industriAll
EUROPEAN TRADE UNION

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Securing Europe's Energy Transition through High-quality Jobs in the Offshore Wind Supply Chain

Introduction

The offshore wind sector will play a pivotal role in securing Europe's clean energy transition, addressing growing electrification needs across sectors while decreasing energy prices in the long-term[1], and providing for economic resilience and security by decreasing Europe's dependence on fuel imports.
Achieving these goals will not be possible without the workforce in the offshore wind supply chain. We therefore urge European and national policy makers, industry and companies to address crucial labour needs in the design of offshore wind policy frameworks. Strategies must go beyond skills development and address the quality of jobs to attract a qualified and motivated workforce. We need both proactive industrial policy tools and policies that promote quality jobs and working standards along Europe's offshore wind value chain.

The clean energy transition requires a qualified workforce in manufacturing and energy sectors alike. Europe has committed to a 42.5% renewable energy target by 2030, while governments have committed to ambitious plans to increase wind capacity to 420GW by 2030, with 103GW capacity from offshore wind[2]. While energy targets must take into account the balance between renewable and controllable decarbonised energy generation as well as the comprehensive network of energy storage systems, the EU must place a strong focus on the energy workforce, quality jobs and working conditions as well as adequate access to training and education.

In 2024, the wind supply chain employed 370 000 workers across Europe; 77 000 were in the offshore wind sector, and the demand for workers is set grow with growing ambitions and targets across Europe.

IndustriAll Europe represents the unions and workers across the supply chain, from project development to manufacturing, installation, operation, servicing and maintenance, and decommissioning of offshore wind farms. In view of the growing needs and ambitions to increase offshore wind capacity, we demand offshore wind strategies to be developed and implemented with the active and effective involvement of trade unions.

Workers from across the offshore wind supply chain organised in industriAll Europe demand:

[1] In the absence of a more structural reform of the electricity market design, cheaper generation costs from renewables will decrease energy prices in the long-term by replacing fossil fuel generation.
[2] Figures: WindEurope

1. Industrial policy tools that support quality jobs in Europe along the offshore wind supply chain

In view of the increasing challenges the sector has been confronted with – high interest rates, supply chain constraints, tariffs and geopolitical challenges – Europe and national governments must design coherent and complementary industrial policy tools that support ambitious targets. We welcome the recent policy initiatives dedicated to promote the clean energy transition and bring down energy prices, e.g. the Net-Zero Industry Act, the Wind Action Plan and the Communication on Offshore Renewables, the Grids Action Plan, as well as the Clean Industrial Deal and the Affordable Energy Action Plan, and welcome the announcement of new initiatives, such as the new Grids Package and the Electrification Action Plan. They all contribute to a more comprehensive policy framework. Yet, we urge the EU to take up more ambitious initiatives to support the local supply chain for European offshore wind.

1.1 Provide for an electricity regulatory framework that strikes a balance between profitability of renewable projects and stable competitive prices for consumers

In the transition to more renewables, especially offshore wind, the EU Energy Policy Framework needs to consider both the needs of energy project developers as well as the (industrial) consumers who are expected to electrify by using renewable and decarbonised power. According to the IEA, with the electricity price shocks in 2022-2023, industrial electricity demand has been falling by an estimated 6% and is not expected to return to the 2021 levels before 2026. In 2024, we witnessed offshore wind auction rounds in Denmark without any bids because of the huge uncertainties of project developers on their returns. According to the Draghi report on the future of competitiveness, energy prices will remain much higher and more volatile in Europe compared to other regions until the mid-2030s, when fossil fuel generators will be replaced in the power mix.

This raises the question of the electricity regulatory framework and whether it strikes the right balance between delivering profitability to developers and competitive electricity prices to big industrial consumers. To our regret, the Affordable Energy Action Plan largely fails to propose any meaningful initiative in that regard. We question whether relying on the provisions of the recent EMD reform is striking the right balance between profitability of renewable projects and delivering stable and competitive energy prices to consumers and industry.

