

# TNC UPDATE #33

## 08-2017



*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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## BANANAS

### **Chiquita**

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The agreement between Chiquita, the IUF and COLSIBA, the Latin American banana workers coordination, to work together to stop sexual harassment continues to bring concrete improvements for women workers. The agreement is now incorporated into national collective bargaining agreements in **Costa Rica** and **Honduras**.

In **Panama**, the agreement is being piloted alongside measures to increase women's employment inside the company. Panama historically has the lowest percentage of women workers across Chiquita farms but since the pilot project began women's employment has increased from 8% to 11%. Earlier this year, as part of the agreement's review process, a joint IUF-COLSIBA team visited the Chiquita plantation in Chinandega to see the project and to meet with women now working in the plant nursery. The team agreed that next steps should include encouraging women to work in the pack houses and that the project should also be rolled out in a second country.

## SUGAR

### **Illovo Sugar**

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The National Union of Plantation, Agricultural and Allied Workers (NUPAAW) that organizes **Zambia Sugar**, Illovo's flag-ship African operations, is considering a court case after the collective bargaining negotiations stalled and a conciliation process failed to reach an agreement large around wages.

**The Tanzania Plantation Agricultural Workers Union (TPAWU)** achieved a 6 % wage increase

across the board at Illovo subsidiary Kilombero Sugar and improvements in social benefits.

The company's hard-stance in negotiations has been reported by **Mozambique's SINTIA** and **Swaziland's SAPWU**; while **SPAWUM in Malawi** reached a 16 % wage increase, and a 14 % rise in allowances.

**South Africa's FAWU** reached a 7.5 % wage increase and Provident Fund for pensions coming into effect on April 1, 2018. The agreement covers some 1,000 workers at Illovo farms (KwaZulu Natal province).

## **ASR Group**

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**The Belize Workers' Union (BWU)** continues its struggle to represent the hourly-paid maintenance workers in the Belize Co-Generation Energy Limited (BELCOGEN), attached to the Tower Hill sugar mill owned by the Belize Sugar Industries Ltd. (BSIL), a subsidiary of the ASR Group – the world's largest sugar cane refiner.

In September 2014, BSIL opposed a union representation application, and when in July 2015 the NTB recommended a poll to decide the matter, the company argued that the workers do not constitute a "suitable bargaining unit." The BWU resumed the process in May this year and the struggle continues.

## **AGRICULTURAL SUPPLY CHAINS**

### **Systembolaget**

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On August 24, the IUF will sign a Memorandum of Understanding (MoU) with **Systembolaget, the Swedish state owned alcohol retail monopoly**, witnessed by IUF affiliate Unionen. While not in itself a TNC, Systembolaget has a significant international supply chain.

This MoU comes about because of shared concerns about working conditions in that supply chain, especially agricultural raw materials. Under the agreement there will be regular meetings to exchange information and discuss concerns raised by the IUF.

The MoU recognizes that Systembolaget and the IUF have a common interest in improving working conditions in the alcohol industry and its supply chain for agricultural raw materials for alcoholic beverages, including through workers exercising their rights to be in a trade union and to negotiate collectively.

## **BEVERAGES**

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### **Coca-Cola**

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In **Cambodia**, a new plant was opened in the Phnom Penh Special Economic Zone and, following the IUF's intervention with TCCC via the "Atlanta process", IUF-affiliated CFSWF representing the workers now won recognition. It is we understand the only union existing in this Special Economic Zone. The union now has an office at this Coca-Cola site.

The IUF raised with TCCC the issue of union busting in the **Philippines**. As a result, in June 2017, Coca-Cola Filipino bottler FEMSA's HR Director intervened and stopped action being taken against of a woman union officer of the IUF affiliated FCCU. She had previously raised issues around wage discrimination.

With the support of the IUF, two independent unions were formed by workers in **Indonesia** in 2016. They continue to campaign for recognition and bargaining rights as an alternative to yellow unions existing there. Independent union leaders were fired by management of Australian-based Coca-Cola Ammatil (CCA) and as a result the IUF launched a campaign to secure their reinstatement. You can join the over 10,400 supporters [by joining the campaign](#).



