

# Newsletter

Issue #41 – Dec 12<sup>th</sup> 2024

#### In this week's issue:



- EWCs: Conveying our objections on EWCD revision to MEPs
- **Gig Economy:** Directive comes into force
- Germany: VW strikes continue
- **EU:** CSRD change on the way?
- Unions: A round-up of some items of interest
- **EU Bytes Podcast:** New episode featuring Rick Warters

EWCs: Conveying our objections on EWCD revision to MEPs

Summary: We visited the European Parliament in Brussels to highlight the negative impacts of the parliament's proposed revisions to the European Works Council Directive. We focused on injunctions and fines, and provided briefing papers to several Irish MEPs



Last Tuesday, we were at the European Parliament in Brussels to press the case against the Parliament's proposals to revise the European Works Council Directive (EWCD). We had a number of meetings, including with Sean Kelly, MEP, a senior member of the European Peoples Party (EPP). This is the same political grouping as Denis Radtke, the German CDU MEP who has been the driving force behind the radical revision of the EWCD.

We set out the potential damage to industrial relations practice in multiple Member States and to the competitiveness of European businesses that would arise from the inclusion of injunctions and GDPR-style fines, as proposed by Mr Radtke. His proposed changes were accepted by the EMPL committee last week. We explained how Ireland now hosts the third highest volume of EWCs, after France and Germany and how major businesses view the Parliament's proposals. MEP Kelly understood the points we made and undertook to discuss these with his colleagues in the Parliament.

We also had discussions with members of the Alde/Renew grouping and impressed our concerns and objections upon them. We supplied all those we met with briefing papers outlining the damage that access injunctions would do. The EU parliament meets in plenary next week, Dec 17-19, where it is hoped that the full parliament will invoke a Rule 71 procedure that would allow it to reconsider the EMPL committee's decision to back the Radtke plans which, in the words of the Irish Business group IBEC, will:

"...bring EWCs from valuable dialogue forums between employers and employees to overly legalistic and confrontational co-decision mechanisms which go far beyond simply facilitating information and consultation with European employees on transnational issues."

BEERG Newsletter Issue #41 - Dec 2024

**Summary:** The EU Platform Work Directive, effective December 2024, requires member states to implement gig worker protections by 2026. Spain's 2021 Riders law and Glovo's recent changes offer insights into the significant impacts this could have on platform businesses



The EU Directive on improving working conditions in platform work, <u>Directive</u> (EU) 2024/2831 (Directive), was published in the Official Journal of the EU on 11 November 2024, and entered into force on 1 December 2024. This means it will become national law on December 1 2026.

A useful summary of the Directive can be found in this <u>article</u> from the law firm, Freshfields. While the new law will primarily impact Gig Economy

Platforms, its wording on the use of algorithms in human resource decision making is worth looking at as it likely prefigures what will be found in an "AI in the Workplace" Directive which the incoming Commission looks likely to bring forward. The wording on engaging with employee representatives is worth looking at.

To some extent Spain anticipated the Directive with its 2021 "Riders Law" and the Spanish, with Spain holding the Presidency of the EU Council at the time, had a major hand in finalising the negotiations on the Platform Workers Directive. In the past couple of week's Glovo, food delivery service, has announced a significant shift in its operational model in Spain, transitioning its freelance riders to employee status. The decision comes in response to government pressure. According to Delivery Hero, Glovo's parent company, the change will impact 2025 core profit by €100m. The move follows the "Riders Law," which mandates that delivery workers be recognised as employees, ensuring they receive benefits such as sick leave and job security. Labour Minister Yolanda Diaz said: "Laws are to be obeyed. We have said it before: no exceptions."

In the UK, Evri, a parcel and delivery service, has teamed up with the GMB union to introduce a new pay deal for self-employed couriers. The agreement gives couriers access to paid sick leave and holiday support payments of up to £950. Additionally, it includes subsidised insurance schemes for death, disability, accident, and sickness, along with access to accountants for VAT returns. Martijn De Lange, Evri's chief executive, said the firm is committed to enhancing protections and benefits for self-employed workers. GMB lead organiser Gill Ogilvie said: "Securing sickness payments for thousands of couriers is a huge step forward." It is not clear if the GMB has any members in Evri nor is it clear who mandated it to negotiate on behalf of the workforce.

