



Increase of information and consultation for implementation of company-based social standards for the european woodworking industry based on the example of Pfeiderer Plc.

Project Information

about project implementation
for the period **15th of October 2009** to **14th of October 2010**

VS/2009/0234

National and european partner

- **EFBWW** (European Federation of Building an Wood Workers)

Germany:

- **European Works Council** (EBR / EWC) **Pfleiderer PLC.**
- **IG Metall** (Metal Workers' Union)
- **Pfleiderer AG** (Vorstand) als Value-Partner

Poland:

- **NSZZ "Solidarnosc"** (Wieruszów, Grajewo)
- **OPZZ "Budowlani"** (Wieruszów)

Sweden:

- **Facket för Skogs-, Trä- och Grafisk Bransch**

In Cooperation

with trade unions and workers' representatives from overall
15 European locations in Germany, Poland and Sweden



(1) Background

➤ Internationalisation and European networking

The wood working industry is a European close networking branch. This counts for tradeoffs between suppliers and consumers and for the locations of productions. The EU enlargement from 2004-2007 caused into new production locations in middle and Eastern Europe. So in the last ten years developed a tight production-network.

In contrast the social and casual relationships on the employees' side did not develop so intensely. There is still a lack of structures, practical experiences and effective instruments for pan-European cooperation. Especially the company concerned mechanism for Pan-European information, hearings and consultations in the frame of a community-wide social dialogue are not developed adequate.

Especially under the condition of the economical crisis there is a lack of determining conditions for intensification of information and social relationships connections for transnational coordination and cooperation in the area of employee representation and for the necessary information and consultation processes between the social partners in the company

➤ The Pfleiderer Plc – an wood-based panel concern in Europe

The Pfleiderer Plc. is one of the European leading woodworking concerns with overall 15 production locations in Germany, Poland and Sweden. Other locations are in the USA, in Canada and in Russia. All together the Pfleiderer Plc. (and its national subsidiaries) has got 5.500 employees, 3.900 of these in the EU27.

The Pfleiderer Plc did some radical changes in the last years. Those are among others:

- The reorganisation of a family business and medium sized enterprise to a (European) public company, which is listed in the German MDAX
- The sales of outside the particular sector of industry and the profiling as global working wood-based panel concern with a diversified structures concerning products and locations
- An offensive expansion-strategy for better market penetration with purchase of companies (panel sector of the former Kunz-Group in Germany and North-America, takeover of the Swedish laminate-producer Pergo) and through the setup of additional locations of production in Poland (Wieruszow, Grajewo) and Russia (Novgorod).

The concern has its headquarter in Germany and are liable to the German rights for companies. This also counts for the structure and the rights of the employees' representatives (work council, joint work councils, concern work councils, worker's representatives in the board of directors).

Since 2007 a European work council (EWC) based on the European directive for creation of European work councils (directive 94/95 EG) linked to § 10 of the German European work council law (EWCL) with overall seven members: 4 from Germany, 2 from Poland and one from Sweden. The structure of the company gives the worker councils of the Pfleiderer Plc. the possibility to deal with the management concerning European agreements and proposals directly.

The economical network and the transnational production is in the Pfleiderer-concern is very well. In contrast the economical workers' representatives are still working just working on a national level. The European dimension of a community-wide and linked representation of interests of workers must be strengthened a lot. This has got different reasons:



(1) The structural change, which is fastened through the current crisis with European reconstruction activities in the companies can't be influenced by national activities in an adequate way. A European-wide coordination, alternating coordination and network. This also counts for the workers' representatives.

(2) For the European integration in the field of necessary harmonisation of social-, labour-, environmental- and employment-standards requires same information, common aims and coordinated processes in the development and negotiations of common labour, social and bargaining politics in European-wide working companies.

(3) The mechanism and structures of information and involvement of the workers' representatives by operating and here especially by cross-border redeployment must be used and intensified. This serves to strengthen and enlarge information and consultation structures for the social dialogue in the companies.

