



Brief Report Virtual 34th EWC meeting Daikin Ostend

What is the European Works Council (EWC)?

On 17th June 2020, 50 people from across the business gathered virtually to the 34th European Works Council meeting. The Daikin EWC is a social consultation body on European level, which represents in principle all employees and management of all countries in the European Economic Area. As such, the Daikin EWC is a joint committee with employer representatives and employee representatives.

What is the goal of the EWC?

Through all these years, the EWC meeting has proved to be a good platform to exchange information on a European scale and to engage in constructive discussions about different topics. During this meeting, employers and employees from Daikin Europe NV, Rotex, Daikin Industries Czech Republic, Daikin Device Czech Republic, Daikin Chemicals Europe, Daikin Applied Europe, AAF Europe and J&E Hall discussed their achievements and progresses in F19.

What is the goal of this brief report?

The Daikin Europe Group wants to inform all employees of the topics that were discussed on the EWC.

Q&A Session

Question

We would like to know what the different organisations think of working from home and the philosophy regarding the future organization of work.

Answer

Several organisations had already homework policy in place. The recent experience with more homework will lead to review of the policy. However we need a good mix between mobile working and working together in the

office. One of the advantages is losing less time in traffic. For transactional functions, working from home is fine, but for innovative functions and factory-related jobs, it is much more difficult. We still have to define the future policy together with other top management members.

Question

Employee side asked for information regarding cost cutting or savings policies.

Answer

We have to mitigate the profit reduction for this year by installing savings such as limit all recruitments, reduce marketing activities and look at all other savings. Replacements and priority recruitments are happening. On the mid-term, in terms of investments in R&D or facilities, our basic fusion direction continues, and we will continue to invest in these fields. We may, however, shift, delay or reallocate priorities. For the sister companies, it was mentioned that in several cases a furlough scheme of the government was applied. In some cases also recruitment was stopped.

Question

Employee side asked if COVID has diverted the attention from projects focusing on burnout and resilience.

Answer

During the last Select Committee, Daikin Europe presented the action plan towards burnout and increasing resilience of colleagues. In Daikin Europe, we work on both sides: prevention and caring, so how to help people reintegrate once they are unfortunately in the burnout stage. In October last year, we shared experiences and policies with all HR managers from EMEA, and have invited them to take contact to help them prepare and roll

out their own resilience policies. One organisation delivered an online training module on stress and workplace well-being at different levels.

Several elements should be pointed out. First, we have to show everyone what the ultimate target and mission of the company is, and how everyone contributes to that. A second element is people have to be competent, so they can be resilient to whatever task comes to them. This means training and education is important here. A third element is to trust people and give them a degree of autonomy and responsibility, but also demand accountability. The fourth element is partially depending on the managers, who have to create a positive atmosphere. Regarding sharing of targets, what we have done in one organisation is involve all employees and colleagues in the construction of our Fusion 25 plan.

Question

Employee side asked how the current outsourcing on the switch box lines is done in Rotex.

Answer

Our intention is to look for improvements in the process. It's a joint effort, and a combination of purchase cost down in elements by approaching different suppliers, and introducing much more automation and digitalisation in the processes. Of course, there we need help from our EDC department and engineering, partially the German team, but also Daikin Europe team. These elements will put us in a position where we can offer products at the same cost, and in some cases, even look for a cost reduction if the improvement proposals can actually be realized. It's not so straightforward to transfer these products to countries where labour cost is relatively higher. In these cases, there was a match, and this is also good for Rotex and operations continuity.



Question

Employee side stated that a lot of the stress is caused by the fact that certain departments are understaffed. Problems in quality, after-sales service and design leads to stress.

Answer

Some product introductions on the heating side were somewhat delayed. In terms of EDC, we have drastically increased our manpower the last years. The number of projects has also drastically increased at the same time. We did the biggest increase in manpower last year, and even before COVID, not too many increases were planned for this year. In terms of after-sales, it is a valid point. In Daikin Europe, and mainly in the affiliates, we have been looking for people to strengthen that, but organic growth is not easy, as these profiles are hard to find. However, if you look at the last years, we have increased our after-sales capability. It is still an attention point though. Launches of completely new products in particular cause issues. The link between sales, R&D and manufacturing has improved drastically last year, but this is still an attention point from management.

