

ITCILO - GUIDELINES FOR EWCS (Deliverable D5.2)

Based on the research results, the following are a series of guidelines on how the EWC of CNH Industrial can effectively engage on the topics of green and digital transition.

GREEN TRANSITION - INTRODUCTION AND KEY ROADMAP

1. Enhancement and Integration of the EWC Agreement:

Firstly, it is necessary for the company agreement on the EWC to include in the periodic information the sharing of data and initiatives related to the green transition. The 2014 directive on non-financial reporting requires large companies to publish annual reports on the policies they implement in relation to social responsibility and employee treatment, respect for human rights, diversity in boards of directors, and environmental protection. Therefore, it is useful to include in the information data and updates regarding:

- *Data presented and commented on in the Sustainability Report or similar documents*
- *Data on environmental impacts over the last 3 years*
- *Data on the financial performance of ESG investments compared to traditional ones*
- *Presentation of company projects on decarbonization, investments in low-emission technologies and renewable energies (e.g., green hydrogen), energy efficiency services, clean technologies, strategies for reducing impacts/waste, and compensation according to EU regulations (plastic, waste, etc.)*
- *Data on employment guarantees, decent wages, and working conditions in case of implementing strategies that introduce new processes or workers in the green or circular economy; Data on continuous training, accessible professional retraining, and social protection for all workers during the transition*
- *Updates on dialogue initiatives between companies, national or European unions, and local governments to ensure a fair energy transition and increase the financial potential of companies based on low-emission technologies*

2. Joint Training:

Organize joint training programs, based on adequate financial resources (with a planned budget), participatory methodologies, and the involvement of external experts, on:

- *New European regulations on the European Green Deal and Due Diligence*
- *International ESG rating standards (GRI;...)*
- *Major Transition Risks*
- *Double materiality: the impact of the company on the environment and society, the impact of climate change and society on the company*
- *The urgency of energy efficiency and the introduction of renewables*
- *The implementation of Circular Economy processes in the relevant sector*
- *The decarbonization of transport*
- *Practices and examples of CO2 compensation or reduction in offices and plants*
- *Regulations and impacts of European legislation on plastic and packaging*

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- *Waste management and disposal*
 - *Green processes in the Supply Chain*
 - *Certifications in the Global Green Economy*
 - *New Green jobs and related skills*
 - *Sustainable Finance*

3. Monitoring and Reporting:

Establish mechanisms for monitoring and reporting on the company's environmental performance. The EWC can collaborate with the company to create periodic reports that assess the effectiveness of sustainable initiatives and identify areas for improvement.

For example:

- *Creation of stable Observatories or Working Groups (some delegates or mixed) to support the monitoring of Transition risks and support the Green Transition with access to company data (directly or through external experts) and external benchmarks, for the realization of internal GREEN Assessments within the company, by Country or on the Supply Chain.*
- *Co-construction of double materiality matrices for corporate reporting.*

4. Dialogue with External Stakeholders

Facilitate dialogue between the company and external stakeholders, including local communities, environmental NGOs, and regulatory authorities, as well as national and international trade union federations. For example, the EWC can serve as the reference platform for interacting with sustainability experts, receiving feedback on its environmental practices, and exchanging structured examples of "best practices" on proposals such as:

- *Territorial Transition Plans: Delve into and actively participate in the preparation and implementation of territorial transition plans, which include specific measures for regions and plants most affected by the energy or green transition in general.*
- *Partnerships between unions, businesses, and local communities to obtain funds from the European Commission's Just Transition Fund with the aim of developing green infrastructure, sustainable transport networks, low-emission buildings, and Circular Economy initiatives.*

5. Participation in Strategic Decisions – Energy Transition and Decarbonization

The EWC can promote and be involved in specific meetings dedicated to defining a (Global or European) Agenda regarding investments in renewable energy, energy efficiency, and carbon emission reduction:

- *Include EWC representatives in evaluation committees for renewable energy projects or in the design of internal policies aimed at improving energy efficiency and the progressive decarbonization of production plants and offices. International delegates can facilitate the sharing of best practices and coordinate actions across different countries to address common challenges and promote global labor standards.*
- *The EWC can work with the company to consult national trade unions and industriAll Europe, acquiring detailed economic and social analyses related to the decarbonization challenge and jointly defining safety standards and protocols for transformations.*

