

PRESS



**International Union of Food, Agricultural, Hotel, Restaurant,
Catering, Tobacco and Allied Workers' Associations**

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Global Rights for Global Nestlé Workers

For growing numbers of Nestlé workers around the world, it's "Good Food - Good Life - Goodbye to Union Rights in the Workplace". We call this **Nespressure** - in the race to create "shareholder value" Nestlé workers are being left behind.

Nestlé in 2008 spent CHF 8.7 billion buying back its own shares on the stock market in order to reduce the number of shares in circulation and boost the earnings per share ratio. That's over half of what the company claims to have spent on wages and salaries, and nearly double the capital expenditure for the year! Together with the enormous dividend hike, this is money that was not invested in research, new capacity, training, improved wages and pensions or other benefits for what Nestlé calls "our people". What it actually represents is the growing diversion of enormous amounts of cash to shareholders, against a background of persistent violations of trade union rights.

Beginning in 2007, the union at Nestlé's chocolate factory in Perm, Russia, sought negotiations for a collective agreement to improve on poverty wages. Management consistently refused to release basic information concerning wage scales or even the number of workers in each wage category, claiming that such information was confidential and it was Nestlé policy to exclude wages from collective bargaining. It took 6 months of local, national and international solidarity actions and an IUF submission to the OECD for Nestlé to grudgingly respect this basic workers right.

Now the same tale is being repeated in Indonesia's Panjang Nescafé factory. Nestlé Indonesia management refuses to disclose the wage scale to workers, claiming it's a company secret and wages are set according to the market. In April 2009, Panjang Nescafé workers received their individual semi-annual wage increases in a blank envelope. The official annual increase in the cost of living was 14.82%. Some

employees received 9%. Other workers received 16%, 18% and up to 25%. Workers have no way of knowing who receives how much - or why.

United Nations' ILO Conventions - part of international human rights law which Nestlé claims to respect - establish workers' right to negotiate collectively through their unions with employers. To do this, they need relevant information - and no information is more basic than the right to know the wage structure and how it is set! By withholding information and refusing to negotiate wages, the company seeks to marginalize the union at the workplace.

The more we look, the more we find. As in Indonesia, wages at Nestlé India are imposed - not negotiated. Not a single Indian Nestlé worker's wages are today established by a negotiated collective agreement!

The IUF is therefore responding to these global violations with a global fight for union rights in the workplace. "Nestlé's Corporate Business Principles state their commitment to establishing a "constructive dialogue" with unions", says IUF General Secretary Ron Oswald, "Yet when it comes to their basic obligation as an employer - the world's largest food employer, in fact - they fail to recognize unions and negotiate in good faith in conformity with international standards. Refusing to negotiate wages is a blatant violation of ILO Conventions and of the OECD Guidelines which specifically apply to transnational corporations. The IUF and its members around the world will campaign globally until union rights at Nestlé are globally respected."

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The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) is an international trade union federation composed of 375 trade unions in 120 countries with an affiliated membership of over 2.6 million members. It is based in Geneva, Switzerland.