

## Alliance report no° 3, December 2021

*The Fresenius Global Union Alliance was founded in 2019 and brings together more than 50 unions around the world. The Alliance is fighting for workers' rights and patient safety. We are also working with allies to pass due diligence laws to hold the German healthcare giant, Fresenius, accountable for human and workers' rights at every level of their operations, including corruption, tax evasion and other unethical practices.*

*Regular reports will be issued in order to keep all interested parties up to date on Alliance activities as well as to promote solidarity across the Alliance by sharing news from different regions. Collective action can make the difference. We all win by working together and supporting each other.*

*On October 26<sup>th</sup> the Alliance had a virtual meeting to discuss events of the past year and look at some of the challenges facing Fresenius workers today. There were more than 50 participants from various countries. This newsletter summarizes many of the reports that were given on that day.*

### **Death Threats in Colombia**

Organizing new members and fighting for strong collective bargaining agreements continue in full force in Colombia despite 3 death threats against two union leaders employed at Quironsalud/Helios hospitals directly related to their union activity and in the context of Fresenius' intransigence in bargaining.

Fresenius continues to remain silent in the face of all three incidents, refusing to release a public statement condemning these abhorrent threats. The labor movement's experience in Colombia is that when companies publicly condemn death threats against union leaders, showing that these types of threats are not supported by the company, those responsible are much less likely to escalate a threat to violence and in many cases the threats stop.

Both the Fresenius Alliance and the local unions have directly addressed the hostile environment and silence in the face of death threats with Fresenius management to no avail. In a recent bargaining session, Fresenius management said they are only negotiating because they have been forced to by a legal decision. In one of the hospitals where the president of the union was threatened, the ministry of labor found sufficient evidence of anti-union behavior to open a formal investigation of Fresenius' actions. Despite these challenges, the unions continue to grow, organizing over 500 new members this year.

**WE WILL KEEP YOU INFORMED ON SOLIDARITY ACTIONS.**

### **Fresenius Medical Care cuts 5.000 jobs**

Fresenius Medical Care (FMC) plans to restructure to cut costs in the future. FMC cites the effects of the pandemic as the reason: because a disproportionate number of dialysis patients are still dying because of Covid 19 disease. Part of the restructuring includes the elimination of 5,000 jobs. In addition, the business will no longer be divided by region in the future, but into two global divisions. The Care Delivery division, which accounts for about 80 percent of sales, combines healthcare services. The remaining 20 percent is accounted for by the Care Enablement division, including for example research and development, production, logistics, marketing and distribution.

### **European Union Due Diligence initiative**

The European Union is due to introduce a human rights due diligence initiative. The European Parliament has passed a report earlier this year setting out its goals, which is quite strong on our issues. However, there has been extensive business lobbying from businesses to weaken the initiative.

The European Commission's proposal draft was supposed to be presented in June but was then postponed until December and is now scheduled for March 2022.

In September, a group of European trade union federations; EFFAT, EPSU, UNI Europa, industriALL Europe, as well as European Trade Union Congress (ETUC) – together representing over 25 million workers in Europe – met with the Breton Cabinet. Justice Commissioner Reynders and Internal Market Commissioner Breton hold the lead for the proposal on Sustainable Corporate Governance. During the meeting with the cabinet two companies, Fresenius and McDonald’s, were raised as examples of why a strong due diligence initiative is needed. Afterwards, a joint statement was published.

**CALL TO ACTION:** We encourage you to support pushing the EU Commission to not delay their initiative on Corporate Sustainable Governance any further. A template can be found [here](#).

## Investor & Governance

Due to the pandemic, this year’s AGM was virtual, which made actions around the AGM more challenging. However, the Change to Win Investment Group together with the German Association Critical Shareholders submitted counter motions at both companies challenging the lack of racial diversity at the board of FMC, and how Fresenius SE oversees these types of issues at FMC. This action was used as a base for a press release as well as social media activities.

