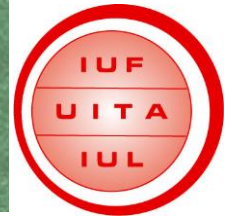


TNC UPDATE #21

06-2015



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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Sugar Sector

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Unions organising across operations of Illovo Sugar in East and Southern Africa are facing harder negotiations.

The **National Union of Plantations Agricultural and Allied Workers of Zambia (NUPAAW)** started negotiating in January in **Zambia Sugar** and, by the time of writing, negotiations are at a conciliation stage. The difference between the union's demands for wage increases and management's counteroffer is seven percentage points for permanent workers, and 12 points for seasonal workers. There is also a 10-point difference in education allowance, and 13 points on leave allowance. A new conciliation meeting has been scheduled for June 15. According to preliminary financial results for the year ending in March 2015, Illovo operations in Zambia reached a production record and contributed with 35 percent of the Group's total operational profits – only surpassed by the Malawi-based operations that account for 38 percent of the profits.

The **Tanzania Plantation and Agricultural Workers Union (TPAWU)** faces difficult negotiations as well. Latest news talks of a 12-point difference between the union's wage increase demands and management's proposal, who argued "financial constraints" and offered a 2 percent increase, despite the preliminary financial results mentioned above report a "strong performance" and a record ethanol production in Kilombero Sugar, Illovo's operation in Tanzania. Management also said that the company was not in a position to negotiate other proposals, such as bicycle allowance, provision of lunch and a revision of the subsistence allowance.

In **South Africa**, where Illovo negotiates as part of the employers' group in the Bargaining Council for the Sugar Manufacturing and Refining Industry, the **Food and Allied Workers Union (FAWU)** anticipates that an agreement on wage

increases can be reached as the difference between the labour demands and the employers' offer is only one percentage point. The South African sugar sector is experiencing a drought that has forced the temporary closure of one Illovo mill, Umzimkulu, while two other mills are facing a delayed start to the harvest.

IUF Sugar and Women Workers in South African Sugar sector

The IUF Global Sugar and Palm Oil participated in a women workers workshop at the Sezela sugar estate in South Africa, owned by Illovo Sugar, which had the objective of setting up a FAWU Gender Forum to allow a more comprehensive approach to women workers issues. The Gender Forum also comes as a result of the work between IUF Sugar and FAWU in the past four years. The workshop recommended the Forum to focus on Sexual Harassment, Equality in the Workplace and Maternity Protection, which are also topics dealt with by other IUF sugar unions.

More information on the sugar sector at www.iuf.org/sugarworkers/

Palm Oil

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After the global conference on palm oil (March 12-13, Bogota), the IUF Global Sugar and Palm Oil Coordinator is developing network contacts in the sector. **The Higaturu Oil Palms Processing Workers Union (HOPPWU)** in Papua New Guinea is engaged in negotiations with the New Britain Palm Oil Ltd. (NBPOL), a major oil palm producer in PNG, which the Malaysian conglomerate Sime Darby acquired in March this year.

Currently, there is no collective bargaining agreement in place, and HOPPWU is highlighting three issues: Workers under Contract and in Out-sourced areas; Retrenchment and Redundancy schemes, and Maternity Protection. The IUF provided HOPPWU with information from other unions organising in the sector, particularly in Africa where Sime Darby has become a major player in palm oil, and also from sugar unions, as the two sectors share common agricultural features. This is a first step towards systematically animating an IUF network in the palm oil global sector.

BEVERAGES

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Coca-Cola

On February 23, 2015, 217 workers at Sorocaba Refrescos SA, which produces, markets and distributes Coca Cola Company products in **Brazil**, received a notice from the company dismissing them because of restructuring of the distribution services. The Union of Food Workers of Sorocaba and Region took the issue to the labour court. The Regional Labor Court (TRT) decided that Coca Cola should reinstate all dismissed workers based on the jurisprudence of the Superior Labor Court (TST), the highest authority in labor law, which stated that compulsory layoffs can be made only after the negotiations with the relative union. The appeal filed by the company was rejected on May 13 by the Regional Labor Court and the company must now reinstate the 200 dismissed workers.