If we want more electro-intensive consumers to take up long-term contracts for renewables like PPAs, the electricity prices they hedge against must be attractive and competitive for them to continue production in Europe. We reiterate our call for a detailed impact assessment of the electricity regulatory framework leading to a balanced and coherent structural reform that delivers certainty to energy developers and competitive prices to industrial consumers. We believe a deeper reform, based on a detailed impact assessment, addressing the structural failures of the marginal price mechanism, remains necessary.

1.2 Invest and expand Europe's electricity grids infrastructure

The investment in and expansion of critical energy infrastructure is pivotal to feed in increasing shares of renewable and decarbonised electricity, especially from offshore wind, and to facilitate the storage, transport and export of energy across borders and electricity zones. It will be essential to ensure an effective green transition, stable supply and low prices.

The European Commission estimates funding needs of EUR 584bn up to 2030 to modernise and expand Europe's electricity grids to ensure growing electrification needs are met. This will also integrate a more

decentralised energy system, balancing the integration of renewables and controllable decarbonised power supply as well as essential electricity storage systems. Europe and Member States must mobilise the adequate public and private investments across the continent.

We demand the increased European coordination and planning of energy infrastructure backed by adequate resources to ensure that Europe's electricity infrastructure will not be the bottleneck of the energy transition. Investing in electricity infrastructure also means investing in Europe's resilience and security. The recent announcement of the easing of fiscal rules to allow for more defence spending through common debt must be met by equal ambition to spend on critical transnational energy infrastructure.

Facilitating permitting procedures is certainly an element to be addressed with urgency to allow for the speedy expansion of both new energy generation and electricity grid infrastructure. Investing in authorities' capacities and increased digitalisation of permitting procedures will be equally important to accelerate infrastructure development while maintaining high environmental scrutiny standards.

1.3 Invest in modernising and upgrading of other critical infrastructure and equipment

Beyond grid infrastructure, we must not forget other critical infrastructure, such as ports, railways, roads, communication networks and security infrastructure, to serve the needs of a growing offshore wind supply chain. Hence, adequate investment and funding in road and port infrastructure must be addressed and integrated in offshore wind planning.

Providing for the adequate security infrastructure in terms of protection of installations and sea cable infrastructure and rescue equipment (such as helicopters) in emergency situations, is highly critical and needs to be addressed.

Moreover, to handle and transport wind turbines that increase in size, maintain the availability of sufficient and adequate vessels to serve the growing needs and plans for offshore wind development, must be ensured.

Europe must promote European manufacturing supply chains of ships and vessels. To support this goal, the maritime technology industry must be recognised as strategically important in Europe.

1.4 Increase the weight of non-price criteria in renewable auctions

In order to ensure wider sustainability of projects and deliver high-quality jobs, Europe and national governments must increase the weight of non-price criteria in renewable auctions. We welcome the first provisions in the Net Zero Industry Act (article 26) and count on more clarity and ambition in the upcoming Implementation Act. We demand the definition of sustainability criteria to include strong social conditionality, including provisions in respect of workers' rights, e.g. collective bargaining and effective information and consultation. We stress the fact that the reference to the Corporate Sustainability Reporting Directive and Human Rights Due Diligence Directive is important and necessary, but we are deeply concerned that their effectiveness is being actively compromised by the Omnibus Simplification Package. We demand that strong requirements for human rights due diligence and workers' rights are upheld throughout the offshore wind supply chain.

We also highlight the fact that the proportion of non-price criteria (at least 30% of the annual volume auctioned per Member State or, alternatively, at least 6 gigawatts per year per Member State), as foreseen

in the Net Zero Industry Act, remains too low to effectively address employment conditions and guarantee workers' rights.

Lastly, offshore wind auctions should promote a level playing field in Europe, and therefore companies from third countries that receive unfair State aid should not be allowed to compete in auctions.

1.5 Ensure a healthy offshore wind manufacturing supply chain in Europe

Europe's energy system is a critical infrastructure and an important factor for the competitiveness of European manufacturing, and provides good industrial jobs in Europe. Europe must avoid dependencies on energy infrastructure and production from unfriendly regimes. The EU must use the adequate means and make assertive use of the Foreign Subsidy Regulation to protect its own manufacturing base from unfair competition with countries that are heavily subsidising its own industries. Simultaneously, a strong local manufacturing supply chain is critical for the security of energy infrastructure addressing the risks of cyber attacks.

