



## Brief Report 33<sup>rd</sup> EWC meeting Daikin Ostend 19 June 2019

### What is the European Works Council (EWC)?

On 19<sup>th</sup> June 2019, 50 people from across the business gathered at the DENV Headquarters in Ostend to attend the 33<sup>rd</sup> 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 F18.

### 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

It was an exceptional year with huge growth but also many labor accidents. We think the accidents are mainly the consequence of work pressure. What does Daikin intend to do about this ?

We are considering new activities to reduce the number of incidents. First, we start with a thorough reporting of accidents once they happen. Then we have to thoroughly analyze the cause of the accidents and share information about it. And lastly, we have more

safety activities. The safety is based in the culture of the company. We cannot eliminate the risks or the incidents. But we can make our workers more aware of the dangers.

An overview was given of the meeting and reporting structure which is in place in the different factories.

One organization is talking about injuries every month. They also discuss the contents of the injuries. It is updated in the monthly report to the company management.

Another organization has a regular safety committee meeting each month and there is also a representative from the labor union participating in this meeting.

Another organization is continuously doing a meeting and survey as well as some more general activities which are focused on implementing and improving awareness of employees and managers regarding safety, health and safety control.

Also in Sales and Service organizations meetings and trainings are organized around safety.

Daikin invested a lot when it comes to tools and equipment, but human investment is paramount for the future of the group. How do you tackle investment in humans?

We discussed in the select committee that a lot more is happening than what is mentioned on the slides. It is a good idea to include actions taken, social policies or PCM in general in our presentations.

Everybody needs to feel appreciated in a different way. They need to feel heard. It would be a good idea to discuss more about how we can manage stress better. An investment on how we can manage our time smarter as opposed to just working harder would be good.

Some affiliates have been discussing telework. Are you open to telework?

In some organizations systems of telework are applied. It has to be initiated step by step and

it should be carefully evaluated for which functions it is possible.

We invested in new offices at the headquarters but also in some agencies and even remote offices. The colors used were the Daikin colors: either white, grey or both. Have you carried out analyses or studies of the effect of these colors on the moods of people?

We have not yet thoroughly investigated this. Maybe it is a good idea to investigate this among people in their own environment.

In Daikin Europe the floors are being refurbished and how you refurbish an office is indeed different from what it was like ten years ago. There are more separate areas. A lot of our affiliates have moved location or are going to move within the next year.

How can we make sure that people remain with Daikin?

Average fluctuation at this moment for the total group is limited. It has been improving over the past years and we are looking, together with HR and the managing directors, to improve this further. Actions have been taken on five axes: job content; career prospects, growth opportunities; team and the environment; work-life balance. This resulted in a reduction of fluctuation, in a labor market which at this moment is still more and more difficult.

In some production sites, there are many temporary workers. Is it possible to make sure more people get fixed contracts?

There has been a slight increase in the number of fixed employees. On the other hand, due to the increase of the production amount, we had to increase the number of interim workers as well. But we will continue



our efforts to increase the number of our fixed employees.

It is difficult to increase the number of fixed employees drastically so we have to hire temporary workers.

#### What is the future of AAF in Europe?

In general we want to grow AAF Europe significantly also because of the filtration business that we believe strongly in.

#### We know that AAF bought land in Trenčín. What are your plans for the near future?

We bought two lots on the other side of the fence. By the end of this calendar year or the end of this fiscal year, we should have a clear picture about the next steps.

#### What is going to happen with the remaining people at the Emmen site ?

In Emmen there is some remaining staff. The idea is they remain with us. They have fixed contracts and we are trying to find new offices for them in the neighborhood.

#### I would like some updates on the request we made in order to keep the UK representatives over here within the EWC after Brexit.

Basically, we cannot invite non-European members to this EWC. It is a European works council. But we agreed we will see what we can do.

We will do everything that we possibly can to support customers and the business in the UK. We have a project team that is dealing with ten or twelve topics in order to cope with Brexit, for

ourselves and for our workers. We have a new warehouse in Ireland to be less dependent.

After Brexit, our usual supply route for Ireland will involve two international border crossings. The warehouse is installed and up and running and will help us, even if Brexit does not happen.