The IUF-affiliated CNTA commissioned a research on the overall situation of Coca Cola workers in **Brazil**. This research highlights the differences in terms and conditions in 16 franchises. Negotiations are led for each industrial plant by the specific union of each operation and they concluded that this type of fragmentation weakens the trade union movement as a whole.

The 5th Executive Committee meeting of **FELATRAC, the Latin American Federation of Coca Cola Workers**, took place in the Dominican Republic on 20 and 21 May, 2015. More than 60 trade unions from make up FELATRAC and they exchange experiences and information regularly. In this meeting Coca-Cola union in Bolivia, the Union of Santa Cruz formally joined the IUF.

The IUF is focused on organizing more women in the unions particularly in the beverage sector where less women are employed. FATAGA in **Argentina** recently organized women workers who are employed in the product replacement and promotion area at Coca-Cola.

On May 22-23, 2015, Coca-Cola unions joined the IUF seminar on HIV/AIDS in **Karachi, Pakistan**. Together with other union representatives from other sectors, Coca-Cola unions are determined to raise HIV/AIDS awareness among their members, organize education programs for workers and include this topic in the next charter of demands.

With the support of the IUF Asia Pacific region, the SAMACoke union signed a collective bargaining agreement with Coca-Cola FEMSA

Philippines management. The agreement covered all the union demands including a clause based on the OECD Guidelines for Multinational Enterprises for the first time in the Philippines. This dispute helped the union to increase its members awareness and participation in union activity.

Workers at Coca Cola plant in **Indonesia** decided to form as independent trade union on May 2015 following their struggle against large scale precarious work. The IUF Asia Pacific region will provide support to the leaders of this new union.

The IUF's sister Global Union Federation, **the Building Workers International, BWI**, is calling on FIFA to take substantive action on **Qatar** with regards to migrant workers. Together with BWI, the IUF is also calling on corporate FIFA sponsors to put pressure on FIFA and Coca-Cola is a major such sponsor.

Migrant workers' rights and issues in Qatar were discussed during the **April 2015 IUF/Coca-Cola Atlanta meeting** and the general secretaries of the IUF and BWI will have a meeting with the senior Coca-Cola management in Atlanta in August to discuss possible actions that can be taken by Coca-Cola to ensure migrant workers' rights are secured by FIFA in Qatar.

Coca-Cola Workers Alliance

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The next IUF Global Coca-Cola Workers Alliance meeting will take place on September 28-29, 2015, in Geneva. Please contact the IUF at burcu.ayan@iuf.org for more details about participation in the meeting.

Strikes in Portugal and Greece, a very positive collective agreement in Germany and more news from Europe are included in the first IUF-EFFAT Coca-Cola Newsletter which can be requested from the IUF at burcu.ayan@iuf.org. EFFAT is the IUF's European regional organization.

PepsiCo

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Organizing work to form a union in Guatemala PepsiCo is ongoing. In Nicaragua legal challenges by the company against our affiliate are currently in hearings in Nicaraguan labour courts.

The IUF continues to seek ways of persuading PepsiCo to take corrective action in the case of workers in **India** denied their rights in a

warehouse exclusively supplying the local PepsiCo plant.

The next **PepsiCo and Frito-Lay Union Network** meeting take place in Geneva on September 29-30, 2015. For information please write to burcu.ayan@iuf.org.

BREWERIES

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Carlsberg

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Carlsberg announced a temporary salary freeze and a halt to recruiting new staff at all levels throughout group operations starting in January this year. The company blames poor trading results in Russia. Among other things the unilateral decision clearly violates the rights of unions to negotiate wages.

IUF affiliates from seven countries already provided information on the effects of this unilateral decision by Carlsberg. Please write to burcu.ayan@iuf.org to receive the information compiled by the IUF secretariat.

Heineken

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In **Haiti** SYTBANA, the new Workers Union at the Brasserie Nationale d'Haiti (BRANA, Heineken), continues to highlight numerous violations of union rights and basic health and safety regulations.

The IUF has written to Heineken and called on the company to respect the rights of its employees in Haiti, particularly those relating to freedom of association and collective bargaining. The IUF will continue to put pressure on Heineken corporate management to secure the rights of Heineken Haitian workers and is hopeful that a meeting with the company can be organized relatively soon.

