

Erratum Annual Report and Accounts
Adding Insecurity to Life





This Erratum to the Unilever Annual Report and Accounts 2008 is provided to Unilever's shareholders by FNV Mondiaal, the international solidarity department of Dutch trade union confederation FNV and FNV Bondgenoten, the largest industry, transport and services union of The Netherlands, with the support of India Committee of The Netherlands (ICN), trade union central TUC, Britain and Britain's biggest trade union, Unite.

The cases presented in this report are based on information that is publicly available.

For more information, please contact FNV Mondiaal.

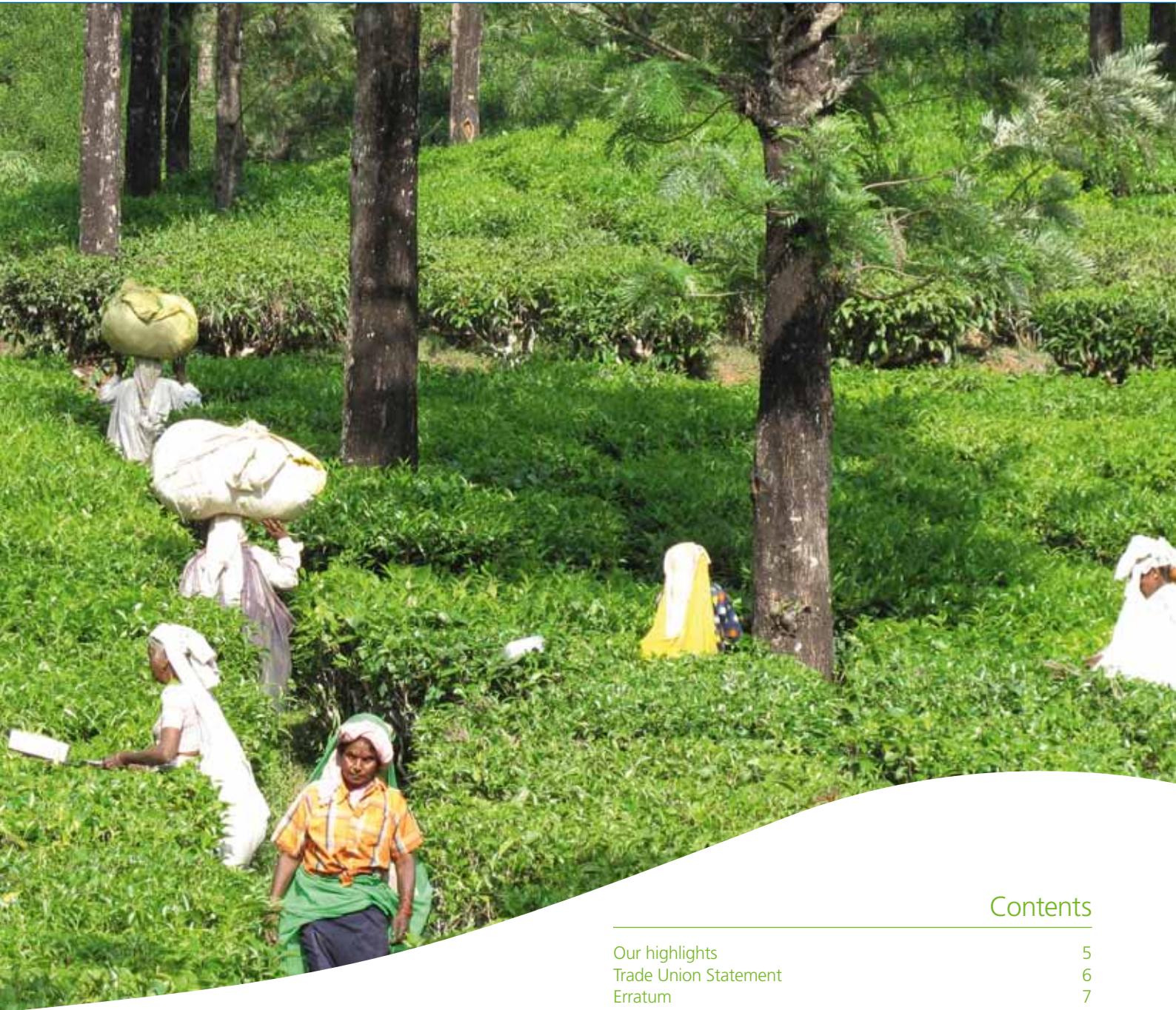
FNV Mondiaal
P.O. Box 8456
1005 AL Amsterdam
The Netherlands
e-mail: iz@fnv.nl
www.fnv.nl/mondiaal