From attending the AGMs virtually, we saw that both Fresenius and FMC faced several challenges from shareholders attending on their records of poor practices. In line with the work of the Alliance, shareholders raised questions on their human right’s due diligence. Several questions were raised on if and how the company’s focus is on being a high-quality company, investing in staff for outcomes for patients and workers rather than cutting costs, and their diversity plans. In the shareholder votes, both companies had signs of investor discontent with the governance of the companies in votes against supervisory board members.

Third quarter results can be found [here](#).

## German Law on Corporate Due Diligence in Supply Chains

In June of this year, Germany passed their “Law on Corporate Due Diligence in Supply Chains”. The law not only affects German companies and their suppliers, but also foreign companies with branches in Germany as well as foreign subsidiaries of German companies. If found in violation of the law, companies must pay fines to the state, and it is possible they would be excluded from public procurement contracts. However, Non Governmental Organizations (NGOs) have criticized the law because there is no civil liability – meaning that victims will not be compensated.

The law becomes effective January 1st, 2023, and applies to all companies with more than 3,000 employees in Germany that have their head office, main office, branch office, or registered office in Germany. Beginning January 1st, 2024, it applies to companies with more than 1,000 employees. Companies will be required to establish legal obligation of due diligence on human rights, including explicitly: freedom of association, collective bargaining, and health and safety. Moreover, companies need to establish a risk management system, perform regular risk analysis, take preventive measures, take remedial actions, establish a complaints procedure and to document and report their steps taken on this.

## Country Reports

**Germany:** In spring, collective bargaining with and for employees of the hospital operator Helios took place. The result: among other things, 3.8 percent more money in 24 months, a Corona bonus and a Corona relief day, as well as the reduction of working hours at eastern German Helios sites to the western German level. In order to strengthen the Helios Group collective agreement, a training offer is being made to all colleagues to systematically recruit activists and fellow campaigners.

**Poland:** Despite the ban on entering dialysis centers, under the threat of disciplinary dismissal, managed to recruit new members, mainly thanks to a poster campaign sponsored by EPSU. It has been noted by employees that in stations where there are trade union members the situation is better than in those without union presence. Also due to union presence and pressure in the Social Commission and Health & Safety Committee some issues have been solved for the benefit of workers. However, there is a dismissal of nurses

and reduction of nursing positions as the number of patients has decreased in many stations due to the pandemic. From the beginning, our unions alarmed that dialyses patients were at high risk and asked the management board to introduce additional safety measures. However, they decided that the basic safeguards were sufficient.

**Brazil:** Workers in Brazil continue to report the provision of limited and poor quality personal protective equipment, with some informing that they are provided with one surgical mask for a twelve-hour shift. At Brazilian FMC clinics, front line workers consistently describe poor working conditions, lack of materials and equipment, excessively long working days, low wages, unpaid overtime and disregard for collective agreements. Problems with negotiating leaves of absence and return to work continue, particularly for workers that are in high-risk groups for COVID-19.

**Korea:** Currently, the 16<sup>th</sup> round of bargaining negotiation takes place. While the company offers 1.3 percent, the union demands 5.5 percent plus benefits. In the negotiation the sales target was lowered to six percent from ten percent. Therefore, the individual incentive will be increased and affects five to ten percent increase in the annual wage.

**The Philippines:** Philippine labor law is constructed in a way that makes it easier to organize workers that work in a single location. However, in the Philippines, Fresenius sends its employees, primarily nurses, to multiple clinics around the country. Organizing these workers is a challenge and the union is currently figuring out the best way to overcome this challenge and ultimately build a national union of Fresenius workers.

## **Alliance Meeting 2022**

At the October 26<sup>th</sup> Alliance meeting it was suggested that we aim to have an in-person Alliance meeting in September or October of 2022. The steering committee will continue to monitor the pandemic and will make a proposal in the beginning of next year about whether we will be able to For the Alliance Meeting 2022, an in-person-meeting or whether the meeting will be held digitally.

*Do you have information to share? Contact us at [info@freseniuswatch.com](mailto:info@freseniuswatch.com).*