

# Just Transition & Decarbonisation in multinational companies

## Recommendations to coordinators & worker representatives in SNBs, EWCs and SEs

Brussels January 2024 (update)



This document provides information and guidance for worker representatives in Special Negotiating Bodies (SNBs), European Works Councils (EWCs), transnational works councils of companies under the European Company Statute-*Societas Europaea* (SEs), as well as industriAll Europe coordinators assisting them, about the role they can play in fostering dialogue about decarbonisation in their multinational companies.

Current times are particularly challenging for Europe's industries and workers. The COVID-19 pandemic and the energy price crisis, combined with the impacts of the war in Ukraine, have brought about major disruption in production, employment and working conditions. However, the fight against climate change remains a priority, and trade unions continue to be proactive in securing a socially Just Transition. Members in SNBs, EWCs and SE-WCs are advised to be just as proactive, by assessing the situation in their companies. In so doing, they should decide, on a case-by-case basis, on the appropriate manner and timing to launch initiatives aimed at shaping decarbonisation in their companies, with a trade union agenda.

### For decarbonised industries delivering quality jobs: What are we talking about?

Across Europe, governments inside and outside the EU have increased their climate ambitions over the past years to meet their commitments made in the global Paris Agreement, with net climate neutrality by 2050 a common goal. The energy crisis has been stepping up the policy challenge. Landmark political decisions are being made which are set to accelerate the speed of the transition.

Following adoption of the [European Green Deal](#) strategy, the EU enacted a [European Climate Law](#) in 2021 that makes the climate neutrality objective legally binding for 2050 and that has set a new target of 2030 to reduce net greenhouse gas emissions by at least 55% compared to levels in 1990. In July 2021, the Commission adopted the [Fit for 55 package](#) to deliver the additional emissions reductions for 2030 through a revision of all relevant policy instruments (see the [series of proposals](#), which includes the revision of the Emission Trading System-ETS; Carbon Border Adjustment Mechanism-CBAM; Revision of CO2 standards for cars and vans; etc.).



Moreover, as a reaction to the war in Ukraine, the European Commission has proposed measures aimed at reducing the EU's dependency on Russian energy imports (see '[REPowerEU - Joint European Action for more affordable, secure and sustainable energy](#)').

European industry is under massive pressure: Structurally higher energy prices in the EU compared to other regions, combined with global economic tensions and industrial policy schemes incentivising clean technology manufacturing, impact investment decisions. Europe's trade deficit has reached €430 billion due to energy imports and industrial losses.

The EU's Green Deal Industrial Plan sets targets for key technologies, relaxes state aid rules and focuses on skills development, but also involves significant deregulation. There's limited new funding accompanying the Plan, while significant funding programmes under the Recovery and Resilience Fund will come to an end in 2026. An industrial investment agenda is urgently needed, but far from emerging, with austerity measures in many countries threatening to undermine critical investments in decarbonisation.

New 2040 climate targets will come into play in 2024, with the aim of further reducing greenhouse gases and of reaching the original objective of carbon-neutrality by 2050.

Europe is facing an unprecedented acceleration of the decarbonisation that will have an impact through all industrial sectors. Production of combustion engines for the automotive sector is to cease gradually (combustion engine cars are set to be phased out by 2035 within the EU), while the energy sector is searching for a CO<sub>2</sub>-free exit from the current crisis, and the IT sector continues to deliver digital solutions that help further greening of workplaces. Both risks and opportunities are attached to the decarbonisation of our companies: hundreds of thousands of new jobs will be created, while others will change or be replaced.

While supporting the objective of reaching climate neutrality by 2050, industriAll Europe wants to secure that all workers are equipped to face the changes, and will benefit from job-to-job transition or other appropriate protection measures that ensure that no one is left behind. IndustriAll Europe calls for a Just Transition for European workers based on a proper anticipation, management and shaping of the decarbonisation challenges in all our industrial sectors, regions and companies. Workers' involvement is instrumental from the earliest possible stage of the decarbonisation process.