Since Unilever launched its "Path to Growth" strategy in 1999 and took over Bestfoods in 2000, 192.000 jobs were cut (a decline from 339.000 employees in 2000 to 147.000 at the end of 2008). At the same time profits grew. To a large extent this has been made possible by the outsourcing and casualisation of work. The actual jobs haven't disappeared, but production has been outsourced to reduce costs, or the workers have been dismissed and are re-hired through an agency, making them cost less.

Outsourced workers are faced with

- Job insecurity and an uncertain future
- Low wages
- Limited or no access to social benefits, such as health or pension schemes
- Increased health and safety risks at work
- The denial of rights at work, such as the right to join a union or bargain collectively

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Financial

Profits grew

while workers were not paid their legal wages

- Profits grew
- Executive golden handshakes and pay packets grew
- Management stock options grew
- Lipton workers in Pakistan 100% outsourced: 800 casual workers
- Tea plantation workers in India are not paid their full legal wages
- Unilever Code of Conduct is not complied with in the Netherlands



Social

Half the global

Unilever workforce are not recognized as employees

- Outsourcing and casualisation have increased dramatically in the past five years
- An estimated 300,000 workers are employed in the manufacture and distribution of Unilever products globally, that is nearly twice the official amount of Unilever employees. Half the workforce are not recognized as employees and Unilever does not pay them the wages and benefits that unions have successfully fought for and negotiated
- Organization of workers is hindered in many countries
- Unilever refuses to engage with unions at international level
- Rain Forest Alliance Certification does not necessarily mean that Unilever complies fully with the social component of the certification requirements



Environmental

Unilever refuses

to take full responsibility for clean up and compensation

- Mercury poisoning scandal in Kodaikanal, India continues; Unilever refuses to take full responsibility for clean up and compensation

Our strategy, in an unpredictable economic environment, is to maintain decent work for Unilever workers and to secure equal and just levels of pay for equal work.

As the Unilever Sustainability Overview mentions, 43% of all “eligible” Unilever employees are member of a trade union. Trade union membership within Unilever is equivalent to the national averages for the countries in which it operates. However, in developing countries like Indonesia, the number of trade union members within Unilever is far above the national average.

The number of permanent Unilever employees has decreased dramatically in recent years. However, the work and the workers still exist. Work is being outsourced to third parties and Unilever workers are being forced to do the same job under worse conditions, and often without a permanent contract. As casual workers in many countries cannot be legally represented by trade unions, this policy also undermines the position of trade unions.

Reports from within the trade union community show that Unilever management communicates with trade unions in a meaningful way only when these unions can show a strong presence. Where trade unions are not strong, due to various reasons, management tends to ignore them and communicates directly with the work force, or encourages the establishment of company friendly unions.

Most labour disputes within Unilever tend to be national in scope and usually concern factory closures and the subsequent outsourcing of personnel to third parties. Unilever chooses to

deal with these disputes at local level. However, although the conflicts are at the national level, similar disputes are occurring with increasing frequency all over the world, making the aggressive outsourcing policy of the company a global problem that should be dealt with at international level.

Disputes also arise particularly when Unilever refuses to recognize trade unions as representatives of the work-force, intimidates workers and encourages them to establish company friendly trade unions.

Unilever’s aggressive policy of job destruction and the increase in disposable jobs not only damages industrial relations. It undermines decent work where it still exists and creates an entire generation of “disposable” workers who make Unilever’s global brands but will never achieve decent work.

