

TNC UPDATE #39

03-2019



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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A November 2018 assessment visit (see TNC Update #38) resulted in a number of recommendations focussed on freedom of association and collective bargaining rights at the company's **Honduran melon producing facility**.

In line with one of the recommendations a first meeting between the company and the national agricultural trade union STAS took place on January 11, 2019. That meeting concluded with a ground-breaking first agreement signed by the union and corporate management.

The agreement included recognition of STAS and a commitment that STAS members who STAS and others claimed had not been re-hired as seasonal workers because of their union allegiance, would be offered work. The agreement represented an important first step towards implementation of the recommendations of the assessment team. However, days after the agreement had been signed the company made it clear that it was not in a position to implement the agreement it had signed. This represented a major setback and efforts are currently underway to secure full implementation of this first agreement that would then pave the way for any further steps needed to ensure the company is operating in Honduras in compliance with international human rights standards.

BEVERAGES

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The Coca-Cola Company

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IUF affiliates continue to support workers struggling to access their rights in Haiti, Indonesia, Ireland, the Philippines and the USA.

[CLICK HERE](#) to send a message to The Coca-Cola Company, demanding the company remedies these ongoing human rights violations within the Coca-Cola System.

In December 2018 an international IUF delegation to the **UK and Ireland** highlighted ongoing human rights failures by The Coca-Cola Company. In the UK the delegation outlined rights abuses by Coca-Cola at meetings with UNITE during its National Executive Committee meeting. The delegation also met with the national trade union centre the Trades Union Congress (TUC), representatives of the National Union of Students and UK Labour Party representatives. See photos from the solidarity tour in the UK [here](#).

Campaign meetings were held in Ireland with IUF-affiliated SIPTU, with the Irish Congress of Trade Unions and with organizations representing high school and older students. SIPTU, whose members are fighting for rights and recognition at The Coca-Cola Company's bottling plant in Ballina, has produced a [short video](#) in which trade unionists and student activists pledge their support for the global campaign.

The IUF lodged an **OECD Guidelines for Multinational Enterprises** complaint against The Coca-Cola Company. The complaint was sent to the Irish government's National Contact Point (NCP) on November 21, 2018.

Workers at Coca-Cola **Indonesia** fighting to form and join independent and democratic unions have again confirmed their confidence in union leaders victimized by management. At a general membership meeting on February 5, Lutfi Arifiyanto was re-elected chairman of the independent SBMCC, the union of workers at Coca-Cola Indonesia in Bawen, Java. The Bawen workers' solid support for their union chairman follows the re-election last June of Atra Narwanto as chairman of the independent union SBCCD at the company's Cibitung distribution center.

On February 5, 2019, Coca-Cola Beverages Workers Union (CCBWU) in **Pakistan** held its second General Council meeting. Delegates expressed their continued outrage at the ongoing human rights abuses within parts of the Coca-Cola system. The General Council of CCBWU also adopted two policy documents. One focused on issues linked to the union's work with young workers and the other setting out a clear zero tolerance position on sexual harassment.

Also in **Pakistan** a new Coca-Cola plant started to operate in Faisalabad. Workers who were earlier transferred to Multan and Lahore for skill training following closure of the old Faisalabad plant have now returned to Faisalabad following an earlier agreement with the union.

The IUF is working with Haitian members of affiliates in the US to strengthen support for the ongoing fight of Coca-Cola workers in **Haiti**.

In **Nicaragua**, the IUF-affiliated SUT-INARSA that represents Coca-Cola workers signed a new CBA maintaining jobs despite the company's attempts to reduce costs through job cuts.

Workers at the Coca-Cola Fuenlabrada plant in **Spain** have signed an agreement with Coca-Cola European Partners (CCEP) to settle the conflict which began in 2014 when the company decided to close plants and dismiss more than a thousand workers. After 4 years of struggling to maintain jobs, Fuenlabrada workers finally secured a commitment from the company to open a manufacturing center in Madrid within two years following the closure of the logistical center that the plant in Fuenlabrada had been converted into. Workers under 58 years old are guaranteed jobs at that facility. Workers over 52 years old can activate early retirement between January 2019 and January 2021 depending on their precise age. They will be salaried up to that point. Workers will be guaranteed full wages until jobs at the new facility are available.

An **IUF Global Coca-Cola Workers Alliance** meeting will be organized on April 8-9, 2019 in Geneva. Please contact the IUF Secretariat at burcu.ayan@iuf.org urgently if your union wishes to join this meeting.