## Germany: VW strikes continue

**Summary:** IG Metall called VW workers out on a 4-hour work stoppage, demanding better pay and job security. VW cites economic pressures, while the union criticizes management's approach. IG Metall urges government to increase borrowing to support industry



Last Monday, IG Metall called VW workers out on action for hour hours, a move designed to step up pressure on management in the talks on pay, job cuts, and factory closures. Another round of negotiation on Monday ended without agreement.

Later in the week, VW Group chief executive Oliver Blume, said management could not operate "in a fantasy world." IG Metall negotiator Thorsten Groeger responded, saying: "It borders on mockery when Oliver Blume stands in front of the workforce and wishes them a

Merry Christmas, while at the same time the VW board would prefer to put letters of termination under the Christmas tree for the employees."

Volkswagen says capacity and wage cuts are necessary amid falling demand for cars in Europe and costs that make it impossible for the company to compete with new rivals from China.

Meanwhile, IG Metall chair, Christiane Benner, called on the German government to drop its cap on new borrowing to safeguard the economy. She said Germany should follow the example of the US and China, which are heavily supporting their domestic industries, meaning the borrowing limit had to "stop — immediately, not after the elections", scheduled for next February. Germany's debt limits prevents the government from borrowing more than 0.35% of GDP in any fiscal year.

### EU: CSRD change on the way?

**Summary:** EU Commission plans to introduce an "Omnibus Simplification Package" to reduce corporate reporting burdens, targeting EU Taxonomy, CSRD, and CS3D. The package is expected next February, but is this an opportunity to reconsider some of these regulations?

Following business and political pressure on the EU Commission to reduce corporate reporting burdens, it is planning to introduce an "Omnibus Simplification Package" targeting the EU Taxonomy for Sustainable Activities, CSRD and the CS3D. <u>Forbes</u> reports:



"Insiders now believe that the proposed Omnibus Simplification Package will most likely be published on February 26, 2025, sooner than originally expected. Once published, a legislative process is triggered that some climate activists believe could reopen negotiations on the intent of the original regulations."

Other reports suggest that the Commission is thinking about how they can make simplifications, 'really just small tweaks and changes around the margins to legislation that they have published in the last few years". For now, there are no changes on the table so undertakings within the scope of CSRD need to continue to do what is required of them to comply.

The wider aspects of corporate due diligence mandated by CSRD and, subsequently, CSDDD, is not our area of expertise. However, we have raised the question as to whether the amount of data that needs to be provided under CSRD is actually necessary and beneficial and would it really contribute to improved corporate performance?

In particular, we have raised questions how management in undertakings in scope of the CSRD are supposed to engage with employees, employee representatives, or their "proxies" in their value chains. In other words, how is management in one company supposed to engage with employee representatives in a completely separate legal entity?

The example we have used is Carrefour, whose big hyper stores sells Philips televisions, which puts Carrefour and Philips in each others value chains. Is Carrefour supposed to engage with employee representatives in Philips to see if Philips employees are being treated properly and Philips with Carrefour representatives? So far, we have not been able to find answers to this question.

Maybe the Omnibus Package will provide the opportunity for the Commission to provide some much needed guidance.

For a US perspective on CSDDD see here.

**Summary:** We have come across a number of trade union related items that we think might be of interest... from an ETUC guide on "Strategic Litigation" to IndustriAll Europe's strategy to deal with "AI at Work"



First up, as most of you know, with ever decreasing membership, the ability of unions to exert "economic leverage" on management through strikes is diminishing. So, unions are instead turning to the law to expert pressure. The demand from the European Parliament for EWCs to have the right to ask for injunctions is an example. The European Trade Union Confederation (ETUC) has now published a guide for trade unions on "Strategic Litigation" which sets

out how unions can pursue successful legal cases to deliver for their members. Download the guide here.