A meeting under the auspices of the "Atlanta Process" will now take place in Jakarta in August with representatives of TCCC, CCA and local management as well as IUF international and regional representatives and our affiliates locally.

In **India**, at the Coca-Cola Khurda Odissa unit, following discussions within the IUF/TCCC "Atlanta Process", a collective agreement has been signed and the previous suspension of the union Vice-President has been withdrawn. The union Vice-President, Dilip Mohapatra, is also a member of the elected Regional Youth Committee in the IUF Asia/Pacific region.

Coca-Cola **Pakistan** IUF-affiliated union representatives met the Coca-Cola Icecek international management in Istanbul and also met IUF affiliate Tekgida-Is that is organized in Coca-Cola Icecek plants in Turkey. Both affiliates pledged solidarity particularly around issues that their members face within this same Coca-Cola bottling company.

In **Haiti**, the IUF engaged Coca-Cola Atlanta management to ensure that SYTBACOUR, a newly formed trade union at a Coca-Cola bottler

facility operated by Brasserie de la Couronne faced no retaliatory or any other negative reaction from local management in part as a result of “Atlanta process” discussions.

The union and local management in Haiti have now agreed to meet once a month and continue to negotiate on existing issues primarily on working hours and weekly rest. Haiti's Confederation of Workers in the Public and Private Sectors (CTSP) has thanked the IUF Atlanta affiliate team for this support. The IUF and TCCC Atlanta management will continue to monitor progress.

## **PepsiCo**

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Following an IUF campaign in support of workers in PepsiCo in **Pakistan** and in warehouses supplying PepsiCo in **India**, the IUF Secretariat is now in talks with PepsiCo global management seeking to resolve these conflicts. In Pakistan, PepsiCo local management has now recognized the independent union newly formed at the Frito Lay plant in Lahore. Local negotiations supported by the discussions of the IUF with the global corporate management are now focused on issues around secure employment.

PepsiCo plans to open a new plant in Multan. During negotiations, the union proposed an affirmative policy recruiting women workers to permanent jobs and providing them special training for literacy and some other basic working skills.

SINTRALAYDO an IUF-affiliate in **Dominican Republic** gained recognition at PepsiCo and signed its first collective bargaining agreement with important gains for workers and the union. The union thanked the IUF and the PepsiCo International Union Network for their support calling on PepsiCo management to recognize the union and reach an agreement.

## **Refresco**

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**Netherlands** based drinks bottler Refresco has agreed to buy the bottling activities of Canada-based Cott for \$1.25 billion. Cott would add 29 production sites to Refresco's network, with 19 in the United States, four in Canada, one in Mexico and five in Britain. Refresco has been operating in 26 manufacturing sites in continental Europe and 1 in the UK. The IUF is asking affiliates about existing labour relations organized.

Affiliates should contact [burcu.ayan@iuf.org](mailto:burcu.ayan@iuf.org) with any information about Refresco.

# **BREWERIES**

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## **AB Inbev**

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AB InBev's agreement to sell licensed Coca-Cola bottling operations in 17 countries in Africa and Latin America has created great insecurity amongst IUF members in those countries.

The IUF put questions about this to the new CEO of TCCC, James Quincey, in the last IUF/TCCC Atlanta meeting. He explained that TCCC is in the process of buying back all the business from AB InBev. This will take some time and will also require specific approval from South Africa's Competition Commission. As the outcome of these negotiations become clearer TCCC will engage with the IUF to seek clarity for our former AB Inbev Coca-Cola bottling members.

Since the acquisition of SABMiller, AB InBev has outsourced much of its “global capabilities” functions, including human resource management, to Accenture in Bangalore, India. This already provoked a succession of problems like pay roll errors that then take weeks to sort out. IUF members are considering joint action around this issue.

