

TNC UPDATE #20

04-2015



A regular update of IUF TNC activity exclusively for IUF affiliates. More detail can be requested from the individual IUF staff person identified with each entry.

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AGRICULTURE

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SPAWUM in Malawi finalised wage negotiations on 20 March with an increase of 27 percent across the board. The current inflation rate in Malawi is 21.2 percent. Some 5,000 employees benefitted from the agreement.

Negotiations by **NUPAAW in Zambia** (Zambia Sugar) have been adjourned until 13 April, with the union and management proposals about 21 points apart. The CBA expired on 31 March, and has been extended for a month. NUPAAW is concerned with the implementation of Illovo's performance-related bonus scheme, the payment of a 13th month salary and improving conditions of retirement. The IUF secretariat is collecting information on how these matters are implemented in other Illovo Sugar operations in Africa.

The **Food and Allied Workers Union (FAWU) in South Africa** also negotiates with Illovo Sugar in the Bargaining Council for the Sugar Manufacturing and Refining Industry which is made up of three unions and six milling employers. The IUF has ongoing contact with FAWU to support the union's negotiators. At the time of writing, the unions have proposed a 13.5 percent wage increase across the board and an improvement of the medical aid subsidy.

In recent years, the IUF Global Sugar Program has worked with the FAWU within the Women's Forum at the Sezela mill, owned by Illovo Sugar. The sustained work has resulted in an increase of FAWU women members at the mill, and currently IUF Sugar is supporting an initiative to consolidate a FAWU Gender Forum at the mill.

More information on the IUF Sugar work can be found here www.iuf.org/sugarworkers/

BEVERAGES

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Coca-Cola

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Spanish Supreme Court rules violation of dismissed workers' rights at Coca-Cola

On April 15, 2015 the Madrid Supreme Court announced its final verdict on the closure of four Coca-Cola factories in Spain and confirmed the previous ruling of the National Court which declared the Coca-Cola Iberian Partners' (CCIP) restructuring plan announced in January 2014 invalid. The restructuring and closure of 4 plants in Alicante, Fuenlabrada (Madrid), Palma de Mallorca and Colloto (Asturias) affected more than 1190 workers and caused the forced redundancy of 821 employees.

According to the Court, CCIP violated the right to strike during the consultation period by supplying products from other functioning plants. The bottler didn't present IUF affiliates FEAGRA-CCOO and FITAG-UGT in Spain a detailed plan of its decision to close down 4 of its 11 factories in 2014. Confirming that the company actions around the closures violated the dismissed workers' rights, the Supreme Court ruled that there is now no need to evaluate other grounds of appeal. The final verdict nullified the closure of the factories and the company is now responsible for the payment of back wages of all workers for the entire period.

Details of the ruling will become available in the upcoming weeks.

The IUF has demanded that TCCC and CCIP start good-faith negotiations with IUF affiliates on how to implement the judgment.

Coca-Cola Workers Alliance

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In the **USA** a five year contract for over 500 workers at two Coca-Cola plants in Massachusetts brings pay increases and protects benefits. The IUF-affiliated Retail, Wholesale & Department Store Union (RWDSU) members at the two facilities – in Needham and Waltham, Massachusetts - will see raises of anywhere from 3 to 18 percent each year of the contract. Read more [here](#).

In **Germany** on March 20 2015, the IUF-affiliated Food, Beverages and Catering Union (NGG) and Coca-Cola Germany (CCEAG) reached a collective agreement package in the fourth round of negotiations. Nearly 10,000 employees at Germany's largest beverage

company will benefit from the new contract, which includes regulations on wages and salaries, working time, part-time and job security. The agreement also guaranteed that no restructuring measures can be carried out without prior consultation with NGG and the works councils.

