



Unilever European Works Council

UEWC

Unilever N.V.
To the Unilever CEO
Mr. Patrick Cescau
Weena
NL – Rotterdam

Grevenbroich, 15th March 2006

Dear Mr. Cescau,

On behalf of the Unilever European Works Council, representing 52.000 employees, I write to express our deep concern over grave violations of national and international laws and fundamental human rights standards by one of the world's leading producers of palm oil products and palm-oil derived oleochemicals, the Musim Mas Company. Musim Mas, headquartered in Medan, Indonesia, where it operates the world's largest palm oil refinery, and its Malaysian marketing office, Musim Mastika, supply the European processed food, personal care and soaps/detergent industries with a significant portion of the palm oil products which are essential to a wide range of manufacturing processes. Since some of the company's palm oil products are exported to Malaysia and then re-exported to Europe with Malaysia indicated as country of origin, the Musim Mas source is often obscured. What is not in doubt is the company's leading role as a supplier to European industry, and its brutal contempt for the human rights of those it employs.

In October 2004, workers at the PT Musim Mas plantation and palm oil refinery in Pelalawan, Sumatra, formed a legally registered trade union with 1,183 members out of a work force of 2,000, KAHUTINDO PT MUSIM MAS. The company systematically refused to recognize the union or negotiate with KAHUTINDO the implementation of the minimum legal standards for plantation workers required under Indonesian law. The company's repeated violations of legal minimum standards was amply documented by the relevant local authorities, who enjoined Musim Mas to correct these violations and bring its practices into conformity with the law. The company's response was to dismiss trade union officers, engage in collective reprisals by sacking at a stroke 701 union members, refuse to renew the contracts of an additional 300 unionized contract workers and, in December 2005, forcibly evict 700 workers and their families from their plantation housing and expel their children from school. In order to destroy the union, the company finally orchestrated the arrest and conviction of the key union officers, who were arrested in the presence of a company manager after being invited by the local police to enter the refinery office on the pretext of initiating negotiations.

Five of these union officers were recently convicted of prison terms of 14 months to 2 years; a sixth is now awaiting sentencing. The prosecution has demanded two years' imprisonment.

The conviction and sentencing of these 5 union officers is currently under investigation by Amnesty International, since their selective prosecution as trade union representatives qualifies them as "prisoners of conscience". The documented history of brutal rights violations forms the basis of a complaint before the United Nations' International Labour Organization. The criminal convictions are being appealed in Indonesia, where the case highlighted the appalling human

rights situation in the country. The mass dismissals are also being appealed through the administrative appeal court. These processes, however, take time - and the outcome of any Indonesian appeal is highly uncertain, given that even the World Bank has stated that a fair trial is impossible in that country. The harsh reality is that, at present, some 1,000 workers and their families have been brutally victimized for attempting to exercise their right to freedom of association - and Musim Mas products continue to enter into European manufacturing - including, we have reason to believe, Unilever products.

Moreover, Unilever is indirectly sanctioning these abhorrent practices through its participation in the Round Table on Sustainable Palm Oil (RSPO), of which Musim Mas is a member, and whose Executive Board President is Unilever's Jan Kees Vis.

In addition, Unilever's Business Partner Code clearly states that suppliers "shall respect human rights, and no employee shall suffer harassment, physical or mental punishment, or other form of abuse", and that "There shall be respect for the right of employees to freedom of association." If the mass firing of union members, their eviction from their homes, the expulsion of their children from schools and the use of the police and judicial system to criminalize legitimate trade union activity do not constitute flagrant violations of these requirements, it is difficult to imagine the situations in which they might usefully be applied.

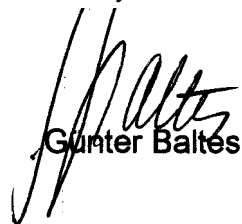
Unilever, through Mr. Kees Vis, has received copious documentation of the many and various occasions on which Musim Mas deliberately misled the RSPO, what it is the union and its supporters are demanding, and how the RSPO might, on the basis of its own statutes, take action within the RSPO framework. The response to date has been less than satisfactory. The RSPO, and Unilever's involvement with the organization will continue to come under public scrutiny.

We are writing to you, as head of Unilever, to express our concerns as Unilever employees, as consumers, and as citizens of Europe. Unilever may be manufacturing a broad range of products for consumption in Europe and export abroad which include as ingredients palm oil products from Musim Mas. The use of these ingredients, tainted as they are by violent rights abuses, is unacceptable.

We therefore find it incumbent on Unilever to formally communicate these concerns to Musim Mas. Musim Mas produces virtually all refined palm oil products from Medan, and these products enter as well into palm oil products from Malaysia. Indonesia and Malaysia together produce the vast bulk of the palm oil products used by European industry. If it is Unilever's position that the company does not use Musim Mas products in any way, it is incumbent upon Unilever to publicly clarify its palm oil sourcing and open the process to independent scrutiny. Unilever employees, consumers, and all those concerned with human rights and responsible business practices can accept no less.

We welcome your response to our concerns.

Sincerely



Gunter Baltes