

**Attn:** Ministry of Economy and Competitiveness  
National Contact Point for the OECD Guidelines for Multinational Enterprises

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The parties:

UNI GLOBAL UNION

Global trade union federation

-and-

PROSEGUR

Multinational company

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## **SPECIFIC INSTANCE COMMUNICATION**

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### **Summary**

This dispute involves the actions of private security firm, Prosegur, concerning its operations in South America. In Spain, Prosegur enjoys a reputation as a good corporate citizen; it engages with unions, promotes CSR initiatives and is a constructive industry leader. In Latin America an altogether different picture emerges. Prosegur is overwhelmingly the regional industry leader. However, Prosegur retaliates against workers who exercise their freedom of association and collective bargaining rights.

Prosegur's retaliation for union activity is done in a variety of ways: through discriminating against union members regarding pay increases and bonuses based on union affiliation, denying permanent employment contracts for union activists, undermining collective bargaining by creating sham collective agreements, harassing and retaliating against union leaders, violating laws related to collective bargaining and dismissing workers who are instrumental in forming unions or workers who engage in lawful strikes. Prosegur has a practice of refusing to comply with or delaying the implementation of decisions by administrative agencies and courts empowered to enforce labour laws. In some instances, the company has been obstructive with government agents investigating allegations of labour violations.

The OECD Guidelines for Multinational Enterprises establish a framework of minimum standards for corporations to meet in terms of labour, human rights, and procedures. Prosegur's actions, in some cases, violate these standards, create a poor impression for Spanish businesses globally, and undermine the efforts of socially responsible companies throughout the OECD. The Spanish NCP should be concerned by this situation.

UNI calls upon the Spanish NCP to investigate the problems in Brazil, Colombia, Paraguay and Peru, to call the parties together, and to make available its good offices in order to achieve a solution that will see the company improve compliance in these areas.

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**The Parties**

**The complainant**

UNI Global Union ('UNI') is an international trade union federation of service sector unions. UNI currently has a membership of 20 million service workers around the world. Through 900 affiliated unions, UNI represents workers in 150 countries and in every region of the world. UNI's affiliated unions worldwide represent two million workers in the Property Services Sector, which includes workers in the private security industry.

UNI focuses on organising, political and regulatory action to create a better world for working people. UNI is fighting for jobs with social security and justice for all to improve workplaces and raise employment standards in the services and allied sectors.

UNI represents the interests of affiliated unions and their members vis-à-vis international bodies and processes that take decisions affecting jobs, employment conditions or safety in their industries, worldwide.

UNI has signed 49 Global Agreements with multinational companies to agree to workers' rights standards throughout Africa, the Americas, Asia Pacific and Europe.

UNI submits this complaint on behalf of its member unions, and those organisers and activists struggling to secure trade unionism in Prosegur's facilities.

## **The company**

Prosegur is a major global provider of private security services in terms of both size and growth. It is the largest security firm, and the only publicly traded private security firm, in Spain, where its head office is located.

In its public statements Prosegur has committed to corporate social responsibility (CSR), and touts its membership in a number of CSR initiatives (the FTSE4Good IBEX index and the Global Compact, for instance). Prosegur's Code of Ethics and Conduct states that the company 'defends freedom of association and collective bargaining'.

Prosegur is the largest employer of private security guards in South America. Among its multinational peers, in 2010, it was number one in the private security market in Spain, Portugal, Brazil, Paraguay, Argentina, Uruguay, Chile and Peru<sup>1</sup>. In 2011 it became a market leader in Colombia<sup>2</sup>. Prosegur predicts it will grow significantly in emerging markets, particularly in Latin America, underscoring the importance of that region for its future business<sup>3</sup>.

## **Jurisdiction**

Spain is an OECD member country and has established a National Contact Point ('NCP') with responsibility for promoting compliance with the Guidelines by foreign

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1 Prosegur, 2010 Informe Integrado,  
<http://www.prosegur.com/web/groups/corporativo/documents/memorias/prwebc009299.pdf>  
1320330740

2 Prosegur, Annual Report 2011,  
<http://www.prosegur.com/web/groups/corporativo/documents/memorias/prwebc012381.pdf>

3 *Ibid.*, p. 61.

multinational companies operating in Spain and by Spanish multinational companies overseas in non-adhering countries. The present case concerns a Spanish company (Prosegur) operating overseas in both adhering and non-adhering countries.

## **The Guidelines**

The Guidelines are described as ‘recommendations addressed by governments to multinational enterprises operating in or from adhering countries’. (OECD Guidelines, hereafter “Guidelines”, Preface, paragraph 1). They can be understood as a bulwark against the introduction of irresponsible and damaging business practices as a mode of leverage and competition. The Guidelines are intended to arrest such practices in order to protect the majority of Guidelines-abiding businesses against the damaging impacts of ‘undue competitive advantage’. (*Ibid.*, paragraph 6). The Preface warns that: ‘some enterprises may be tempted to neglect appropriate principles and standards of conduct’. Such practices by the few may call into question the reputation of the many and may give rise to public concerns’.

The Guidelines and the NCP bodies were created to address such situations. In carrying out this task the Guidelines anticipate a cooperative approach to problem solving: ‘the common aim of the governments adhering to the Guidelines is to encourage the positive contributions that multinational enterprises can make to economic, environmental and social progress and to minimise the difficulties to which their various operations may give rise’. (*Ibid.*, paragraph 9).

## **Human Rights**

A commitment to human rights is central to the modes of behaviour required by the Guidelines. Companies, the Guidelines say, must respect human rights<sup>4</sup>. This means that they should avoid causing or contributing to adverse human rights impacts, that they should avoid infringing on the rights of others, and that they should address adverse human rights impacts with which they are involved. (Guidelines, Chapter IV, Clause 1). The Guidelines also require companies to address such impacts when they occur (*Ibid.*, Clause 2). Companies must also ‘seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship,

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4 OECD Guidelines, Chapter IV, Clause 1. The Guidelines define human rights by reference to the following core international instruments: the Universal Declaration on Human Rights, Article 23 (1) and (4); The International Covenant on Civil and Political Rights, Article 22; The International Covenant on Economic, Social and Cultural Rights (‘ICESCR’), Article 8 (1) (a), International Labour Organisation Declaration on Fundamental Principles and Rights at Work, 1998, et al.

even if they do not contribute to those impacts', and are advised to have a 'policy commitment to respect human rights' (*Ibid.*, Clauses 3 and 4).