The Kunstmann brewery, part of Heineken Holding CCU in **Chile** unilaterally began to make changes to machinery in the factory in Valdivia. Workers told the company that it cannot take these measures without consulting the trade union and, in response, the company dismissed a number of union members. At a mediation meeting with management, the union demanded the reinstatement of the dismissed workers. That has not happened as yet. The case is currently in the Chilean labour courts.

The IUF will organize an International Heineken unions' meeting on November 26-27, 2015 in Eastbourne, UK. For further details please contact burcu.ayan@iuf.org.

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

CATERING

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Compass

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The UK based TNC has won the contract to provide catering services for **New Zealand's** public hospitals and ancillary services.

The IUF affiliated **SFWU** has now reached a preliminary agreement with the largest NZ public health authority, the Auckland District Health Board and Compass, that all current members of the union will transfer over to Compass on their same terms and conditions of employment. Further protections on rosters and hours of work have been negotiated to apply during company restructuring later in the year.

The bargaining for the Compass national District Health Board Collective Agreement starts in July.

LSG Sky Chefs

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The IUF is supporting its affiliate the **SFWU** in a dispute with **LSG Sky Chefs** in **New Zealand**. The German-based TNC engaged workers from an employment agency that paid workers the minimum wage but designated them as independent contractors responsible for their own tax, workers compensation payments and holiday pay.

Workers from the agency who exercised their rights to join a union were fired. The union is holding LSG Sky Chefs accountable for these human rights abuses and the IUF will notify the company that it expects the full resolution of all grievances in its negotiations with the union. Failing resolution, legal and international action is likely.

Sodexo

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In the previous TNC update (#20) it was reported that five union activists had failed to gain re-employment with Sodexo following the company's loss of contract with general Motors in **Pune, India** and that the IUF was working with Sodexo to get these workers re-employed. All five workers have now secured employment with the company.

The IUF will now discuss with Sodexo necessary steps to more broadly ensure access to rights by Sodexo employees in India.

DAIRY DIVISION

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Arla Foods

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Arla Foods have delayed proposals which would have removed engineers in their **UK** cheese division from access to collective bargaining, to allow further discussions and negotiations with **Unite the Union**.

The IUF will meet with Arla Foods corporate management on August 18 to discuss the structure and nature of regular engagement between the company and the IUF which will provide a forum to resolve any rights issues and work to prevent potential rights violations as Arla continues to grow its international business.

Danone

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The outstanding unionization issue at Danone's water business in **Turkey** was discussed in Istanbul amongst local counterparts following the intervention of the IUF. As a result of local negotiations, Danone and the IUF-affiliated Tekgida-Is union will identify ways for workers to freely exercise their right to join a union.

The IUF affiliates in **Russia**, AIWUR and NOVOPROF are in the process of negotiating a national agreement with Danone based on the IUF/Danone agreement covering changes in employment.

The **Danone 2015 CIC meeting** will be held on 19-22, October, 2015 in Geneva. Please contact burcu.ayan@iuf.org for more details.

In **New Zealand** the Dairy Workers Union (DWU) successfully concluded a comprehensive agreement that consolidated terms and conditions for all three Danone businesses previously acquired in New Zealand.

Fonterra

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IUF representatives from the New Zealand Dairy Workers Union and the National Union of Workers (Australia) together with the IUF general secretary held the IUF's regular annual meeting with Fonterra corporate management on June 15.

On the agenda was ensuring access to full union and collective bargaining rights for workers in Fonterra **Malaysia** and a review of Fonterra's future strategy globally and in the Pacific.

FAST FOOD

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McDonald's

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In **New Zealand**, the IUF affiliate Unite, active in the global Fast Food campaign, has negotiated with major fast food chains, including McDonald's, to end "zero-hour contracts" in new collective agreements. Staff will be guaranteed at least 80% of the average hours worked in the previous three-month period, this means secure hours can increase over time depending upon actual hours worked.

In **Korea**, the public prosecutor has requested an arrest warrant for Arbeit Workers Union President Gyohyeon Gu days after his return from the IUF International Fast Food meeting. He may face prosecution for union activities highlighting abusive employment practices at McDonald's outlets in Korea. IUF affiliates have sent protest letters to the Judge of the Seoul Central District Court asking to deny the prosecutor's request to charge Brother Gu. The Secretariat is following the situation closely and will update affiliates about developments.