The company’s current policy is a threat to workers in Europe, Asia and everywhere in the world. More and more Unilever workers realize what is at stake. Even the “socially responsible” plant closures in Europe, with decent compensation for workers, leave us with no decent jobs for the next generation, no social protection, no employment security and no future. We need to build our own Path. Only our growing resistance to casual and insecure jobs will ensure real, long-term socially sustainable growth.

With this Erratum to the Annual report and Accounts, we aim to inform Unilever shareholders and other interested parties of the full story behind the good revenues and efficient restructuring processes. It is not just about numbers, it is about people, real employees of Unilever or other companies that produce Unilever brand products, who are being treated in a way that is not worthy of Unilever and some of whom are not even being paid enough to be able to enjoy the luxury of buying Unilever products themselves.




Peter Gortzak
President FNV Mondiaal




Henk van der Kolk
President FNV Bondgenoten



> Werkt in je voordeel

With the support of TUC and Unite

1. Unilever mission statement

On the contents page

Unilever's mission:

Unilever's mission is to add Vitality to Life. We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life.

Should be:

Unilever's mission is to add Insecurity to Life. We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life, by denying decent working conditions to disposable workers.

**POVERTY AND INEQUALITY
AT THE KHANEWAL LIPTON TEA FACTORY**

	22 permanent workers	723 contract agency workers
Paid annual leave	Yes	No
Paid public holidays	Yes	No
Paid sick leave	Yes	No
Paid emergency leave	Yes	No
Medical benefits/insurance	Yes	No
Death benefits	Yes	No
Annual bonus	Yes	No
Overtime pay rates	Yes	No
Right to join the union at Unilever	Yes	No
Covered by Collective Agreement	Yes	No



2. People and Sustainability

On page 21

Unilever's text:

Unilever has for many years recognised the significance of social and environmental issues as a critical dimension of its operations, and has established many indicators to track its performance in these areas. We regard safety as an essential element of a successful and sustainable business and take seriously our responsibility to provide a safe workplace. We aim to improve continuously the health, safety and well-being of everyone working for or on behalf of Unilever. A key measure of our progress in this area is our total recordable accident frequency rate, which counts all workplace accidents except those requiring only simple first aid treatment. For details please refer to page 13.

We are committed to meeting the needs of customers and consumers in an environmentally sound and sustainable manner, through continuous improvement in environmental performance in all our activities. We exercise the same concern for the environment wherever we operate and aim to reduce the environmental footprint of our business and brands.

Should be:

We are **NOT as committed as we should be** to meeting the needs of customers and consumers in an environmentally sound and sustainable manner, through continuous improvement in environmental performance in all our activities. **We do not show the same concern for the environment or for the welfare of the inhabitants of that environment wherever we operate.** We aim to reduce the environmental footprint of our business and brands. However, the standards we adhered to in Europe and other developed countries are not adhered to in the same way in other regions.

Mercury Poisoning in Kodaikanal, India

Unilever's former thermometer factory in Kodaikanal India caused harm to workers' health and the environment. In 2001, Greenpeace and Palni Hills Conservation Council reported that Hindustan Lever, a subsidiary of Unilever, dumped 7.4 tonnes of glass waste contaminated with mercury behind the factory on land leading to the Pambar Shola forest. In the same year, the factory was closed after intense campaigning by NGOs.

In 2008, protests in India and other countries and representations by stakeholders urged the company to take full responsibility for this damage to the environment. Pressure from civil society organisations resulted in Hindustan Unilever Limited (HUL) sending 300 kg of earth contaminated with mercury to the USA for treatment. **However the company refuses to clean up a far larger amount of mercury that is still present in the soil and water of Kodaikanal.** According to the Corporate Accountability Desk (CAD), a grass roots group from India: "HUL has managed to lobby the Tamil Nadu Pollution Control Board to lower the trigger levels for clean up from 10 mg/kg (which is the Dutch soil clean-up standard for residential areas) to 25 mg/kg displaying its racist outlook on clean-up requirements. Earlier, in 2002, the TNPCB had observed that 25 mg/kg was too high, and that in the absence of an Indian standard, the Dutch standard

(because Unilever is a Dutch company) should be used. This order was reversed after Unilever used a pliant research organisation (National Environmental Engineering Research Institute) to 'convince' the Board that 25mg/kg is good enough for India." CAD will challenge this decision in the TNPCB and elsewhere.

