



February 2, 2022

David Atkin, CEO
PRI

Via email: david.atkin@unpri.org

Dear Mr. Atkin:

We are writing to you regarding the private equity firm PAI Partners, a PRI signatory whose actions are a serious violation of the integrity of the PRI Initiative and therefore put the integrity of PRI and the initiative at risk.

We request that you and the PRI Board of Directors take steps to “safeguard the reputation, integrity and good efforts of the PRI and its signatories” by delisting PAI Partners, using the authority outlined in the PRI [“Serious Violation Policy.”](#)¹

The PRI [surveyed its signatories](#) regarding holding fellow signatories accountable to the Initiative’s principles and what to do when “the behaviour of these organisations has the potential to bring the PRI, and by extension the work of the signatory base as a whole, into disrepute.”

Almost three quarters of the surveyed signatories (71 percent) agreed that the PRI should “delist signatories if they act in a manner that brings their publicly stated commitment to responsible investing, or the work of the PRI (and by association, other signatories), into question.” (“PRI Serious Violations Policy Consultation Document”)

This is exactly what PAI Partners is doing. While the company may call itself a responsible investor that is concerned with Environmental, Social and Governance (ESG) issues, the actions

¹ <https://www.unpri.org/pri/governance/serious-violations-policy#:~:text=The%20Serious%20violations%20policy%20is,and%20the%20signatory%20minimum%20requirements.>

of PAI Partners, and its portfolio company Refresco, directly contradict PAI Partners' stated commitment.

The PAI Partners website states, "Attention to Environment, Social, and Governance (ESG) matters lies at the heart of PAI's investment policy. Our commitment to responsible investment is central to our activities, and fully integrated into our policies, processes and outcomes."² However, as shown below, PAI Partners' portfolio company Refresco has engaged in ongoing practices that endanger the environment and the health and safety of its workforce.

Furthermore, the PRI has featured PAI Partners in [a case study](#) on its web site, showcasing them as a model for responsible investing. This is an affront to those corporations and firms that are legitimately integrating social and environmental concerns in their business operations, and it should be removed from the PRI's website.

WORKFORCE

WHAT PAI PARTNERS SAYS:

PAI Partners' ESG report said "In today's world, businesses like ours and those we invest in are judged on more than just their financial results. Companies that exploit workers ... face reputational impacts and lower sales."³

The ESG report also highlights its portfolio company Refresco and notes that Refresco has developed three pillars on which to focus its corporate social responsibility actions," one of which is "Happy People."⁴ Refresco lists one of its Key Performance Indicators as being "a great place to work."⁵

WHAT PAI PARTNERS DOES:

Last year, a majority of the almost 250 workers at the Refresco bottling plant in New Jersey voted to join the United Electrical, Radio, and Machine Workers of America union (UE) to counter the abusive treatment by supervisors, low wages, minimal benefits, sexual harassment, constant schedule changes, and an unforgiving attendance system that penalized workers for getting sick. (We have included statements from several Refresco workers as Attachment A).

² <https://www.paipartners.com/responsibility/our-commitments/>

³ 5 PAI Partners Environmental, Social, and Governance Impact, May 2018. https://paipartners.wpengine.com/wp-content/uploads/2018/05/7443_PAI_Impact_Low_Res.pdf

⁴ PAI Partners Environmental, Social, and Governance Impact, May 2018. https://paipartners.wpengine.com/wp-content/uploads/2018/05/7443_PAI_Impact_Low_Res.pdf

⁵ <https://www.refresco.nl/drupal/media/data/nl/2020-12/sustainability-KPIs-RB-2020.pdf>

The [*Wall Street Journal*](#) reported that in the spring of 2020, workers at the New Jersey Refresco plant staged a walk out to protest the unsafe working conditions during the pandemic after a manager berated a worker who was worried about the coronavirus and said he felt ill.⁶

Refresco hired a notorious union busting law firm that has a long history of trying to prevent workers from organizing.⁷ Workers were not intimidated by Refresco's aggressive anti-union campaign and in June 2021, a majority of the workers voted to unionize. Eight months later, Refresco is still refusing to recognize the union and refusing to bargain, even though the National Labor Relations Board (NLRB) has officially certified the union.⁸ (We have attached a timeline of the NLRB proceedings as Attachment B)

Over the last eight months, Refresco has filed a series of objections, requests for rescheduling and extensions to file briefs, appeals, and requests for review. Refresco's objections to the NLRB election are purportedly based on a five-minute delay to the start of one of four voting sessions. At each step, the NLRB has denied the employer's objections and repeatedly stated that Refresco provided no evidence that any employees were disenfranchised by a five-minute delay.

The NLRB certified the union in December 2021, despite Refresco's continued appeals. The union subsequently sent the company a demand to bargain, but the company refused to negotiate. Refresco claims that it is not required to negotiate while it is pursuing further NLRB appeals. The company has also continued to post anti-union literature in the plant.

The workers' suffering under low pay, poor benefits, and unfair working conditions has been needlessly prolonged while they wait for justice through the NLRB. Refresco's clear and calculated effort to violate its employees' rights and deny them collective bargaining is in direct conflict with the socially responsible investment values of the PRI.

