee meetings, newsletters, bulletins). Audit protocols are likewise available as bulletins.

Jürgen Schlicht (Staedtler) explained the procedure at Staedtler. The IFA was put into force in 2006. Since 1998 there had been various tries to implement this agreement. The breakthrough came when a larger customer in the USA asked if Staedtler had a CSR agreement. Since 2007, several audits have already been implemented. The invitation is resolved in written form. The human resources department represents the management. The filled-out basic check list is made available for all involved persons four weeks previous to the audits. This measure facilitates an intensive preparation. Currently, all production sites have been audited once, but there have been no follow-up audits yet, neither have the suppliers been audited. The purchase

department has made agreements with all suppliers in which they agree to the social charta. However, it is difficult to control the suppliers' adherence to these standards.

The post-processing of the audit is also important: For the example, the audit has to include a date until when the identified problems have to be solved (clear deadlines). There should also a deadline for the conclusion and publication of the protocol. The execution protocols of the have to be checked continuously.

The report about implemented audits goes to the shop council in Nuremberg. At Steadtler, there is no commitment about the information of the staff about the audit results. After the workshop, Jürgen will propose an inclusion of this at the next shop council meeting.

The next steps are the repetition of the audits and the audition of the suppliers.

For the German production sites, the audits have brought several positive results:

- The issue of temporary employment was handled with a company agreement about equal pay.
- Concerning the unequal payment of men and women, the shop council has developed an company agreement proposal which is currently in the final steps of negotiations with the management.

Olaf Stender reported about the Wilkhahn enterprise. For Wilkhahn, there will be no formal and binding check list for the preparation and implementation of the audit. Instead, the chosen procedure consists of the identification of an issue to check through the employee representatives who then forward their suggested topic to the management. The base for continuation in this field are then the audit protocols including an extensive catalogue of measures. The implementation of these measures are then surveyed by the shop council twice a year. For the Wilkhahn subsidiaries abroad, the form of annual of future annual reports is currently under discussion.

An ongoing topic is the inclusion of suppliers. For this purpose, there is an own check list in form of a voluntary disclosure for suppliers. The suppliers however are currently only checked selectively. It is important that the shop council creates its own image of the situation. For this purpose, the shop council's chairperson accompanies the purchase department at up to three suppliers per year since 2012.

All participants have emphasized how important and helpful the exchange of practices and information in the PASOC network are for the survey and further development of the employee activities within the process of IFA implementation.

➤ Information, Particiatipation and the Public

Gisbert Brenneke (AuL Bi) offered an explanation about the importance of inner-company information and participation processes. The company-specific information measures about PASOC were initialized through the publication of the project flyer (in three languages). The PASOC website was redesigned as an up to date information medium. For sensitive data, a restricted area was activated.

Based on the discussion on the first workshop (about the insufficient information of shop councils and representatives about the IFA), Frank Bergmann and Gisbert Brenneke have developed a compact questionnaire to gather information about the awareness level, importance and use of the IFA. The questionnaire was subject to a participants' debate (on the example of Pfeiderer). Complementary additions will be included until the end of July.

The questionnaire will then be made available in the three project languages, German, Polish and Swedish. The deadline for the return is September 15th, 2012. Frank Bergmann acts as the

central gathering point for the questionnaires at Pfeleiderer (from Germany, Poland and Sweden). The results and conclusions of this survey will then be presented at the conference in Berlin. The colleagues from Wilkhahn, Schwan-Stabilo and Staedtler will then decide if they adopt this questionnaire (if the case may be in modified form). Frank Bergmann and Gisbert Brenneke will take care of the company-comprehensive evaluation and summary of the survey.

➤ **Preparation of the Employee Conference in Berlin (October 10th- 12th, 2012)**

The PASOC core team had prepared a preliminary topic plan and schedule for the conference the day before the workshop (July 1st, 2012). The focus is going to be on the exchange of information, practices and strategies for company- and union-based employee representatives in IFA monitoring processes. The participants approved the preliminary topic suggestions with a few additional ideas. Likewise, the suggestions concerning the number and distribution of participants - representatives of the involved enterprises, trade unions and countries - was also approved. Several participants suggested to also invite one representative each from the EU commission, the ETUI and the BHI.

The main topics of the conference are going to be:

- social responsibility of enterprises: efficiency and implementation of international framework agreements
- from the shop council: experiences, expectations and results of IFAs for the company
- regulations, standards and procedures for successful monitoring and audit processes
- trade union requirements for the implementation of IFA in companies
- panel discussion with employee and employer representatives: testing international framework agreements - a step towards a more humane and socially just work environment

The PASOC core team is going to further develop the contents of these topics and initialize the necessary arrangements for the course of events, participation and implementation of the conference.

Discussions and Site inspection at PERGO (Europe) AB Trelleborg (04.07.2012)

The Pfeleiderer subsidiary PERGO with its two production sites in Sweden (Trelleborg and Perstorp) and two additional sites in Garner 8North Carolina, USA) is one of the world's leading producer of high quality laminate floor panels. The leading position of PERGO in the global market results from a vast number of patents for product and technology innovations.



PERGO in Trelleborg

PERGO (Europe) AB in Trelleborg is responsible for the whole production and distribution activities in Europe, Asia and the Pacific global region. Worldwide, PERGO employs over 550 staff members. Both PERGO LLC and PERGO (Europe) AB are hundred percent subsidiaries of PERGO AG, which belongs to the Pfeleiderer corporation since 2007. PERGO has a company-specific union representation and is represented with one delegate in the European shop council of Pfeleiderer AG.

The discussion with the local management representatives (Mr. Krister Hansson, managing director, and Mrs. Helena Persson, head of the personnel department) were open and productive. The management confirmed the sale negotiation for PERGO and that PERGO will leave the Pfeleiderer corporation. At PERGO, the sale is seen positively, since Pfeleiderer has not invested in Sweden for years, and it is seen as likely that the chances for a better placement in the market increase with a new owner. From the point of view of the employee representatives it is currently important that the oncoming decisions are transparent to reduce the insecurities of the staff and to conciliate perspectives for the future. Both parties emphasized that the mutual cooperation takes pace regularly and confidently. Insofar, PERGO sees itself within the tradition of the Swedish social partner model, which is based on dialogue and consensus.

The spread and implementation of the Pfeleiderer Social Charta has not made progress in the Swedish productions one and a half year after its signing. The PERGP representatives identified "difficulties of interpretation" for specific regulations and the adjustment with national law. In this context, Pfeleiderer has promised a "translation assistance" including further explanations, but it has not yet been delivered. Even without the reference to the IFA, PERGO has aimed to ensure and continuously improve its high standards particularly in the fields labour and health protection as well as production and working conditions.

The talks with the management were continued during the following inspection of the production site. The site in Trelleborg is currently working at 60% of its capacities. The participants were informed comprehensively about the various processing steps of the laminate production. Other aspects, such as the organisation of work and health protection, the production model (with three workshifts), the salary system (with financial benefits), the guidance principle based on consensus, and the operational labour organisation (rotation of the production, group work) were also explained or shown. In total, PERGO presented itself as an innovative enterprise with good labour conditions and a modern work environment.

All Materials from this 2nd workshop are available on the PASOC website at www.pasoc.innopas.eu as well as in the password-protected area.

July 17th, 2012 / Arbeit und Leben Bielefeld / Gisbert Brenneke