Another grass roots group from India, the Welfare Association (WA), is still seeking adequate compensation and measures by HUL both in and outside national courts. They are demanding among other things compensation for health damage and new infrastructure for long-term medical monitoring and treatment for mercury exposed workers and immediate families.

The bitter taste of Indian Lipton tea

Tea estates producing for Unilever deny workers their legal rights

"Your small cup of tea can make a big difference". With this slogan Lipton, Unilever's premium tea brand, has been promoting its commitment to source all its tea from sustainable ethical sources. By obtaining certification from the international conservation organization Rainforest Alliance, Unilever aims to ensure that the tea plantations delivering to the Lipton brand operate according to high social and environmental standards.

In December 2008, Lipton announced that eight tea estates in the Nilgiri Hills in South India, important suppliers to the Lipton brand, had gained Rainforest Alliance certification. In a written statement, Lipton claimed that these estates earned the certificate "by reducing waste and pesticide use, conserving soil quality, protecting wildlife and paying employees a good wage". However an inspection in April 2009 found that many of these claims are false.

While the eight Indian plantations have made good progress on environmental aspects by reducing water pollution and the spraying of agrochemicals, the workers are not receiving the minimum wage to which they are entitled according to law in Tamil Nadu, the South Indian state in which the Lipton suppliers are located.

The legally required minimum amount which the tea pickers and tea factory workers should receive is 115 rupees (approximately € 1.75 per day). A wage agreement reached with the Nilgiri Planters Association (NPA), which includes the employers at the eight estates producing for Lipton, sets pay at exactly 115 rupees. So at first sight everything seems fine. However, the NPA has played a clever trick designed to avoid paying the legally required minimum wage. Instead of paying the 115 rupees as a basic wage, the NPA planters and estate owners only pay 86 rupees as a basic wage. The other 29 rupees are paid as daily allowance and terrain allowance. The trick is that the employers are not paying any benefits, such as contributions to pension funds, in addition to these allowances, although they are legally obliged to pay such benefits on any amount paid as basic wage. In other words, the law says that employers should pay any allowances on top of the basic wage of 115 rupees and not instead of the basic wage. But they are not doing this.

According to the Nilgiri Estate Workers Union, the consequent loss of income for workers can be extremely high. The union calculated that a 60 year old worker who worked on the plantation for 40 years loses around 15,000 rupees on his pension as a result of the way that the NPA bends the rules.

Fifteen thousand rupees is a large sum in India, equivalent to half a year's wages for a plantation worker.

Already, in June 2008, the government of Tamil Nadu announced that NPA's creative accounting is not allowed. In August 2008, this was followed by a High Court order urging the NPA and other employers to pay the normal minimum wage of 115 rupees. Furthermore, one of the "critical criteria" that the Rainforest Alliance requires for certification is that "workers must receive workers pay in legal tender greater than or equal to the regional average or the legally established minimum wage."

In spite of all this, neither Unilever nor the owners of the eight certified estates have so far taken any action to correct the situation and ensure that workers are paid the correct amount.

Unilever seems to be more interested in boasting about its performance in the field of corporate social responsibility (CSR). On its homepage, Unilever boasts that the tea estates in the Nilgiri region delivering to Lipton provide free healthcare, housing, childcare and education. While this is all true, what Unilever does not say is that all these facilities are required by Indian law, are common on all tea plantations in India and are partly paid for by the government.

Meanwhile, the 2500 employees working on the Nilgiri tea plantations continue to suffer. Over the last two years, food prices in the region went up by more than 40%, while wages increased by less.

As long as Unilever is not giving the workers their full rights and decent pay, there is no reason to cheer about Lipton's Rainforest Alliance certified tea from India.