WHAT THE PRI SAYS:

Regarding COVID-19 and employees, [the PRI says on its website](#):

“Where there are immediate concerns with respect to labor rights linked to the COVID-19 pandemic, companies should engage in dialogue with workers. Discussions should include, but not be limited to, OHS concerns, access to paid sick leave and healthcare, and freedom of association and collective bargaining. Workers should be able to express concerns via appropriate channels and with no fear of retaliation. They should be consulted throughout the crisis, including on issues around lay-offs and human capital management plans.”⁹

⁶ “US Plant Workplaces Emerge as Coronavirus Battlegrounds,” Wall Street Journal, Alexandra Berzon, Jacob Bunge, and Alejandro Lazo, April 1, 2020. <https://www.wsj.com/articles/u-s-plant-workplaces-emerge-as-coronavirus-battlegrounds-11585775230>

⁷ <https://www.jstor.org/stable/pdf/10.13169/workorgalaboglob.13.2.0057.pdf?refreqid=excelsior%3A51fc95bb40fc22dec7222b706d0e8f48>, p. 61

⁸ July 2, 2021, letter from Seyfarth Shaw to the National Labor Relations Board

⁹ <https://www.unpri.org/covid-19-resources/theme-1-protecting-workers-rights-through-the-covid-19-crisis/6342.article>

The PRI then poses a series of questions for companies, including:

- Does the company provide paid sick leave to all workers including temporary and newly hired workers? If these provisions are not included in the national legislation of operations, employers should provide a minimum of two weeks sick paid leave to workers exhibiting symptoms.
- What measures have been implemented to support the social protection of workers, such as: access to health care, unemployment protection, emergency paid leave, sick benefits, family leave and care policies and income support through social assistance?
- Does the company ensure that workers are able to engage in workplace activism without fear of or risk of reprisal?

HEALTH AND SAFETY

WHAT PAI PARTNERS SAYS:

The PAI Partners ESG report said, “As a long-term investor, we want to make sure that the companies in which we invest provide a safe and healthy work environment for their employees.” PAI Partners specifically cited that “Safety First” is Refresco’s highest priority.¹⁰

Refresco lists becoming “one of the safest places to work in the industry” as a Key Performance Indicator.¹¹

WHAT PAI PARTNERS DOES:

Refresco and the bottling operations Refresco has acquired have a history of being cited for workplace violations by the US Department of Occupational Safety and Health Administration (OSHA).

Health and safety violations continued even after PAI Partner’s acquisition of Refresco in January 2018. Since then, OSHA has cited Refresco for nineteen serious violations in five states and fined the company tens of thousands of dollars.¹² (See below chart on page 11)

OSHA defines a serious violation as “a workplace hazard that could cause an accident or illness that would most likely result in death or serious physical harm.”¹³

¹⁰ 8 PAI Partners Environmental, Social, and Governance Impact, May 2018.

https://paipartners.wpengine.com/wp-content/uploads/2018/05/7443_PAI_Impact_Low_Res.pdf

¹¹ <https://www.refresco.nl/drupal/media/data/nl/2020-12/sustainability-KPIs-RB-2020.pdf>

¹² All OSHA violation data is from US Department of Labor Occupational Safety and Health Administration Enforcement Data, accessed 11/28/2021

¹³ <https://www.osha.gov/publications/fedrites>

In 2015, OSHA cited the Cliffstar bottling plant in New York for seven serious violations. Cliffstar was then acquired by Refresco. In April 2019, fifteen months after PAI Partners acquired Refresco, the New York bottling plant was cited by OSHA for another ten serious health and safety violations.¹⁴

Also in 2015, OSHA cited the New Jersey Refresco plant for eight serious violations, one repeat violation for something Refresco had previously been cited for, and two willful violations. The willful violations were for not providing hearing tests for workers exposed to prolonged noise.¹⁵ OSHA defines “willful” as when the employer either knowingly failed to comply with requirements or acted with plain disregard to worker safety.¹⁶ In 2018, after PAI Partners acquired Refresco, OSHA cited the plant for several more serious violations.¹⁷

Unsafe working conditions are one of the main reasons that workers at the Refresco bottling plant in New Jersey organized a union. They want to negotiate with Refresco to make the plant a safer and healthier workplace.

In November 2021, the union [filed a complaint](#) with OSHA detailing a number of health and safety concerns at the New Jersey plant, including extreme noise. Refresco’s own logs show that three workers suffered hearing loss last year,¹⁸ and OSHA has previously cited the plant for willful violations regarding the prolonged loud noise.¹⁹ Workers report that they have brought these issues to the company’s attention, but there has been no improvement.

OSHA requires that employers keep a record of work-related deaths, injuries, and illnesses. This log is intended to help in evaluating the type, frequency, and severity of workplace injuries and illnesses. The injuries that were recorded in the log just last year include a concussion, a dislocated shoulder, a burn due to a ruptured can, and the three instance of hearing loss mentioned above.²⁰ (See attachment C)

In addition, in October 2021, workers notified OSHA of several workplace injuries that had occurred at the Wharton, NJ plant in the previous six months that had not been recorded in the log.²¹ (See Attachment D)

¹⁴ All OSHH violation data is from US Department of Labor Occupational Safety and Health Administration Enforcement Data, accessed 11/28/2021

¹⁵ US Department of Labor Occupational Safety and Health Administration Enforcement Data, accessed 11/28/21

¹⁶ <https://www.osha.gov/publications/fedrites>

¹⁷ US Department of Labor Occupational Safety and Health Administration Enforcement Data, accessed 11/28/21

¹⁸ Refresco Wharton 2021 OSHA For 300 Log of Work-Related Injuries and Illnesses

¹⁹ May 29, 2015, OSHA Citation for Whitlock Packaging Violation of OSHA Standards 1910.95 G05 II and 1910.95 G06

²⁰ Refresco Wharton 2021 OSHA For 300 Log of Work-Related Injuries and Illnesses

²¹ October 28, 2021, letter from David Tykulsker to OSHA

WHAT THE PRI SAYS:

“Meeting human rights expectations leads corporations and investors to more effectively and proactively manage a range of complex environmental, social and governance (ESG) issues. Among social issues, we find employee relations, diversity issues, health and safety, community relations and forced labour – each of which are reflected in well-established international human rights instruments.”²²

One of those “well-established international human rights instruments” is of course the United Nations’ Universal Declaration of Human Rights, which states that:

- Everyone has the right to “just and favourable conditions of work”
- “Everyone who works has the right to just and favourable remuneration ensuring himself and his family an existence worthy of human dignity”
- “Everyone has the right to form and join trade unions for the protection of his interests.”²³

The PRI has also been working to [“get investors on board”](#) with the United Nation’s Sustainable Development Goals (SDG) in order to achieve “broader objectives of society.”²⁴ One of the UN SDGs is “full and productive employment and decent work for all.”²⁵

We have contacted PAI Partners multiple times regarding many of the issues detailed above. The company has not provided a substantive response to these concerns.