#### If we have to leave the EWC due to Brexit, are there any other consequences for myself and my colleagues in the UK that we do not know about?

We will just keep the same management system. The only thing is the EWC which we will have to check, in regard to legal and other consequences. Our business is Europe, the Middle East and Africa. And we will treat everybody the same way. The only difficult thing because of unclear regulations is for the UK people working in Europe. Daikin UK will keep its place in the Daikin group.

#### You have been talking about an innovation center for Chemicals. Will this have any repercussions for the existing labs in France and/or any other labs in Europe?

The purpose of the innovation center is to develop the new applications, in collaboration with the existing technical members.

#### Relating to the production budget for Daikin manufacturing Europe and in Czech Republic, there is concern there will be shortages.

There will be no decrease in production amounts.

We aim to avoid shortages and to prevent them we have taken extra measures: the majority of the Daikin Europe lines will have two shifts. We will have extra indoor heating



lines in the DDC and we will have extra split lines in DTAS.

It was briefly mentioned that a new company would be established, Power Electrics. Do you have more information on that please?

We started an activity to design, manufacture and assemble our own inverter in house, to be located in Italy. When we are up to speed, we will have a total of twenty people. It is not huge

but it will be quite strategic. We are planning to manufacture the inverter for all of our production and hopefully to sell this to our partner in the USA, Daikin Applied America.

Thank you for that information. Please communicate such information sooner from now on.

#### **Employer representatives :**

Mr. Hoorelbeke (DENV)  
Mr. De Graeve (DENV)  
Mr. Iwasaki (DENV)  
Mr. Hiraoka (DICZ)  
Mr. Hara (DDC)  
Mr. Otoi (Chemicals)  
Mr. Capozio (DAE)  
Mr. Blümel (Rotex)  
Mr. Jamwal (J&E Hall, pres by VC)  
Mr. Berbner (AAF Int)

Mr. De Schacht (DENV)  
Mr. Tsubouchi (DENV)  
Mr. Umamoto (DENV)  
Mr. Izumi (DENV)  
Mr. Mena (DACS)  
Mr. Akamatsu (DAG)  
Mr. Kamekawa (DACI)  
Mr. Brangers (DAF)  
Ms. McGinlay (DAUK)  
Mr. Lievens (DACE)

#### **Coordinators EWC:**

Ms. Goossens  
Ms. Deneve

#### **Employee representatives :**

Mr. Van Waarhuizen (DANL)  
Mr. Biesik (AAF Slovakia)  
Mr. Prince (J&E Hall)  
Mr. Steinigl (DICZ)  
Mr. Stelzer (DICZ)  
Ms. Holcrova (DDC)  
Mr. Gric (DDC)  
Mr. Vandamme (DENV)  
Ms. Kliche (DACE)  
Mr. Van Hoof (DCE)

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)



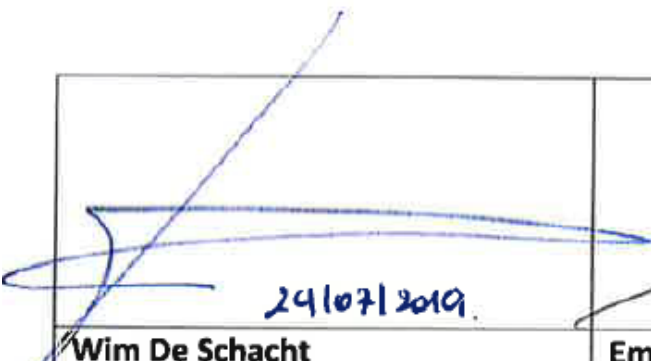

Mr. Sansen (DAG)  
Mr. Carnevale Carretero (DACS)  
Mr. Bravo Gonzales (DACS)  
Ms. Aleixo (DAPT)

Mr. Farinola (DACI)  
Mr. Marshall (Daikin Applied UK)  
Ms. Hogard (DENV)  
Ms. Eisele (Rotex)

**European Trade Union representatives :**

Mr. Vandenberghe (European T.U.)  
Mr. Deprez (European T.U.)



 24/07/2019	 08.08.19
<b>Wim De Schacht</b> Chairman	<b>Emmanuelle Neau Lefèvre</b> Secretary

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