6. Participation in Strategic Decisions – Reducing Environmental Impacts and Climate Risks

The EWC can promote and be involved in strategic decisions regarding investments in green technologies and sustainability projects through extraordinary meetings with all or some of the delegates:

- *Planning thematic extraordinary meetings dedicated to sharing company goals and specific metrics related to reducing plastic, water consumption, paper, and waste management, to ensure that global and local operations are both feasible and in line with European environmental regulations.*
- *Mapping climate services for managing the risk of environmental disasters in different countries.*

7. Participation in Strategic Decisions – Promoting Circular Economy

The EWC can promote and be involved in strategic decisions regarding investments related to promoting the circular economy through specific studies, initiatives, and projects:

- *The company could collaborate with the EWC to develop programs to promote the adoption of circular economy practices, such as waste reduction, the production of goods that can be easily disassembled and recycled at the end of their lifecycle, the creation of recycling plants and waste collection systems that effectively separate materials for recycling, and the implementation of design processes that facilitate the repair and reuse of products or machinery.*
- *Develop standards that ensure safe and dignified working conditions in the disassembly and recycling processes of products; as well as collaborate with companies to develop EPR (Extended Producer Responsibility) strategies that include the protection of workers' rights and the creation of new employment opportunities.*

8. Participation in Strategic Decisions – Productive Restructuring in the Green Transition

The EWC can actively participate in:

- *Promoting continuous training programs to ensure that workers have the necessary skills to adapt to new production processes.*
- *Promoting initiatives that ensure the transformations of the transition, such as access to new job opportunities, are distributed equitably among all groups of workers, including the most vulnerable.*

9. Communication and Active Engagement of Internal Stakeholders:

To foster awareness and dissemination of the activities carried out by the EWC in support of the Transitions, it is important to promote communication initiatives among EWC members and towards colleagues in different countries through tools such as newsletters, announcements, and local events. These communication tools are crucial for promoting the culture of transition and disseminating information and best practices. The goal is to explain why the Green Transition is happening and what changes are expected at the company and plant levels. The second step is to present the impacts of these transformations: employment protection as a priority, as well as guarantees on qualifications and positions.

10. Development of Global Dialogue through Transnational Agreements

The debate on the green transition should not be interpreted as a tool to allow the relocation of polluting practices outside the European Union while maintaining strict environmental standards within the EU territory. Rather, there is a need for consistent standards in all countries where EU companies operate. This approach aligns with the principles of environmental justice and underscores the importance of a global commitment to sustainable practices. The EWC should

therefore ensure that multinational companies domiciled in its jurisdiction apply equivalent due diligence measures in third countries.

In this regard, it is important to pursue, with the support of International Trade Union Federations, the negotiation of Global Agreements.

For example:

- *A Global Framework Agreement for anticipating and managing the transition: all companies must adopt a global just transition plan to map and clarify employment and skills needs and accompanying social measures.*
- *A Global Supplier Code of Conduct to increase focus on environmental requirements, human rights, and integrity in the supply chain, and to clarify anti-corruption requirements and prevent anti-competitive behavior.*
- *A Global Human Rights Policy to identify key human rights issues and help prioritize improvement actions.*
- *The establishment of a joint monitoring committee (Company, worker representatives, and International Federations) to oversee the implementation of global agreements and promote inspections and projects.*

GREEN TRANSITION - SUMMARY

1. **Promote Social Dialogue:** Facilitate communication between workers, employers, and governments to discuss energy transition plans.
2. **Training and Reskilling:** Implement training programs for workers on new skills needed for green jobs, ensuring job continuity.
3. **Active Participation:** Involve the EWC in company decisions regarding the ecological transition, ensuring that company policies consider workers' needs.
4. **Economic and Social Sustainability:** Promote policies that balance environmental sustainability with the economic security of workers, avoiding uncompensated job losses.
5. **Creation of New Jobs:** Collaborate with companies to develop new roles and opportunities in the renewable energy and clean technology sectors.
6. **Social Protection:** Ensure that workers have access to adequate social protections during the transition, including social safety nets and economic support.
7. **Monitoring and Evaluation:** Establish mechanisms to monitor and evaluate the effectiveness of green transition policies, making adjustments based on worker feedback.
8. **Incentivize Best Practices:** Promote and share successful examples of green transition, encouraging companies to adopt innovative and sustainable solutions.
9. **International Collaboration:** Work with unions from other countries to share experiences and strategies, creating a global support network for the green transition.
10. **Formalize Agreements:** Strengthen the framework of EWC and Transnational Agreements in the exercise of information and consultation rights, ensuring that the foundations of dialogue on Transitions are solid, specific, participatory, and predictive of the company's future.