For more information see:
www.liptoninindia.wordpress.com

Pressing issues at Unilever's (Rainforest Alliance Certified) Tea Estates in Kenya

Unilever is the world's leading tea company. It could therefore be expected that it would also be responsible enough to take a lead in addressing the problems of the much troubled tea sector. In 2008, research organisation SOMO published a report entitled "Sustainability issues in the tea sector", which addressed the critical issues facing the sector: "working conditions for pickers are often poor, with low wages, low job and income security, discrimination along ethnic and gender lines, lack of protective gear and inadequate basic facilities such as housing and sometimes even drinking water and food. At the same time there is no possibility for tea plantation workers to improve working conditions because trade unions are ineffective or absent and/or are not representing them because most of them are temporary workers. While tea production by smallholders is growing worldwide, their situation is often problematic because the prices they are paid for fresh tea leaves tend to be below the cost of production, among other factors. The sector's environmental footprint is considerable, with reduced biodiversity as the result of habitat conversion, high energy consumption (mainly using logged timber) and a high application of pesticides in some countries." In Dutch media coverage of the SOMO report, Unilever for the first time publicly acknowledged these issues. The company said it was taking a new approach to these issues and that all its tea would be certified by the Rainforest Alliance by 2015. In 2007, it had sought and received worldwide media coverage for this change in its CSR tea strategy, which included, among other things, the Ethical Tea Partnership.

SOMO's tea sector report and its "Unilever overview of controversial practices 2007" outlined specific problems pertaining to Unilever's tea supply chain. The latter publication looked at case studies of the Indonesian and Kenyan tea sector carried out by SOMO partners and concluded: "Suffice it to say here that in our opinion Unilever so far has not dealt





appropriately with the serious issues raised in these reports such as discrimination, sexual harassment, low wages and bad living conditions be it within their company or at suppliers. Admittedly these issues are delicate and some of them are difficult to address. Yet the company stance, somewhat fatalistic as regards Indonesia and reluctant as regards Kenya, does not inspire much confidence that they will be working towards finding solutions to these issues soon.”

The field research sample for the case studies prepared for the SOMO tea report above included plantations in Indonesia and Kenya that since 2007 and 2008 have become Rainforest Alliance certified. Early 2009, the Kenyan Human Rights Commission, a Kenyan NGO, interviewed a number of workers from the same plantations in Kenya, to assess whether there were any improvements. They found that, with respect to working conditions, nothing has changed for the better (after RA certification) at Kenyan Unilever estates.

These were the major findings:

- Discrimination against women (sexual harassment and compulsory pregnancy tests) is still rampant.
- Women that are found pregnant will not get hired.
- Medical tests for workers are mandatory
- Allegations of tribalism, nepotism and corruption that determine promotions and employment
- Some workers complain of harsh treatment by supervisors
- Overtime is an issue many of the workers interviewed report, working 11 hours a day 6 days a week. There are also indications that overtime is not voluntary because when

refusing you would risk losing your job. In all but one case overtime is paid.

- The estate houses can still be overcrowded. This seems to apply to seasonal workers (the majority) only. Housing repairs tend to take a very long time.
- There still is no adequate complaint mechanism in place, to deal effectively with worker problems
- Supervisors inform workers of upcoming audit visits. Workers report that (new) personal protective equipment (PPE) is provided to workers only for this occasion.
- Most of the workers interviewed are unaware of (RA) certification

At least a number of these issues such as discrimination, harsh treatment/harassment and absence of a complaints mechanism, are violations of RA standards, key ILO labour standards and Unilever’s own business code of principles.

For more information see:

http://www.rainforest-alliance.org/agriculture/documents/sust_ag_standard.pdf

<http://www.unilever.com/aboutus/purposeandprinciples/urprinciples/>

3. Restructuring and changes to the way we operate

On page 27

Unilever's text:

Restructuring is an integral part of remaining competitive, and this can involve changes to internal structures, the rationalisation of the asset base, and the use of third parties to deliver business services.

Should be:

Restructuring is an integral part of Unilever's strategy. Unilever's aggressive policy of job destruction and the increase in disposable jobs not only damages industrial relations. It undermines decent work where it still exists and creates an entire generation of 'disposable' workers who make Unilever's global brands but will never achieve decent work.