The IUF has contacted AB InBev to inform it of the creation of an IUF Brewery Division and called on the company to engage constructively with the IUF. The IUF has recently raised two situations that have arisen in AB InBev facilities in **Honduras** and **Korea** and will continue to support affiliates in Honduras and Korea, extending that support through the IUF Brewery Division.

## **Asahi**

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When Japan's Asahi Group acquired Australian bottled water company MountainH2O in 2012, they announced ambitious plans to grow the business and double the workforce. Three years after the company set up a bottling plant in Albury-Wodonga, 50% of the workers at the factory are still stuck in insecure casual employment. The IUF-affiliated National Union of Workers (NUW) is demanding the creation of 40 permanent jobs for casual workers at Asahi. [Click here to support this demand](#) and urge Asahi to act to ensure that the negotiations result in the creation of 40 new permanent jobs at Asahi Albury-Wodonga.

## **Carlsberg**

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Global brewery giant Carlsberg is using the courts to bully and intimidate the IUF-affiliated **Cambodian Food and Service Workers Federation (CFSWF)**, the union representing workers at its Cambodian joint venture Cambrew.

The union has been seeking reinstatement of beer promotion women who were dismissed last year for contesting the unilateral worsening of their terms of employment. On July 21, a provincial court dismissed the company's demand that Cambodian Food and Service Workers Federation (CFSWF) leader Sar Mora pay the company USD 60,000 in 'compensation' for a warehouse strike last August which the union neither organized nor endorsed. However at the same time, the court ordered a local union leader to pay the company USD 3,000! [Click here to support this struggle and send a message to Carlsberg.](#)

## **Heineken**

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As a result of recent negotiations with new local management, SYTBANA, the union that the IUF and particularly our Brewery Division and IUF affiliates at Heineken and beyond have supported through a lengthy struggle in Haiti, succeeded in changing 12 hour shifts to 8 hour shifts resulting in 3 shifts a day for production lines and avoiding the dismissal of 45 workers.

The union and the Heineken-Haiti Management (BRANA) also agreed on wage adjustments for the vast majority of employees. The adjustment compensated for the overtime income loss as a result of less working hours daily.

## **CATERING**

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### **Sodexo**

At the annual IUF/Sodexo meeting held at corporate headquarters in Paris on June 21, the IUF and Sodexo signed a [joint commitment on measures to prevent sexual harassment at the workplace.](#)

The joint commitment, signed by IUF General Secretary Ron Oswald and Sodexo CEO Michel Landel, is based on a shared recognition that sexual harassment is a human rights violation and that women working in the service industries are exposed to a high level of risk. The agreement acknowledges that sexual harassment is a form of discrimination, a major health and safety hazard and a form of violence

which disproportionately affects women. It contains policy and procedures based on zero tolerance.

The joint commitment gives a clear agreed comprehensive definition of sexual harassment to ensure that Sodexo management at every level and all employees, including employees provided by third party suppliers and other contractors, are fully aware of what constitutes sexual harassment. The agreement acknowledges that clients of Sodexo and consumers of their food and other services can also be perpetrators of sexual harassment.

The zero tolerance agreement is aimed at ensuring workers can report abuses without fear of reprisal, protects the victims of sexual harassment and facilitates the role of affiliates in providing training and awareness raising for their members while Sodexo will do the same for its managers.

The success of the agreement relies on affiliates entering into discussion with local Sodexo management on undertaking training and establishing local procedures.

Please contact the IUF for further information and assistance and inform the Secretariat of progress in implementing the agreement at national and local level.

## **DAIRY DIVISION**

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In Europe IUF affiliate NGG, with the support of the IUF regional organization EFFAT, will convene a meeting of European dairy affiliates in November to build regional cooperation within the framework of the IUF Dairy Division.

The agenda will include building European wide cooperation to strengthen organization within **Lactalis** which grows year by year through acquisitions and resists appropriate recognition of unions. The meeting will also include a report on the IUF work with Arla Foods.

### **Fonterra**

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The cooperation agreement between dairy affiliates ATILRA (Argentina) and the NZDWU (New Zealand) within the framework of the IUF which was signed in 2005 may soon take on even greater practical significance.