DIGITAL TRANSITION - INTRODUCTION AND KEY ROADMAP

Digital transformation is a process of organizational, economic, and social change driven by the adoption and development of digital technologies. This transformation involves redesigning business processes, introducing automation through Robotic Process Automation (RPA), and developing new technological solutions. Digital transformation affects all aspects of business and requires a significant cultural shift. It is an ongoing phenomenon that allows companies to adapt and make the most of the opportunities offered by various digital technologies with the aim of improving operational efficiency, customer experience, and creating new business models. In particular, it is necessary to adapt social dialogue to respond to the specificities of work transformations caused by AI. This includes reflecting on the role of social dialogue in relation to other regulatory modes and developing exploratory approaches for new dialogue practices among all parties: companies, unions, and governments.

Below is the detailed Roadmap:

1. Enhancement and Integration of the EWC Agreement

Firstly, it is necessary for the company agreement on the EWC to include in the periodic information the sharing of data and initiatives related to digital transition.

- *Data and Agenda on the company's automation program, RPA, and Industry 4.0 projects at the company's plants and branches.*
- *Data on corporate training for the dissemination of the use of digital platforms to improve communication between departments.*
- *Data and Agenda on the implementation of AI (e.g., transparency on algorithms, risk levels according to the AI Act, parameters, rules, and instructions that form the basis of algorithms or AI systems that affect working conditions).*
- *Data on Cybersecurity.*
- *Impacts of Business Data Management.*
- *Data on the implementation of new digital jobs.*

2. Joint Training

Organize joint training programs, based on adequate financial resources (with a planned budget), participatory methodologies, and the involvement of external experts, on:

- *New European regulations on Industry 4.0 and the AI Act.*
- *Automation of operational processes.*
- *Digital platforms to improve communication between departments.*
- *Use of data mining and predictive analysis to track performance.*
- *Digital disintermediation and the Platform economy.*
- *Modernization in the field of Information Technologies.*
- *Artificial Intelligence and frontier technologies applied to the automotive sector.*
- *AI and Human Rights.*
- *Frontier technologies and Health and Safety at work.*
- *Machine learning.*
- *New jobs in Industry 4.0.*
- *Cybersecurity.*

3. Monitoring and Reporting

Establish mechanisms for monitoring and reporting on the impacts of the company's digital transformation. The EWC can collaborate with the company to create summaries, benchmarks, and periodic reports that assess the effectiveness of initiatives and identify areas for improvement.

For example:

- *Establish working groups to delve into and monitor the implementation of new technologies and resolve issues that arise during the digital transformation process.*
- *Build a common database for recording AI systems and monitoring the impact on data protection (e.g., a register to monitor AI systems used in the company can be useful to ensure compliance with transparency and data protection regulations, similar to the activity records required by GDPR).*
- *Implement an observatory to delve into and analyze the impacts on workers' Health and Safety during the digital transformation process (new physical risks and forms of cognitive stress).*

4. Dialogue with External Stakeholders

Facilitate dialogue between the company and external stakeholders, including local communities, universities, technological research centers, and regulatory authorities; as well as with trade union federations and national and international study centers (e.g., OSHA). For example, the EWC can serve as the reference platform for interacting with experts, receiving feedback on its practices, and exchanging structured examples of "best practices"; as well as securing sectoral training funds for the "continuous training" of employees in the digital field.

5. Participation in Strategic Decisions – Significant Digitalization and Automation Projects

Delegates can be involved in significant digitalization projects. This involvement could include conducting a "technology assessment" in the preparatory phase of each project to analyze the consequences on health and safety, workload, job content, work organization, job quality, employment, and personal data collection. The assessment could be discussed with worker representatives before making decisions on the implementation of new technologies.

- *Promote studies and working groups on: Challenges for work and employment due to automation: Job polarization; New work organization; New skill requirements; Work fragmentation; Unstable contractual agreements; Privacy violations.*
- *Promote a wide and homogeneous dissemination of digital skills mapping.*

6. Participation in Strategic Decisions – Procedures for Redundant Workers

The EWC can propose specific procedures to follow in case of worker redundancy due to digitalization. These procedures aim to ensure that workers who may lose their jobs due to digitalization receive support and assistance, such as professional retraining or redeployment within the company.