Part of the strategy for dealing with the wide-ranging potential impacts of business is termed 'human rights due diligence' (*Ibid.*, Clause 5). Under these processes businesses must take on-going steps to investigate, maintain awareness of, and minimise risks to human rights that arise within or in connection with their operations and relationships. Within the framework of human rights extensive labour protections are required, including detailed and specific protection for fundamental rights to organise, to bargain and to strike, alongside a clear set of protections around conditions at work<sup>5</sup>. Chapter IV of the Guidelines thus covers labour rights. But, so important are issues surrounding rights at work that an additional detailed section covers *further* specific labour rights protections, these being set out in Chapter V.

## **Employment and Industrial Relations**

The Guidelines also require that employment conditions meet a high standard, described as 'the best possible wages, benefits and conditions of work' (within government policies and the economic position of the company) (Guidelines, Chapter V, Clause 4(b)). Health and safety within the company's operations must be ensured, with 'adequate' steps taken to achieve this. (*Ibid.*, Clause 4(c)).

Clear standards of conduct for industrial relations, and a framework for smooth and positive workplace representation, are mapped out. Companies are to respect the right of workers to establish or join trade unions of their own choosing and to have trade unions recognised for the purposes of collective bargaining. (*Ibid.*, Clause 1(b)). Companies must also 'engage in constructive negotiations, either individually or through employers' associations, with such representatives with a view to reaching agreements on terms and conditions of employment'. And, companies are required to provide facilities for workers' representatives, and to promote consultation and co-operation between employers and workers and their representatives on matters of mutual concern'. (*Ibid.*, Clauses 2(a) and 3).

Where this positive framework of engagement breaks down the Guidelines also map out a regime of protection for core workers' rights. Certain tactics, such as threatening to transfer an enterprise overseas are specifically ruled out during the course of bargaining, negotiations or organising. (*Ibid.*, Clause 7). For more in-depth guidance on protecting workers against anti-union actions the Guidelines specifically cite the ILO's 1998 Declaration, which incorporates extensive trade union rights protections. (Guidelines, Commentary, Paragraphs 48 and 51). The standard of protection is thus set high. Actions such as anti-union dismissals, harassment of or reprisals against union organisers, or disruption of organising

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<sup>5</sup> *Supra*, note 4

rights constitute serious violations of ILO core principles protected under the Declaration<sup>6</sup>.

## **Breaches of the Guidelines**

### **Paraguay**

Prosegur security guards in Paraguay formed the union SITEPROPASA to address unsafe working conditions, inadequate pay and excessive hours of work. The company resisted the establishment of the union by firing its leaders when the union registered with the government. The company refused to engage in good faith collective bargaining for over half a year. It then retaliated against workers who engaged in a legal strike by firing or coercing the resignations from over 300 strikers at the end of an 8-day strike when they and the Ministry of Labour called for the end to the strike in order to resume negotiations. These actions violate international standards regarding freedom of association and collective bargaining and they violate Paraguayan country laws.

In forming SITEPROPASA in September 2011, Paraguayan security guards' concerns ranged from having to walk considerable distances while carrying heavy bags of cash to automated teller machines (ATMs), thus exposing themselves to violent assault, to concerns that their armoured trucks were ill-equipped with adequate ventilation in a country where daytime temperatures in the capital city are normally above 30 degrees Celsius. Workers were also motivated to form a union to address inadequate pay and excessively long work hours<sup>7</sup>.

Prosegur instantly reacted to this unionisation effort by firing two key union leaders on the day of the union's registration, in spite of protections against dismissal that union leaders are provided under Paraguayan law. (Appendix A). During contract negotiations, Prosegur consistently resisted entering into a collective agreement. After seven months of fruitless negotiations, in May 2012, a two-month deadline was agreed to by the parties to finish negotiations and sign a collective agreement<sup>8</sup>.

In July this deadline expired. In frustration at the lack of progress, and as a last resort, members of SITEPROPASA voted for an eight-day strike<sup>9</sup>, which was

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6 Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Articles 1 and 2(a) and (b), Freedom of association in practice: Lessons learned: Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work (ILO, 2008), paragraphs 41-43, see also Digest of Decisions of the Committee on Freedom of Association 2006 edition (the 'Digest'), paragraphs 789-800, 934-938, and 1098-1109.

7 Interviews of workers by SITEPROPASA, UNI Americas and CNTV, August 2012.

8 Letter from SITEPROPASA to Ministry of Justice and Labour, 21 June 2012.

9 SITEPROPASA notified Prosegur and Ministry of Justice and Labour of the strike by letter dated 12 July 2012.

subsequently extended by a further eight days<sup>10</sup>. The company again reacted swiftly with a clear message: it called workers' families to inform them that all workers who participated in the strike would be dismissed. Prosegur wrote to SITEPROPASA on 13 July 2012 alleging that the union had declared an 'illegal strike'. In the same letter the company went on to write that the union was 'maliciously manipulating' workers, who did not know that the strike would 'highly likely' be declared illegal and threatened that union members would be dismissed with no compensation (Appendix B).

This action occurred despite the fact that the right to strike is protected under the Paraguayan Constitution<sup>11</sup>. SITEPROPASA filed a complaint based on Prosegur hiring replacement workers during the strike, in violation of Paraguayan law.<sup>12</sup> The union complained to the Administrative Labour Authority ('ALA') of the Paraguayan Ministry of Justice and Labour, who agreed to investigate this allegation. However, Prosegur delayed and obstructed the inspectors when they arrived at the company's premises and on at least three other occasions (Asuncion on July 23-24 and Ciudad del Este on July 24) labour inspectors were blocked from entering Prosegur premises. On the occasion when they were allowed onsite, they found 21 of 58 workers were not officially registered as Prosegur employees. Even then, inspectors were denied access to inspect Prosegur's cash processing facility. (Appendix C).

From 30 July 2012 and on, Prosegur proceeded to dismiss, or force resignations from, all workers who had participated in the strike. The company asserted that the strike would eventually be declared illegal and that workers who had not resigned would have their dismissals upheld and they would receive no severance pay. (Appendix D). In total, Prosegur dismissed or coerced forced resignations from over 300 workers, all of them union members due to their participation in the strike. Once the workers had been pressured into resigning, Prosegur on 20 August withdrew what the union believes was a baseless legal challenge to have the strike declared illegal. (Appendix E).

On 23 August 2012, the members of the Commission of Justice, Labour and Social Security of the Paraguayan Congress wrote to Prosegur Paraguay's country manager, Raul Reinoso, asking for an explanation for the mass dismissal of these workers. On 17 September 2012, National Deputy Aida Robles, Vice-President of the Commission, wrote to the union saying that the Commission had not received a response to its request for an explanation concerning the dismissals. (Appendix F). To date, there has been no response from Prosegur.