ENVIRONMENT

WHAT PAI PARTNERS SAYS:

According to its 2020 Climate Policy statement, PAI Partners has an obligation to the communities in which it operates “to go beyond regulatory compliance” and to play its “part in the collective effort to protect the environment.”²⁶

The ESG report highlights its portfolio company Refresco and notes that Refresco has developed three pillars on which to focus its corporate social responsibility actions,” one of which is a “Happy Planet.”²⁷ Refresco lists one of its sustainability Key Performance Indicators as minimizing the company’s impact on the environment.²⁸

²² <https://www.unpri.org/human-rights/why-and-how-investors-should-act-on-human-rights/6636.article>

²³ <https://www.un.org/sites/un2.un.org/files/udhr.pdf>

²⁴ <https://www.unpri.org/sustainable-development-goals/the-sdg-investment-case/303.article>

²⁵ https://www.ohchr.org/Documents/Issues/MDGs/Post2015/SDG_HR_Table.pdf

²⁶ PAI Partners Climate Policy, June 2020 https://30u8y23m26yv1aezj63xtbcp-wpengine.netdna-ssl.com/wp-content/uploads/2020/06/PAI-Partners_ClimatePolicy_.pdf

²⁷ PAI Partners Environmental, Social, and Governance Impact, May 2018. https://paipartners.wpengine.com/wp-content/uploads/2018/05/7443_PAI_Impact_Low_Res.pdf

²⁸ <https://www.refresco.nl/drupal/media/data/nl/2020-12/sustainability-KPIs-RB-2020.pdf>

WHAT PAI PARTNERS DOES:

The Refresco bottling plant in Walla Walla, Washington has been failing to comply with basic wastewater regulations. The city of Walla Walla has cited Refresco for dozens of violations “for discharging dirty and potentially dangerous wastewater.” Inspectors found that Refresco’s wastewater frequently contained toxic polychlorinated biphenyls (PCBs) in excess of regulatory limits, sometimes as much as forty-three times the limit.²⁹

Refresco was cited for forty violations from 2019 through 2021, resulting in \$440,000 in fines. Often, those violations each constituted multiple occurrences. For instance, a March 2020 violation was actually for twelve separate occurrences of unacceptable discharge.³⁰

- In November 2018, Walla Walla fined Refresco for having PCB levels higher than the maximum limits. Refresco committed to hiring an environmental engineering firm to determine the source of contamination and correct the problem by December 2019.³¹
- By January 2020, Refresco had not corrected the problem, and the City of Walla Walla charged Refresco with being in Significant Non-Compliance and cited the company for sixteen violations from November 2018 through December 2019 for failing to meet reporting, notification, and monitoring activities, equipment, discharge limitations, prohibitions, accidental spill, or slug discharge requirements.³²
- In February 2020, the city of Walla Walla conducted a hearing about whether to revoke Refresco’s permit. City staff noted that previous fines did not seem to be working in getting Refresco to comply with the requirements. Refresco assured the city that they were working to address these issues and would get the problem under control.³³
- In April 2020, Refresco consented to additional monitoring and reporting requirements and agreed to build a pretreatment system that would clean its wastewater before it reached the city’s treatment facilities, and that it would be fully operational by July 2021.³⁴

²⁹ “More wastewater fines for Walla Walla Refresco bottling plant,” Union-Bulletin, Emry Dinman, Sep. 13, 2021. https://www.union-bulletin.com/news/more-wastewater-fines-for-walla-walla-refresco-bottlingplant/article_cbcd9336-14d6-11ec-a2b2-c3907f244570.html

³⁰ “More wastewater fines for Walla Walla Refresco bottling plant,” Union-Bulletin, Emry Dinman, Sep. 13, 2021. https://www.union-bulletin.com/news/more-wastewater-fines-for-walla-walla-refresco-bottlingplant/article_cbcd9336-14d6-11ec-a2b2-c3907f244570.html

³¹ City of Walla Walla 2018 Annual IP Report, <https://apps.ecology.wa.gov/paris/DownloadDocument.aspx?id=261180>, p. 8

³² https://www.union-bulletin.com/public_notices/notice-of-significant-non-compliance/article_49c9eaa0-3324-11ea-b8ab-a76016156c2b.html

³³ https://www.union-bulletin.com/news/more-wastewater-fines-for-walla-walla-refresco-bottling-plant/article_cbcd9336-14d6-11ec-a2b2-c3907f244570.html

³⁴ “More wastewater fines for Walla Walla Refresco bottling plant,” Union-Bulletin, Emry Dinman, Sep. 13, 2021. https://www.union-bulletin.com/news/more-wastewater-fines-for-walla-walla-refresco-bottlingplant/article_cbcd9336-14d6-11ec-a2b2-c3907f244570.html

- When Refresco failed to meet the July 2021 deadline, the city issued a final notice of compliance and gave Refresco a 12-month extension, until July 2022, to build the pretreatment plant. However, the city announced that it would fine Refresco \$500 per day until the plant was in operation.³⁵
- In August 2021, the city threatened to shut the plant down if Refresco did not come into compliance by the July 2022 deadline.³⁶

