



President
Hans-Olof Nilsson

General Secretary
Ron Oswald

Open Letter To Mr Peter Brabeck-Letmathe on the Occasion of the ILO MultiForum 7 Geneva, 16 November 2007

Dear Mr Brabeck-Letmathe,

I am writing in the name of the thousands of unionised Nestlé workers we count among the IUF's world-wide membership.

You are no doubt aware of Nestlé's regrettable decision to veto the IUF's presence on today's panel. That decision was taken despite the recommendation of the ILO Workers Group that the IUF was the legitimate, logical counterpart to a global food company like Nestlé. Nestlé's response to the ILO was an arrogant rejection of the IUF. Nestlé's "veto" was only lifted when Nestlé could find no other legitimate trade union leader willing to take the IUF's place. Our thousands of members who work for Nestlé frankly deserve better than a grudging last minute invitation to this event. We are therefore not on the platform with you today.

This is a disappointing and arrogant act on your company's part, consistent with Nestlé's ongoing refusal to recognize the IUF beyond the borders of Europe. However, it comes as no surprise in the context of the company's wish to avoid discussion of its social policies outside Europe.

If best practice is what the panel is about, it is truly shameful that Nestlé chooses to talk principally about Europe, a region where best practice is legislated and less than best practice would not be tolerated by a strong trade union presence in most Nestlé workplaces.

There are far more serious challenges to a company's ethics in other parts of the world.

In Pakistan, for example, a country where rights are at a premium, it took a court decision to stop management interference in union elections and the illegal firing of a candidate for union president at a Nestlé plant.

In the Philippines, mass redundancies of sales staff earlier this year targeted union officers and shop stewards while half the members of one of the unions were transferred to so-called "specialist" positions that involved no change in their work but excluded them from union membership.

In Malaysia and Fiji, Nestlé management's refusals to bargain in good faith effectively deadlocked collective bargaining negotiations for more than two years. In Malaysia, a court finally forced Nestlé's hand. In Fiji, however, talks remain deadlocked because Nestlé rejects the right to a 40-hour work week and insists on paying wages below Fiji's estimated poverty line.

At a Nestlé ice cream plant in the Dominican Republic, an 80% increase in production was followed by the layoff of 45 permanent workers and their replacement with a subcontracted workforce with lower wages, no overtime pay and no contributions paid to state social security.

At a biscuit factory in Ecuador which employed 600 workers when Nestlé acquired it 2 years ago, only about a quarter of the workforce of 600 retain their status today as permanent workers.

At Nestlé Peru workers have had to ask Nestlé and the Labour Ministry to inspect the machinery they work with - the most modern of which dates from 1972 - in their struggle to identify the source of their Repetitive Strain Injuries. The company has yet to respond.

I have read of your justified pride at having risen through the company's ranks from humble beginnings in Austria. In Austria that career path is closed to others since so many of your early jobs are now outsourced and today provide a career path to nowhere. In Latin America, Nestlé increasingly refers to workers as "contributors" rather than employees in recognition of the fact that so many of them no longer work for Nestlé at all but for complex webs of subcontractors.

The IUF has members in numerous companies in Latin America, yet 14% of all complaints about rights abuses we receive from unions in the region concern Nestlé. Best practice seems worlds away, for the simple reason that weak legislation opening the way to abusive practices is exploited to the full.

We would have been truly impressed if, rather than focusing on Europe, Nestlé had shown a willingness to discuss its claim to "best practice" in parts of the world where it could in fact set standards above those generally prevailing - for example Asia and Latin America.

Nestlé was given an opportunity to engage with the IUF at this historic ILO event in a robust but constructive dialogue about their response to the challenges that all companies face in regions where "best practice" is not necessarily the norm. The offer was crudely refused.

Opening up a meaningful dialogue (as a number of Nestlé's main competitors have done) would have been far wiser and more credible in a forum ostensibly devoted to best practice rather than attempting to silence the IUF and the members we represent in all parts of the world. Hiding from a constructive if difficult dialogue with an organization representing so many of your unionized workers can only generate greater concerns amongst unions, other stakeholders, ethical investors and (one assumes) the ILO about Nestlé's behaviour around the world

The offer of a dialogue in order to provide a meaningful and credible mechanism to deal with the issues raised above, and others that will inevitably arise, remains on the table. Taking up that offer or refusing it again remains Nestlé's choice.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'R. Oswald', with a large circular flourish and a long horizontal line extending to the right.

Ron Oswald
General Secretary