In November 2012, in response to international criticism for driving the union out of its operations in Paraguay, Prosegur signed a collective agreement which it claimed was signed by a union. This union, however, was never registered with the

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10 Letter from SITEPROPASA to Ministry of Labour and Justice dated 23 July notifying that the strike had been extended by eight more days from 27 July 2012.

11 Constitution of the Republic of Paraguay, Article 98.

12 Labour Code of Paraguay, Section 368.

Paraguayan Ministry of Justice and Labour as required by local law. Subsequent to the union raising objections to this, the collective employment agreement registered with the Ministry has since been modified to reflect the absence of any union. The contract now reads that it is between Prosegur and 'Prosegur Paraguay workers'. (Appendix G). After displaying such open hostility to a widely supported and genuinely independent union, with which it negotiated for eight months without signing a collective agreement, the company now claims that it has the only private security collective agreement in Paraguay, in reference to the contract it established with a group of workers outside collective bargaining.<sup>13</sup>

In summary, the acts complained of in Paraguay are that the company:

- Signed a collective agreement with a sham union
- Dismissed union activists when the union was registered
- Undermined collective bargaining by refusing to bargain in good faith
- Violated strike laws regarding replacement workers
- Refused access to company premises by labour inspectors to investigate law violations
- Dismissed strikers and coerced resignations from hundreds of other strikers

## **Colombia**

In Colombia, Prosegur harassed and retaliated against union leaders who fought to preserve job protection provisions in a collective agreement that preceded Prosegur's entry into the Colombian security market. It undermined the union by introducing a *pacto colectivo* which had illegal financial inducements for workers to withdraw their membership from the union and huge financial penalties for rejoining the union. Prosegur repeatedly delayed and disregarded Colombian administrative and court rulings that upheld workers' rights.

In 2007 Prosegur entered the Colombian private security market when it purchased a company that already recognised a trade union, SINTRAVALORES. Shortly after acquiring the company, Prosegur sought to eliminate a contract provision which provided that workers holding temporary positions would become permanent after four months of work. (Appendix H). Unable to force the union to back down, Prosegur attempted to evade the provisions of Article 5 of the parties' collective agreement by contracting security guards for periods of less than four months. Cases involving violations of Article 5 of the collective agreement were filed multiple times in the national courts. (Appendix I).

In March 2008, a Bogotá municipal court cited Prosegur for contempt for failing to comply with rulings pertaining to this issue. The company was ordered to pay a fine based on the findings of the country's penal court. (Appendix J). Despite these adverse rulings, Prosegur created new outsourcing firms in 2009, which continued

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<sup>13</sup> CoESS meeting, Madrid, March 2013.



to contract workers for less than four months in violation of the parties' collective agreement and these judicial rulings.

In the wake of the first contempt ruling against Prosegur by the courts, union leaders in SINTRAVALORES began to be subjected to hostility by the company. Teófilo Gómez Duarte, then union president, became the object of a campaign of harassment by Prosegur. The company initiated action to fire him without cause and attempted to have him legally stripped of his union status. In spite of these efforts to dismiss the legitimate leader of the union, a Bogotá court ruled against Prosegur and in favour of Mr. Gómez Duarte. (Appendix K).

In 2009, worksite bulletins entitled *El Zorro* began to circulate anonymously in all of Prosegur Colombia's branch offices, carrying anti-union messages. It is well documented that Colombia is among the most dangerous countries in the world for trade unionists<sup>14</sup>. These pamphlets exacerbated the already severe personal security risks faced by SINTRAVALORES' leaders. The current union president, Fidel Hugo Alfonso, had significant concerns about his personal safety, which he believes these bulletins contributed to. Based on these concerns, he sought and received precautionary advice on how to protect himself from the police department in Bogota. (Appendix L).

The origin of the pamphlets has never been determined, but it was distributed nearly simultaneously to all cash-in-transit worksites throughout Prosegur Colombia which would require an impressive communications distribution system, which did not exist in any worker organisation. Additionally, although requested by SINTRAVALORES to stop its circulation, Prosegur responded by expressing concern but said the publication was anonymous and said that the union should bring to Prosegur any information it had about the publication. (Appendix M). Prosegur took no action to stop circulation of the pamphlets in spite of the potential harm their content could bring to the union president's personal safety. Union activists were convinced that management was involved in the publication of these pamphlets.

With regard to collective bargaining, in December 2010 Prosegur signed a collective agreement with non-union workers called a *pacto colectivo*. (Appendix N) and the company began signing individual employment contracts that had provisions superior to those in the parties' collective agreement. It is illegal for *pacto colectivos* to provide conditions superior to those of a collective agreement negotiated with a trade union.<sup>15</sup> This agreement was aggressively promoted by Prosegur with the effect of undermining SINTRAVALORES. Prosegur's *pacto colectivo* brought with it an enormous signing bonus of 4 million Colombian Pesos

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14 Annual Survey of Violations of Trade Union Rights, International Confederation of Trade Unions (Brussels, ITUC, 2011)

15 Colombian Penal Code, Article 200, Law 599 of 2000, modified by Article 26, Law 1453 of 2011; Juzgado 39 Civil Municipal Court, Bogota, Ruling No. 2011-5015 and Constitutional Court of Colombia, Ruling No. T-570, 2007 (earlier non-Prosegur decisions which found pacto colectivos offering higher pay and benefits to non-union workers versus union members to be discriminatory);

(€1,559), in clear violation of Colombian labour law. Along with this bonus payment, the Prosegur *pacto colectivo* included other enhancements over and above the current collective agreement – higher schooling allowances, increased seniority, vacation bonuses and increased amounts for maternity assistance.

These illegal anti-union financial incentives were impossible for all but the most committed trade union activists to refuse. Four hundred workers signed onto the *pacto colectivo*, thus preventing them from belonging to the union, which was effectively decimated. Any worker who decided to go back to the union within the 3-year term of the *pacto*, would be required to repay Prosegur the four million pesos. This repayment requirement makes union membership recruitment virtually impossible.