In late February 2015, more than 200 workers employed in the distribution of Sorocaba Refreshments, which produces and markets Coca Cola products in **Brazil**, were fired during the Carnival holidays. Members of the Transport Workers Union and the Food Industries Union of Sorocaba Region began a series of demonstrations to reverse these unfair dismissals and outsourcing of distribution. The unions made a complaint in the labour court and the court instructed the company to reinstate all the dismissed workers. The verdict states that in cases where there are compulsory layoffs, there should be negotiations with the unions prior to the execution of dismissals. Read more [here](#).

IUF affiliated National Confederation of Food Industry and Allied Workers Unions (CNTA Afins) convened unions and federations of Coca Cola workers in **Brazil** to discuss working conditions and wages in the sector on March 15, 2015 in São Paulo. The purpose of the meeting was to discuss the pay and conditions of Coca-Cola workers at the national level. The findings and problems identified in the meeting have been shared with the IUF Latin American Federation of Coca Cola Workers, FELATRAC, in order to act together and take any action necessary.

PepsiCo

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In **Brazil**, PepsiCo Company in São Paulo city initially failed to reach a wage agreement with the workers. After the mobilization of workers at São Paulo factory, the management communicated with the Food Industry Workers Union offering again to seek an agreement.

On March 27, 2015, the three largest PepsiCo trade unions in the country held a general assembly to discuss the PepsiCo negotiations and agreed possible strike action if no progress is achieved.

Negotiations with PepsiCo continue to push the company to take corrective actions in **India** over the dismissal of 28 warehouse workers for union activity.

Early discussions with PepsiCo have also taken place over alleged anti-union management action in **Guatemala** and rights abuses in PepsiCo's

supply chain, notably at **Crown Holdings** in **Canada** and **Turkey**.

BREWERIES

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Heineken

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In **Haiti** SYTBRANA, the new Workers Union at the Brasserie Nationale d'Haiti (BRANA, Heineken), communicated to the IUF that union activity within the largest brewer in Haiti is under threat, and highlighted numerous violations of union rights and basic health and safety regulations.

The IUF has called on the company to respect the rights of its employees in Haiti, particularly those relating to freedom of association and collective bargaining. BRANA-Heineken must comply with international human rights standards and enter into good faith bargaining with SYTBRANA.

Visit our [Beer Workers' Web Site](#) for more brewery sector news.

CATERING

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The **IUF Catering Steering Committee** met in Geneva on April 16. Agenda items included building stronger union organization within the UK based TNC Compass and giving greater emphasis to our joint work with the ITF on airline catering.

Sodexo

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As reported in TNC update #19, Sodexo in **India** agreed to actively work to place former union members who worked for the company when Sodexo had a contract with GM, into alternative positions. Thus far the vacancies offered have not been commensurate with the workers' skills and experience and the IUF is in regular communication with Sodexo to ensure the workers are placed into appropriate positions.

Leaders of **Moroccan union ODT** will meet with the IUF in Geneva on May 11 in preparation for further negotiations between the IUF and Sodexo concerning the long running dispute in Morocco which has its origin in the dismissal of the ODT Sodexo General Secretary.

DAIRY DIVISION

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Arla Foods

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Unite the Union and the GMB in the **UK** have reached an agreement with Arla Foods following the outsourcing of drivers to local company Moran logistics. Prior to agreement the IUF had written to Arla Foods to bring to their attention noncompliance with the OECD Guidelines for Multinational Enterprises. The IUF is still waiting for a response to a further alleged violation of rights when the company informed Unite the Union that its engineers in the Cheese Division would no longer have access to collective bargaining.

The IUF will hold an informal meeting with Arla Foods during May to discuss implementation of the company's international human rights obligations and particularly Arla workers' practical access to the right to join unions.

Danone

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Following joint IUF/Danone investigations into forms of employment at Danone in Indonesia, Thailand, Morocco and Mexico, a small working group from the IUF secretariat and Danone corporate HR have met twice to begin drafting a proposed agreement on employment practices limiting the use of precarious work. At the **IUF/Danone Global Meeting** in Paris, on 9 April, progress was reviewed and a timetable for further negotiations agreed.