PepsiCo/Frito-Lay

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On November 29, after long and difficult negotiations, the Union of Workers of the Frito-Lay Compañía Limitada (SITRAFRITOLAY) and the PepsiCo subsidiary in **Guatemala** signed a collective agreement for the first time. The agreement will be valid for three years (2019-2021). A salary increase was negotiated and a joint commission will review both salary scales and the level of productivity bonus. Other significant aspects of the agreement ensure job stability and recognize SITRAFRITOLAY as the majority union.

The failure of local management to recognize SITRAFRITOLAY in production and two other unions representing sales force and delivery workers had been raised by the IUF Secretariat with international corporate management. The

company subsequently agreed to recognize all three unions and started negotiations leading to this first collective agreement.

According to reports in the financial and industry press, PepsiCo workers and their unions will be confronted with accelerated new technology and automation in facilities linked to a strong push to reduce labour and other operating costs. In workplaces where IUF affiliates are organized, our members will no doubt demand that any deployment of new technologies and automation will have to be a key issue for collective bargaining.

PepsiCo and Frito-Lay members should inform the IUF Secretariat at burcu.ayan@iuf.org if and when you face any restructuring plans including any instances where new technology is being deployed. In this way we can keep our membership in the PepsiCo and Frito-Lay international union network informed and offer each other whatever support and solidarity is possible.

The IUF Secretariat produced surveys on **gender equality** and **occupational health and safety (OH&S)** for affiliates that represent PepsiCo and Frito-Lay workers. The IUF Secretariat is trying to establish whether and which discriminatory practices exist in PepsiCo and Frito-Lay operations in hiring, employing, and promoting women workers particularly in production and distribution. Replies to the OH&S survey will help the IUF and its affiliates develop strategies and policies to improve OH&S conditions for PepsiCo and Frito-Lay members. Please contact the IUF Secretariat at burcu.ayan@iuf.org to receive copies of these two surveys.

A PepsiCo and Frito-Lay international union network meeting will take place on April 9-10, 2019 in Geneva. This meeting will review the IUF's ongoing work in the company and advance an affiliate strategy aimed at building a strong trade union rights and union bargaining base for IUF affiliates within PepsiCo and Frito-Lay. Please contact the IUF Secretariat at burcu.ayan@iuf.org to receive the meeting invitation and participation form.

BREWERIES

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AB InBev

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For over 374 days, workers and their union at the AB InBev Sonapat plant have been fighting union-busting and local management's ongoing refusal to reinstate unfairly terminated union

leaders. Continued peaceful protest action by the Haryana Breweries Limited Mazdoor Union (HBLMU) has secured the unconditional reinstatement of two union members and more workers are joining the union. The struggle for the reinstatement of unfairly terminated union leaders continues.

[PLEASE CLICK HERE](#) to call on AB InBev to put an end to the victimization of HBLMU leaders, ensure their unconditional reinstatement and enter into good faith negotiations for a new collective bargaining agreement with the HBLMU at the Sonapat plant. Please use your union's social media accounts and any other communication channels to continue to build support for this fight and spread the word.

The IUF Secretariat continues to work with AB InBev affiliates, particularly in Belgium and the USA, to put more pressure on corporate management to remedy ongoing rights violations.

DAIRY DIVISION

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Arla Foods

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The next IUF/Arla Foods meeting will be held in Amsterdam on March 20. A sub group tasked with reaching agreement on a joint commitment to prevent sexual harassment in the workplace will meet prior to the meeting.

Lactalis

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The IUF convened an **international meeting of unions with members employed by the Lactalis Group** in Geneva on January 30-31, 2019. Affiliates from the European, Latin America and Asia Pacific regions attended.

The meeting received reports from a number of affiliates concerning the company's denial of workplace union representatives' right to fulfill their responsibilities as elected workplace leaders. The IUF Secretariat requested affiliates to forward factual and detailed information concerning labour rights violations in order for the IUF to build a dossier on company actions which infringe rights. Once received, consideration will be given to how the information may best be used to demand the company cease violating rights at work.

The meeting agreed to establish a functioning alliance of Lactalis unions and the Secretariat will develop a declarative document for affiliates to sign which pledges mutual solidarity and support.



The **Ukraine** Lactalis union received unanimous support from affiliates in their efforts to lift wages from an extremely low base to an appropriate living wage.

A major goal of the international union alliance is to win recognition by Lactalis of the IUF as representative of a large majority of organized workers within the Lactalis Group in order to support IUF members and to enable discussion of rights issues with the company in a formalized structure.