This attack on SINTRAVALORES and its members by Prosegur was found to be illegal by the Colombian courts. There are multiple court decisions, involving a number of appeals between Prosegur and SINTRAVALORES on this issue. Ultimately, the Colombian Supreme Court ruled that the *pacto colectivo*, which Prosegur introduced in 2010, was discriminatory and illegal. In several significant appeals decisions, issued by the Colombian Supreme Court and the Colombian Constitutional Court, the Colombian courts found in favour of SINTRAVALORES and its members. (Appendix O). Prosegur was ordered by the courts to provide union members with the same pay, economic benefits and other enhancements as workers were receiving who had signed onto the *pacto colectivo*.<sup>16</sup> Prosegur consistently refused to implement these court rulings until it had exhausted all statutory and constitutional appeals and was ordered by the Colombia Supreme Court, in a decisive 6-0 vote, on 7 December 2012 to pay union members what had been paid to non-union members. (Appendix P).

These tactics of delay and disregard for judicial decision-making is typical of Prosegur in Colombia, prompting a municipal court judge, in another contempt ruling against Prosegur, to comment that the company's 'attitude' was 'a clear demonstration of its double intent: to persist in violating its workers' right to freedom of association and to evade the order of the constitutional judge, or at least delay its fulfilment'. (Appendix Q).

In summary, the acts complained of in Colombia are that the company:

- Undermined collective bargaining by repeatedly violating collective agreement provisions
- Introduced illegal financial inducements and penalties to undermine the union, in violation of freedom of association and collective bargaining rights
- Harassed and intimidated union leaders
- Repeatedly delayed and disregarded court rulings upholding workers' rights

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<sup>16</sup> Supreme Court of Justice of Colombia, Civil Appeals Chamber, Ruling No. 11001-22-03-000-2011-00500-01, 14 June 2011; Constitutional Court of Colombia, Ruling No. T-084-12, <http://www.corteconstitucional.gov.co/relatoria/2012/T-084-12.htm>, 16 February 2012.

## Peru

Workers in Prosegur Peru formed a union, Sindicato de Trabajadores de la CIA de Seguridad Prosegur, to address issues involving pay, longevity, unsafe working conditions and job security. In response to exercising freedom of association rights and striking, Prosegur retaliated against union members, including by paying nonunion members a higher rate of pay than union members, firing union leaders and union activists for striking and illegally replacing workers during a strike. The company further sought to undermine collective bargaining and the ability of the union to grow in Peru through implementation of a sham contract.

In February 2013 following the success of a three-hour strike called in protest over pay, Sindicato de Trabajadores de la CIA de Seguridad Prosegur was formed by the workers in Peru. A short time later, in March 2013, Prosegur dismissed fifteen workers, fourteen of which were dismissed by not renewing their six-month contracts; the other was a permanent worker in cash processing. All participated in the strike. The workers whose contracts were not renewed were approaching five years of service in the company, the point at which workers move to permanent employment status in Prosegur Peru. In April 2013 another union activist was dismissed. Union leaders believe these actions were all taken in retaliation for the strike or for workers having organised a union.

In April 2013 the union presented collective bargaining claims to Prosegur and the Ministry of Labour and Promotion of Employment seeking to initiate negotiations with Prosegur over a number of bargaining issues. These included salary increases, payment for longevity, health and safety demands (such as ensuring that all trucks had proper seats, functioning seatbelts, working mirrors and acceptable levels of sanitation).<sup>17</sup>

In a letter dated 24 April 2013 the company notified the union of its refusal to bargain saying that they already had a collective agreement. (Appendix R). This was the first time the union heard of a pre-existing collective agreement. As the union leaders then learned, Prosegur had created a sham collective agreement in 2010 with a group of workers. This agreement served the purpose of attempting to block the negotiation of a legitimate collective agreement. Apparently, it also had the purpose of limiting the expansion of the union into the rest of Prosegur, at a point when Prosegur acquired a unionized security company called Orus in 2010. This collective agreement covered the period 2010-2015. (Appendix S). The workers who signed this sham collective agreement were deceived by company managers into believing that they were signing a document that provided the workers with profit-sharing benefits and scholarships for their children.

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<sup>17</sup> Article 14 (1), "Proyecto de Convenio Colectivo, Pliego de Reclamos 2013-2014".

On 6 May 2013 Prosegur paid a cost-of-living adjustment but only to non-union workers (Appendix T), thus creating a financial incentive for workers to resign from Sindicato de Trabajadores de la CIA de Seguridad Prosegur.

During the period May to July 2013, Prosegur engaged in surface bargaining. It continued to meet with the union to discuss salaries and other labour conditions, while at the same time maintaining that the company was not legally obligated to negotiate a collective agreement and reaching no settlement on contract terms. The company's position was that the 2010 collective agreement blocked the possibility of bargaining with a union. On 23 July 2013, the Ministry of Labour found that Prosegur's argument did not "constitute a valid basis to prevent collective bargaining with the union" (Appendix U), opening the way for the union to bargain a bonafide collective agreement. Prosegur appealed the Ministry's decision one week later. On 4 August, 2013, Prosegur dismissed four more union activists alleging operational deficiencies.

Failing to make progress at the bargaining table, the union called for mediation through the Ministry of Labour. At the first mediation session set for 7 August, the company did not attend. In the subsequent two mediation sessions, August 13 and 22, Prosegur attended but refused to sign the Ministry's official meeting minutes, saying it was waiting for the outcome of their appeal of the Ministry's 23 July decision. (Appendix V).

Presented with no other realistic option to force Prosegur to bargain in good faith, the union called an Extraordinary General Assembly on 31 August and 1 September 2013. At this General Assembly, union members voted overwhelmingly in favour of engaging in a strike, which was set to begin on 12 September 2013. On 4 September the union notified the Ministry of Labour of the outcome of their strike vote. The document given to the Ministry explained that the strike was not only to defend the bargaining claims the union had been attempting to negotiate with the company since April, but also to stop acts of retaliation by Prosegur towards union members and leaders, and to secure the rehiring of union members who had been improperly dismissed by the company on 30 March, 5 April and 4 August. (Appendix W). The Ministry of Labour responded to the union on 9 September 2013, acknowledging that the union had met the requirements to conduct a lawful strike. (Appendix X).

The strike began on 12 September 2013, with approximately 400 of the 460 union members participating. Prosegur continued to meet with the union during the strike. On the first two days of industrial action, there was no progress as the company said it would not negotiate over the re-employment of the dismissed workers and that the union had put this as a pre-condition for negotiating its other bargaining demands. (Appendix Y). Prosegur also claimed that if the union's wage proposal were agreed to, the company would go bankrupt. The union requested that

Prosegur produce its financial records to support this claim, but the company refused, which is in violation of local law and a specific OECD guideline<sup>18</sup>.

