

International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
Unión internacional de trabajadores de la alimentación, agrícolas, hoteles, restaurantes, tabaco y afines
Union internationale des travailleurs de l'alimentation, de l'agriculture, de l'hôtellerie-restauration, du tabac et des branches connexes
Internationale Union der Lebensmittel-, Landwirtschafts-, Hotel-, Restaurant-, Café- und Genussmittelarbeiter-Gewerkschaften
Internationella unionen för livsmedels-, njujtningsmedels- och lantarbetareförbund samt förbund inom hotell- och restaurangbranschen

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ro/pr/1093 - 2007

Geneva, October 18, 2007

Dear Madame/Sir

Concerns: violations of OECD Guidelines for Multinational Enterprises

I am writing to you in your capacity as the National Contact Point in the UK with responsibility for the OECD Guidelines for Multinational Enterprises. The IUF is the global union federation for trade unions representing workers in the food, agricultural, hotel, restaurant, catering, tobacco and allied sectors. On behalf of the All-India Council of Unilever Unions, an IUF affiliate, we wish to bring to your attention an ongoing series of fundamental breaches of the Guidelines by the Indian company Hindustan Unilever Limited (HUL, formerly Hindustan Lever Ltd.).

Hindustan Unilever Ltd. is a subsidiary of Unilever PLC, registered in the UK, which owns 51.5% of the shares. The vast majority of Unilever workers worldwide are members of the IUF, including those in India.

Since July 2007, management of HUL's factory in the Doom Dooma Industrial Estate in the Indian state of Assam has repeatedly and brutally violated the Guidelines in an avowed effort to destroy the Hindustan Lever (PPF) Workers Union, which has legally represented the plant's 696 permanent workers for collective bargaining purposes since 2004. In pursuit of that goal, management locked out the workforce from July 15 through September 3 and insisted that the union disband as a condition for lifting the lockout.

The immediate source of the conflict lies with management's failure to pay to workers the monthly Settlement Implementation Allowance which should have been paid to all union members from April 1, 2007 onwards according to the terms of the 2004 collective agreement. Management repeatedly failed to respond to union concerns, postponing and canceling meetings and finally resorting to the extreme measure of a lockout.

After imposing a lockout, management of the plant insisted that all union members renounce their membership in the Hindustan Lever (PPF) Workers Union and join an organisation which it has itself created as a condition for resuming production, a so-called "Hindustan Unilever Democratic Workers Union". In

pursuit of this goal, union members and officers have been subjected to economic, physical and psychological pressure and threats.

"Union working president Nirenda Barman reported as follows about his exchange with company human resources manager Tridip Sarmah on July 28:

"If the lockout has to be lifted then the entire union committee should be changed and a new committee be formed. We agreed to this new condition of the management and accordingly selected around 10 people among the members and informed Mr. Tridip Sarmah about this new committee. Mr. Tridip Sarmah then told me that these new committee members are our own members, and management wants a different union to be formed in this factory. Only then will we have fresh negotiations with that [new] union and will lift the lockout."

While refusing to attend the official conciliation meetings convened by the Assistant State Labour Commissioner, representatives of a "Hindustan Unilever Democratic Workers Union" formed under company sponsorship systematically visited union members at their homes to threaten them with the loss of their jobs and/or the closure of the plant if they failed to renounce their union membership and formally join the new organisation.

On August 17, union Executive Committee member Sanjoy Gogoi was publicly attacked and brutally beaten by what have been described as "goons" of Hindustan Unilever suppliers/contractors while collecting signatures in support of the plant workers (a detailed police report was filed by the union). This was not the only occasion on which locked-out union members were subjected to physical threats and intimidation.

The lockout was officially lifted on September 3. When the workers appeared at the factory gate, they were instructed by Mr. Tridip Sharma (Human Resource Manager), Mr. Kashinath Jha (Production Manager), Mr. Shankar Jyoti Kakoti (Personnel Officer HR,) Mr. Luis Pastara (Commercial Manager) and the Contract Security Officer Mr. Gogoi along with leaders of the management-sponsored union to sign a printed form stating that they are resigning their membership of the Hindustan Lever (PPF) workers union and joining the management-sponsored Hindustan Unilever Democratic Workers Union. Only after signing the form, the workers were told, would they be allowed to enter the factory for work.

We consider Hindustan Unilever management's actions to clearly constitute a serious breach of Article IV 1(a) of the Guidelines, which states that enterprises should "Respect the right of their employees to be represented by trade unions and other bona fide representatives of employees, and engage in constructive negotiations, either individually or through employers' associations, with such representatives with a view to reaching agreements on employment conditions"

We further consider management's actions to be in gross violation of paragraph 2 of Article II ("General Policies") of the Guidelines, which states that enterprises should "Respect the human rights of those affected by their activities consistent with the host government's international obligations and commitments." In this context we recall that the right of workers to freely join the trade union of their choice and to bargain collectively with employers is well established as a fundamental human right as set out in internationally recognized human rights

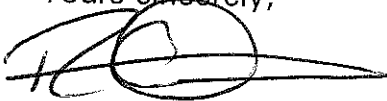
instruments including Conventions of the United Nations' ILO, the Universal Declaration of Human Rights etc.

We further consider that threatening workers with the transfer of production to another state with consequent loss of employment in order to induce them to resign their membership from their trade union constitutes an explicit breach of Paragraph 7 of Article IV of the Guidelines, which specifically enjoins employers not to invoke such threats in the context of an industrial dispute.

We therefore request the UK NCP to offer its good offices to resolve this issue in an effective and timely manner. Hindustan Unilever management should cease its campaign against the Hindustan Lever (PPF) Workers Union and ensure that the workers at the Doom Dooma facility can freely exercise their right to union representation free from intimidation and coercion. The company should immediately and unconditionally engage in good faith negotiations on all issues arising from the consequences of the lockout, the victimization of union officers and members and the installation of a management-supported organization to supplant legitimate trade union organization.

We look forward to receiving your timely assistance on this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Ron Oswald', written over a circular stamp or mark.

Ron Oswald
General Secretary

cc: All-India Council of Unilever Unions
TUAC