

Social Dialogue in the EU Sugar Industry

Online 11 October 2021

Minutes of the working group meeting

The meeting was chaired by Wiebke Warneck (EFFAT).

Introductory remarks were made by Laetitia Trepos (CEFS) and Wiebke Warneck (EFFAT).

1. Approval of the 8 February 2021 report and of the agenda

The minutes of 8 February 2021 and the agenda were adopted.

2. CEFS/EFFAT Joint Social Project: updates

Wiebke Warneck updated on the joint CEFS/EFFAT project. The project started in May 2020, with the help of the Areté consultancy and is organized around 2 workshops and 1 final conference.

Two workshops have so far been held online (27 April and 7 October). The issues discussed during these two events were: best practices to boost employment and regional development, EU Green Deal and the sustainability of the sector, the jobs of the future: sector in transition and skills required by workers and a first exchange on recommendations took place.

It was announced that the final conference of the joint project will be held on 14 December. The outcome of the project are a final report and the recommendations. A draft should be ready in November. The project will end in January 2022 and the outcomes will be taken up in the next plenary in 2022.

3. CSR Report 2020-2021 – Launch of the procedure

Josh Gartland (CEFS) provided background information on the Corporate Social Responsibility (CSR) report. Every 2 year, CEFS and EFFAT jointly prepare a report on the good practices of the Sugar sector. The CSR report tracks the 8 standards contained in the Code of Conduct of the sector. ([See PowerPoint presentation here](#))

Due to the COVID-19 pandemic in the 2 past years, the report includes a focus on the changes and good practices in the companies linked to the pandemic.

This year, the biannual CSR questionnaire preparing the CSR report will be available online. The timeline was presented. The member organisations were invited to input into the set-out of the questionnaire. The survey will be launched soon after the SSDC meeting.

4. EU Climate Law – Climate neutrality in the Sugar Sector: Presentation by Mr Michael Ricke-Herbig, German Sugar Association (Verein der Zuckerindustrie, 'VdZ')

Mr Michael Ricke-Herbig, German Sugar Association (Verein der Zuckerindustrie) presented the different targets of the EU Climate Law and a roadmap study on “Greenhouse Gas Neutral Sugar Industry in Germany – Pathways to Climate Neutrality 2050”. The Sugar Industry and the achievements of the German sugar industry in reducing energy inputs and CO₂ emissions over time were presented. ([See PowerPoint presentation here](#))

The different pathway scenarios for a Greenhouse Gas Neutrality envisaged in the VdZ roadmap study were explained. In particular, three different pathways described three different scenarios that could lead to GHG neutrality in 2050 (biogas, biomass, electrification).

It resulted that all scenarios will generate cost pressure through relevant investment costs: a suited state aid frameworks therefore appears necessary. The openness for biomass from own production shall be dully considered. A suitable technical framework (grids, infrastructure) shall be available (especially in rural areas), and an adequate carbon leakage protection shall be put in place, considering the high trade-intensity of the sector (above 20%).

Wiebke Warneck (EFFAT) broadened the discussion to climate change and reminded everybody that agriculture and food processing sectors have a high impact on climate change and are highly impacted by it. It is a good sign to have the issue on the agenda, as this issue needs discussion between social partners. She raised the questions in how far the energy related costs and the needed investments in order to reach the targets impact the workforce in the sugar industry, the employment and the working conditions. She insisted that these changes need to be done through a just transition for the workforce.

Discussion:

The presentation of Mr Michael Ricke-Herbig was followed by a Q&A session. The trade union side raised concerns on the future of the sugar industry, on how the EU sugar industry can compete on a global level considering environmental targets, and on the impact of climate change on employment.

Mr Michael Ricke-Herbig replied that the impact on employment was not part of the study and agreed that the competitiveness of the sector is a key element in favour of which we are searching for new instruments and for which we need support also from the European Commission.

5. Policy updates from European Commission, DG EMPLOYMENT - Jan Behrens

Mr Jan Behrens presented policy updates from the European Commission presenting the Social Dialogue initiatives in 2022, that were announced in the Pillar Action Plan. The major elements of the State of the Union 2021 on employment, social affairs and inclusion were also presented. ([See PowerPoint presentation here](#))



An overview of the Fit-for-55 package proposals and objectives was presented. The package aims to deliver on the target of -55% GHG reduction by 2030. A highlight was put on the Social Climate Fund, that will provide 72.2 billion euros in current prices for the period 2025-2032 to Member States to support European citizens most affected by the ETS extension or at risk of energy or mobility poverty.

Council recommendations on the social and labour aspects of a just transition towards climate neutrality are expected to be released by the end of the year. They would aim at having a broad, pragmatic approach and guidance to Member States, also in view of the preparation of national plans (including national Social Climate Plans).

6. AOB and conclusions

Laetitia Trepos (CEFS), Wiebke Warneck (EFFAT) and Jan Behrens (DG EMPL) concluded the meeting. Conciliating decarbonisation and the move towards Climate Neutrality together with the need to maintain the competitiveness of the sector will be challenging. Safeguarding jobs, employment and working conditions will be crucial. EFFAT invited CEFS to jointly draw the attention of the Commission to the sector and the challenges it is facing.

The launch of the questionnaire of the next CSR report in the next days was reminded.

Next meeting will take place around February 2021.