For those of you who have the pleasure of having to deal with EFFAT, the food industry and hotel European trade union federation, if you have not already heard it has a new general secretary, <a href="Enrico Somaglia">Enrico Somaglia</a>

<u>UNI Europe reports</u> on a "successful" conference it held in Antwerp recently to discuss union organising strategies. Having read the report, we are left wondering if these really are the breakthroughs the union needs. Have they really moved the dial in any significant way?

IndustriAll Europe has developed a strategy to deal with "AI at Work". It says that "the strategy is part of the 'AI package' adopted by the Executive Committee, which includes the: AI Policy Brief (PDF) presenting an industrial policy approach, the practical recommendations on AI for EWC coordinators, and the <u>study on AI</u> in selected industrial sectors carried out by Syndex." Of course, the study would have been carried out by Syndex. Their "experts" know more about every business under the sun than the management of those businesses. Many of you will only be too familiar with paying exaggerated sums from reports from Syndex that add little value to decision making but which add substantially to Syndex's bank account

Lastly, the <u>worker-participation.eu</u> website is up and running again. Although maintained by the European Trade Union Institute (ETUI) it is an extremely useful source of information about European labour relations issues. Well worth a visit.

## EU Bytes Podcast: New episode featuring Rick Warters



**NEW EPISODE ALERT:** as the year ends we publish a <u>new podcast episode</u> where Tom Hayes and Rick Warters discuss a range of issues from what someone getting into the global HR business should know... to the impact of a Trump II administration on labour relations, inside and outside the U.S.

This new episode is available on <u>Spotify</u> or via your favourite Podcast search engine by searching for "BEERG Bytes" e.g. <u>Spotify</u> / <u>Google Podcasts</u> / <u>Apple Podcasts</u>



This is the last regular issue of 2024, as we are taking a few weeks break. We will be back with our weekly newsletter from after the first week in January 2025 – Happy Holidays to all



BEERG Newsletter Issue #41 - Dec 2024

## For your diary...

Note that events are 'in person' unless listed as a webinar

#### **TODAY** HR Policy Global Paris France Networking Luncheon

Paris Dec 12, 1130h CET

Graciously hosted **TODAY** by our good friends Flichy Grange at their central Paris office, this 3-hour networking luncheon event provides members an opportunity to meet and discuss the latest developments in France and the EU.

**Book Paris Event** 

Europe Members' Network Meeting,

Brussels Feb 4<sup>th</sup> and 5<sup>th</sup> Hotel Pullman Midi

The registration page for our first members meeting of 2025 is now open. Please note it will be on **Tuesday and Wednesday**. Our guest dinner speaker is **Mario Nava, Director General of Employment, Social Affairs, and Inclusion DG of the European Commission**.

Book Brussels
Meeting

You can now download a copy of the <u>draft agenda</u> from our website, along with a hotel accommodation <u>booking form</u>.

\*HR Policy Global Members can self-register for events via the links above. If you get a "No Tickets Available for Purchase" message, make sure you are logged in. Non-members should contact <u>Derek</u>.

#### Upcoming Events Across Europe: See also: Online list of all upcoming HR Policy Global events

Date	Event	Booking Links	Venue
Dec 12	HR Policy Global Paris France Networking Luncheon	<u>Book Paris Event</u>	Flichy Grangé Avocats 16 Rue du 4 Septembre, 75002 Paris, FR

#### Meeting Schedule 2025 – confirmed dates and venues Jan – June 2025

Month/Date	Event	Location
January (Tues 14th)	German/Global Labor Relations Workshop with CMS	Frankfurt
<b>February</b> (Tues 4 <sup>th</sup> + Wed 5 <sup>th</sup> )	Europe Members' Network Meeting	Brussels
<b>April</b> (Tues 8 <sup>th</sup> to Thurs 10 <sup>th</sup> )	European Academy Training Program	Sitges/Barcelona
June (Wed 18 <sup>th</sup> to Fri 20 <sup>th</sup> )	Europe Members' Network Meeting	Sitges/Barcelona



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