It was further agreed that the IUF and Danone would jointly develop a series of posters to raise workers and management awareness of IUF/Danone Agreements. Other items on the meeting agenda included human rights violations and migrant worker issues in **Malaysia** and outstanding union recognition issues at Danone's water and dairy businesses in **Turkey**.

FAST FOOD

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McDonald's

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In **Korea**, the Arbeit Workers' Union, the organization which has been fighting widespread abuses at McDonald's Korea, protested in front of 3 McDonald's outlets across Seoul to demand a wage increase for part-time workers, reinstatement of dismissed activist Sister Gahyun

Lee (click [here](#) for more) and talks with the union. Management's response was to temporarily close the outlets in the name of protecting 'customer safety'. The union plans to join the International Fast Food Workers' Day on April 15 and to continue holding actions from May Day to June.

In the **USA**, fast food workers have filed complaints against poor health and safety conditions at McDonald's outlets, alleging that workers often suffered burns, some of them severe, under pressure to filter hot oil for recycling and from exposure to grills. Often management has either failed to provide appropriate first aid facilities or worse, have suggested applying mustard, mayonnaise or other condiments to the injuries. The US federal Occupational Safety & Health Administration has launched an investigation.

Campaigns against "zero-hour contracts"

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In **New Zealand**, the Unite union, which is leading a national campaign against "zero-hour contracts" (a contract which offers no guaranteed hours or shifts), recently reached an important agreement with Restaurant Brands, which operates fast food restaurants under different major brands, to end this practice. McDonald's and Burger King, after an initial resistance, have now entered into discussions with the union.

FISHERIES

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BMI Indonesia

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On April 1 workers at Bumi Menara Internusa (BMI), picketed the factory gates in Lampung protesting intimidation, dismissals and abusive precarious employment. BMI is one of Indonesia's largest fish processing companies, which supplies crab meat and shrimps to many international companies, including world famous brands, such as **Chicken of the Sea**.

2,300 workers, of which 80% are women, work for BMI but few have permanent regular employment. For the majority, daily piece rates based on the weight of the shrimp or crab caught under a 'no work no pay' system has led to poverty wages and an absence of social protections. Workers formed a union in 2012 to challenge abusive employment practices. The company responded to workers' demands with

intimidation and discrimination against union supporters.

Citra Mina/Philfresh

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The first in a series of Congressional [hearings](#) into abuses and illegal practices by **Philippines** tuna producer Citra Mina got under way on March 18 in the Philippines' House of Representatives, marking an important milestone in the long fight for justice for Citra Mina workers. The workers, supported by the national center SENTRO and the IUF, are demanding recognition of their union and the reinstatement of 70 members and supporters who were brutally dismissed in waves of repression beginning in September 2013 after the union was founded and registered.

Witnesses including union president Jumary Arevalo, SENTRO general secretary Josua Mata and one of the 43 detained crew members rescued by the union after their Citra Mina-financed vessel was seized for illegal fishing in Indonesia waters last year, detailed the Citra Mina Group's pattern of abuses: systematic violations of labour standards and trade union rights, rampant abuse of precarious employment and shell companies to evade legal obligations, slave-like conditions on boats and deaths on the high seas.

FOOD PROCESSING

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Kraft/Heinz

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On March 25 Kraft Foods and Heinz announced a merger which will create the fifth-largest global food company: **Kraft Heinz**. The combined workforce of the two companies today is 47,000. This figure expected to fall fast as the new company will be operated by Brazil-based 3G Capital, which managed to squeeze 7,400 jobs out of H.J.Heinz just in 20 months through closures, restructuring and casualization.

Unite UK demanded an urgent meeting with the management, national officer for the food sector Julia Long commented: *"We and our trade union colleagues in the food industry around the world know from experience that deals like this often involve job losses and ruthless cost-cutting, as global capital wants a quick return on its investment. News of this merger is a bolt from the blue for our members at Heinz. They deserve better, and we will be fighting for a better deal for them."*

In US Marc Perrone, International President of the **United Food and Commercial Workers International Union (UFCW)** issued a statement, calling both companies “to ensure they do what is right and responsible and that ‘streamlining’ and ‘cost-cutting’ measures don’t hurt the workers, their families, who have helped make these companies a success.” The UFCW represents approximately 1,342 workers at Heinz locations and approximately 2,870 Kraft workers.