“This can corrode the infrastructure (sewer lines and at the treatment plant) and put the city employees at risk who may come in contact with the acidic waste,” wrote the environmental engineer for the city’s Public Works Department. “It’s imperative that our industries, especially those considered ‘significant’; like Refresco due to their large volume of discharge, do not discharge more contaminants than the treatment plant can remove. The city’s wastewater treatment plant discharges into Mill Creek or to irrigators part of the year and if it cannot remove those contaminants because it has received too much, then it goes right into the environment.”³⁷

WHAT THE PRI SAYS:

“Water is a finite and shared resource. As well as being a basic human right and fundamental to healthy ecosystems, water is vital to the functioning of the global economy. However, increasing demand and competition, climate change and pollution are putting pressure on global water.”³⁸

THE PRI’S SERIOUS VIOLATIONS POLICY

As you can see, while PAI Partners purports to be a responsible investor that is concerned with Environmental, Social, and Governance (ESG) issues, the company engages in practices that directly contradict its lofty statements.

We believe that these actions constitute a “serious violation,” according to the PRI policy, and warrant delisting PAI Partners as a signatory. PAI Partners and its actions fully meet the criteria for a serious violation as laid out in Section 2.1 of the PRI Serious Violations Policy.

³⁵ “More wastewater fines for Walla Walla Refresco bottling plant,” Union-Bulletin, Emry Dinman, Sep. 13, 2021. https://www.union-bulletin.com/news/more-wastewater-fines-for-walla-walla-refresco-bottlingplant/article_cbcd9336-14d6-11ec-a2b2-c3907f244570.html

³⁶ https://www.union-bulletin.com/news/business/refresco-beverages-walla-walla-operations-at-risk-of-being-shut-down-for-discharge-violations/article_12ec6bf2-0799-11ec-b8e3-b7aa63fa8a04.htm

³⁷ “More wastewater fines for Walla Walla Refresco bottling plant,” Union-Bulletin, Emry Dinman, Sep. 13, 2021. https://www.union-bulletin.com/news/more-wastewater-fines-for-walla-walla-refresco-bottlingplant/article_cbcd9336-14d6-11ec-a2b2-c3907f244570.html

³⁸ <https://www.unpri.org/sustainability-issues/environmental-social-and-governance-issues/environmental-issues/water>

- Serious actions “put the integrity of the PRI Initiative and its objects at risk;” (2.1.1)
 - As detailed above, PAI Partners has put the integrity of the PRI Initiative at risk by making grand statements regarding its environmental and human resources practices, but then contradicting those statements with the actions of its portfolio company.

- Serious actions “are serious (material and/or significant);” (2.1.2)
 - Since PAI Partners acquired Refresco in January 2018, OSHA has cited Refresco for nineteen serious violations in five states and fined the company tens of thousands of dollars.³⁹ OSHA defines a serious violation as “a workplace hazard that could cause an accident or illness that would most likely result in death or serious physical harm.”⁴⁰
 - The city of Walla Walla has cited Refresco for forty violations since 2019, resulting in \$440,000 in fines, “for discharging dirty and potentially dangerous wastewater” that frequently contained PCBs in excess of regulatory limits, sometimes as much as 43 times the limit.⁴¹ “The importance of Walla Walla’s wastewater (sewer) treatment plant is difficult to overstate,” a representative from the city wrote. “It is critical that the water discharged from the plant meet state and federal standards for cleanliness to protect the health and safety of people, agriculture and the environment.”⁴²

- Serious actions “are systematic (organized and/or an outcome of an organisation’s culture);” (2.1.3)
 - The actions described above are not isolated incidents. They are ongoing and show no signs of improvement. The city of Walla Walla has threatened to shut down the Refresco plant in its city if the company does not correct its problems.
 - The dispute with Refresco employees is not the first time PAI Partners has found itself embroiled in a labor dispute involving one of its portfolio companies. In 2019, another PAI Partners’ company, airport concession company Areas, was involved in a labor dispute with hospitality union UNITE HERE. Areas had taken

³⁹ All OSHA violation data is from US Department of Labor Occupational Safety and Health Administration Enforcement Data, accessed 11/28/2021.

⁴⁰ <https://www.osha.gov/publications/fedrites>

⁴¹ “More wastewater fines for Walla Walla Refresco bottling plant,” Union-Bulletin, Emry Dinman, Sep. 13, 2021. https://www.union-bulletin.com/news/more-wastewater-fines-for-walla-walla-refresco-bottlingplant/article_cbcd9336-14d6-11ec-a2b2-c3907f244570.html

⁴² https://www.union-bulletin.com/news/business/refresco-beverages-walla-walla-operations-at-risk-of-being-shut-down-for-discharge-violations/article_12ec6bf2-0799-11ec-b8e3-b7aa63fa8a04.html

over concessions at several airports and drew criticism from UNITE HERE for not rehiring long-time employees who had been laid off by the previous operator. Another labor dispute between Areas and UNITE HERE in 2020 led two board members of the Los Angeles County Employees Retirement Association (LACERA) to say that LACERA should not reinvest in PAI Partners until the labor dispute was resolved.⁴³

- Serious actions “are within the legitimate sphere of control of the signatory.” (2.1.4)
 - PAI Partners owns half of Refresco.⁴⁴
 - Two PAI Partners executives are on the seven-member supervisory board of Refresco. The Supervisory Board supervises the Executive Board, the policies carried out by the Executive Board, and the general affairs of the company.⁴⁵
 - Regarding corporate social responsibility at its portfolio companies, the PAI website says, “As a majority shareholder, we are in a position to influence many aspects of portfolio companies, provide resources and time that they may lack at a given moment and support initiatives that will benefit them.”⁴⁶

We request that you and the PRI Board of Directors use the authority outlined in the PRI’s Serious Violations Policy and delist PRI as a signatory.