7. Participation in Strategic Decisions – Significant AI Projects

The EWC can play a central role in the implementation of AI in the company. In 2020, the independent High-Level Expert Group on Artificial Intelligence established by the European Commission developed seven key requirements for trustworthy AI:

- *Human agency and oversight*
- *Technical robustness and safety*

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- *Privacy and data governance*
 - *Transparency*
 - *Diversity, non-discrimination, and fairness*
 - *Environmental and social well-being*
 - *Accountability*

The European Framework Agreement states that "social partners at the company level and other appropriate levels should proactively explore the potential of digital technology and AI to increase company productivity and workforce well-being, including better task allocation, increased skill and capacity development, and reduced exposure to harmful working conditions."

- *Promote dedicated meetings for the joint sharing and analysis of scenarios based on the algorithms chosen by the company (for both personnel and market-oriented systems), the implementation roadmap, and the impact assessment on data protection.*

8. Communication and Active Engagement of Internal Stakeholders

To foster awareness and dissemination of the activities carried out by the EWC in support of Transitions, it is important to promote communication initiatives among EWC members and towards colleagues in different countries through tools such as newsletters, announcements, and local events. These communication tools are crucial for developing a culture of innovation and data, allowing for the discussion of important issues related to the implementation of digital and AI systems, such as acceptability, transparency, explainability, biases, robustness, and organizational risks.

9. Development of Global Dialogue through Transnational Agreements

Global Agreements between social partners on digitalization can provide an important framework for preparing and conducting negotiations between employers and union representatives on digitalization and its impact on work and the workforce. It provides professionals and managers with useful guidelines on approaches, actions, and measures in four main thematic areas:

- *Digital skills and job security*
- *Modes of connection and disconnection*
- *AI and the guarantee of the human-in-command principle*
- *Respect for human dignity and surveillance [Quote. Eurocadres, September 2022]*
- *A Global Supplier Code of Conduct to increase focus on environmental requirements, human rights, and integrity in the supply chain, and to clarify anti-corruption requirements and prevent anti-competitive behavior.*
- *A Global Human Rights Policy to identify key human rights issues and help prioritize improvement actions.*
- *The establishment of a joint monitoring committee (Company, worker representatives, and International Federations) to oversee the implementation of global agreements and promote inspections and projects*

DIGITAL TRANSITION - SUMMARY

1. Promote Social Dialogue: Facilitate communication between workers, employers, and governments to discuss digitalization plans and ensure that workers' voices are heard.
Example: Organize regular roundtables to discuss the progress and challenges of digitalization.
2. Training and Reskilling: Implement training programs for workers on new skills needed for digital jobs, ensuring job continuity.
Example: Create training courses on advanced software and cybersecurity.
3. Active Participation: Involve unions in company decisions regarding the digital transition, ensuring that company policies consider workers' needs.
Example: Participate in the company's digital strategic planning committees.
4. Economic and Social Sustainability: Promote policies that balance technological innovation with the economic security of workers, avoiding uncompensated job losses.
Example: Propose job protection clauses in collective agreements.
5. Creation of New Jobs: Collaborate with companies to develop new roles and opportunities in the digital technology sector.
Example: Support the creation of positions such as data analysts and artificial intelligence specialists.
6. Social Protection: Ensure that workers have access to adequate social protections during the transition, including social safety nets and economic support.
Example: Establish support funds for workers in technological transition.
7. Monitoring and Evaluation: Establish mechanisms to monitor and evaluate the effectiveness of digital transition policies, making adjustments based on worker feedback.
Example: Create an observatory to assess the implementation of digital technologies.
8. Incentivize Best Practices: Promote and share successful examples of digital transition, encouraging companies to adopt innovative and sustainable solutions.
Example: Publish annual reports on the best digital practices adopted by companies.
9. International Collaboration: Work with unions from other countries to share experiences and strategies, creating a global support network for the digital transition.
Example: Participate in international consortia for the development of digital skills.
10. Formalize Agreements: Strengthen the framework of EWC and Transnational Agreements in the exercise of information and consultation rights, ensuring that the foundations of dialogue on Transitions are solid, specific, participatory, and predictive of the company's future.
Example: Negotiate specific agreements that include detailed commitments on digitalization.