While the strike was in progress, Prosegur hired replacement workers in violation of country law for which the company was cited and a fine of 74,000 soles (€19,321) was proposed by labor inspectors from the Ministry of Labour.<sup>19</sup> (Appendix Z) During the Ministry's inspections of Prosegur, labour activists report that Prosegur had brought approximately 40 workers from other cities in Peru to replace striking cash-in-transit workers in Lima. The company also gave temporary credentials to unaccredited employees to replace striking workers. (Appendix AA). Additionally, Prosegur contracted with Transportes Blindados Hermes (a local cash-in-transit company) to perform struck work<sup>20</sup>, which is considered a serious labour relations infraction under Peruvian law. (*supra* 19). Prosegur also wrote letters, telephoned and sent staff door-to-door to pressure workers and their families to return to work, making exaggerated statements about the financial impact on families during the strike. (Appendix BB).

After 6 days, the union and Prosegur reached a partial contract settlement and union members returned to work. In the settlement, however, only one of the 20 workers who had been fired was rehired, 5 received compensation but the other 14 received nothing. Following the strike, in September 2013, Prosegur dismissed another 5 union members. Again, this was done by not renewing the workers' 6-month contracts. The company alleged that the workers had not met the necessary standards of operational knowledge. (Appendix CC). The union has filed charges challenging these dismissals based on retaliation for union activity.

Prosegur's practice of extending probationary periods for up to 5 years, through the use of 6-month contracts, is not just the normal growth of precarious work which is seen in many workplaces across the globe (not to imply that this too is not of significant concern). What is unique about the use of temporary contracts in Peru is that they are used so pervasively by Prosegur that, coupled with its other anti-union activities in Peru, it appears that temporary contracts are used there for the purpose of creating employment insecurity so workers will be reluctant to organise or engage in industrial action for fear of losing their jobs.

According to Peruvian law, workers can serve a 6-month probationary period but are then entitled to permanent job status. (Appendix DD). Despite national law, it appears that Prosegur has nearly abandoned permanent employment contracts in Peru, with more than 75 percent of male employees working under temporary contracts, according to the company's own annual report.<sup>21</sup> Prosegur was recently fined €17,161 for illegal use of these 6-month employment contracts. (Appendix

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18 Ley de las Relaciones Colectivas de Trabajo, Decreto Supremo No. 010-2003-TR, Article 56, and OECD Guidelines, Chapter V, Clause 2 (b) and (c).

19 Article 25.9. Decreto Supremo No. 019-2006-TR 29/10/2006..

20 UNI video identifying Hermes vehicles leaving Prosegur's secure cash-in-transit base in Lima, 13 September 2013.

21 Prosegur, Annual Report 2011, pp.124-5, *supra*.

EE). This sanction involves only one complaint out of four that were filed by the union. The remaining three complaints are pending with the Ministry.

In summary, the acts complained of in Peru are that the company:

- Signed a sham agreement to exclude the union and to undermine collective bargaining
- Repeatedly violated country laws by using temporary contracts as a tool to prevent union organising and industrial action
- Dismissed workers for exercising their legal right to form a union
- Discriminated against union members in awarding pay increases
- Violated strike laws regarding replacement workers
- Dismissed workers for exercising their legal right to strike

## **Brazil**

In Espirito Santo, Brazilian cash-in-transit security workers formed the union Sindfortes in August 2011 to address a range of workplace issues. Prosegur resisted unionization by retaliating and firing union leaders for raising job safety issues with government authorities. It used judicial appeals to delay implementation of adverse employment decisions. And, Prosegur challenged the legality of a legal strike, violated the law regarding replacement workers during the strike and then dismissed union workers who participated in the strike.

Wilson Damacena, President of Sindfortes and Gilberto Sales, General Secretary were both long-term employees of Prosegur. By 2012, Damacena had been working for Prosegur for approximately 10 years and Sales for 7 years. Both men had been promoted internally a number of times by Prosegur during the terms of their employment, evidencing meritorious work performance.

There is a history to Prosegur taking retaliatory action against these leaders. In 2009, Damacena, who was working in Prosegur's Internal Accident Prevention Commission ('CIPA'), raised concerns with the Ministry of Labour about the poor state of repair of a number of Prosegur's vehicles, including broken headlights, problems with brakes and broken air conditioning units. Damacena was pressured by Prosegur to stop making these allegations. Damacena complained about this to Prosegur management. Instead of intervening to stop inappropriate actions by management, the manager told Damacena to reign in his advocacy or his family would face financial problems. The implication was that he could be dismissed if he did not back-off on exposing health and safety problems within the company.

This anti-union activity by Prosegur continued. In early 2012, Damacena and Sales were provided a company vehicle that had been secretly 'bugged' with surveillance equipment (a camera and microphone). It was not a company practice to equip vehicles in this manner. In fact, this vehicle was the only one of Prosegur's

approximately 30 light-vehicles that was fitted with surveillance equipment. (Appendix FF)

Prosegur used this vehicle to monitor the activities and conversations of these Sindfortes leaders, without their knowledge. Employer surveillance of union leaders violates core human rights – the right to freedom of association – due to its inherently destructive impact on being able to properly exercise union representation responsibilities.

This illegal surveillance continued until April 2012, when Damacena and Sales were dismissed for allegedly changing their scheduled routes and making unauthorized stops. Despite their years of work with Prosegur, these union leaders were notified of their dismissal by telegram. (Appendix GG) The manner and the impact of these dismissals on the workers and their families sent a strong message to the entire workforce about the risks workers face if they are willing to be union leaders in Prosegur.<sup>22</sup>

In September 2012, a Brazilian court found the actions of Prosegur to be illegal and ordered the company to reinstate both Damacena and Sales with full back pay, which Prosegur appealed. This first reinstatement decision was reversed in July only to be reversed again on 24 September 2013, with the court finding that the dismissals were illegal. The court ordered reinstatement and payment of back wages, within 48 hours, for the six months in which they were unemployed.

In this final ruling, the Court imposed a financial penalty on Prosegur of R1,000 reais, per day, for each day if it failed to make payment for back wages. Yet, even with that order and penalty, as of 11 November 2013, Prosegur still has not complied with this compensation requirement. (Appendix HH).

This disregard for government administrative processes and judicial rulings is similar to Prosegur's human resources behavior in Colombia, Paraguay and Peru. The frequency and extent of Prosegur's obstructionist behaviour appears to be part of a strategy to harass not just union members and union leaders but arguably it is part of a strategy to harass or simply disregard government officials and judges who take actions to enforce labour laws in various countries in the region.

