



## Multinational Enterprises (MNEs)

### **Purpose of brief:**

- To inform EB-148 of activities related to MNEs since SC-19, 2015.

### **Relates to:**

- ✓ Programme of Action, Appendix B, Multinational Enterprises;
- ✓ PSI Guidelines on the conclusion of international agreements with MNEs, as adopted by the EB in 2012.

### **Background:**

Currently the main goals of PSI's work on MNEs is to build global trade union and workers networks within the three companies PSI has a global framework agreement (GFA) with, namely EDF, ENEL and ENGIE, and to ensure that such GFAs:

- are disseminated and put to good use among PSI members;
- are upheld for the defence and promotion of labour rights and working conditions and for growth purposes wherever PSI affiliates are present;
- are used as capacity-building tools on PSI-related overarching policies (e.g. tax justice, anti-corruption, climate change policy etc.).

This work is also related to the discussion currently ongoing at the ILO on Global Supply Chains (see point 4).

### **Discussion:**

#### **1. ENEL**

PSI has been establishing contacts with affiliates representing ENEL workers and cooperating with IndustriAll towards mapping ENEL operations especially in Latin America to improve the governance, process and review to uphold the ENEL GFA and to plan for growth in the region.

On 5 February 2016, PSI and IndustriAll held a discussion with ENEL management and the Global ENEL Labour Committee Coordinator in Geneva to discuss these and related matters. This included the trade union issue of the 'excluidos' raised by PSI affiliate APSEE, Argentina, and the opportunity to support country-by-country joint local management / trade union training on the agreement process including social dialogue and collective bargaining facilitation. PSI and IndustriAll are jointly holding the 2<sup>nd</sup> ENEL Latin American Network Meeting that will take place on 5-6 April 2016 in Buenos Aires, Argentina.

This meeting is a follow-up to the one that took place in Fortaleza in 2014 and aims to:

- Strengthen PSI and IndustriAll ENEL affiliates' awareness and proactive participation and use of the ENEL Global Framework Agreement;
- Establish a fair system of rotation to fully cover the places available for the Latin American Region for representation in the ENEL Global Labour Committee;
- Set up an effective system and year-round communication for the effective implementation of the ENEL Global Framework Agreement in Latin America.

There is an opportunity to update the ENEL GFA, as it will have completed three years of existence in 2016. PSI and IndustriAll resolved to send a proposal to ENEL management for a text adaptation

with an official signature renewal to take place at the next ENEL Global Labour Committee, scheduled for 07/2016 in Rome.

## **2. ENGIE (former GDF-Suez)**

In 2015 GDF-Suez offloaded its water and sanitation operations and renamed itself ENGIE. The first ENGIE Extended Reference Group (GFA review) met in Paris on 12/02/2016 preceded by a preparatory trade union meeting. PSI affiliate Australian Service Union (ASU) took part with a representative from the ENGIE Hazelwood plant. IndustriAll and BWI members were also present. From this discussion emerged a clear need to build a system to ensure that the ENGIE GFA and OSH Agreements are implemented and fruitfully used by our members. Follow-up actions include the request to obtain from ENGIE a detailed mapping of their operations (including the ones under development) to facilitate the establishment of a trade union network and ongoing communication system so that the GFA can be upheld. PSI, IndustriAll and BWI also requested a meeting with the future ENGIE CEO Isabelle Kosher and with the heads of the new business units to highlight the importance of the GFA and align expectations. The GFA expires on 10 November 2016. PSI, IndustriAll and BWI will make a text update proposal which will also reflect the company's name change. The next ENGIE Extended Reference Group is scheduled for 02/2017 in Paris.

## **3. EDF Group**

EDF Group is currently undergoing restructuring and has a difficult financial situation due to the takeover of debt-loaded AREVA and of the high cost of the Hinkley Point C nuclear plant in the UK. A major obstacle to the fruitful use of the EDF GFA remains the issue of the global coverage of the agreement. Both PSI and IndustriAll have made it clear with EDF that this issue has to be discussed seriously at the next GFA review scheduled for 07/2016 in Paris. PSI calls on its affiliates with membership in the EDF Group to support the proposal for the automatic global scope of the agreement (as opposed to the currently 'voluntary adhesion' system). Serious concerns remain on the issue of the discretionary application of the agreement on clauses 6 and 8 (profit sharing) that the company unilaterally disregards for some UK operations. A technical update of the text of the GFA to reflect the current operations of EDF (sale of Hungarian operations and acquisition of Belgian Luminus) will be finalised in the next months.

## **4. ILO Tripartite meeting on Global Supply Chains at the International Labour Conference (ILC) 2016**

This year the ILC will hold a general discussion on "Decent Work in Global Supply Chains". This is a major opportunity for PSI to advocate for the key role of public services such as labour inspection, tax justice and public procurement, among other priorities, and for the need to adequately resource public institutions and services to realise Decent Work across global production and service delivery systems. A PSI policy position paper on Decent Work in Global Supply Chains will be made available soon as a resource, discussion paper and guidance. Should your organisation be interested in taking part in the general discussion, please contact directly Daria Cibrario, Local and Regional Government and MNEs Officer at: [daria.cibrario@world-psi.org](mailto:daria.cibrario@world-psi.org).

## **5. Utilities communication platform launched**

The **PSI Utilities Network** communication platform hosted in a closed Facebook group is now up and running at <https://www.facebook.com/groups/559429457542401/>. PSI affiliates and members from energy, water, waste and MNEs are invited to join and contribute to the conversation and information sharing.

**Budget implications:** as per proposed 2016 budget. Travel and accommodation for GFA reviews are supported by the companies.

### **Next steps:**

PSI affiliates with direct, plant-level representation in ENEL, ENGIE and EDF Group or who wish to grow their membership in these and other utilities MNEs are invited to contact Daria Cibrario, Local and Regional Government and MNE Officer: [daria.cibrario@world-psi.org](mailto:daria.cibrario@world-psi.org).

- 5-6/4/2016, 2<sup>nd</sup> ENEL Latin American Network Meeting, Buenos Aires (Argentina)
- 30/05-10/06/2016, ILC Global Supply Chains General Discussion, ILO, Geneva (Switzerland)
- 07/2016, ENEL Global Labour Committee, Rome (Italy)
- 07/2016, EDF Global Labour Committee, Paris (France)
- 02/2017, ENGIE Extended Reference Group, Paris (France)

**It is recommended that EB-148:**

**1. NOTE this report.**

**YES / NO**