

## FAI CISL 3 CASE STUDIES



### 1. THE BARILLA CASE

The company was founded by Pietro Barilla, descendant of a family of bakers, in 1877 in Parma, as a shop producing bread and pasta.

The Barilla family has been running the company for over 140 years. From the early 1990s onwards, the company underwent an expansion policy both at national and international level. In 1991, Barilla acquired the Greek company Misko, and in 1992 took over the Italian company Pavesi increasing its position in the national market.

Barilla manufactures its products in 30 production sites, distributed in nine different countries: SWEDEN, USA, MEXICO, TURKEY, RUSSIA, GERMANY, FRANCE, ITALY and GREECE. It has 9 production plants in Italy and 12 abroad; as well as 4 mills in Italy and 1 abroad; Barilla has 1 plant with integrated mill in Italy and 3 abroad.

Total turnover 3,684 million Euro +3% (2018).

Net profit 241 million Euro (2017).

In 2018, 236 million Euro (6.8% of turnover) were allocated for investments

Total workers 8,420 of which about 5,000 in Italy.

#### The case:

Barilla in Basilicata: production development and trade union relations.

Barilla's presence in Basilicata dates back to more than thirty years ago. At the beginning there was the problem of harmonizing contractual treatment (with respect to the parent company), combining the need to have a work organization and a modulation of working hours that would encourage greater plant utilization and greater efficiency.

The first agreement signed concerned the 21 productive Saturdays. It substantially modified the structure of the National Collective Labour Agreement (Italian acronym CCNL), establishing in some ways a new contractual frontier that pushed the national panorama to discuss new options and explore the need for more open and mature industrial relations. This certainly represented the beginning of the July 1993 Agreement between the Trade Union and Confindustria. Rules were passed for a contractual model articulated on two plant levels, where, as in the Barilla case, there was a Group Agreement aimed at regulating specific issues such as working hours, work organization, professional approaches and their first developments.



It is also important to remember that in 1992 Barilla built and put into operation Barilla Melfi 2 "Forneria Lucana", with a different company name than the Melfi plant, and with approximately 240 employees; in July 1999, a National Agreement was signed in Milan between Barilla and trade unions for a new work organization. This agreement set out the guidelines for subsequent agreements at plant level. The two contractual cornerstones of polyvalence and multi-functionality were specified at company level.

The harmonisation process of the two companies began in 1996 and ended in 2003 with the incorporation of the two plants into Barilla SPA.

For issues such as technological innovation and training, an agreement was signed in 2001, in collaboration with the Basilicata Region. It concerned the 161 workers of Barilla 1.

Two other agreements signed in 2003 and 2005 were the cornerstones of the Italian agro-industrial sector for a new organization of work and working hours that also provided for investments in the Melfi Plant for an amount of approximately 19 million euro over the three-year period.

Agreement in December 2008 with a mapping of all the workstations, the verification of the relative professional skills present, the forecast of their development through a joint Company/RSU evaluation and the subsequent signing of an allocation scheme, as an exception to the contractual obligations. Signing of an agreement between worker and company, as intermediate level agreement, after having received the worker's acceptance of the so-called "second level agreement" obtained through the mediation of the union (RSU). All the about 300 employees in the plant got a professional advancement on the basis of this agreement.

Sometimes the attitudes of workers were not always consistent when choices were made. The coordination and orientation work carried out by the Union Representation (RSU) in the plants was not always easy. There was a trend (perhaps due to the fact that there is a substantial employment stability in this type of company) to underestimate the presence and action of the union. About 50% of workers at the Melfi Barilla plant are members of a union. The trend is to take everything for granted, without considering the continuous work and sacrifice of the RSU and the ability of the Unions to guide and orientate.

As far as Barilla Melfi is concerned, Unions are also present in the EWC.

The discussions and relations established with the company from the beginning have never been conflictual even though there have been moments of tension between the parties on several occasions. It is therefore possible to say that there has always been a high level of relations, respectful of the counterparts, where everyone expresses their reasons with the aim of finding the best solutions.

Our constant concern is always to find new and efficient mechanisms for the involvement and participation of the workers we represent.