According to a senior government official in the Argentine dairy firm's home state, New Zealand dairy cooperative Fonterra is showing interest in a possible merger with or acquisition of Argentinian dairy company SanCor.

A sale of assets or the establishment of a joint venture is increasingly likely following a long-standing financial crisis that led to a restructuring of SanCor and the Argentine government agreeing to issue a loan of (USD 25.8 million) to the dairy cooperative.

As reported in the previous TNC Update ATILRA have intervened in the crisis to protect as many jobs as possible and are in favour of investment by a dairy TNC to secure production and jobs.

## **FAST FOOD**

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### ***International updates***

The IUF-affiliated Unite Union in **New Zealand** has reached agreement with Restaurant Brands, the company which manages KFC, Starbucks, Carls Jr and Pizza Hut, on a new two-year collective agreement which has been approved by 98% of its members. Key improvements include: wages above the minimum wage for all Restaurant Brands employees; provision to offer vacant shifts to existing staff; a working party to review the vacant shift processes; weekly rosters with fixed and vacant shifts will be published in each store; elected health and safety representatives; and up to two weeks additional payment for redundancy. The agreement comes after strike action in April in response to the company's refusal to increase wages above the national minimum wage.

The mayor of **New York** has signed a package of bills benefitting some 65,000 fast food workers, the key component of which is a requirement that fast food restaurants schedule their workers at least two weeks in advance or pay extra for shift changes. The legislation, strongly supported by the IUF-affiliated SIEU and leaders of the FightFor15 campaign, also ensures that fast food workers have breaks of at least 11 hours between shifts and are given the option of working additional hours before their employers hire extra workers.

### ***McDonald's***

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Members of the IUF-affiliated Unite Union in **New Zealand** have overwhelmingly endorsed the agreement reached by the bargaining group and McDonald's. The main points of the agreement are pay increases of the minimum hourly wage plus NZD 10 cents each year for three years, 100% guaranteed "agreed hours" every week, additional available shifts to be notified electronically before new staff are hired,

and a two-week redundancy payment if a store closes, which is a first step in this area. The agreement covers all McDonald's restaurants in New Zealand, including those franchised, and the improvements apply only to Unite members.

In November 2016, the IUF-affiliate Arbeit Workers' Union formally established a McDonald's chapter in **Korea**. A few months later, McDonald's announced the recognition of the union as the collective bargaining representative for McDonald's workers. First meetings were held on June 16 and July 21 during which parties discussed ground rules. After this first step Arbeit Workers' Union will submit the list of demands, and negotiations for the first collective agreement will formally start.

## **FISHERIES & AQUACULTURE**

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### ***Bornstein Seafoods***

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Around 100 workers at the Bornstein Seafoods processing plant in Bellingham, Washington – located in the northwest corner of the United States – are in a tough contract negotiation with an employer that is determined to impose radical cuts to their compensation.

Bornstein Seafoods set the stage for this fight last summer by unilaterally withdrawing from the collectively-bargained pension fund. Since June 2016, the employer has refused to pay anything into the pension. Bornstein has also failed to establish and fund an equivalent alternative retirement program to replace the pension, as required by the union contract. Bornstein workers, represented by UFCW Local 21, have attempted to reach agreement through months of negotiations, but the company continues to reject union contract proposals that would provide fair wages while preserving workers' health benefits and retirement security.

The employer's unilateral withdrawal from the pension fund has already unlawfully deprived Bornstein workers of thousands of dollars in compensation – up to \$2,500 each, for full-time employees. UFCW 21 is preparing legal action to recover these lost wages. At the request of UFCW, the Secretariat has raised these issues with European affiliates with membership in Bornstein business partner companies.