Regarding collective bargaining in Brazil in 2013, negotiations were underway between Sindfortes and Prosegur. However, by 29 April, due to lack of progress at the bargaining table, workers began what turned out to be a 66-day strike; one of the longest strikes in cash-in-transit operations in Brazil's history. The strike ended with the court awarding the workers a 12 percent pay increase, food stamps and an end the 'hours bank' overtime arrangement, which was a breakthrough for workers

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<sup>22</sup> Each union leader has families with dependent children, Damacena 6 and Sales 3. Each man was left without financial resources to support his family, relying on union donations for roughly half a year, until their cases were adjudicated. Even then, backpay was not paid by Prosegur although it was ordered to do so along with reinstatement.

receiving overtime compensation. Based on these gains, workers and Sindfortes felt the strike was successful.

Consistent with its tactics elsewhere in South America, Prosegur challenged the legality of the strike. On 3 July 2013, however, a court ruled that the strike was legal. (Appendix II) During the strike, Prosegur called on workers to end the strike or face the threat of dismissal, and the company advertised to hire replacement workers contrary to Brazilian law.<sup>23</sup> The union alleges that replacement workers were nevertheless hired during the strike, in violation of these laws. This is based on newspaper advertisements that the company placed during the strike (Appendix JJ), video footage and worker registration numbers dating from the period of the strike.<sup>24</sup>

Additionally, Prosegur dismissed nine union activists who participated in the strike. This has been done over a period of months, in contrast to the situation in Paraguay in which over 300 strikers were dismissed en masse as the security guards returned to work following the strike. Both the hiring of replacement workers during the strike and the dismissals of activists for striking are currently being challenged by the union.

In summary, the acts complained of in Brazil are that the company:

- Harassed and dismissed union leaders
- Refused to comply with adverse employment decisions
- Violated strike laws regarding replacement workers
- Dismissed workers for exercising their legal right to strike

### **Practices across the region**

There is a pattern that emerges in the company's approach to the recognition of trade unions and in its approach to collective bargaining across the region. Where Prosegur has inherited bargaining arrangements, the company has aggressively sought to evade or change them or it has simply refused to honour provisions they do not agree with. This is apparent in their attempt to evade the terms of the collective agreement in Colombia through imposing an illegal *pacto colectivo*, deceiving workers to create a sham collective agreement in Peru and misrepresenting the legitimacy of a sham collective agreement in Paraguay.

Where workers have fought for their rights in either forming a union or in exercising their right to engage in a lawful strike during a collective bargaining dispute, Prosegur has harassed, retaliated against or dismissed union leaders and union members through a whole range of activities—surveillance on the job (Brazil),

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23 Brazilian law, No. 7783, [http://www.planalto.gov.br/ccivil\\_03/leis/17783.htm](http://www.planalto.gov.br/ccivil_03/leis/17783.htm)

24 Video footage and worker registration numbers on file with UNI



higher pay, bonuses or other benefits for non-union workers (Colombia, Peru), nonrenewal of temporary employment contracts and dismissals, either directly or through coerced resignations (Peru, Paraguay), hiring replacement workers during strikes, in violation of country laws (Paraguay, Peru, Brazil).

In all countries, Prosegur aggressively uses legal challenges in a manner designed to unduly pressure unions and union activists—by challenging the legality of strikes (Paraguay, Brazil) by repeatedly ignoring administrative and court decisions regarding workers' rights under country laws or in collective agreements (Colombia, Brazil). Prosegur further obstructs legal processes to resolve labour disputes by denying government officials the right to inspect worksite and company records (Paraguay).

### **Pervasive and long-standing labour relations problems**

In February and March 2011, a delegation of UNI and Spanish unionists met with Prosegur workers and union representatives in Chile, Uruguay and Brazil. In all of these countries, Prosegur workers reported significant concerns regarding working conditions. The issues they identified were: underpayment of overtime, health and safety violations and exposure to unnecessary personal risk of harm, excessive hours of work, low pay, discrimination against women (particularly in cash-in-transit operations) and, for some workers, poorly maintained vehicles and lack of access to basic facilities such as toilets. The delegation learned that in 2009, Prosegur Chile was fined over its wage and hour practices resulting in a significant fine<sup>25</sup>.

The unionists who participated in this delegation, met in Madrid in May 2011 with Prosegur's Global Human Resources Director. These issues were discussed and a plan to resolve them was requested. Prosegur's response was to give the company 2 years to develop a global human resources program. UNI and the Spanish unions respectfully declined. Since this meeting, the Prosegur CEO and the Global Human Resources Director have been apprised of ongoing human resources problems. The HR Director has continually tried to remove the head office of Prosegur from responsibility for its actions in South America by claiming either lack of knowledge or that the company has a decentralized labour relations policy. On the substantive worker issues, there has been no discernible improvement. In fact, to the contrary, the company's reaction to worker efforts to resolve these problems, as highlighted throughout this paper, has been to aggressively violate workers' right to organise and collectively bargain.

### **Precarious work and union avoidance**

As previously discussed, the extensive use of temporary contracts in Prosegur is notable and troubling, particularly in Peru and Colombia. Its significance in these countries is that Prosegur appears to use temporary contracts as part of a union-

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<sup>25</sup> Dirección de Trabajo, of the Ministry of Labour and Social Services, fined Prosegur more than 160 million pesos, UNI field notes, March 2011.

avoidance strategy. In 2011, in Prosegur Colombia, 54 percent of its male workforce was on temporary contracts and, as referenced earlier, in Peru, 75 percent.<sup>26</sup> These numbers are all the more compelling in an industry like private security services which is a workforce heavily dominated by men.

As discussed, the extensive use of temporary contracts can be an employer strategy to keep unions out and to keep wages and benefits low. Workers who are insecure about their jobs are less willing to raise concerns about pay and benefits, hours of work and even serious health and safety issues. Temporary workers are more vulnerable to employer retaliation for organising a union. The key issue underlying the collective bargaining disputes in Colombia and the strike in Peru, stems from the struggle of workers through their unions to ensure job security. This employment practice of creating precarious work is not acceptable and particularly for a company that is an industry leader.

### **Violations of the OECD Guidelines**

The Guidelines envisage recognition and promotion of the right to organise, the establishment of frameworks for constructive negotiations, the provision of facilities to union activists, and on-going forums of cooperation and dialogue between employers, workers and unions. What UNI's research has revealed in Prosegur is in complete contrast to this.

These incidents violate the most basic standards established under the Guidelines, including, specifically:

Chapter I, Clause 2 - enterprises must respect local laws.

Chapter IV, Clause 1 – enterprises must respect human rights and address adverse impacts with which they are involved.

Chapter IV, Clause 2 – enterprises must avoid causing or contributing to adverse impacts, and address such impacts where they occur.