Sincerely,

Jordan Ash
Private Equity Stakeholder Project

Tara McCauley
United Electrical, Radio, and
Machine Workers of America

Cc: Peter Dunbar, PRI
PRI Board of Directors
PRI Plastic Investor Working Group
PRI Private Equity Advisory Committee

⁴³ <https://www.buyoutsinsider.com/two-lacera-board-members-support-not-re-upping-with-pai-partners/>

⁴⁴ <https://www.paipartners.com/mediaitem/pai-bcimc-owns-refresco/>

⁴⁵ <https://www.refresco.com/en/about-us/leadership/supervisory-board/>

⁴⁶ <https://www.paipartners.com/responsibility/portfolio-companies-sustainability/>

Serious OSHA violations at Refresco since acquisition by PAI Partners

Year	Location	Violation
2018	Wharton, NJ	Failure to maintain safe clearance for mechanical equipment
		Trucks operating with obstructed view
2019	Dunkirk, NY	Failure to provide and ensure employees use a safe means of access to walking-working surfaces
		Failure to maintain adequate exit access
		Improper dimensions for ladders
		Guardrails, safety nets, or restraints not provided to adequately protect workers from fall hazards
		Failure to protect workers from falling into ladderway floor holes or ladderway platform hole
		Failure to document that hazardous chemical equipment complies with standard practices.
		Failure to update and revalidate requirements to assure that the hazard evaluation process is effective
		Failure to establish and implement written procedures to maintain the on-going integrity of equipment
		Failure to correct deficiencies in equipment that are outside acceptable limits before further use
		Failure to safeguard all exposed parts of horizontal shafting
2020	San Bernardino, CA	Belt conveyors not properly safeguarded to prevent workers being caught in it
		Countershafts not properly safeguarded
2021	Columbus, GA	Facepiece respirators not properly fit tested prior to initial use
		Failure to conduct medical evaluation to determine employee's ability to use a respirator prior to use
2021	San Antonio, TX	Failure to safeguard all exposed parts of horizontal shafting
		Failure to fill or cover unused keyways

ATTACHEMENT A

Nelva Castellanos

My name is Nelva Castellanos.

I have worked at the Refresco plant for 8 years as a lead on the line. When people need safety equipment, gloves, materials, anything they need - I provide it for them.

My hourly wage is not enough to take care of my family. Now we work third shift or on weekends at regular pay, and with longer hours per shift.

My company Refresco is owned by PAI Partners company, which this pension fund is invested in. You should know that your company, my employer, is fighting the union that the workers voted for.

Before PAI Partners bought Refresco, things were a little better.

The insurance we have now is no good. Every week I pay \$150 for insurance for my husband and me; I can't afford to put my kids on insurance because it's no good and it's too expensive, so my son and daughter are on NJ CHIP insurance.

The supervisors don't know how to treat people, we are treated like animals. Our new supervisor doesn't speak Spanish -- and I hear supervisors now calling black people the N-word.

We worked during covid for 8 hours - they lied in their books about how long we were working. They brought outside visitors to the company, when workers inside had covid. If anyone reported they had covid, management said it was private and not to say anything about it.

If I said I had covid, they say they don't care, you still have to come to work, just put on two masks and don't tell anyone

Before if you were sick, you called out, now they say they will give you a demerit in "the book" - a crude disciplinary system. Everytime something happens they will mark you down and give you a negative point in the book. Typically if you get six points in their book you are let go.

It is a very arbitrary discipline system because supervisors and workers who benefit from favoritism will not get any points against them for doing the same things other workers do.

It is the same with salary - they can do whatever they want with payroll and pay people different amounts.

Also the schedule is impacted by favoritism, I was scheduled to work one day, and they took it off my schedule at the last minute.

If anyone had pain from the job, they get sent to the clinic. But they don't care, the company clinic just sends them back to work.

I don't know why the bosses don't care about us.

Right now the bosses are doing whatever they want. If they cared, they would do something to improve things. You can't let the company decline - it is sad everything that is happening with the company.

In the past we had 270 people working, one supervisor working with us, and we made a million cases a week.

But now, there are two supervisors and another staff person, and they are spending a lot of money with nothing to show for it, for things we don't need. They are bringing in more managers now and they don't need them.

I see stress and frustration among my coworkers.

One supervisor was taking our union flyer off the wall, she threw it away.

Refresco needs to care more about how it is treating its workers. Morale is really low and the working conditions are terrible. Things must change.

Allan Pineda

Management assigned me two very challenging lines, at a time where I was covering a different shift that is already short-staffed. One day after I get everything set up and prepared for the guys on the shift after me, I check the board to see what is running - and I see changes on both of my lines that I wasn't informed about - they added three extra batches for line 1, they took out the flavor and added a completely different one - to avoid a 4-hour intense internal cleaning process.

I only had about 90 minutes left on my shift and I had not eaten lunch yet, so I'm upset and I take lunch. When I return there is only one hour left. I made 6 batches in the hour; Each batch has a minimum of 6 x 50 lbs and 6 x 40-lbs of powdered ingredients - not including the flavors you have to separate - they all vary as the jugs are 40 lbs each, and there is a minimum of 6 ugs.

I did all of that while I'm bringing up material for what is coming up next so that line continues to run smoothly.

I felt the pressure to perform, because what is currently running on the line is about to end, so I perform and execute and I did a whole day's work in an hour. That is when the back problems started.

For the past 3 weeks - I have been in a lot of pain and I had to call out for 7 days because I could barely get out of bed. There is now a new pain going up my spine now and I have to go to Urgent Care to see what is happening.