THE MAGIC TRICK OF THE DISAPPEARING JOBS

	1981	2008
Turnover	25.5 million €	40.187 million €
Turnover in developing and emerging markets	20%	47%
Employees	292,000	174,000
Employees in Europe	167,000	32,000
Employees in other regions	125,000	142,000
Total estimated number of people who produce Unilever products but who are not directly employed by Unilever		300,000

Examples of how Unilever's restructuring and casualisation policy is affecting Unilever workers worldwide are:

Unilever Mabile, Sri Lanka

In 2002, the IUF-affiliated CMU led a long fight against the closure of Unilever's Lipton plant in Mabile, Sri Lanka, which saw 500 jobs eliminated. Unilever blamed the closure on, alternately, high labour costs and... their inability to import teas for blending. Challenged on the grounds for the closure, the company stated "Unilever Ceylon built a successful business in Sri Lanka by consistently investing in people, by gaining deep insight into consumers, by investing heavily in establishing strong brands that are now part of everyday lives of Sri Lankans and by developing a distribution system envied and replicated by competitors. We are not about to give this up." They disposed of the people, but didn't give up making tea – the jobs were simply outsourced.

Unilever Pakistan

Since 2004, when Unilever Pakistan sold its Dalda brand plant manufacturing edible oils and spreads in Karachi to a group of former company managers incorporated as Dalda Foods (Pvt.) Limited, Dalda has made both the former Unilever Dalda line of edible oils and Unilever's trademark Blue Band margarine. In this factory, which produces Unilever's billion dollar brand Blue Band under license, there are no permanent workers. Over 430 workers signed up as members of the Dalda Food Employees Union to fight for the right to permanent employment. The union applied for official registration with the authorities on 13 May 2008. Just a week later, while Unilever management were coming and going from the factory, 266 union members were illegally dismissed. A protest camp was set up outside the factory with support from the IUF-affiliated National Federation of Food, Beverage and Tobacco Workers. The workers are receiving daily support for their vigil from the Federation and from other trade union organizations alert to the central importance of the struggle against mass casualisation and outsourcing.

QUIZ – salaries at Unilever

Paul Polman took the helm at Unilever on October 1 2008. He received a basic salary of €292.000 plus a €438.000 bonus for his three month induction period. This bonus was part of his contract and was not subject to a performance requirement. To get him on board, Unilever paid Polman €970.000 for the effort of signing his contract.

Polman started his job as chief executive officer on 1 January 2009. By that time, he had already received € 1.7 million, for the three months he worked in 2008.

Tea workers at the Khanewal tea factory in Pakistan, received €177 for their three

months of work. But only if they had worked at least 26 days of each month. If they did not work 26 days, they only received €2.32 as a daily wage.

Quiz question: The new Unilever CEO received €1.7 million for his three month induction period in 2008. A contract worker at the Unilever tea factory in Pakistan receives €59 a month if he works at least 26 days per month.

How many months of at least 26 days should a tea worker work to earn even the monthly income of his Chief Executive Officer (CEO)? (You can find the answer to this question on the following page.)



Paul Polman (Enschede, The Netherlands, 1956. Son of an employee of car tire factory Vredestein): "Seek first to understand then to be understood" (FEM Business, september '08)



Unilever Karachi, Pakistan

Another Unilever plant in Pakistan, Lipton Karachi, employed 122 permanent workers and 450 casual workers sourced from employment agencies. The number of permanent workers was apparently deemed to be too high, so production was transferred to a warehouse around the corner, employing 100% outsourced, casual workers. In Pakistan, that left the Lipton factory in Khanewal, Punjab, as the last directly owned and operated Lipton plant in a nation of tea drinkers. At Khanewal, there are 22 permanent workers, and 723 workers sourced from employment agencies. Determined to challenge a regime that pays casuals one third the daily wage of the permanent employees and offers no job security, no overtime pay, and no health and social security benefits, the workers formed the Unilever Mazdoor Union Khanewal. On 28 January 2009 the Khanewal workers marched from the factory gate to the district labour office to demand that the law be respected. Pakistan's legislation states that workers with nine months of continuous service must be granted permanent status. Workers have been employed at Khanewal, on average, for 15 years, and in some case many more.