Chapter V, Clause 1(a) – enterprises must respect the right of workers to join unions.

Chapter V, Clause 1(b) – enterprises must respect the right of workers to have unions of their own choosing recognised for the purpose of collective bargaining.

Chapter V, Clause 2(a) – enterprises must provide facilities to workers' representatives for assisting with the development of effective collective agreements.

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<sup>26</sup> Prosegur, Annual Report 2011, pp.124-5.

Chapter V, Clause 2 (b) – enterprises must provide information to workers' representatives which is needed for meaningful negotiations on conditions of employment.

Chapter V, Clause 2 (c) – enterprises must provide information to workers and their representatives which enables them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole.

Chapter V, Clause 3 – enterprises must promote consultation and co-operation between employers and workers and their representatives on matters of mutual concern.

Chapter V, Clause 4(b) – enterprises must, in developing countries, provide the best possible wages, benefits and conditions of work.

As discussed above, the Guidelines also incorporate (at a minimum) the full labour rights protections contained in the International Bill of Human Rights and the ILO Declaration.

### **Due diligence and corporate social responsibility**

Prosegur has a Code of Ethics and Conduct which states that the company defends freedom of association and collective bargaining, that it guarantees a safe and healthy work environment for its employees, and that its employees must comply with local laws. But while Prosegur practices good corporate citizenship in most of Europe, it pursues policies in its primary expanding market of Latin America that are deeply troubling.

When confronted with these criticisms Prosegur has consistently stated that its industrial relations are decentralised with each country being responsible for self-managing these relations<sup>27</sup>. Under this guise, Prosegur's head office has abrogated its responsibility to comply with OECD minimum standards. The company has failed to take action despite concerns expressed over several years by UNI and its local partners and a formal report issued by UNI in April 2013, a copy of which was provided to Prosegur, outlining many of these problems. The Guidelines clearly state that risks must be identified and effective action must be taken to minimise harmful outcomes.

Indicative of Prosegur's approach to CSR in the region is its refusal to participate in a major sectoral meeting organised by UNI Global Union and UNI Americas in 2011. UNI invited all the major private sector multinational companies in the

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<sup>27</sup> Letter from Juan Mora, Global Head of HR, Prosegur, to Sharan Burrow, Gen Sec, ITUC, 5 Oct 2012, [http://www.business-humanrights.org/media/documents/company\\_responses/cartaprosegur-5-octubre-2012.pdf](http://www.business-humanrights.org/media/documents/company_responses/cartaprosegur-5-octubre-2012.pdf); 2012; restated to UNI in Sept 2013.

service sector in Colombia to attend a meeting coordinated by UNI and the Vice President of Colombia, Angelino Garzon, on 18 November 2011. Of all the multinationals invited to the meeting, of which there were many, only Prosegur affirmatively refused to attend. A subsequent private security forum, organised by UNI, was held in Bogota in May 2013, which included participants from unions, employers and the government, and again Prosegur did not participate.

Most multinationals, in the field of security services take a responsible approach to their workers. These companies and their clients are unwilling to embrace a business model that drives wages and standards down due to the adverse impact this has on service quality. The inevitable turnover of staff that low pay and large numbers of temporary jobs create results in large numbers of new workers who are unfamiliar with the workplace, untrained for their specific job (and with little to no incentive for the employer to invest in training). In security services this business model is unsustainable. However, it is an approach used by companies that are not genuinely committed to CSR.

## **Conclusions**

Prosegur has failed to put in place systems and safeguards for ensuring that it is sufficiently able to respect workers' rights throughout its global operations. These problems include serious acts of interference with freedom of association, including the harassment and dismissal of union organisers and union activists. Prosegur has sought to evade its bargaining obligations. It has violated local laws and has clearly irritated local courts by delaying implementation of their rulings. These actions are entirely incompatible with the ILO and human rights based framework that the Guidelines seek to establish.

UNI recognises that the Guidelines are not legally binding upon companies but emphasizes that they also are not 'optional' or 'aspirational' but are minimum standards of conduct required of a global corporation. UNI urges the Spanish NCP to take a holistic view of the global problems documented in this communication and to investigate this complaint with the parties in order to achieve a sustainable long-term solution to these problems. UNI recognises that the NCP may wish to consult, advise, or otherwise engage with NCPs in other adhering countries where this is viewed as appropriate.

## **Toward a solution**

UNI's national level affiliates are recognised by Prosegur country operations as bargaining partners in some countries, including Spain. UNI has sought to resolve these matters through discussion but has thus far been unsuccessful in persuading the Company to enter seriously into dialogue or to make a commitment to find a solution.

**What solution is anticipated?**

UNI wishes to enter into a constructive dialogue with Prosegur with a view to bringing about a negotiated settlement that will address serious violations of the OECD Guidelines that are taking place in the Company's overseas operations. UNI would like to reach agreement with Prosegur on mechanisms that would improve the company's due diligence monitoring and response, in particular with respect to industrial relations and human rights issues, with a view to bringing about substantial improvements in the company's compliance in those areas through its global operations.

UNI regards the 'good offices' approach of the OECD process as an eminently suitable vehicle for bringing about a resolution in this case. UNI understands that the NCPs seek to resolve complaints by facilitating conciliation or mediation between the complainant and the company. UNI welcomes the opportunity to engage in such a process and looks forward to securing a positive, negotiated, and mutually beneficial solution.

Should a negotiated agreement prove impossible UNI will request that the NCP issue a final statement concerning whether or not the Guidelines have been respected.

**Disclosure**

UNI is aware that information provided to the NCP will be shared with the company. UNI is agreeable for all information shared in this process to be publicly available.

## **Appendices**

### **Paraguay**

#### **Appendix A:**

Ministry of Justice and Labour document dated 25 September 2011, identifying as union leaders Victor Fretes and Esteban Gonzáles who were dismissed by Prosegur on 26 September 2011. Paraguayan Labour Code, Articles 318-321 provide protection to union leaders against being dismissed.

#### **Appendix B:**

Letter from Prosegur Paraguay to SITEPROPASA, 13 July 2012. Signed by Ricardo Ward, Manager of Guarding for Prosegur Paraguay, and Head of Operations Luis Arce. Letter claiming strike was illegal and company threat to fire strikers.

#### **Appendix C:**

Documents including report of labour inspectors Guillermo Britez and Teodoro Benitez to Head of Inspections and Surveillance of Ministry of Justice and Labour, Elsa Bogado, 24 July 2012. Cites Prosegur's denial of access to investigators and their finding of nonregistered workers during the strike.