FOOD PROCESSING

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Cargill

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Fourteen union activists and members of IUF affiliate Tekgida-İş, now known as #TheCargill14, were unfairly dismissed from their jobs on April 17, 2018 while organizing a union at Cargill in Bursa-Orhangazi, **Turkey**. Protesting now for over 290 days, the Cargill 14 remain united. Their fight to have their trade union rights respected has been covered across the Turkish press and social media.

IUF affiliates with Cargill membership have contacted the company calling on Cargill to reinstate the 14 dismissed union members and to respect their right to freedom of association. Most recently, 25 IUF Cargill affiliates signed on to a joint open letter, which has gone to Cargill's top management demanding that these 14 union activists be reinstated with full back pay and that Cargill workers be allowed to access their right to freedom of association in Turkey without management interference.

If you have not yet signed the Cargill Urgent Action demanding reinstatement of the Cargill 14, you can do so [here](#).

Danone

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The most recent IUF-Danone Global Engagement meeting took place on December 20, 2018 in Paris. Main topics on the agenda included a discussion of the IUF/Danone agreements review process, the joint IUF-ITF road transport logistics supply chain work, issues emerging around compliance with the IUF/Danone agreements and broader rights issues. To strengthen compliance with the IUF/Danone Agreement on health, safety, working conditions and stress, the IUF and

Danone will jointly identify indicators addressing issues around stress.

There will also be further attempts to identify the concrete basis for allegations that Danone Russian management is actively resistant to workers being able to freely choose union membership and obstructive when faced with unions' efforts to secure meaningful collective bargaining rights.

IUF/Danone discussions will continue to ensure that workers wishing to form and join independent trade union organizations are not impeded by local management actions in Danone's **Indonesia Aqua** business.

The IUF-affiliated Food and Services Union (ACV-CSC) successfully negotiated a local agreement with **Danone Dairy Belgium** building on the **IUF-Danone Agreement on Sustainable Employment and Access to Rights**. The local agreement provides Danone Rotselaar dairy plant workers with a concrete list of functions which can and cannot be done by agency workers. Find the full story [here](#). This agreement marks the first substantive use of the international agreement to reach a local actionable agreement addressing sustainable employment. Find [here](#) the local agreement in Dutch and French. The ACV-CSC has thanked the IUF for signing with Danone this important [Sustainable Employment and Access to Rights Agreement](#), and particularly the fact that it mandates and facilitates local negotiations aimed at limiting casual employment.

Danone Wave, USA

With its acquisition of White Wave (now Danone Wave) in the USA, Danone has significantly grown in that country. IUF work with affiliates over past years had ensured employees at the Danone US facilities had been able to freely choose to exercise their right to join a union. Workers had joined unions across virtually all Danone's production operations prior to the acquisition. White Wave however had a significant number of production facilities that have remained non-union, in part as a result of the White Wave company's position of discouraging union membership in some facilities. At a February 6, 2019 meeting in New York with three US affiliates and the IUF Secretariat, Danone corporate and US management agreed that the principles of neutrality that Danone had previously agreed for its own operations prior to the acquisition would be applied across all Danone Wave facilities. Ongoing discussions between the affiliates present on February 6, the IUF Secretariat and

the company would develop concrete guidelines and local agreements as to how that would happen in practice.

Danone's road transport logistics supply chain

Representatives of the International Transport Workers federation (ITF), the IUF Secretariat, Danone human resource corporate management and the head of Danone's logistics procurement department met for a 2nd time in Rotterdam on February 18, 2019. The meeting reviewed the ITF's analysis of exploitation in the European road transport logistics sector and Danone's existing work with road transport suppliers. Future work would include an assessment of the due diligence model applied to the sector and of potential improvements to the standards applied based on agreed high risk areas within the sector.

Jacobs Douwe Egberts (JDE)

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Jacobs Douwe Egberts (JDE) workers in the **Netherlands** and their union FNV now have a new collective bargaining agreement following two effective 24-hour strikes in Joure and Utrecht on November 19 and November 22, 2018.

The new agreement provides for a 5.8% wage increase over the course of two years and two months – above the national average increase negotiated in Dutch collective bargaining agreements in 2018. Following the two strikes, JDE dropped its initial proposal to create a 2-tier wage system which would have paid new workers substantially less than those hired earlier.

Throughout the conflict the IUF Secretariat kept JDE affiliates in other countries fully informed in the event further international support might have been needed.

Kraft Heinz

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The IUF Secretariat will work to foster more frequent information sharing and coordination amongst IUF Kraft Heinz affiliates. At a future time and if there is sufficient usable data, the IUF and its Kraft Heinz affiliates will revisit the possibility of formulating a critique of the increasingly discredited Kraft Heinz financial strategy for an investor audience. Ongoing organizing and campaign activity would necessarily accompany such a critique.