## 2. THE SAN BENEDETTO CASE

San Benedetto has over 2000 employees, distributed across its various production sites in Italy and abroad. The diversification of sources has made it possible to create new employment opportunities where the company has decided to invest. The company markets in over 100 countries. It is present abroad with offices in Spain, Hungary and Poland.

### **The company has a system of promotion / development of professional skills**

The company has been working for years to enhance the professional skills of its workers and to do so it has equipped itself with some mapping systems of specific skills for certain departments in order to assess the level of preparation and performance of its workers, establish training courses and recognize the worker the most appropriate economic treatment for the level of professionalism achieved. These mapping systems are constantly evolving and the company is constantly working to extend this system to all areas.

### **Welfare in San Benedetto**

In addition to the provisions of the National Collective Labour Agreement, over the years the Company has introduced specific Committees (Training, Equal Opportunities, etc.), composed of workers and aimed at overseeing certain areas of welfare; in addition, Flexible Benefits mechanisms have been set up to amplify the employee's benefits linked to issues such as Health, Wellness, Leisure, and Family.

These are combined with the various benefits provided to employees: annual SVO (variable salary by objectives), Distribution of Company Products, Reimbursements for school expenses, Life/accident insurance, Bonuses (every 25 years, on the occasion of marriage).

As a further confirmation of this, in 2018 the magazine Panorama placed San Benedetto at the 5<sup>th</sup> place in the ranking of best Food Companies where to work in Italy.

### **The Company supports autonomous employee training initiatives**

In addition to the provisions of the National Collective Labour Agreement in terms of study permits, San Benedetto gives its employees who want to cultivate personal training outside the company and get any diploma some reimbursement of expenses and awards, as long as this study path is consistent with the skills needed in the company.

### **THE COMPANY IN FIGURES, IN ITALY AND ABROAD**

THE SAN BENEDETTO GROUP IS COMMERCIALY ACTIVE IN **100 COUNTRIES**.

ACROSS THE WORLD, IT HAS **10 PLANTS** of which **7** ARE IN ITALY.

CONSOLIDATED GROUP TURNOVER IN 2019



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(Year 2019 € 764,393,000 - diff. + 59,620,000)

## **2296 EMPLOYEES**

### **Plants in Italy and number of employees:**

San Benedetto SPA Mineral Water: production site in Scorze' (VE) with 1016 employees. and Paese (TV) with 98 employees.

Gran Guizza SPA di Popoli (PE) - San Benedetto: 198 employees

Alpe Guizza SPA in Biella (Bli) - San Benedetto: 49 employees

Acqua di Nepi SPA of Viterbo (VT) - San Benedetto (VT): 54 employees

Fonte Cutolo Rionero SPA of Rionero In Vulture (PZ): 25 employees

Viggianello Fonte del Pollino SPA in Viggianello (PZ): 30 employees

**Total plants in Italy : 7**

**Total employees Italy : 1470**

### **Total turnover in Italy:**

#### **Year 2018**

€ 623,625,000

#### **Year 2019**

€ 674,783,000 diff. + 51,158,000

#### **Other World plants**

Poland - No. of employees 153

Hungary - No. of employees 123

Spain - Valencia No. of employees 237

Spain - Loja No. of employees 90

Total foreign plants :. 4

Total number of foreign employees : 603

### **Investments**

Year 2018 € 55,915,000

**Year 2019 € 47,898,000 – RSU are involved in the renewal of technology and training.**



The *Kaizen* system is adopted, which is the combination of two Japanese terms, *KAI* (change, improvement) and *ZEN* (good, better), and means *change for the better, continuous improvement*. Union Provincial Secretaries are also involved and informed in this training system.

**The request for participation in the *Kaizen* system was made in agreement with the RSU.**

The company accepted because the *Kaizen* system provides for the active participation of all workers and therefore could not exclude trade unions and workers' representatives in this issue.

For training, San Benedetto normally uses internal managers and makes use of external consultants only in some cases.

### **FAI-CISL MEMBER WORKERS**

Fai Cisl is the most representative trade union and is present in all the plants in Italy.

In the Scorzè plant, FAI CISL is present with 340 members out of 1114 workers and FLAI CGIL has about 115 members. While in the Paese Plant (TV) FAI CISL has 63 members out of 98 workers and FLAI CGIL has about 15 members.

In every Italian plant there is second level bargaining and it is diversified.