In response to growing international pressure, on April 15 2009 Unilever management in Pakistan formally met with a IUF/ NFFBTW delegation to discuss the situation at the Khanewal Lipton plant. The management argued that business logic meant that only a small number of workers can have permanent jobs at the plant and other workers should be "replaceable". While the fact that management has agreed to open negotiations is positive, the company position remains unacceptable.

Unilever Dharwad, India

It took eight years of struggle after the illegal closure of Unilever India's factory in Dharwad in Karnataka state, for 42 workers to finally receive compensation in accordance with a Labour Court ruling against the company. The story of Dharwad shows how Unilever management is adept at fabricating the conditions for factory closure, involving a complex web of lies and deceit that often takes years to uncover in the courts. The Dharwad factory was established in 1993 as an independent subsidiary of Hindustan Lever. When the factory first opened in this "backward" rural area in Dharwad it was granted extensive tax concessions. In January 1999, once the tax concessions ended, management set about secretly closing the factory over the next 12 months. Half the machinery and production was transferred to other Hindustan Lever units, while the workers were rendered "surplus" and given menial manual tasks like cutting the grass and other odd jobs. All supervisors, production officers, technical officers, and accounts officers were transferred to other units of the company. On 11 March 2000 all operations at the factory ceased. Over the next eight months the union fought back, finally winning an agreement with management in October 2000. But within 24 hours, management undermined the agreement and tried to back out of its commitments. There followed a seven-year battle in the courts with the union over the illegal closure of the factory and the illegal termination of employment of the remaining 42 union members.

The answer to our quiz question on the previous page is: a worker at the tea factory in Pakistan should work 9,605 months to earn the CEO's monthly salary. This requires more than 800 years working non-stop. (FNV Bondgenoten argues that a CEO should not earn more than twenty times the lowest wage paid in that company.)

Unilever Assam, India

In 2007, management at the Unilever factory in the Doom Dooma Industrial Estate in the north eastern state of Assam, India, was trying to smash the Hindustan Lever Workers Union by locking out its 700 members and creating a fake union. Management's condition for ending the lockout is that the legitimate union must be disbanded and that all workers transfer their membership to the new union created by management. The dispute began when management withheld payment of an allowance that was to be paid to all union members. It was soon clear that management had no intention of negotiating, but was simply using the allowance dispute to smash the union. In response to this attempt, a mass sit-in protest by 700 union members was held for three days starting 3 August. Over 100 union members held a protest at Assembly Hall, the local parliament. Support has come from student, youth and social organisations, who are putting pressure on Unilever management to end the lock-out.

Unilever Istanbul, Turkey

Workers' protests spread around the globe. Throughout 2008, 87 workers were on picket line to protest at illegal dismissals at two Unilever exclusive subcontractors Çipa and Şimşek at the Unilever distribution centre near Istanbul, Turkey. Three national unions of transport, chemical and food workers and Türk-İs confederation and the three international Union federations ITF, IUF and ICEM supported their struggle.

Unilever Beigel & Beigel factory in the West Bank

In December 2008 Unilever announced that it will divest from an Israeli factory in a Jewish settlement, illegally built on land confiscated from Palestinians. Unilever Israel, which bought half of Beigel & Beigel in 2001, said the move was strategic, not ethical. The factory is located in Barkan, an industrial zone in Ariel. Until this moment (April 2009) Unilever did not confirm that the disinvestment actually took place. Questions about the consequences for employees and on who the new owners might be, repeatedly posed to Unilever by, amongst others, United Civilians for Peace, have yet to be answered.



4. Code of business principles

On page 75

Unilever's text:

Unilever's Code of Business Principles sets out the standards of conduct to which we expect our employees to adhere.

Should be added to with:

Although the Code of Business Principles is globally applicable, Unilever chooses when and where it should be applied. One example:

Code of Business Principles trampled upon in The Netherlands

Unilever does not comply with its own Code of Business Principles in The Netherlands. For example, it is not complying with agreements made with the Dutch trade unions. FNV Bondgenoten is now seeking justice through the legal system. The two most urgent issues are:

Unilever refuses to pay for research into the viability and future of the Unox factory

The Agreement on Principles of the new collective labour agreement, signed on 8 November 2007, stated that both the trade union and the Works Council would receive the results of 'Project Hercules', a Unilever study about reducing the numbers of indirectly employed workers. The Agreement on Principles also gave the trade union and the Works Council the right to conduct their own research, which would be paid for by Unilever.