Question

Employee side asked if there are any strategic points for Fusion 25 worth mentioning.

Answer

Four or five months ago, around 10 working groups were set up on group level on different subjects, with people of different organizations working together. This process is going on. The Fusion plan is being prepared and should be finalized by the end of December, with some intermediate reporting in July. It's too early to give a presentation about this.



Question

Employee side asked if there any plans to further reduce the P&I headcount in Cramlington.

Answer

We've made Cramlington profitable by outsourcing some of the old design fabrication work and introducing a new filtration manufacturing facility. The restructuring that was necessary, is now complete, and there are no current plans to modify the volume of people.

Question

Employee side asked for some information about a new production hall in AAF Slovakia.

Answer

The new hall is supposed to be in early July. A partner called Goldbeck will do the layout for the building, the layout of the factory is done by the Daikin manufacturing team and our AAF engineers. We do not have any plans now to reduce our workforce in our Trencin plant. There is a slight recovery on the order income, especially from the south of Europe. We seem to be stabilizing. Different stock levels are created and communication has improved.

Question

Employee side mentioned that there is an overload of SharePoint pages.

Answer

We have chosen to give education to some champions and to everybody. We do not want



to make SharePoint too structured, but may do so in the future. It's important to stay within your teams, and organize it per subject: HR, IT, etc.

Employer representatives :

Mr. Minaka (DENV)
Mr. Hoorelbeke (DENV)
Mr. Iwasaki (DENV)
Mr. Hiraoka (DICZ)
Mr. Hara (DDC)
Mr. Otoi (Chemicals)
Mr. Capozio (DAE)
Mr. Bowden (J&E Hall)
Mr. Berbner (AAF C&I)
Mr. De Schacht (DENV)

Mr. Tsubouchi (DENV)
Mr. Umamoto (DENV)
Mr. Mena (DACS)
Mr. Kamekawa (DACI)
Mr. Mutz (DAF)
Ms. McGinlay (DAUK)
Mr. De Graeve (DAG/Rotex)
Mr. Sennett (AAF P&I)
Mr. Lievens (DACE)

Coordinators EWC:

Ms. Goossens
Ms. Deneve

Employee representatives :

Mr. Van Waarhuizen (DANL)
Mr. Biesik (AAF Slovakia)
Mr. Young (J&E Hall)
Mr. Steinigl (DICZ)
Mr. Stelzer (DICZ)
Ms. Holcova (DDC)
Mr. Gric (DDC)
Mr. Vandamme (DENV)
Ms. Kliche (DACE)
Mr. Tenti (DAE)
Ms. Segers (DENV)
Mr. Agliocchi (DAE)
Ms. Neau Lefèvre (DAF)
Ms. Anderson (AAF P&I Div)

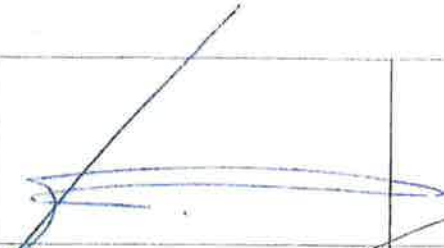

Ms. Foret (DAF)
Mr. Droogenbroot (DENV)
Mr. Deleersnijder (DENV)
Mr. Mason (DAUK)
Mr. Bryan (DAUK)
Mr. Sansen (DAG)
Ms. Garcia Galera (DACS)
Mr. Bravo Gonzales (DACS)
Ms. Aleixo (DAPT)
Mr. Farinola (DACI)
Mr. Dadgari (Daikin Applied UK)
Ms. Hogard (DENV)
Mr. Kraus (Rotex)



European Trade Union representatives :

Mr. Vandenberghe (European T.U.)

Mr. Deprez (European T.U.)

	
Wim De Schacht Chairman	Emmanuelle Neau Lefèvre Secretary

All the members are at your disposal, do not hesitate to contact them !