On May 19 and May 28, the IUF, together with **Public Services International (PSI)** and the IUF affiliated **SEIU (North America)**, released two reports on McDonald's tax avoidance and employment practices. **The Golden Dodges report** (available only in English [here](#)) reveals how McDonalds has methodically exploited the tax system to avoid billions in taxes. **The McJobs report** documents widespread employment abuses throughout the company's global system: wage theft, discrimination, unsafe workplaces and anti-union practices. Simultaneously a public event in the European Parliament hosted by German MEP Jutta Steinruck on the **"European challenge of decent jobs and social dumping in the fast food sector"** took place. The report is available in English [here](#).

International Fast Food Workers' Day

An **International Fast Food Workers' Day** was organized on April 15 to raise the profile of this sector and provide a global stage for workers' demands. The focus was on the US "FightFor15" campaign (USD 15.00 an hour wage), labor law violations in Brazil, zero-hour contracts in New Zealand and the Philippines, and the reinstatement of union activist Sister Gahyun who had been dismissed by McDonald's for her union activities in Korea. IUF affiliates in over 40 countries in 5

continents took action to challenge the poor wages, precarious jobs, absence of social benefits and protections and systematic denial of trade union rights which make up the pattern in the Fast Food sector.

2nd IUF International Fast Food Workers Meeting

The **IUF's International Fast Food Workers Meeting** on June 8 in Detroit saw some 40 participants from around the world discussing and sharing experiences. It was agreed to set up a network of unions to coordinate regularly on work in fast food TNCs. On the previous day, Sunday, June 7, participants attended the **US Fast Food Workers' Convention** where 1,200 delegates from all over the country decided on next steps for their campaign for a living wage and freedom to join a union.

FOOD PROCESSING

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Mondelez (ex-Kraft)

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Mondelez continues to progress its plan to slash 4000 jobs to strengthen its balance sheet and deliver greater returns to shareholders.

In May, Mondelez announced a new round of layoffs for **North America**. The company invested some USD 500 million to build a new plant in Salinas, Mexico and assured the IUF affiliated BCTGM in 2013 that the products produced there were not destined for the US market. In May 2015, Mondelez said it was prepared to invest USD 130 million in new lines in North America but had not decided whether the investment should go to Salinas in Mexico or Chicago. The company was only ready to invest in Chicago if the union agreed to USD 46 million in annual cost-savings. Six-hundred jobs would be eliminated in Chicago if the investment went to Mexico, but only 300 if the new lines went to Chicago.

The company is also severely restricting the right of access for BCTGM officials and has proposed the holding of grievance procedures by video conferencing, a clear denial of grievance rights.

The IUF is in close contact with the BCTGM and has offered practical support in the union's fight for jobs and rights.

On May 21, Mondelez announced the elimination of 80 jobs – 20% of the workforce – at the historic Cadbury factory in **Claremont, Australia**.

Nestlé

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The recent **IUF/Nestlé global meeting** held in Vevey on May 19 discussed a number of rights issues raised by affiliates. IUF representatives also reiterated opposition to behavior based safety programmes, stated that wage setting, including the payment of a living wage, should be negotiated in collective bargaining and protested the neglect of the precautionary principle with regard to health and safety in the adoption of nano technology. Nestlé will repond to an IUF request for a clear statement form Nestlé about the primacy of collective bargaining as the way to raise Nestlé workers' living standards.

In **Turkey** 19 workers continue to protest their dismissal from the Nestle Karacebey factory and the IUF is in regular communication with the company in an attempt to find a fair resolution. IUF-affiliated **Tekgida-Is** and the IUF insist that all those workers who want to continue working for Nestlé should be reinstated and appropriate compensation paid to workers who voluntarily chose to leave their employment. The company has agreed to meet with workers and their local Tekgida-Is representative in another effort to find a resolution following a previous discriminatory offer which offered reinstatement to only some of the workers.

The IUF intervened with Nestlé at the request of our North American affiliate the **UFCW**, following a strike and mass dismissal of workers at Wings, a co-manufacturer of a number of Nestlé products in **Canada**. The dispute has now been resolved and the UFCW members have voted to ratify a new contract.