Second level bargaining is unique only for the plant in Scorze' (Ve) and Paese (Tv).

**In 2018 the company contract of Scorze' e Paese was signed.**

Relationships and bargaining have not been easy.

San Benedetto does not make use of external consultants for negotiation.

Negotiation starts with the realization of the company platform and the requests to be obtained, such as: the improvement of working conditions and the economic part related to the Performance Bonus and the company Welfare.

The realization of the platform took place in several meetings with the Rsu of FAI CISL and FLAI CGIL and with the Provincial Secretaries and was approved by the workers' assembly before its presentation to the Company.

The company contract of San Benedetto is integrated by a second level bargaining, as foreseen in the national contract.

### **Some important points of the negotiation:**

One extra hour for workers' meetings in addition to what provided for in the CCNL (National Collective Labour Agreement for the Food Industry), to be used for company information and issues concerning the welfare.



As concerns safety, an agreement has been reached for the Scorze plant to have 6 Workers' Safety Representatives instead of the 3 required by law.

In order to improve working conditions and environment, the system of "Reasonable Arrangements" provided by INAL has also been adopted.

#### **Temporary job contracts:**

Temporary contract workers cannot work for more than 6 months in San Benedetto, even if these 6 months, even though these six months are interspersed with interruptions, in case of contract renewal they must be hired with a San Benedetto contract.

In addition, all apprentices with a temporary contract - *Staff-leasing* at the end of their period of apprenticeship must be hired in San Benedetto.

#### **Agreement for transfer of paid leave days.**

#### **Achieved important economic objectives for performance bonus:**

2018 € 2350 - 2019 € 2400 – 2020 € 2450 – 2021 €2500

Those who transform 50% of this bonus into company welfare receive some extra € 40 and those who transform 100% of their bonus into company welfare receive some extra € 80.

In addition, a fixed Welfare premium of € 250 for 2018/2019 and € 300 for 2020/2021 is established.

#### **Difficulties:**

The Fai Cisl of Venice comes out of a period of complicated relationships with the Company. Fai-Cisl sued the Company for anti-union activities, and won the case against it in favour of a Fai-Cisl delegate.

Another lawsuit brought by a company executive against Fai-Cisl of Venice was won by Fai Cisl.

**In October 2019, the text of the agreement for the functioning of the EWC of the San Benedetto Group was renewed.**

#### **Summary of the introduction of this Agreement**

One of the aims of the San Benedetto European Works Council is to strengthen social cohesion within the group at European level through a constructive dialogue based on collaboration.

EWC delegates will be both periodically and occasionally informed and consulted on transnational issues affecting their interests in an effective and timely manner. The European Works Council is based on a spirit of openness, mutual trust and respect, and it is in this constructive spirit that it will work.

The work of the EWC will contribute to the shared objective of helping the Group to develop its business by involving employees in the decision-making process and, at the same time, meeting economic, social and environmental challenges. The Parties confirm that the EWC is intended to complement the work of other national employee representation structures without in any way questioning or replacing them.





### 3. THE VERONESI CASE

The Veronesi Group is the fourth largest reality in the Italian agri-food industry in terms of turnover. It is a national leader in the production of animal feed with the Veronesi brand. The group can boast a European leadership for poultry production under the AIA brand and the production of cold cuts under the Negroni e Fini brand. The group has 8415 employees.

Group structure:

AGROZOOTECNICAL DIVISION - 21 locations: 7 animal feed factories, 10 farms, 4 hatcheries

FOOD DIVISION - 15 production sites (Veneto, Lombardy, Friuli Venezia Giulia, Emilia Romagna).

EMPLOYEES:

Number of employees divided by category	Fiscal Year 2018	Fiscal Year	Variation
MANAGERS	69	71	-2
EMPLOYEES	1,216	1,183	33
WORKERS	7,130	6,758	372
<b>TOTAL</b>	<b>8,415</b>	<b>8,012</b>	<b>403</b>

Number of employees (workers/employees) divided by gender and type of contract as at 31/12/2018	Open-ended contract	Fixed-term contract
MEN	3913	1474
WOMEN	1943	1085
<b>TOTAL</b>	<b>5856</b>	<b>2559</b>