In that context, we welcome recent initiatives, such as the Net Zero Industry Act (NZIA) and the Clean Industrial Deal, that are intended to promote the European manufacturing supply chain. For offshore wind, 94% of the manufacturing is taking place in Europe. However, we observe fierce competition from other regions, with China gaining manufacturing shares very quickly. Indeed, despite a growing offshore wind sector in Europe, restructuring and announcements of job cuts have left workers in manufacturing companies, such as Siemens Gamesa (4100 layoffs announced in 2024 globally), GE Vernova (900 job cuts in 2024 globally, 360 in France) and Vestas (300 job cuts in the UK in 2024), in limbo.

In light of these developments, we call for more determined industrial policy tools that stimulate demand from our local European manufacturing base. The 40% net-zero manufacturing target of the EU's annual deployment needs in the Net Zero Industry Act is a welcome start, but must be strengthened and sufficiently backed by strong conditionalities. We call for the introduction of mandatory social conditionalities, including the respect and promotion of labour rights, collective bargaining, information and consultation, as well as training provisions, in return for all public support through the NZIA, and upcoming means of public support in the context of the Clean Industrial Deal.

We emphasise the important role of cables and cable production as an important component of transporting energy across Europe, especially from offshore wind. It should therefore be added to the scope of the Net Zero Industry Act.

1.6 Involve workers and their trade unions in offshore wind and industrial strategies

We stress the fact that accelerating the rollout of the offshore wind sector can only be done with a qualified workforce. Workers and trade unions must have a seat at the table to ensure strategies deliver social responsibility, good quality standards and jobs.

2. High work and safety standards

2.1 A regulatory framework for all workers in the offshore wind supply chain

We demand that a regulatory framework be put in place that offers the highest safety standards for the offshore wind workforce. Offshore wind workers work in extreme circumstances and are exposed to

exponential safety risks that are increasing, given the developments towards more floating offshore installations, further away from shore and at deeper sea levels. Workers work at extreme heights, in swiftly changing weather conditions, and rely on transport by helicopters and vessels, while installations have become increasingly subject to sabotage. The number of safety incidents and risks has been increasing exponentially.

In the context of an evolving sector, with the number of projects growing in all of Europe's sea basins while regulatory frameworks in many countries are missing or not adjusted to include the offshore renewable sector, we call for a strong regulatory framework that prioritises high-level safety standards for all offshore workers across Europe.

Based on the lessons learned from the Offshore Safety Directive addressing offshore oil and gas operations (Directive 2013/30/EU), we call for an impact assessment of the potentials of either 1) extending and revising the current Directive to adequately include and address new and additional safety concerns and risks for offshore wind installations and workers, or 2) the need for a separate regulatory framework that is modelled on the current Directive, but adjusted to the specificities of the offshore wind sector. We demand a thorough impact assessment and an effective consultation process with representatives from the relevant trade unions, to further advance the regulatory framework, and to adequately and effectively address the risks for workers' safety.

2.2 Safety concepts with workers' involvement

Workers' representatives are closest to the operations and tasks in the offshore wind sector and hence the risks and accidents occurring during work. They must have a say in safety concepts and must be included in the development, implementation and monitoring of safety concepts. The provisions in the Offshore Oil and Gas Safety Directive are a good basis and could be further evolved to improve the comprehensive involvement of workers.

We note with great concern that in some countries, union safety representatives are not involved and are even discriminated against. We therefore call for mandatory and effective union involvement and a system of sanctioning in case union representatives are discriminated against.

2.3 Guarantee safety through sufficient staffing

IndustriAll Europe highlights the need to put in place minimum requirements for teams equipped with an adequate number of workers to ensure safe working conditions and response in case of possible incidents. Workers' safety must not be compromised by cost-cutting. Project developers and all involved companies must ensure that the teams working in all shifts are sufficiently equipped to prevent extreme pressure and ensure workers can perform their jobs in safe conditions.