In concrete terms, **decarbonisation** refers to measures taken by a company to reduce its greenhouse gas emissions in line with the respective company, sectoral, national, and EU target. Measures can be devised in connection with one of the three stages of the decarbonisation process:

1. The **anticipation**. At this stage, measures revolve around analysing/understanding the change and defining strategies to cope with it
2. The **mitigation**. At this stage, measures revolve around implementing strategies/technologies to decarbonise production
3. The **adaptation**. At this stage, measures revolve around solutions to cope with the new climate conditions and their impact on production sites and workers

The scale and pace of change introduced in our industries as a consequence of decarbonisation will vary from one sector, region and company to another. But it is of the utmost importance to ensure that we are not left with only managing the social consequences of decarbonisation. The transition is well underway, and we must proactively contribute to its design. Timing is key. We must get involved at the earliest possible stage should we want to ensure that the change brought about by decarbonisation is anticipated and managed in the most fair, inclusive and socially responsible way.



## **Recommendation 1** Develop your own trade union strategy

Be proactive. Do not wait for the management to inform you about the decarbonisation strategy it might have unilaterally decided. Make up your own mind, assess the different possible scenarios and decide with a trade union agenda on what you want for the decarbonised future of your company. You do not see your company addressing the transition adequately, and fear the risk of an unsustainable business model or strategy? It is essential that you proactively engage in this process.

### **Liaise with your national trade union organisation and with industriAll Europe**

Trade union organisations have worked on detailed economic and social analyses of the decarbonisation challenge and have elaborated ambitious trade union demands, tailored to specific sectors and regions. Connect with your national trade union federation and with the industriAll Europe Secretariat to learn from practices/initiatives in your country, across the EU, and in companies within your sector.

Trade union organisations can also best inform you about the latest developments of the decarbonisation strategies discussed by policymakers at national, European and global levels. In addition to closely monitoring the political debates, your national trade union organisation and the industriAll Europe Secretariat are in permanent contact with national and European policymakers who would be eager to hear about your concrete experience of discussing decarbonisation in your multinational company and would be supportive in flagging up problematic cases. Connect with your national trade union federation and with the industriAll Europe Secretariat to share your own experience.

What is more, trade union representatives have concluded European Framework Agreements with their management in some multinational companies on how to anticipate and manage change in a socially responsible manner (e.g. including provisions for strategic skills planning, workers' education and training, generational renewal, etc.). Those agreements apply to the anticipation and management of change coming from decarbonisation in those companies too. Should you identify the need to open such a negotiation with your management, please contact your national trade union and the industriAll Europe Secretariat.

### **Liaise and coordinate with worker representatives in your company, based at national and local levels**

It is important to have a strong coordination between European and national levels. Decarbonisation needs to be discussed at both EWC and national levels. If policies are agreed upon at European level, it is important to share them with the national level – and the other way around. If policies or agreements are reached at national level, make sure to inform the EWC/SE-WC.



Reasons for establishing strong connection and ensuring a good flow of information between the EWC/SE-WC and worker representatives at national and local levels are manifold:

- **This is the best way to identify measures related to decarbonisation early on, which may be planned in one country before becoming transnational.**
- **This is the best way to learn from one another, share and exchange best practices** (e.g. learning that an agreement on the development of green skills has been struck in one country could have a spillover effect if disseminated widely among your network).
- **This is the best way to make full use of and benefit from rights to information, consultation and participation, which exist not only at European, but also national levels** (e.g. the new right of French works councils to be informed and consulted on the company's strategy to fight climate change).

Note that EWCs can use their obligation to report back on their activities or their right to visit local sites, to establish links and connection at national and local levels.

### Develop and fuel your expertise on decarbonisation

Your EWC/SE-WC also has the right to training and to invite experts to EWC/SE-WC meetings, who can train/educate on the green transition. This will ease discussions with management and enable you to become proactive in risk analyses and anticipation strategies.

## Recommendation 2 Get involved in your company

Decarbonisation is a topic for social dialogue in companies!

In some countries, **national laws** have been amended or adopted to secure the right for trade unions and/or works councils to engage in dialogue with their management on the company's strategy to decarbonise its activities. For instance, the 'Climate law' adopted in France in 2021 introduces the green transition as a topic for works councils, which are to be consulted on the environmental consequences of a company's operations.