Unilever has now informed Dutch union FNV Bondgenoten that it does not intend to pay for this research. This leaves FNV Bondgenoten with no other choice than to bring the case to court. FNV Bondgenoten wants to complete this research in order to assess what might be necessary to keep Unox viable, both now and in the future. The union does not wish to depend on the information it receives from Unilever management.

Unilever changes conditions for covering costs of personal development training

According to a Unilever letter to FNV Bondgenoten, it appears that the company does not intend to continue funding personal development of staff. A budget of €3000 per person for 2007 and 2008 was hardly used because Unilever refused most staff requests to make use of their personal development budget, usually on the inappropriate grounds that the collective labour agreement had not yet been signed.

Unilever has taken back the complete budget for 2007 and 2008 and practically nobody has had the chance to use it. According to Unilever, staff members are allowed to make a request for a personal development budget in 2009, but only under new conditions that were not agreed by the collective labour agreement.

5. Business Partner Code

On page 75

Unilever's text:

Unilever's Business Partner Code sets the standards that we expect of suppliers in areas such as health and safety at work, business integrity, respect for labour standards, consumer safety and safeguarding the environment. Unilever's supply management function is responsible for the roll-out of the Business Partner Code and for gaining supplier assurance.

Should be added to:

Unfortunately, monitoring of compliance with our Business Partner Code is carried out using self-assessment forms that we ask our suppliers to complete, and occasionally by internal audits. This of course does not provide us with adequate information on working conditions and on environmental and social aspects. Independent auditing of our suppliers by an external specialised organisation is required.



6. Labour Standards

On page 75

Unilever's text:

Between 2006 and 2008, four complaints have been brought to Unilever's attention by the International Union of Food Workers (IUF) and the transport union TUMTIS. These concern site closure, freedom of association, collective bargaining and the use of temporary and contracted labour at our factories in India and Pakistan and a supplier's factory in Turkey. Under the terms of the OECD's Guidelines for Multinational Enterprises, the unions have referred their complaints to the OECD's national contact points in the UK and Turkey for investigation. Unilever is seeking local resolution to these issues as well as co-operating fully with the OECD process.

Should be:

Between 2006 and 2008, four complaints have been brought to Unilever's attention by the International Union of Food Workers (IUF) and the transport union TUMTIS. These concern site closure, freedom of association, collective bargaining and the use of temporary and contracted labour at our factories in India and Pakistan and a supplier's factory in Turkey. Under the terms of the OECD's Guidelines for Multinational Enterprises, the unions have referred their complaints to the OECD's national contact points in the UK and Turkey for investigation.

Unilever is seeking local resolution of these issues instead of referring to its global Code of Business Principles and addressing these problems in a global context. Unilever also does not refrain from exerting strong pressure on the workers and the unions involved.

Pakistani workers, Zafar Iqbal and Abdul Hameed – thrown out after 30 years

In August 2008 Zafar Iqbal and Abdul Hameed, were dismissed from their jobs at the Unilever Lipton factory in Khanewal after working for 30 years. They received no pension or retirement benefits. For the remaining 700 workers the message is clear: this is your future too! Zafar Iqbal and Abdul Hameed: "30 years making Lipton tea, on minimum wages and long hours, not knowing whether there will be work from one day to the next, turning out a billion-dollar brand for Unilever but not formally employed by Unilever, then thrown out like a used-up Lipton tea bag, everything drained out of you, with nothing."



More information

www.gewoongoedwerk.nl
www.debrugwachters.com
www.unileverwatch.org
www.iuf.org/casualtea
www.somo.nl
www.teacoffeecocoa.org
www.indianet.nl
www.mvoplatform.nl

Colophon

Published by: FNV Mondiaal: www.fnv.nl/mondiaal
FNV Bondgenoten: www.fnvbondgenoten.nl
Production: greenmonday: www.greenmonday.nl
Design: HUTSPOTT: www.hutspott.nl
May 2009



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