IUF Secretariat is expanding the Heinz union network to include unions which represent Kraft workers to develop common responses to the restructuring plans.

Mondelez (ex-Kraft)

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The **Independent Trade Union of Workers Group Mondelez Egypt Foods** has reached agreement with Mondelez over the closure of the Alexandria factory and transfer of production to Borg el Arab.

All union members seeking employment at Borg el Arab will be transferred to this nearby factory. 28 workers who had volunteered to leave their employment with Mondelez will receive a severance package negotiated by the union.

All of the union executive members will now be employed at Borg el Arab and membership at this plant continues to grow.

The IUF general secretary and representatives of Mondelez corporate and local management took part in final negotiations in Cairo on March 30 and 31. The IUF General Secretary also visited the Alexandria office of the union and made a presentation to congratulate the officers and members of the union for their success in establishing a strong independent union in Mondelez in Egypt.

Nestlé

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There continues to be little progress in the dispute between our affiliate Tekgida-Is and Nestlé concerning the dismissal of 28 workers from the Karacebey factory in the summer of 2014.

Nestlé has moved from an offer of compensation for dismissal to a very limited number of reinstatements, which workers rejected.

The IUF remains in negotiations with Nestlé in an effort to secure reinstatement for all

dismissed workers who wish to return to their former positions with the company.

The next **IUF/ Nestlé global meeting** is scheduled for May 13 in Vevey.

United Biscuits, Ulker (Yildiz Holdings)

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A number of the dismissed Ulker workers in Turkey agreed on an increased compensation package offered by the company. In addition to the severance and notice pay, 9 workers received 16 months of their salaries plus salaries for the months they had spent on the picket line since their dismissals.

IUF, international NGOs release recommendation on the use of nanotech in foods

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In response to rising concern about manufacturers using unregulated nanomaterials in food, an international coalition of groups including the IUF on March 12 released a **policy recommendation** for companies in food-related industries to assist them in avoiding or reducing the risks from nanomaterials in food products and packaging.

The recommendation calls on companies to: adopt a detailed public policy explaining their use of nanomaterials, if any; publish a safety analysis for any nanomaterials being used; issue supplier standards; label all products that contain nanoparticles smaller than 500nm; and adopt a hierarchy of hazard controls approach to prevent exposure of its employees to nanomaterials.

A growing number of studies have indicated that a range of health harms may be caused by ingestion or inhalation of engineered nanomaterials, which are materials containing extremely small particles (a human hair is 100,000 nanometers wide). The United States Food and Drug Administration, which has not yet issued nanomaterials regulations for food additives, states in its guidance that they "are not aware of any food ingredient... on the nanometer scale for which there are generally available data sufficient" to determine that the ingredient is Generally Recognized As Safe. Yet no government regulatory agency has introduced appropriate nano-specific workplace, consumer or environmental requirements. Corporate lobbyists have successfully resisted regulation and even the establishment of publicly accessible registers of products containing nanomaterials which would assist with identifying potential risks.

Companies increasingly define away the problem by asserting that only materials incorporating nanoparticles measuring 100 nanometres or less should qualify as 'nano', despite the growing evidence of health harms produced by exposure to particles in the 101-1000 nanometre range.

The Nanomaterials Policy recommendation is also accompanied by a **fact sheet** to help inform companies and consumers about the potential risks of nanomaterials. The Nanomaterials Policy recommendation was developed by As You Sow, Center for Food Safety, Center for International Environmental Law, Environmental Working Group, Food and Water Watch, Friends of the Earth, The Institute for Agriculture and Trade Policy, The International Center for Technology Assessment, and the IUF. The goal of the policy is to provide a single recommendation for food manufacturers, endorsed by groups working on nanomaterials policy issues, to avoid confusion and multiple mandates.