In some sectors, **sectoral collective agreements** have been reached on the social dimension of decarbonisation. For instance, following the tripartite agreement to organise the transition of workers in the phase-out of coal extraction, the Spanish trade unions, UGT FICA and CCOO Industria, reached an agreement with all operators of thermal powerplants in Spain (Endesa, Iberdrola and Naturgy) to organise the Just Transition of workers in the sector by offering them alternative jobs in the dismantling of plants, rehabilitation of land, and investing in new activities, such as renewable energies. The agreement integrates commitments to the re- and upskilling of workers, but also offers early retirement for older workers. The operators even provide for accountability through the establishment of a monitoring committee that supervises the implementation of the agreement.





**TIP!**

An online mapping of good national, sectoral and company practices is available on the industriAll Europe website.

Check it here: <https://justtransition.industrialall-europe.eu/>

**At the European level, EWCs and SE/WCs** are entitled to engage in dialogue with their management on the basis of:

1. The management's duty to report on the environmental consequences of its operations. The [2014 Non-financial Reporting Directive](#) requires large companies to publish annual reports on the policies they implement in relation to social responsibility and treatment of employees, respect for human rights, diversity on company boards and **environmental protection**. The EWC/SE-WC must have access to that annual reporting.
2. The basic fact that the green transition is of a transnational nature. Measures envisaged by management to anticipate and mitigate climate change are, de facto, a transnational matter which requires information and consultation of the EWC/SE-WC on the likely consequences on employment in the different countries.



**EXAMPLE**

### **EDF EWC**

Energy sector

EWC since 2001

Chair: Marc Ferron (CFDT FGMM)

industriAll Europe coordinator: Frédéric Touboul (CGT FTM)

In 2021, the preamble of EDF EWC agreement was revised as follow:

*The Signatories undertake to the implementation of EDF's new "Raison d'être" Mission Statement over the Group's entire European scope, as well as contributing to its construction, in particular to monitor the commitment of the Group and its European subsidiaries to combating climate warming, its consequences on operations and on jobs, and to support the ambitions of the EDF Group Corporate Social Responsibility Agreement signed unanimously on 19 June 2018.*

*In this perspective, the EWC is an ideal venue to analyse and share views regarding the challenges and opportunities of the major trends occurring in the energy industry, whether technological or legislative, in particular EU-level legislation, to assess their economic and labour impacts on the Group's subsidiaries, and therefore to evaluate the changes in the environment where the Group deploys its strategy.*

*In view of the social and labour challenges of the energy transition and the imperative requisite of a just transition in line with the European Green Deal and the Paris Climate Accord, the EWC must be a forum of dialogue about professional transitions and skills development issues linked to changes brought about by the energy transition, consistently with the requirements of a just transition.*





**TIP!**

Request to receive the annual report, including the sustainability report, and to have a discussion about it with management.

As an EWC/SE-WC member, you should allocate time at your meetings to share the developments in the different countries also when it comes to the company's environmental policy. Furthermore, you should make sure that decarbonisation and its consequences on production, jobs and working conditions are addressed at the meetings with central management.



**TIP!**

When (re-)negotiating your EWC agreement, add decarbonisation to the list of topics for information and consultation.



**EXAMPLE**

## Domo Chemicals EWC

Chemical sector

EWC since 1996

Chair: Alexander Busch (IG BCE)

industriAll Europe coordinator: Noel Furchheim (IG BCE)

The European Works Council agreement which was renegotiated in 2021 includes clear reference to the right to be informed and consulted on the company's green strategy.

### *Art. 2.2 Information on the general functioning of the Group*

*[...] Information presented to the EWC includes:*

- *Structure of Domo Chemicals and its governance*
- *Economic and financial situation (such as an annual report)*
- *Evolution of the business including production and sales*
- *Safety, health and environmental policy*
- *Corporate Social Responsibility (including a code of conduct) and Sustainable Development*
- *General directions of the social policy of the Group and Human Resource projects*

### *Art. 2.3 Information and consultation on transnational matters*

*[...] This would include:*

- *Significant evolution in terms of employment*
- *Strategic investments undertaken at group level or involving several countries*
- *Substantial changes regarding the group's organisation*
- *Introduction of new working methods or new processes of production*
- *Transfers of production and transfers of technology*
- *Mergers, acquisitions, downsizing or closure of undertakings or establishments, or significant parts thereof the collective redundancy plans*
- *Evolution of safety, health and environmental policy*



### Recommendation 3 Discuss with management

Bring up decarbonisation in the work of the EWC/SE-WC and put it for discussion with the management.