### ***Citra Mina/Philfresh***

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The Supreme Court has issued a verdict in favour of 32 Citra Mina workers, who submitted

their case before court in 1997. The workers were hired in 1994-96 as crew members for the fishing vessel, owned by Mommy Gina Tuna Resources (MGTR) – the parent company in the Citra Mina Group. In 1997 MGTR and Citra Mina, terminated workers' contracts without any compensation, declaring that they were not employees of the company and were hired by a "middleman". In October 2010, the Court of Appeal determined that Citra Mina could not avoid the responsibility, since all workers were hired to do the work exclusively for MGTR and Citra Mina exercised full control over the vessel and over all who worked on board. The company was ordered to pay all workers compensation for termination of the contract and full back wages (including allowances and other benefits) from the date they were terminated on August 18, 1997. Citra Mina appealed to the Supreme Court, which considered the case and made a final verdict, reiterating the conclusion of the Court of Appeal.

After 20 years, these 32 workers finally have justice. However, the struggle for justice for all abused Citra Mina workers in General Santos continues. Citra Mina Workers Union will report on the recent development in the campaign to [the IUF 27<sup>th</sup> Congress in Geneva, August 29-September 1, 2017.](#)

### **DOHA, Morocco**

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An [online campaign in support of 540 dismissed workers in Doha](#) fish canning company in Agadir, Morocco gained more than 7800 supporters who contacted the company. The campaign continues.

### **Phillips Seafood**

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The IUF-affiliated UFCW returned to leaflet customers of US Phillips Seafood restaurants in support of IUF members at the Phillips Seafood processing plant in Lampung, **Indonesia** where the union is fighting for permanent jobs for workers who have been employed up to 15 years without a permanent contract.

Following on the UFCW's May 9 action at Phillips' flagship restaurant in Baltimore, UFCW Vice-President Mark Lauritsen and UFCW Local 27 members and officers leafleted outside two Phillips Seafood restaurants in Ocean City, Maryland, Phillips Seafood Ocean City Crab House and Ocean City Seafood House, informing customers of local conditions in Indonesia. Phillips management in Ocean City, like Phillips Baltimore management previously,

called the police in an attempt to prevent UFCW members from explaining the Phillips Indonesia situation to customers. The police however allowed the action to proceed.

In local discussions in Indonesia, management of Phillips Seafood has told the union and government officials that only US management has the authority to make the changes the union is demanding. When a representative of US management visited the factory on June 12, however, he avoided talking with workers and the union and abruptly left the factory when workers organized a demonstration.

## **FOOD PROCESSING**

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### **Proposed IUF Food Processing Division**

On June 26 and 27, 2017 IUF affiliates with food processing membership met in Chicago to discuss the creation of a food processing division within the IUF and to strengthen trade union organization and action within major food processing TNCs. The conference endorsed the creation of an IUF Food Processing Division to be proposed formally to the IUF 27<sup>th</sup> Congress. The proposed division will aim to build an international union organization supporting the fight for safe, secure and well-paid jobs in the food processing industry. It will particularly extend focus on those TNCs and food processing subsectors not already covered by existing IUF work.

### **Cargill**

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The IUF has conducted extensive mapping of Cargill and has found that the greatest union density exists in Cargill's protein (beef, pork, and poultry) and food processing operations. The IUF Secretariat is planning an initial English speaking call of IUF affiliates with Cargill membership in these two subsectors during September to assess issues and next steps. If you would like to participate in this call and/or have a person from your union participate on this call, please contact [sarah.meyer@iuf.org](mailto:sarah.meyer@iuf.org).

### **Danone**

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A special meeting of European delegates in the CIC took place in Geneva on April 20, with a follow-up meeting in Paris on June 14. These meetings took place in response to a new Danone restructuring plan affecting primarily

management positions in support structures in Danone's European dairy division. Delegates expressed concern over yet another project which will not only mean job cuts but changes to working conditions for those whose jobs are not directly affected.

The IUF Secretariat was invited to a meeting of Danone delegates from FGA-CFDT in Evian on June 22. There was engaged discussion with the delegates on IUF work with Danone, particularly with respect to the Agreements and rights issues at Danone enterprises globally.

### **Jacobs Douwe Egberts (JDE)**

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The IUF is seeking to gain a greater understanding of the union picture in Jacobs Douwe Egberts (JDE) with the intention of strengthening union organization in one of the world's largest coffee and tea producers.