(4) The danger of country concerning competitions with lower costs and lower standards of wages, protection, working hours etc. can be enlarged through the problems with the financial, economical and sales crisis in the woodworking industry. Other risks like linking of decisions about investments and locations with wage sacrifices of the staffs, which cannot be excluded in the current situation. So the explanation of the possible conflicts and consequences is part on this project. It deals with in time information and consultation in the Pfleiderer Plc and so about social compliant solutions in the crisis.

The solidly representation and creation of workers' interests in the crisis is a national and European assignment. Workers' representatives must be strengthened in development of common processes about briefing, consultation and involvement rights. They need instruments and strategies how they can improve preparing the staffs for redeployment and how they can protect the staffs in negative consequences as well as possible.

A essential assumption for that is the communication and the common transfer about how the workers' rights can be used in the crisis and how the social dialogue in the companies can be improved and how common solutions for security and development of existing social and working standards can be promoted. The increase of adequate information and consultation processes is an essential assumption to define conflicts in the company and to work out common solutions, which are allowed for the interests of the company and the employers

➤ **EWC - initiative „Pfleiderer AG Sozialcharta“**

Using the example of the Pfleiderer Plc an operative initiative for a community-wide liable social agreement for receipt and development of social standards with activities of information and consultation of social partners will be developed and implemented. A focal result of the project activity is the development, the negotiation and the implementation of this agreement. This project gives a transferable result for the implementation of an effective social dialogue in an international working company of the derived timber wood industry and beyond.

Objectives and activities

Aim of the project activity is:

- To intensify the cooperation between the workers' representatives (BR, GBR; KBR, EBR) on national and European level
- To support the integration of new workers' representatives as consequence of the enlargement through fusions, takeovers and enlargement; to harmonise common aims and assignments and to develop a common European comprehension of working interests
- To qualify the activities of the European workers' council of the Pfeleiderer Plc. for the development, negotiation and implementation of safety-concepts for the receipt of jobs and for future development of the European locations
- To take care for a better harmonisation of standards in the companies (among others with labour time, working and health protection, environmental standards, variable-pay programme, education and qualification or with labour leasing)
- To reach the equality in practice of ownership rights of the employees and the workers' representation (way and organs of the interests' representation, rank of the trade unions, comprehension of the rights of information, ownerships and workers' participation)
- To improve the process of information, hearing and consultation of the social-partners on European level (e.g. decisions about human resources and working conditions by investments and location)
- To strengthen the social dialogue with information and consultation for handling of economical crisis and with operative redeployment and to anchor a social balance of interests
- To prearrange the implementation of understanding and determination of community-wide obligatory social and working standards in the company and to implement these in the dialogue with the concern management

For reaching this aims the following main activities will be done:

- Information and knowledge development about the change of structure in the European woodworking industry and about the company related requests of social and employment safety of Pfeleiderer Ltd
- Activities for improvement of the European transfer of information about social rights and standards in the European Union, prearrangement of activities in the whole EU for effective information and involvement of workers' representation and workers
- Increase of European cooperation of workers' representation with European harmonisation and consolidation of common social and working standards at Pfeleiderer as transferable example for other companies in the European wood working industry
- Increase of information and involvement of workers' representations in activities for strengthening of the social dialogue in the company
- Development and implementation of a social agreement ("Socialagenda Pfeleiderer")
- Prearrangement of referring to this information activities and implementation of consultations between workers' representations and the company management
- Project related activities for steering and implementation of the fixed aims and assignments (European steering committee and transnational workshop "Same work – same standards – same rights")
- Documentation of the project activities and spreading of the results (project and EBR-website, CD-Rom and documentation of the seminar, social agreement Pfeleiderer – activities for transfer and support for workers' representation in other companies.