In **Hong Kong** the IUF intervened following the inappropriate and inadequate actions of the company following a death in the workplace. The IUF and its Hong Kong affiliate await the results of an independent investigation into the death. Hong Kong management refuses to give full recognition to the union by allowing access to workers in the factory.

In **Korea** the Nestlé Lotte joint venture still refuses to comply with the decision of the Supreme Court with regard to the definition of ordinary pay, despite further compliance orders by the Ministry of Labour.

A recent food safety alert by authorities in **India** and subsequent recall of Maggi noodles has led to hundreds of contract workers in **India** being suspended without pay. The IUF has been in

contact with our Nestle federation affiliate in India and regional human resources management to insist that the welfare of these contract workers be protected. In this major food safety crisis there are many unanswered questions regarding Nestlé's relationship with regulatory authorities and the continued excessive use of precarious workers. The IUF will continue to closely monitor the situation and advocate on behalf of affected workers.

Unilever

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Agreement on the final version of a joint commitment on measures to combat sexual harassment at the workplace was reached at the April 28 IUF/IndustriAll/Unilever meeting in London. The IUF will now be working with the company to publicize the agreement and ensure its implementation, including the development of training materials and possible joint training.

The meeting also produced agreement on concrete measures and a timetable to resolve ongoing problems arising from the implementation of the 2010 agreement between the IUF and Unilever to resolve the conflict over union rights and casual employment in Rahim Yar Khan and other issues in Pakistan. The meeting also addressed the longstanding collective bargaining impasse at Unilever's Indonesian Ketchup Bango joint-venture and management failure to respect the terms of the industry agreement providing for the conversion of temporary to permanent positions in Tatura, Australia. The IUF is maintaining pressure on Unilever to help resolve anti-union practices at suppliers Crown Holdings and Huhtamaki and is seeking action on concrete abuses on palm oil plantations belonging to Unilever supplier Wilmar.

HOTEL CHAINS

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Belmond

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The local trade union at the Governor's Residence Hotel in Yangon, **Myanmar**, asked for the IUF's support after members experienced repression of their rights starting in September 2014. After receiving several protest letters from affiliates, Global Belmond management has contacted the Secretariat. Affiliates will be informed about developments.

Starwood

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The campaign to urge Starwood to end human rights violations in **Ethiopia** and in the **Maldives** has been suspended after the company has started talks with the IUF. Affiliates will be informed about further developments.

IUF International Housekeepers' Campaign

“Make my workplace safe – Dignity for Hotel Housekeepers!”

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Activities to support the global initiative have been taken in many countries. On April 9, on the occasion of the 9th IUF Day, affiliates from **Benin, Burkina Faso, Mali, Niger, Senegal** and **Togo** held seminars to discuss health and safety risks and prevention methods in the hotel and restaurant sectors. During the seminars, participants, experts and observers discussed the global hotel housekeeping initiative. Participants urged governments to ratify the ILO Convention 172 on “Working Conditions in Hotel and Restaurants”.

In **Malaysia**, NUHBRW held its first meeting on May 17, attended by delegates from 18 hotel resorts. One of the key demands raised was to work in pairs to reduce isolation and workloads.

On May 21, the first meeting of the **Nordic Union Coordination Workgroup** on the hotel housekeepers initiative took place. The coordination group discussed initiatives and campaigns that unions can run together in the Nordic region, which comprises **Iceland, Denmark, Finland, Norway** and **Sweden**. The goal is to create debate in all the Nordic countries, to put quality ahead of pricing and to claim a reduced working pace for hotel housekeepers.

On 28 May and June 3, two meetings were organized by IUF-affiliate UTHGRA in the provinces of Salta and Cordoba, **Argentina**, with the participation of 200 hotel housekeepers at each meeting. UTHGRA and participants stressed the pressure workers are under because of the insufficient time allowed to clean rooms and the demanding pace of work imposed by supervisors, which ultimately can affect these workers' health and their quality of life.

MEAT

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The IUF is planning an **affiliates' global meat conference** to be held in the U.S. during the week beginning October 12. A major objective of the conference will be to launch the IUF Meat division. Further details along with a registration form will be mailed to affiliates soon.

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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