"Products containing engineered nanoparticles are being rapidly introduced into commercial production at every stage of the food chain, yet there are no specific safety regimes or adequate hazard assessments in place to protect workers, the public and the environment," said Ron Oswald, IUF General Secretary. "We were very pleased to participate in this work and look forward to others sharing this approach and the specific recommendations."

HOTEL CHAINS

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Melia

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In the **Dominican Republic**, a workshop was held in March with all union shop stewards to explain the International Worker Rights Agreement signed in December 2013. Important contacts have been made for developing an international network of Melia activists.

In **Venezuela** a conflict between IUF-affiliate Sintrahosiven and local Melia management has been resolved after the IUF intervened with the Corporate office. The issue was the denial of union recognition for the union to negotiate a collective agreement.

Starwood

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The recently launched campaign to urge Starwood to end human rights violations in **Ethiopia** and in the **Maldives** resulted in more than 10,000 emails being sent to the Starwood CEO. Solidarity actions were taken by IUF affiliates in Switzerland, France, UK and Pakistan. The Secretariat will be asking IUF members, especially those with members in the hotel sector, for more actions to maintain the pressure on Starwood. The [ShameOnSheraton](#) website has been established to promote the campaign and to share news.

IUF Housekeepers' Campaign

"Make my workplace safe" – Dignity for Hotel Housekeepers

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In the **Dominican Republic**, a workshop was held during March on the Housekeepers Initiative with the participation of union representatives and hotel housekeepers. Meetings were also held with representatives of IUF affiliated FENAMUTRA which represents women workers in the country, to coordinate the promotion of the initiative. The second issue of the Housekeepers campaign newsletter will be distributed to AC and EC participants and then sent out to all affiliates to provide information about recent activity.

MEAT

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JBS

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JBS reached agreement in the **Brazilian State of Santa Caterina** with SINTIACR, a CONTAC affiliate after a public campaign to fight proposals by the company to reduce the workers' health care plan. The union commented that the support of the IUF Latin American office was critical in reaching a good agreement as the company only responded positively once it became apparent that the campaign might become international.

Migrant workers in the meat industry

In the last TNC Update (#19) we reported on the IUF and its European regional organization EFFAT cooperating to develop information on rights at work for migrant workers from Eastern Europe who work for employment agencies in the operations of major meat TNC's.

Meat TNC's operating in the U.S such as JBS, Smithfield, Tyson, Hormel and Cargill are reliant on an immigrant workforce, many of whom are undocumented workers.

During March, hundreds of UFCW members and staff from across the United States came together in Omaha, Nebraska, at a groundbreaking training session with meatpacking and food processing workers in preparation for President Obama's executive action on immigration, known as Deferred Action for Parental Accountability (DAPA).

DAPA will grant deferred action status to certain undocumented immigrants who have lived in the U.S. since 2010 and have children who are U.S. citizens or lawful permanent residents. Deferred action comes with a 3 year renewable work permit and exemption from deportation.

Participants took part in four standing room only modules focused on ensuring UFCW members are first in line when the application process for DAPA officially opens.

Activists received detailed immigration guides to take back to their locals. This coincided with the launch of the UFCW's DAPA online toolkit.

TNC UPDATE

"TNC UPDATE" is a publication exclusively for IUF affiliates and governing bodies. It is not available to a broader audience.

"TNC UPDATE" is available to affiliates on the members-only **TNC UPDATES** section of the IUF's web site. Password is ch1213.

The publication regularly brings brief reports of IUF Secretariat activities in relation to the major TNCs which feature in the Secretariat's work. More detail can be obtained from the respective IUF staff person identified for each company.

The secretariat hopes this publication helps to inform affiliates of the work in this specific area undertaken on their behalf and adds to our ability to build union strength inside these companies.

Comments and suggestions about this from affiliates are welcome. The should be sent to iuf@iuf.org

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