In early September, the IUF Secretariat plans to schedule an initial English speaking call of IUF affiliates with JDE membership to assess the range of issues there might be and how we can jointly work to address them. If you would like to participate in this call and/or have a person from your union participate on this call, please contact [sarah.meyer@iuf.org](mailto:sarah.meyer@iuf.org).

### **Kraft Heinz**

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Work continues on Kraft Heinz with affiliate support in research and communications. Kraft Heinz' and majority shareholder 3G's business model is built on a cycle of borrowing to fund acquisitions, paying down debt through radical cost-cutting and job destruction and then repeating the cycle. Information and financial analyst reports indicate that Kraft Heinz is nearing the end of this cycle meaning Kraft Heinz will need to acquire again. Those who have and will continue to be adversely impacted are Kraft Heinz' workforce and those in the company Kraft Heinz acquires.

IUF Kraft Heinz unions and their members must be well organized to face Kraft Heinz and other 3G companies (e.g. AB Inbev). The IUF suggests that affiliates organize meetings with plant management and request detailed information about the impact of any proposed restructuring on jobs and working conditions. Please inform the IUF Secretariat ([sarah.meyer@iuf.org](mailto:sarah.meyer@iuf.org)) of any findings.

### **Mondelēz**

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IUF affiliates with Mondelēz membership are planning next steps including ground and digital

action as it relates to Mondelēz. This will build on the activity that has taken place in 2016 and the beginning part of 2017.

### **Nestlé**

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### **Women workers – progress in South Asia**

The IUF-affiliated **Pakistan Food Workers' Federation** continues to make progress on gender equality in Pakistan. The number of women workers converted to direct, permanent employment is now 105 at the Nestlé Kabirwala factory, up from 35 at the start of 2017. This largely results from engaging with Nestlé corporate management at regional level as well as national management in order to guarantee a safe workplace for women.

IUF representatives Qamar, IUF South Asia Officer, and Saima, IUF South Asia Gender Equality Officer, joined our affiliate on June 22 at the Nestlé Kabirwala factory where Claudia Thumm, Regional Vice-President for Human Resources from Nestlé headquarters in Vevey inaugurated new facilities for women workers linked to this advance for women workers.

A new hostel on the factory site now provides free accommodation for women who work on second shift or work late. Free transportation is also provided for women reducing the risk of harassment and abuse in the street while trying to get public transport. In addition to new women's changing rooms and wash rooms, there are day care facilities established as part of this initiative.

On July 26-27 in **Goa, India** IUF representatives met with global and national managements at a joint gender awareness training event for 15 union leaders and 9 factory management from the Bicholim and Goa plants was a first step aimed at tackling discrimination (and potential resistance) to the hiring of more women in production. The next step will be to oversee the conversion of more women contract workers to permanent jobs while also creating a safe workplace.

In **Indonesia**, more women have been hired in production on a permanent basis in Nestlé Karawang. We also secured direct temporary employment for 6 months for 12 young women workers (19 to 23 years) who were previously terminated when their contracts with the labour hire agency ISS ended. Although the contracts are initially only for 6 months they will receive training and an employment certificate from Nestlé.

At the **European Works Council (EWC)** meeting which took place in Geneva on June 20-21, the main items on the agenda were developments in the European chocolate and confectionery business, support to GMB and UNITE fighting job cuts and changes to working conditions at the UK chocolate factories and union coordination around the “Nestlé Business Excellence” programme, which consolidates back office activities.

A working group composed of EWC delegates met with European management in Vevey on July 3 to discuss the union proposal of a Memorandum of Understanding on measures to be taken at national level to mitigate the effects of the implementation of NBE on jobs and working conditions. The proposed document is based on a collective agreement signed in April between the NGG and Nestlé Germany.

### **Unilever**

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Members of UFCW Local 400 approved a first collective agreement on July 24 which brings significant gains for workers at Unilever’s Lipton tea factory in **Suffolk, Virginia (USA)**. Member ratification of the agreement brings to fruition an organizing and bargaining effort which began last year with UFCW support for workers seeking union representation.