2.4 The same standards must apply to all workers, including subcontractors

In a complex sector, like offshore wind, which operates through many contracting companies along the supply chain, it is pivotal that the same standards apply and be enforced for all workers across the supply chain, including workers employed by subcontracting companies. The implementation of existing and new safety standards must be comprehensively monitored, and sanctions need to be put in place in case of negligence by responsible companies.

3. Investing in quality jobs through quality training and education

3.1 Need for skills strategies and investment in training

We call on governments and companies to invest in a qualified workforce that serves the growing offshore wind sector. In many coastal countries, offshore wind energy is a newly emerging industry which requires the development of dedicated educational strategies and programmes for all levels, from vocational training to university level, while protecting the rights and promoting the job-to-job transition for exsisting offshore workers.

Therefore, governments need to urgently step up their efforts to develop comprehensive skills strategies and supportive measures to ensure all talents are covered and promoted. Yet, it is also the responsibility and interest of companies to invest in quality training and education of their workforce. We underline the role that social partners should play in developing skills strategies and quality training in dialogue with industry, education providers and authorities. Social partners must be involved in the development and promotion of relevant education systems, as well as re- and upskilling, to ensure the workforce is skilled for the energy system of the future.

Moreover, it is important that any EU regulations and certification schemes, including for positions in offshore wind, are developed and maintained in close collaboration with the social partners and not left to individual companies that could create a monopoly-like market for certificates.

3.2 Facilitate mobility between sectors and offshore projects

Actions need to include measures to incentivise and facilitate mobility across sectors and between, through recognition of certificates. Competition to attract workers across sectors is rising in a context of needs for qualified labour. To ensure the availability of workers, the mobility of workers with similar qualifications from other sectors must be facilitated through a comprehensive system of recognising qualifications while avoiding additional training and certification costs for the respective workforce. We need to ensure a standardisation of training programmes to ensure workers are qualified and ensure mobility across offshore projects.

Systems, like the digital skills passport in the UK, are in principle welcome initiatives, but to date have failed to provide the conditions for workers to move to offshore wind projects due to companies' failure to fully recognise their skills. These same companies continue to require workers to pay for their additional certification. Standardised training and certification schemes must lead to the comprehensive recognition of qualifications without any costs to the workers. Potential additional or updated certification needs, e.g. for updated safety qualifications, must be cost-free for workers. Expecting workers to shoulder the costs of their certification is unacceptable and will work against incentivising mobility across sectors.

3.3 Promote a qualified workforce through the re- and upskilling of workers and continuous training programmes

Countries and companies must invest not only in initial training schemes, but also in re- and upskilling and continuous training. Ensuring that competences evolve in line with the needs of the sector is in the interest of workers and companies alike. Workers' access to re- and upskilling, as well as continuous training, must be promoted by addressing the barriers. We call for an effective right to training for every worker. This means making training accessible during working hours and cost-free for workers. We emphasise the role

of social partners in collectively negotiated agreements that promote a right and access to training for workers.

4. Attracting workers through quality jobs in the offshore wind supply chain

Workers welcome the vast job potentials of the offshore wind sector but stress the fact that attracting workers to the sector will only be successful through good pay and working conditions, the respect of workers' rights through effective social dialogue, and workers' participation. Indeed, the dangerous nature of work at sea requires a special social protection regime for workers and their families throughout the European offshore wind sector.

While working conditions and collective bargaining coverage have been high in traditional energy sectors, we see huge deficiencies in securing equivalent standards in the offshore wind sector. We note the high risk of companies trying to lower employment standards and pay levels, justifying it with smaller profit margins. This is unacceptable to workers.

In a sector with complex supply chains, covering a huge range of services and companies with sectoral overlaps (e.g. energy and maritime transport), organising workers and promoting equal quality standards and jobs for all workers remains a challenge for trade unions. The practice of individual contracts and subcontracting is widely spread and risks undermining crucial labour and occupational health and safety standards.

Trade unions call for dialogue with the European institutions, national governments and employers to effectively address these concerns and ensure social dialogue and collective bargaining govern and cover all workers across the supply chain. Effective social dialogue and collective bargaining must be promoted and strengthened, including through social conditionalities in public tenders, to install high-quality work throughout the supply chain.