Decarbonisation is a multifaceted phenomenon. It is not just one topic (energy efficiency, recycling or green skills...) that you would put on the agenda of your EWC/SE-WC meeting occasionally. It is a much more encompassing concept, with many different dimensions, as well as an ongoing process, which requires regular monitoring.

EWC/SE-WC members are advised to raise the following topics with central management and **engage in information and consultation**, with the support of experts, on the likely impact of decarbonisation (country by country) on the following topics:



**TIP!**

Be critical concerning the information you will receive and flag up attempts at green washing!

#### The business strategy / model

- Is the company planning to reduce its carbon footprint (e.g. go for less energy-intensive production, revise its supply of raw materials, shift to green transportation, focus on re- and upcycling...)?
- Is the company planning to change its business model or strategy in reaction to evolving climate conditions (e.g. relocating plants away from areas at risk of extreme climate/weather events, such as storms, floods, wildfires, droughts, ...)?
- What is the foreseen impact on the downstream and upstream suppliers?
- Is/will the company (be) benefitting from public support to adapt its strategy (awarded/requested EU, national or local public funding)? Are there any social conditionalities or requirements for consultation from the public funding programmes your company is benefitting from?

#### The investment plan (incl. R&D and technology)

- In which areas are the company investing in connection to the green transition (energy efficient technologies; digital technologies to support remote maintenance; sustainable mobility...)?
- What is the cost of investment and expected return on investment?



### The number and quality of jobs (employment and working conditions)

- How is the level of employment expected to evolve in the company in relation to the decarbonisation: creation, transformation, destruction or displacement of jobs? If possible, split information by qualification (low-middle-, high-skilled), age, gender, and region.
- What support measures are put in place to secure workers' employability and professional transition, especially for the most vulnerable workers who may not be able to benefit from re- or upskilling opportunities (e.g. workers in non-standard employment, older workers, women, single parents, low-skilled workers...)? Are there projects for specific internal mobility plans, early retirement schemes, reduced working time...?
- In case of redundancies, how has the situation been evaluated? What measures have been taken to avoid redundancies? And what measures are being taken to help dismissed workers get a new job?

### The work organisation (incl. health & safety)

- How widespread is teleworking (among blue- and white-collar workers)? What remote/smart working equipment is provided for workers?
- How is decarbonisation affecting occupations (emerging new tasks, new jobs)?
- How are workers protected from the adverse effect of climate change (from polluted air, from over-heated workplaces...)?
- What health and safety risks are arising from the deployment of new green technologies (e.g. hydrogen)?





## Training policies and skills development

- How is the company working on long-term strategic skills planning (identification of skills needs for the future, adaption of job profiles, and development of corresponding training offers)?
- How are trade unions and worker representatives involved in the skills development and training policies at the plant, at regional and national levels?
- What kind and on what terms will the company provide its employees with training for re-skilling and up-skilling to handle new technologies?
- Have all workers access to re- and upskilling training? Are there any specific measures targeting workers most-at-risk (e.g. older workers, precarious workers, women, etc.)?
- What is the number of hours of training linked to the green transition (compared to the total number of hours of training per worker, displayed by each group of qualification)? What is projected for the coming year?
- What amount of funding has been allocated to training/education?

If relevant and possible, request management to set up a sub-committee of the EWC/SE-WC devoted to the company's decarbonisation strategy. Assistance from an external expert could be extremely valuable because of the quite technical nature of the discussion. Use such a EWC sub-committee (or the full EWC, if none) to coordinate the different management and trade union initiatives which are carried out in the different countries. Contact your national trade union organisation and/or the industriAll Europe Secretariat, which can refer you to relevant expertise.