Mondelēz

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Trade union representatives from 18 unions, 13 countries, and 6 continents gathered in Brussels on September 5 and 6, 2018 to develop plans for union action to protect their members' futures in Mondelēz. Defending trade union rights, combatting job destruction and stopping the growth of precarious work were at the top of the agenda.

International coordination and cooperation continues among IUF affiliates with membership at Mondelēz in an effort to achieve international recognition of the IUF among other goals.

Nestlé

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As reported in the last TNC Update, during the Nestlé-IUF bi-annual meeting on November 19, 2018, Nestlé corporate HR management undertook to provide a response to the IUF draft proposal for an agreement on workers' access to freedom of association and collective bargaining in the **United States** and to do so within an agreed time frame. Just prior to the expiry of the 10-day time frame, Nestlé requested a 4 week extension to provide a detailed response to the draft proposal.

At the end of January however, the company communicated to the IUF that they would not provide such a response and instead insisted such an agreement as was being proposed by the IUF was contrary to US law. Nestlé proposed a further meeting in the United States where the Company would explain in detail the legal impediments.

IUF General Secretary Sue Longley met with Executive Vice President and Head of Group HR Béatrice Guillaume-Grabisch on February 4, noting that the company had failed to deliver on its commitment.

In the IUF-Nestlé bi-annual meeting in November, it had been made very clear to the company that reaching agreement on workers' access to freedom of association and collective bargaining in the United States must be resolved by Nestlé and the IUF global team. This follows the repeated refusal by Nestlé North America to enter into good faith negotiations on the proposal.

The IUF Secretariat is seeking an urgent meeting with the CEO Zone Americas Laurent Freixe. The issue will remain a priority for the IUF work with Nestlé until the issue is resolved.

Aggressive cost cutting was a feature of Nestlé operations in 2018, and it continues to dominate in the New Year with a new round of closures and outsourcing.

On January 11, 2019, Nestlé announced its intention to close its confectionary and coffee factory in **Romania** which employs 388 workers, by the end of May. The IUF argued that the company reasoning behind the closure was flawed. Nestlé blamed staff shortages and production gaps but the local union argued poor management decisions should have been corrected a long time ago. Negotiations are currently under way between the IUF Romanian affiliate **SINDALIMENTA** and local management.

In February, Nestlé announced the sale of its Aintree Purina Petcare factory in the **United Kingdom** to the Lincolnshire local family-run pet food producer, Fold Hill Foods. As part of the 4-year co-manufacturing agreement, there will be no redundancies or job losses and the new owner will continue to manufacture Nestlé's Bonio and Winalot Shapes, the 2 biggest dog biscuit brands in the UK while also introducing Fold Hill branded products. The IUF-affiliated **GMB**, representing the workers at the factory, is currently in the process of consultation with the local management.

On January 15, 2019, Nestlé dismissed around 100 workers at its Cordeirópolis facility in **São Paulo, Brazil** without appropriate notice to the workers or their union, **STIAL**. Nestlé had decided to outsource warehouse workers to an agency and the new workers were to receive significantly lower wages and substantially decreased benefits than those direct hire employees covered by the collective bargaining agreement which was successfully re-negotiated at the end of 2018. On January 24 a local Labour Court determined that Nestlé had failed to consult the union and its members as stipulated by law and ordered Nestlé to reinstate all dismissed workers on their original terms and conditions.

The company is in violation of the OECD Guidelines for Multinational Enterprises as well as local law and the IUF has demanded that corporate management at Nestlé headquarters in Vevey ensure that local management enters into good faith negotiations with our Brazilian affiliate STIAL to protect jobs and incomes.

At **Perm Russia**, Nestlé has outsourced the palletization functions and justified the decision by explaining that the service was non-core to Nestlé operations and that current palletizers

have been offered jobs on the manufacturing lines. The IUF raised strong objection to such outsourcing directly with corporate management at Nestlé headquarters and demanded they ensure that Russian management enter into good faith negotiations with the union.

Perfetti Van Melle

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After 160 days [struggling for recognition](#) and overcoming management efforts to undermine the right to freedom of association, the union at Dutch-based global confectioner Perfetti Van Melle in **Bangladesh** was granted legal collective bargaining status on February 17, 2019.

Workers and their union representatives came under sustained management pressure after a large majority of workers at the company's Gazipur factory formed the Perfetti Van Melle BD Pvt. Ltd. Employees' Union and applied for legal registration of their organization on November 11, 2018.