**BUDGETARY DATA:**

**REVENUES FROM SALES AND SERVICES**  
(in thousand euro)

Breakdown of turnover by business sector	Fiscal Year 2018	Fiscal Year 2017	Variation
Revenues from sales and services	2.972.545	2.976.821	-4.276
AGRO-ZOOTECNICAL SECTOR	296.477	324,892	28.415
FEED SECTOR	363.356	348.713	14.643
FOOD SECTOR	2.312.712	2.303.216	9.496

Percentage of turnover by business sector	Fiscal Year 2018	Fiscal Year 2017	Variation
AGRO-ZOOTECNICAL SECTOR	9,98%	10,91%	-0,93%
FEED SECTOR	12,22X	11,723t	0,50B
FOOD SECTOR	77,80h	77,37X	0,43B

The distinctive characteristic of the Veronesi group in both the poultry and pigmeat sectors lies in the fact that it supplies almost exclusively raw material from Italian farms, unlike other meat sectors, where, in order to meet the Italian production deficit, of live animals intended for fattening or slaughtering fresh or processed meat are imported from third countries.

Another characteristic element of the group is the strong integration between its different production phases (breeding, supply of production inputs, hatcheries, collection and slaughtering, processing, distribution/logistics).

**Trade union relations:**

The union membership rate in the group is around 30% (mainly among workers). The RSU is present in almost all plants. FAI holds the majority share of both RSU and members (40%).

**Trade union relations and the information and consultation system:**

**At the national and regional coordination level** there are at least two meetings per year on the following issues:





- The company's commercial and production performance;
- Company results;
- Particularly relevant investments;
- Employment issues and types of contracts;
- Procurements and outsourcing having significant impact on employment.

Parties involved: Coordination of the RSU, provincial, regional and national trade unions, company management.

#### **Trade union relations and the information and consultation system:**

At plant level, the issues discussed are:

- Working hours;
- Professional categories of personnel;
- Wage by objectives (monitored by a joint committee).

Parties involved: RSU and trade unions, plant management.

At department level, the issues discussed are:

- Health and safety issues;
- Production organization of the department.

Parties involved: departmental or area RSU, department managers.

#### **Trade union relations, information and consultation system, cooling procedures:**

Should disputes arise from the interpretation and application of the company agreements, the immediately higher levels of the parties involved in the discussion, the company managers and union representative shall promptly meet within 5 working days to reach an effective solution to the dispute and thus restore correct relations between the parties.

#### **The case:**

Investments have been one of the main issues addressed in the last fifteen years. The philosophy of the group has always been that "in the years of crisis we must invest". In order to obtain the resources to invest, the group shared a strategic choice with trade unions, the outsourcing of parts of the so-called "non-core business" process. The strategy adopted was to proceed gradually. As investments were made and volumes were consolidated, the people made redundant in the outsourced areas were relocated to production departments before proceeding with a subsequent step. In this way it was possible to lower production costs without generating redundancies.

#### **The methodology**

1. The client company informed trade unions of its intention to contract out certain activities, in accordance with art. 4 of the National Collective Labour Agreement for the Food Industry;
2. Trade unions requested certification of the genuineness of the contract through the University of Modena;



3. Trade unions consulted with legal advisors and the Verona labour inspectorate to verify that the activities contracted out were consistent with the terms of the contract;
4. Trade unions requested to stipulate specific agreements with contractors to protect workers (correct application of the national contract of reference stipulated by the comparatively more representative trade unions at national level, correct professional classification).
5. Management of personnel made redundant by the client company through relocation to other departments and/or production sites.

**Binding rules for the client established through company bargaining:**

1. Application of the National Collective Labour Agreement for the food sector for workers employed in activities directly related to the production process and for subsequent activities of a secondary nature;
2. Coordination was introduced for the safety representatives of the companies operating within the same production site, with periodic meetings to share experiences and knowledge on health and safety aspects;
3. Contract workers were granted access to company services offered by the client to its employees, such as: canteen, vending machines, on-line purchases.

**Results achieved:**

1. Continuous monitoring of contracted activities;
2. Greater protection for contracted workers;
3. Greater flexibility for the contracting company and improvement of the economic performance of the group;
4. Increased investments;
5. Enlargement of the employment base (in 2018, workers employed in the contract companies were 1811, of which 1755 men and 56 women).