Refresco wouldn't do anything about my work injury, and they didn't report my injury to their workers' comp insurance company. The attorney from my union is helping me to get workers comp and medical care for this back injury.

My pay is \$1 lower than what we had agreed upon before I came to work at Refresco. Running 2-3 lines for \$15.50 is not what I originally agreed on - \$16.50 is what we agreed on - Management is giving me the run-around and hoping I go away about my pay, but I'm not, I can't afford to.

I am a single father of a 3-year old daughter and I won't be able to afford child support for my daughter at this rate of pay.

I am covering my own basic needs, I am not able to save, I have problems with my car, there's no money for a new car. While I can get approved to get a new lease, I still need a down payment, and I won't be able to afford car payments anyway.

Health and safety precautions need to change on the line, and my coworkers and I need to be paid fairly. Right now Refresco is running an unsafe plant, and I'm being underpaid.

Anthony Sanchez

My name is Anthony Sanchez, and I've been a machine operator for 15 years at the NJ Refresco plant.

I am currently out of work with an injury that was made a lot worse by the Refresco. The company wouldn't let me off work for medical care, so I had to keep working until I had enough Family Medical Leave Act time accumulated to take time off without losing my job. This took months, and the months I worked with an injury made everything so much worse and I had to get a more serious surgery.

When I was working, since Refresco implemented a 12 rather than 8-hour schedule, I have been unable to meet all of my expenses.

I have two young children, ages 8 and 3, who depend on my financial support.

Lately my salary is not enough. I am not eating well because I have to buy cheap food to survive, and to support my children. My nutrition is not good - because to have good nutrition is too expensive for me to afford.

For me to meet my expenses, I have always had to work overtime. But lately OT is not helping enough since Refresco implemented 12-hour schedule - intending to eliminate OT for the workers.

There are now times when I can't pay my bills, barely paying the minimum of my credit card debt and I am always behind a month on my phone bills, internet, cable.

The employer-provided health insurance is abysmal: very expensive, limited coverage, high deductibles. I've had to go onto the Marketplace instead to get better coverage.

When I'm not at the plant I live in complete stress because when I'm not there I think about how I have to go back and work. Then when I am at work, it's not a friendly environment and it's hostile. I've been retaliated against for trying to organize a union at my workplace.

It's been almost four months since we had our union election, where we voted to form a union. Refresco ran an aggressive anti-union campaign to intimidate and try to silence us, and now is refusing to negotiate with our union.

Ruben Castro

My name is Ruben Castro.

I have worked at the Refresco plant in Wharton, NJ, for three years as a forklift driver in the warehouse.

While I witness and experience many problems in my workplace, the most concerning for me are the issues of abuse and disrespect of workers by supervisors, low wages and the 12 hour shifts that used to be 8 hours long until PAI Partners bought the plant.

All around me my coworkers are getting worn out and just quitting their jobs. These shifts run from 6 to 6:30 - so really people are there for 12.5 hours. They are physically worn out and can't take working that many hours.

Two very recent issues include two fires in the last two weeks.

One of the lines caught fire, and this is generally because of the lack of maintenance and upkeep of the plant.

Disturbingly, Refresco management does not call the fire department. During the fires, the alarms don't even go off.

People simply get sent out of the building, and they are brought right back in. No one tests the air safety, and no formal inspections take place after these hazardous fires happen. Refresco just has no regard for their employees' health.

There is a long list of health and safety concerns that are ongoing at the plant, but these fires are very extreme and happened just days ago.

The other problem with Refresco management is the very low wages we earn -- especially given the number of hours we are forced to work to keep our jobs, and the physically grueling toll the lack of safety and health concerns cause for the workers.

On these low wages I just can't pay all my bills. I take care of my family members here in the States, as well as back home in Uruguay.

Because I can't meet the needs of my family with Refresco's low wages, I am forced to take on a second job as a shuttle driver transporting workers to a factory in Pennsylvania.

"I work the day shift, from 6 in the morning to 2:30 in the afternoon. I try to rest or sleep 3 or 4 hours and then I go to work as a shuttle driver and do a shift from 8 p.m. to 2:30 a.m. every night from Monday to Saturday. Then I start work at Refresco at 6 a.m. all over again. I have to have two full-time jobs to make ends meet for my family."

On top of this, the health insurance changed when PAI Partners bought Refresco, and it is just horrible - pretty much useless.

In general, the working conditions at the warehouse are not sustainable for anyone. The place is full of hazards. Things have to start changing there or we will continue to get hurt on the job, including catching covid.

My coworkers and I recently came together to form a union to increase our safety on the job, but Refresco is refusing to acknowledge and respect our union. In fact they've been fighting it and throwing up hurdles in an attempt to stall contract negotiations with us.

Potential investors considering investing in PAI Partners should know how Refresco bosses have been treating its workers, and the unnecessary hardships we are all facing because of their behavior.

ATTACHMENT B

January 14, 2022

UE – Refresco Timeline

It has been over eight months since Refresco workers in New Jersey filed a petition to be represented by the United Electrical, Radio, and Machine Workers of America (UE), and almost seven months since a majority of the workers at the Refresco plant voted in favor of the union.

Refresco refuses to recognize and bargain with the union. The company has dragged out the process through objections, appeals, and requests for extensions.

May 5, 2021 – UE files a petition with the National Labor Relations Board (NLRB) signed by workers for a union representation election

May 12, 2021 – Refresco files for an extension of time to submit its response to the petition.

June 11, 2021 – Despite Refresco’s filing, the NLRB schedules Union Representation election for June 24-25

June 24-25, 2021 – A majority of the workers vote for the union – 114 votes in favor to 101 votes against.