In August 2016, a majority of workers voted to be represented by UFCW Local 400. Recognition was followed by months of tough bargaining. The agreement now ends the forced overtime regime by limiting the number of consecutive work days. Previously, workers could be required to work 13 days out of 14. The agreement also brings significant improvements in health care coverage and a 2.25% wage increase for 2017, retroactive to January, and annual 2% wage increases for the following three years of the 4-year contract.

In an [excellent local news media presentation](#) Suffolk workers talk about what the agreement means to them.

Ongoing negotiations between the IUF and Unilever corporate management, built on Unilever’s recognition of the IUF, established a framework for ensuring that the Suffolk workers could effectively exercise their right to join a union and their collective bargaining rights.

The Suffolk factory produces Lipton tea bags for the entire North American market.

## **HOTEL CHAINS**

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### **Meliá**

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Joint presentations to workers at the Meliá ME London Hotel on July 10 by management and the IUF affiliate Unite introduced employees to the union and its activities. The meetings were the practical outcome of an agreement reached in April in Mallorca Spain between Unite and Meliá, facilitated by the IUF with the participation of the Spanish unions CC.OO and UGT. The UK agreement was negotiated to implement effective compliance with the 2013 international recognition agreement between the company and the IUF.

### **IUF International Housekeepers’ Campaign**

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

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In response to a legal challenge from CC.OO Servicios, 'multiservice' provider Externa Team has been fined EUR 2.6 million for fraudulently employing 275 hotel housekeepers on fake 'training' contracts at Hotusa hotels since 2013. Under this scheme, the workers were required to clean 14 rooms daily in a 6-hour shift for a monthly wage of EUR 601. The workers had previously earned double that as full-time Hotusa employees. Employees are dismissed and then re-employed by the service company, still performing their previous job but at a fraction of their previous wage. Under this scheme, 120,000 hotel housekeepers in Spain have lost 40% of their pay since 2012. Employers have exploited the legislation to legitimize the practice through bogus 'collective agreements' with selected employees. The Spanish unions have challenged these fake agreements, with the result that a first group of 46 such agreements have now been voided by the courts.

## **MEAT DIVISION**

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### **JBS**

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The IUF is monitoring the USD 1.8 billion divestment plan by meat giant JBS following the leniency agreement with Brazilian prosecutors which imposed USD 3.1 billion in fines in the wake of widespread bribery and corruption.



Sales of meat processing facilities in Paraguay, Uruguay and Argentina have been approved by Brazilian authorities. JBS also plans to sell both its Five Rivers Cattle Feeding business in the United States and Northern Ireland based chicken processor Moy Park. The latter is one of the UK's top 10 food companies which claims to supply 25% of the chicken consumed in Western Europe.

Moy Park was acquired from rival Brazilian food company Marfrig for USD 1.5 billion just two years ago.

Affiliates have been asked to notify the IUF Secretariat ([james.ritchie@iuf.org](mailto:james.ritchie@iuf.org)) of any threats to jobs and incomes as the JBS divestment process proceeds.

## **TOBACCO**

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### ***Philip Morris International***

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On behalf of our US-affiliate FLOC, the IUF Secretariat has met with representatives of Philip Morris International (PMI), headquartered in Lausanne, to discuss ways in which PMI could contribute to the positive resolution of the struggle in the United States over union representation and collective rights on tobacco farms.

### ***British American Tobacco (BAT)***

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The acquisition of Reynolds America by BAT has strengthened longstanding ongoing efforts to involve BAT directly to ensure access to rights of US tobacco farm workers.

### ***A Global Call.....***

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Support will be sought at the ***IUF 27<sup>th</sup> World Congress*** in August/September 2017 to widen this struggle amongst IUF agricultural members representing workers in tobacco growing. Support from tobacco manufacturing affiliates and the wider IUF membership will be critical going forward.

## **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. They should be sent to [iuf@iuf.org](mailto:iuf@iuf.org)

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