Expected results

During the project fixed mechanism for the social dialogue are generated. They improve the chances for provident crisis management. This is an important step for the involved trade unions and the operative interests representatives in the Pfeleiderer concern dealing with the creation of future-safe jobs, the usage of same standards and rights and the social balance at all European locations.

Important solitary result are:

- The workers' representatives in the Pfeleiderer Plc get better knowledge and practical experiences how they can design cross-border cooperation
- They get information and assistance how instruments like briefing, hearings and consultations can redound to secure social and labour interest and how to avoid conflicts
- The develop and design a community-wide information and ownership rights of the employees
- The develop and negotiate an European-wide agreement of social partners with obligatory rules for the receipt of social standards and for the safety and development of ownership rights of employees
- The contribute in harmonisation of the living, working and right standards of European working companies
- The project activities support the network of the European workers' council and cause the intensification of cooperation in Europe
- Common events of information for information, consultation and better transfer will be implemented
- New additional instruments for information and participation will be developet (project and EWC website)
- The focus project activities, methods and results will be documented and spread

The European works council of the Pfeleiderer Plc is sure that the planned social agreement ("social charta Pfeleiderer") will promote a positive competition about good and safe jobs between the companies in the European wood working industry. The project makes a contribute for involvement and participation of workers' representatives to improve dealing with structural changes. So it can be avoided that the branch and the economical crisis will be carried out with stronger competitions about locations and countries. It will be avoided that the redeployment processes lead into (national) conflicts of interests between the different staffs about the receipt of jobs and wages on the different locations.

Working program (activities and assignments)**Phase I Prearrangement 15th of October 2009 – 14th of Januar 2010 (1 - 4 months)**Months

- Detailed planning of the aims, contents and procedures in the project 1.
- Collection of information and first list of criteria for collecting and analysing of the liable judicial, social and working standards in the company 1. – 4.
- Foundation of the European steering committee (first meeting) 2.
- Information and involvement of local representatives and employees 2. – 4.
- Dealing with the liable EU-standards and international standards (ILO/CSR) 2. – 4.
- Comparative compilation in the existing rules in the Pfleiderer Plc. (pan-European synopsis) 1. – 4.
- Prearrangement and implementation of the first information-activities (website, information of boards a.s.o.) 1. – 4.

Phase II Implementation 15th of January 2010 – 31st of July 2010 (4. - 10. months)Months

- Development of important standards and basis through the project partners (catalogue of common and different social standards, labour protection and working standards and country specialised regulations concerning companies and rate regulations. 4 - 7
- Evaluation and involvement of community-wide liable EU-regulations and directives about hearings, information and consultations 4 – 7
- Increase and stabilisation of cooperation between the workers representatives on concern level and between the European and national locations 4 - 10
- Implementation of information and involvement activities for workers' representations and staffs (about standards and rights) 5 - 10
- Implementation of social and special counselling of the representatives of trade unions and external counsellors 4. – 7.
- 2. meeting of the European steering committee (intermediary results) 5
- Development of the basics for the social agreement (objectives, scopes, vertices and areas of regulations) 5. – 7.
- Prearrangement and implementation of the European event "Same rights – same standards – same rights" 7.
- Creation and spread of the seminar documentation 7. – 9.
- Prearrangement and implementation of information activities for workers' representatives and staffs at all locations (website, placards, prewritten documents, factory newspapers) 7.-10.



Phase III Follow - up 1st of August 2010 – 14th of October 2010 (10. - 12. months)

	<u>Months</u>
▪ Implementation of information and consultation calls with the employers	10. -12.
▪ Third meeting of the European steering committee (Evaluation of the seminars, final coordination and final version of the social agreement and consultation with the employer)	11
▪ Documentation and spreading of the social agreement (with comments and notes about usage)	11. – 12.
▪ Determination of follow ups and determination of information activities about the transfer of processes and results for other companies of the European wood working, building and furniture industry.	11. – 12.
▪ Dissemination and publications (results and products)	11. – 12.