### EXAMPLE

#### **Tata Steel Europe EWC**

Basic metal sector

EWC since 2000

Chair: Gerrit Idema (FNV)

IndustriAll Europe coordinator: Alasdair McDiarmid (Community)

Discussions about the impact of decarbonisation on the company's strategy and operations have been going on for some years. On the request of the Tata Steel Europe EWC, a 'decarbonisation working group' has been set up and met for the first time in June 2021. It is composed of 15 members: 7 company representatives who are leading on decarbonisation, and 8 trade union representatives from the UK and the Netherlands. The external economic expert who is assisting the EWC on a regular basis is also taking part in the decarbonisation working group.

The decarbonisation working group fosters a transparent debate, exchange of best practices and helps trade unions discuss with management about the decarbonisation scenarios of the Tata Steel group in Europe that they have developed on their own.



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IndustriAll Europe and its affiliated trade union organisations are here to support you. For all questions, suggestions, or should you need specific assistance to advance dialogue on decarbonisation with your management or policymakers, please contact:

- ⇒ **Your national trade union organisation**
- ⇒ **The industriAll Europe coordinator assisting your SNB, EWC or SE-WC**
- or
- ⇒ **IndustriAll Europe's dedicated team**

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 **Read more...**

Here is a compilation of industriAll Europe’s existing positions, studies and joint statements reached with sectoral employers’ associations, which can be useful for your EWC/SE-WC discussions.

### IndustriAll Europe general positions

- Just Transition Manifesto: Nothing About us without us! (May 2022)  
Short version in [English](#), [German](#), [French](#), [Czech](#), [Italian](#), [Spanish](#), [Polish](#), [Finnish](#), [Swedish](#)  
Long version in [English](#), [German](#), [French](#)
- Joint statement with the EESC Workers’ Group ([Nov. 2021](#))
- Joint statement with IndustriALL Global Union (on COP26, [Nov. 2021](#))
- IndustriAll Europe political platform – Just Transition campaign [English](#), [French](#), [German](#) (Sept. 2021)
- Europe’s Green Deal: mapping the route to 2030 [English](#), [French](#), [German](#) (Nov. 2020)

### IndustriAll Europe positions per topic

<b>The energy prices crisis</b>	Policy Brief (2022) in <a href="#">English</a> , <a href="#">French</a> , <a href="#">German</a>
<b>The Fit-for-55 package</b>	Position paper (2021) in <a href="#">English</a> , <a href="#">French</a> , <a href="#">German</a>
<b>Review of the EU Emissions Trading System</b>	Position Paper (2021) in <a href="#">English</a> , <a href="#">French</a> , <a href="#">German</a>

### IndustriAll Europe positions per sector

<b>Chemicals</b>	Towards a decarbonised circular plastics industry IndustriAll Europe position paper (Dec. 2021), <a href="#">English</a> , <a href="#">German</a> , <a href="#">French</a>
<b>Electricity</b>	Joint statement on Just Transition IndustriAll Europe – EPSU – Eurelectric (Nov. 2021), <a href="#">German</a> , <a href="#">English</a> , <a href="#">French</a>
<b>Gas</b>	Joint statement from the social partners of the European sectoral social dialogue on gas IndustriAll Europe – EPSU – Eurogas (Dec. 2020), <a href="#">English</a> , <a href="#">French</a> , <a href="#">German</a>
<b>Automotive</b>	Urgent need for a Just Transition framework for Europe’s automotive workforce Open letter industriAll Europe, ETUC, ITUC, CLEPA, ACEA, Ceemet, Just Transition Center, European Climate Foundation, Transport and Environment (July 2021), <a href="#">English</a>
<b>Heavy industries</b>	Addressing the challenges of decarbonisation and modernisation in Central and Eastern Europe’s heavy industries IndustriAll Europe position paper (April 2021), <a href="#">BG</a> <a href="#">CZ</a> <a href="#">DE</a> <a href="#">EN</a> <a href="#">FR</a> <a href="#">HU</a> <a href="#">PL</a> <a href="#">RO</a>
<b>Energy</b>	The role of Clean Hydrogen in achieving a Just Transition to a climate neutral industry IndustriAll Europe position paper (Nov. 2020), <a href="#">English</a> , <a href="#">French</a> , <a href="#">German</a> Delivering an offshore renewable energy strategy that guarantees good jobs in Europe IndustriAll Europe position paper (Nov. 2020) <a href="#">German</a> , <a href="#">English</a> , <a href="#">French</a>

