

PRESS RELEASE
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Leading European soft drink company connected to serious human rights violations

A supplier of Refresco, a leading European soft drink and fruit juice maker, is suspected of serious violations of basic human and labour rights, including the use of forced and child labour, involvement in human trafficking, unlawfully low wages and long hours.

The workers of the supplier, a Thai company called Natural Fruit, also accuse their employer of discriminating and exploiting migrant workers and confiscating their passports and work permits.

Many migrant workers have entered Thailand without proper documentation. Some of them are only 14–17 years of age.

The findings were published today by Finnwatch, a Finnish non-profit research organisation focusing on global corporate responsibility issues.

– It is unusual that a company producing directly to the international market and with many high-profile customers is involved in such gross violations of fundamental rights, Finnwatch researcher Henri Purje says.

According to some estimates, Refresco controls 20 percent of the European private label soft drink market. It has 26 production facilities in nine European countries and recorded EUR 1.5 billion in sales in 2011.

The clients of Refresco, which buys from Natural Fruit via an Israeli company called Prodalim, reportedly include or have included Lidl, Aldi, Carrefour, Dia, Morrisons, Edeka, Rewe, Superunie, Ahold and Système U, as well as Finland's largest chains Kesko, SOK and Suomen Lähikauppa.

In 2011 Refresco was said to have the exclusive right to make PepsiCo, Coca-Cola, Schweppes and Unilever products in a number of European markets.

Finnwatch also found problems in the responsibility of two tuna processing companies in the province of Samut Sakhon. Both companies, Thai Union Manufacturing and Unicord, are producers of major European retail chains' private label products and export all over the world.

– Basic wages at the tuna factories do not cover living expenses, some employees lack written contracts and workplace safety is insufficient. Underage children from

Myanmar with false passports are also working at the factories, Purje describes.

Thai Union produces such well-known international brands as John West, Petit Navire, Hyacinthe Parmentier, Mareblu and Chicken of the Sea.

There were no labour unions in any of the three factories, and most workers were not familiar with the concept of a union.

Finnwatch urges Refresco and European retail chains ensure that their responsibility requirements are followed throughout the supply chain.

– It is also important that the companies do not simply switch to a new supplier as soon as news of wrongdoings emerge but rather use all means at their disposal to improve the situation, Purje stresses.

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A 12-page English summary of the report Halvalla on hintansa ("Cheap has a high price") as well as the full report in Finnish are available for free download at www.finnwatch.org