The IUF and its affiliates FNV and FLAI-CGIL contacted the company requesting that Perfetti Van Melle acts to ensure that management in Bangladesh refrain from interfering in trade union registration and engage in good faith negotiations with trade union representatives. On February 17, the union's courageous struggle was rewarded when it was granted legal collective bargaining status.

Unilever

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Unilever: agreement on limiting non-permanent employment in manufacturing

In January 2019, the IUF, IndustriALL and Unilever signed a **Joint Commitment on Sustainable Employment in Unilever Factories**. The agreement strictly defines the legitimate use of non-permanent manufacturing employment, clearly states that it cannot be used for recurring tasks or to undermine permanent employment and enumerates the human rights risks inherent in non-permanent employment, including risks to union representation and collective bargaining rights. It establishes a platform for negotiations at all levels on rights impacts arising from the use of non-permanent employment in manufacturing should unions seek to raise them with management. The agreement will be subject to continuous review.

The agreement was signed by Marc Engel, Chief Supply Chain Officer and Leena Nair, Chief HR Officer for Unilever, and we anticipate that it will be formally signed by the new CEO Alan Jope at

the May 10 bi-annual meeting with the company. We will publicize it further at that time; however, the agreement is considered to now be in effect.

The agreement was developed in the context of the IUF's ongoing work with the company on reducing non-permanent employment – a continuous effort since 2010. That work is also being carried forward through joint IUF/Unilever plant-level investigations/assessments, first in Ghana (August 2018) and in Hungary (February 2019). Further assessments are planned, including in the Asia/Pacific region.

Unilever's road transport logistics supply chain

The IUF/ITF initiative to raise social standards in Unilever's European road transport logistics supply chain is being advanced at Unilever through a joint steering group made up of representatives of the IUF, the ITF and Unilever. To date the steering group has drawn up an agreed set of supply chain standards specifically addressing the major risks currently present in the sector. Work is also underway to develop a due diligence model designed to meet the particular challenges this part of Unilever's global supply chain presents.

HOTEL CHAINS

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In August 2018, the IUF General Secretary wrote to AccorHotels urging them to remedy serious human rights violations that happened at two AccorHotels branded facilities in **Myanmar** and **Indonesia**, and to cease their anti-union activities. The IUF proposed to trigger the clause in the IUF-ACCOR agreement, which states: *“any differences arising from the interpretation or implementation of this agreement will be examined jointly”*.

The company agreed to conduct a joint investigation on January 23 and 24 in Jakarta. The joint investigation team made recommendations in the spirit of assisting AccorHotels to fulfil its obligations under the OECD Guidelines. The joint investigation team will review progress on the above recommendations before February 28, 2019.

AccorInvest

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Sexual harassment protocol

As already announced, the Secretariat has exchanged a draft text with the company, in efforts to reach an international agreement on the prevention of Sexual Harassment at AccorInvest owned hotels.

Marriott

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In November 2018, the Secretariat asked affiliates to send to Marriott regional or national management letters highlighting issues workers have been facing and the CEO's refusal to negotiate a policy to protect workers from sexual harassment. This action, intended to keep pressure on Marriott corporate management, has seen no formal outcome so far.

In the **US**, UNITE HERE has successfully reached agreements for all workers on strike, which resulted in increased wages over the life of the four-year contracts, with major wage increases for housekeepers, together with reduced workloads and reductions in subcontracting. Protection for staff exposed to the risk of sexual harassment has been significantly enhanced. The agreements also provide a framework for negotiating the introduction and impact of new technologies.

To track all workplace violations perpetrated by Marriott and actions taken by affiliates in the campaign, the IUF has launched a specific website www.workersofmarriott.org

Meliá

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Annual IUF/Meliá meeting

The IUF/Meliá annual meeting was held on January 17, to review the implementation of the international worker rights agreement. Among others issues there was a discussion about progress made in implementing the agreement in the UK, and it was agreed to explore the possibility of holding a meeting between UNITE/MELIA/IUF, to be held in London, aimed at finding a more effective way to implement the agreement in the UK.

Preventing sexual harassment at the workplace

During the meeting, the **MELIÁ-IUF Joint Commitment on preventing sexual harassment** was signed. The Secretariat will work on the practical implementation of the agreement through negotiations at global and

local level, and an upcoming meeting with Meliá global HR team was agreed to develop future action to ensure implementation.

IUF International Hotel Housekeepers Campaign

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

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The IUF Secretariat is working with major hotel chains, namely Meliá and AccorInvest, to define better standards for hotel housekeepers.

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

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