July 2, 2021 – Refresco files objections to the election

July 15, 2021 – NLRB schedules hearing on the objections for July 27, 2021

July 20, 2021 – Refresco asks to reschedule hearing

July 22, 2021 – NLRB reschedules hearing on the objections for August 11, 2021

Aug 11, 2021 – NLRB holds hearing on objections

September 17, 2021 – NLRB hearing officer overrules Refresco’s objections and rules in favor of union.

September 23, 2021 – Refresco requests extension to file exceptions and brief from Oct 1 to Oct 8. Board grants extension

October 8, 2021 – Refresco appeals hearing officer’s decision.

October 15, 2021 – Union submits letter to NLRB opposing Refresco’s appeal

December 13, 2021 – NLRB Regional Director affirms hearing officer’s decision and issues Certificate of Representation for the union.

December 14, 2021 – Union sends Refresco a demand to bargain

December 16, 2021 – Refresco responds to union that it is not required to bargain while NLRB appeals are pending

December 17, 2021 – Refresco asks NLRB to extend date to file its appeal

December 20, 2021 – NLRB extends date for Refresco's appeal to January 6, 2022

January 6, 2022 – Refresco appeals the decision by filing a Request for Review

January 13, 2022 – Union files its opposition to the Request for Review

OSHA's Form 300 (Rev. 01/2004) Log of Work-Related Injuries and Illnesses

ATTACHMENT C

Attention: This form contains information relating to employee health and must be used in a manner that protects the confidentiality of employees to the extent possible while the information is being used for occupational safety and health purposes.

Year 2020
U.S. Department of Labor
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

You must record information about every work-related injury or illness that involves loss of consciousness, restricted work activity or job transfer, days away from work, or medical treatment beyond first aid. You must also record significant work-related injuries and illnesses that are diagnosed by a physician or licensed health care professional. You must also record work-related injuries and illnesses that meet any of the specific recording criteria listed in 29 CFR 1904.8 through 1904.12. Feel free to use two lines for a single case if you need to. You must complete an injury and illness incident report (OSHA Form 301) or equivalent form for each injury or illness recorded on this form. If you're not sure whether a case is recordable, call your local OSHA office for help.

Establishment name Wharton Plant - Refresco US Inc.

City Wharton State New Jersey

Identify the person				Describe the case		Classify the case				Enter the number of days the injured or ill worker was:							
(A) Case No.	(B) Employee's Name	(C) Job Title (e.g., Welder)	(D) Date of injury or onset of illness (mo./day)	(E) Where the event occurred (e.g. Loading dock north end)	(F) Describe injury or illness, parts of body affected, and object/substance that directly injured or made person ill (e.g. Second degree burns on right forearm from acetylene torch)	CHECK ONLY ONE box for each case based on the most serious outcome for that case:				Enter the number of days the injured or ill worker was:		Check the "injury" column or choose one type of illness:					
						Death	Days away from work	Remained at work		Away From Work (days)	On job transfer or restriction (days)	(M)					
						(G)	(H)	Job transfer or restriction	Other recordable cases	(K)	(L)	Injury	Skin Disorder	Respiratory Condition	Poisoning	Hearing Loss	All other illnesses
						(G)	(H)	(I)	(J)	(K)	(L)	(1)	(2)	(3)	(4)	(5)	(6)
2020	[REDACTED]	Machine Operat	1/13/2020	Machine Center - Case Packer	Employee Concussed when she hit her head on an HMI control screen	.	X			1		X					
2020	[REDACTED]	Machine Operat	1/20/2020	Machine Center - Cooling Tunnel	Employee was burned when a compromised can ruptured.	.	X			11	8	X					
2020	[REDACTED]	Palletizer Opera	1/22/2020	Palletizer - CDS Warehouse	Employee had his shoulder dislocated when he pulled a pallet off of the top of a stack of pallets.	.	X			180		X					
2020	[REDACTED]	Maintenance Me	2/14/2020	Line 5 Labeler Drum	Employee got his finger caught in the labeler drum.	.			X			X					
2020	[REDACTED]	Machine Operat	5/19/2020	Machine Center - Filler	Employee tripped and fell onto her knee and hand.	.		X			29	X					
2020	[REDACTED]	Machine Operat	7/11/2020	Machine Center - Case Packer	Employee pulled a cart onto his toe.	.		X			16	X					
2020	[REDACTED]	Can Stander	8/24/2020	Cooling Tunnel Discharge Conve	Employee developed MSD from standing cans.	.		X			43	X					
2020	[REDACTED]	Blender	8/26/2020	Blending Product-Lifting Heavy S	Employee pulled a muscle in his forearm lifting 50lb bags of ingredients.	.		X			173	X					
2020	[REDACTED]	Palletizer Opera	9/19/2020	CDS Warehouse - Palletizer L6	level	.		X			129	X					
2020	[REDACTED]	WH Supervisor	9/28/2020	Trailer Parking Lot	Employee got hit in the head by a trailer latch	.			X			X					
2020	[REDACTED]	Forklift Operato	9/30/2020	Warehouse C	Employee hit a stack of pallets and they fell on his arm.	.		X			29	X					
2020	[REDACTED]	Sanitation Tech	10/3/2020	Trash Compactor Platform	Employee twisted his wrist trying to retrieve trash from the cart with a wood plank	.			X			X					
2020	[REDACTED]	Maintenance Me	10/21/2018	Line 1 High Line Conveyor	Employee strained his back replacing a gearbox.	.		X			26	X					
2020	[REDACTED]	Machine Operat	12/21/2020	Line M Filler Platform	Employee sprained her ankle stepping off of the paltform.	.		X			10	X					
2020	[REDACTED]	Machine Operat	12/23/2020	Line 5 Labeler Drum	Employee got his finger pinched in the labeler drum.	.	X				8	X					
2020	[REDACTED]	Machine Operat	9/8/2020	Facility Floor	Employee had a significant loss in hearing	.			X								X
2020	[REDACTED]	Machine Operat	9/10/2020	Facility Floor	Employee had a significant loss in hearing	.			X								X
2020	[REDACTED]	Quality Tech	9/14/2020	Facility Floor	Employee had a significant loss in hearing	.			X								X
Page totals						0	4	8	6	200	463	15	0	0	0	3	0

Be sure to transfer these totals to the Summary page (Form 300A) before you post it.

