

Paul Adams  
Chief Executive  
British American Tobacco p.l.c.  
Globe House  
4 Temple Place  
GB - London WC2R 2PG

ro/jb/0693

Geneva, 9 May 2007

## **OPEN LETTER**

Dear Mr. Adams,

Our affiliate, the BAT Employees Union of Malaysia has brought to our attention a case of thinly disguised union busting at the BAT plant in Kuala Lumpur, Malaysia.

We have looked into the matter and felt compelled to write you this Open Letter seeking your response to uphold the basic right of all employees to a union of their choice.

We refer to two groups of workers who have recently been de-unionised by BAT management. Together, they formed the overwhelming bulk of the workforce at the Kuala Lumpur plant.

The first group is the Trade Marketing and Distributions Representatives (TMDR).

On January 9, 2007, without any serious prior discussion with the union, your management conducted nation-wide briefing sessions to all Trade Marketing and Distribution Representatives (all union members) about 250 in total. At that briefing, all were told (1) that all TMDR will be given new, "upgraded" jobs as either Trade Marketing Representatives or Sales & Distribution Representatives; (2) that both these jobs are "managerial" in nature and outside of the union's scope; and (3) that approval had been obtained from the Ministry of Labour for these two new job category to be non-union; (subsequently, the union's written request for a copy of this "approval" was denied by the Management). There and then, all were given a new contract of employment and given no option but to sign on immediately. Time to consider their position, to seek advice or clarification or to discuss matters with the union was blatantly denied!

On January 10, 2007, BAT management wrote to the union to advise that the category of employees designated as TMDR is not covered by the Collective Agreement and these employees have assumed new positions that are within the management category.

In response the union advised management that more than 80% of the affected union members had written to the union to protest the manner they were forced to sign the new contract and expressed their desire to be members of the union. Receiving no satisfactory response from management, the union is challenging the decision by asking the Ministry of Labour to investigate and express a view on this issue.

The second group is the "Process Technicians" (nearly all of whom are union members). Your management claims that the upgrading of "process technicians" to "process specialists" has resulted in a new category which is managerial and hence outside of the union scope. The union sees no significant difference between the job descriptions of these two categories; they are both basically machine operators tending to cigarette making machines, three to a machine in the case of technicians and two to a machine in the case of specialists. Not only is this an exercise in union busting, it is also a cover for a sneak, unilateral drastic reduction in the workforce and an increase in workload as well as a cover for the outsourcing of the Technical Service Dept (15 union members) in blatant contempt of the spirit if not the letter of the existing collective agreement.

At the same time, a "Voluntary Separation Scheme" was also publicised to frighten workers into opting for the higher category job or opt for the "voluntary" separation scheme. The alternative is an announced retrenchment if management's target for workers to go "voluntarily" through VSS is not met!

The union's Biennial General Meeting held on September 3, 2006 unanimously condemned the re-designation of "process technicians" to "process specialists" as a union busting tactic.

The union is challenging the decision of the Minister for Labour who has endorsed the management's contention regarding the "process specialist" by filing a case in the High Court.

It is frankly nonsense for your management to say with a straight face that the overwhelming bulk of the workforce has been designated as "managerial" and hence outside the scope of the union. If all are managers, who is supposed to make cigarettes?

Even if the "Process Specialists" and the newly created jobs of "Trade Marketing Representatives" and "Sales & Distribution Representatives" have upgraded responsibilities why can't the employees who fill these posts have the right to be represented by a union if they so wish?

If BAT strips workers of their basic union rights, an explanation is called for. The use of the a new designation and the re-classification of the bulk of the workforce into the "managerial" category is not sufficient.

We trust you will be able to provide an explanation even if BAT Management in Kuala Lumpur refuses to do so.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Ron Oswald', with a long horizontal line extending to the right.

Ron Oswald  
General Secretary