#### **Appendix D:**

Example of coerced resignation agreements that Prosegur used with union members who engaged in the strike.

#### **Appendix E:**

Document dated 20 August 2012. Letter from Prosegur to judge withdrawing its legal action to have the strike declared illegal.

#### **Appendix F:**

Letter from Commission of Justice, Labour and Social Security to Raul Reinoso, General Manager of Prosegur Paraguay, 23 August 2012, and letter from National Deputy Aiba Robles to Mario Lomaquis President of the union SITEPROPASA 17 September 2012.

#### **Appendix G:**

Collective Contract between Prosegur Paraguay S.A. and the Sindicato de Trabajadores de Prosegur Paraguay S.A. registered on 14 November 2012, amended by the Ministry on 15 February 2013 to be between "Prosegur workers" and the company.

## Colombia

### Appendix H:

SINTRAVALORES. Collective Agreement, Chapter 1, Article 5. Contract language that guaranteed workers the right to move to permanent status after a 4-month probationary period.

### Appendix I:

Sentencias y Resoluciones del Ministerio de Protección Social contra Prosegur de Colombia. Excerpt from Escuela Nacional report on Prosegur, 2012. Lists 22 decisions against Prosegur concerning violations of workers' rights.

### Appendix J:

Judgement 31, municipal con función de control de garantías de la Ciudad de Bogotá, 5 March 2008, approving Judgement 30 of the Penal del Circuito, Bogotá DC, 4 April 2008. Court ruling imposing fine on Prosegur for failure to comply with earlier court rulings.

### Appendix K:

Prosegur de Colombia S. vs Teofilio Gómez Duarte, Tribunal Superior del Distrito Judicial de Bogotá D.C., Sala Laboral, 25 May 2010. Court decision ruling in favor of union president Gómez Durate regarding dismissal.

### Appendix L:

Alfonso report to the Ministry of the Interior and Justice, and the police list of precautionary measures to address concerns regarding his personal safety.

### Appendix M:

Letter from SINTRAVALORES sent to Prosegur regarding *El Zorro* and Prosegur's response.

### Appendix N:

Packet of information *on pacto colectivo*: 1) Prosegur circulars to all staff, 6 and 7 December 2010, GRH-0060, 0061 and 0062/2010; 2) language excerpt from *pacto colectivo*, and 3) Prosegur worksite brochures promoting the *pacto colectivo*.

### Appendix O:

Exerpts from court decisions: Supreme Court of Justice of Colombia, Civil Appeals Chamber, Ruling No. 11001-22-03-000-2011-00500-01, 14 June 2011); Constitutional Court of Colombia, Ruling No. T-084-12, <http://www.corteconstitucional.gov.co/relatoria/2012/T-084-12.htm>, 16 February 2012. Court decisions which confirmed that Prosegur *pacto colectivo* was discriminatory and ordered union members compensated equal to non-union workers.

### Appendix P:

Exerpts from court decisions: Yago Palao Tirado (Prosegur's Colombia Country Manager) vs. Juzgados Cuarenta y Tres Civil del Circuito y Treinta y Nueve Civil Municipal, Corte

Suprema de Justicia, Sala de Casación Civil, 7 December 2012. Final court challenge by Prosegur attempting to reverse court decision finding the *pacto colectivo* to be discriminatory.

**Appendix Q:**

Municipal Criminal Court, Ruling No. 05-001-40-04-002-2010-00098, 28 February 2011. Excerpt of contempt ruling against Prosegur for failing to pay union members what the court had ordered.

**Peru**

**Appendix R:**

Letter from Prosegur to union dated 24 April 2013, concerning existence of 2010-15 collective agreement.

**Appendix S:**

Collective Agreement 2010-2015 between CIA de Seguridad Prosegur S.A. and Prosegur workers, signed on 30 September 2010.

**Appendix T:**

Communication titled “Incremento de Remuneraciones 2013”, 6 May 2013, pay increase for non-union workers.

**Appendix U:**

Letter from Ministry of Labour to Prosegur, 23 July 2013, concerning ability to bargain with union.

**Appendix V:**

Acta de Conciliación, Expediente N° 0059-2013/MPTE/2/14, 13 y 22 de Agosto 2013.

**Appendix W:**

Article 4 (b) Asamblea General Extraordinaria de Sindicato de Trabajadores de la CIA de Seguridad Prosegur, 31 de agosto y 1 de septiembre 2013, union strike notice.

**Appendix X:**

Resolucion Directoral General N°100-2012/MPTE/2/14, 9 September 2012, requirements met for engaging in a legal strike.

**Appendix Y:**

Letter from Prosegur to staff regarding industrial action and preconditioning strike on rehiring dismissed workers, 16 September 2013.



**Appendix Z:**

Cedula de Notificacion 0000026399-2013 dated 15 October 2013 and Acta de Infraccion No. 2896 – 2013-MTPE/1/20.4. Fine imposed on Prosegur for hiring replacement workers during the strike.

**Appendix AA:**

Letter dated 13 September 2013, providing temporary authorization for employee to replace a striking worker during the period 13-30 September, one day after the start of the strike. Worker was authorized to receive and deliver cash in banks.

**Appendix BB:**

Pro-forma letter dated 16 September 2013, from Prosegur sent to individual workers to discourage participation in the strike and exaggerating the financial impact of the strike on families.

**Appendix CC:**

Letter dated 30 September 2013, non-renewal of 6-month contracts.

**Appendix DD:**

Articles 43 and 44, Decreto Legislativo N°728, Article 10 of the Ley de Productividad y Competitividad Laboral 1997, providing a 6-month probationary period.

**Appendix EE:**

Resolución Sub Directoral No. 813-2013-MPTE/1/20.45, 11 October 2013, for illegal use of 6-month employment contracts by Prosegur.

**Brazil**

**Appendix FF:**

EMBARGOS DE DECLARAÇÃO, Acordao – TRT 17ª Regiao – 0044900 - 19.2012.5.17.0012.

**Appendix GG:**

Telegram dated 16 April 2012, firing Damacena and Sales.

**Appendix HH:**

Acoordao de reintegracao; Documento ultima 2ª reintegracao and Tribunal Regional do Trabalho da 17ª Regiao. Court decisions reinstating union leaders and requiring Prosegur to immediately compensate for backpay or face daily penalties.

**Appendix II:**

Dissidio Colectivo – Greve, Acordao – TRT 17A Regiao – 0014300-17.2013.5.17.0000.

Appendix JJ:

Newspaper advertisement placed by Prosegur recruiting workers during the strike.