Public reporting burden for this collection of information is estimated to average 14 minutes per response, including time to review the instruction, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistics, Room N-3644, 200 Constitution Ave, NW, Washington, DC 20210. Do not send the completed forms to this office.

ATTACHMENT D

DAVID TYKULSKER & ASSOCIATES

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(973) 509 1181 (fax)
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Via Fax 973 299-7161

October 28, 2021

Occupational Safety and Health Administration
Parsippany Area Office
6 Upper Pond Road, 2nd Floor
Parsippany, NJ 07054
Attn: Kris Hoffman

Re: Refresco US Inc.
92 N Main St
Wharton, NJ 07885

OSHA Complaint No. 1821128

Dear Director Hoffman:

I am the personal representative of [REDACTED], an employee of the above employer. As you are aware, on October 8, 2021, you directed Refresco to make a posting of the notice you provided regarding the OSHA 300 Log. That posting was never made.

Additionally, I attach the 2021 OSHA 300 Log that was provided to Mr. [REDACTED]. It omits a significant number of workplace injuries that have occurred including but not limited to the following with such particulars as I have available to facilitate your investigation:

- 1) [REDACTED] - injured back carrying 50-lb sack of sugar on or about 9/18/2021 in the Blend Room - out for seven days
- 2) Jose Cepeda - injured foot on 9/15 or 9/16/2021 in the Warehouse
- 3) Justin Melendy - fell and injured back at the beginning of September near Production line
- 4) [REDACTED] injured back while turning to avoid a fall while going down stairs in summer of 2021

It is respectfully requested that an investigation of this apparently wilful failure to maintain accurate OSHA 300 Logs be initiated.

Please feel free to contact me if I may be of further assistance.

Very Truly Yours,

David Tykulsker

David Tykulsker

OSHA's Form 300 (Rev. 01/2004)

Log of Work-Related Injuries and Illnesses

Attention: This form contains information relating to employee health and must be used in a manner that protects the confidentiality of employees to the extent possible while the information is being used for occupational safety and health purposes.



Year 2021

U.S. Department of Labor
Occupational Safety and Health Administration

You must record information about every work-related injury or illness that involves loss of consciousness, restricted work, activity or job transfer, days away from work, or medical treatment beyond first aid. You must also record significant work-related injuries and illnesses that are diagnosed by a physician or licensed health care professional. You must also record work-related injuries and illnesses that meet any of the specific recording criteria listed in 29 CFR 1904.8 through 1904.12. Feel free to use two lines for a single case if you need to. You must complete an injury and illness incident report (OSHA Form 301) or equivalent form for each injury or illness recorded on this form. If you're not sure whether a case is recordable, call your local OSHA office for help.

Form approved OMB no. 1218-0176

Establishment name

Refreshco Wharton

City

Wharton

State

New Jersey

Identify the person				Describe the case			Classify the case										
(A) Case No.	(B) Employee's Name	(C) Job Title (e.g., Welder)	(D) Date of injury or onset of illness (mo./day)	(E) Where the event occurred (e.g. Loading dock north end)	(F) Describe injury or illness, parts of body affected, and object/substance that directly injured or made person ill (e.g. Second degree burns on right forearm from acetylene torch)	CHECK ONLY ONE box for each case based on the most serious outcome for that case:			Enter the number of days the injured or ill worker was:			Check the "injury" column or choose one type of illness:					
						Days away from work	Job transfer or restriction	Other recordable cases	Away From Work (days) (K)	On job transfer or restriction (days) (L)	(M)						
						Death (G)	(H)	(I)	(J)	(L)	Injury (1)	Skin Disorder (2)	Respiratory Condition (3)	Poisoning (4)	Hearing Loss (5)	All other illnesses (6)	
202118	Mehr, Carl	Mechanic	2/12/2021	Palletizer-L1	Strined back when handling full cases down to an er	-	X			10	X						
202120	Munillo, Angel	De-Pal Operator	2/17/2021	De-pal-L2	Strained knee running to shut off machine	-	X			173	X						
202134	Acosta, Luis	Mechanic	3/24/2021	Sleeve-L1	Strained knee when he tripped on a gap in the patfir	-	X			166	X						
202151	Sarabria, Alex	Mechanic	3/26/2021	Sleeve-L1	Laceration from the mandrel.	-		X			X						
202159	Bonilla, Reina	Filler Operator	5/4/2021	Rinser Platform-L6		-		X			X						
202174	Valdez, Margarita	Filler Operator	6/17/2021	Filler-L4, rear entrance	Sprained Left Knee	-		X			X						
202185	Salas, Jose	Storeroom	5/23/2021	Storeroom Supplemental Storage	Thermal burn to right shoulder	-		X			X						
202185	Felz, Mercedes	Filler Operator	8/29/2021	Line 6 filler during routien cleaning	Trigger Finger, Right Hand	-		X			X						
20281	Jimenez, Kella	Case Packer	8/9/2021	L6 Ht-Cone, jammed machine led	Lower Back Sprain	-		X			X						
					Left Ankle Sprain	-											
						0	0	3	6	0	349	8	0	0	0	0	

Page totals

Be sure to transfer these totals to the Summary page (Form 300A) before you post it.

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