

**FOLLOW UP TO FINAL
STATEMENT BY THE UK
NATIONAL CONTACT POINT FOR
THE OECD GUIDELINES FOR
MULTINATIONAL ENTERPRISES**

**Complaint from the International
Union of Food, Agricultural, Hotel,
Restaurant, Catering, Tobacco and
Allied Workers' Associations (IUF)
against Unilever plc (Doom Dooma
factory – Assam – India)**

FEBRUARY 2013

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1. This Follow Up statement is prepared by the UK NCP and agreed by IUF and Unilever as a report on implementation of their agreement made on 7 July 2010.

BACKGROUND

2. Details of the published agreement between the parties are at <http://www.bis.gov.uk/assets/biscore/business-sectors/docs/f/10-1228-final-statement-ncp-iuf-unilever-doom-dooma.pdf> .

UK NCP arrangements for Follow Up Statements

3. The UK NCP may publish a follow-up statement:
- in cases where its Final Statement on a complaint includes recommendations to a company,
 - in cases where parties have reached an agreement that provides for a published follow statement (the NCP makes it a practice to ask parties to provide for follow-up reporting in their published agreements, but the timing and publication are for parties to agree)

There were no NCP recommendations in this complaint, and the published agreement between the parties did not provide for a follow-up statement. However, the parties agreed at a meeting with the NCP in July 2012 (see details below) that the NCP should produce and publish a Follow Up Statement as though their agreement had provided for it.

FOLLOW UP STATEMENT

The agreement

The parties' agreement provided for actions in two areas:

The application of a secret ballot, or of an alternative verification process:

Unilever committed to establishing a process acceptable to the IUF and local union (CITU) representatives to enable all workers at the Doom Dooma factory to confirm membership of a trade union organisation of their choice. In the first instance, Unilever agreed to pursue agreement by the State Government of Assam to the holding of a free and fair election by secret ballot. In the event of progress being blocked on convening a secret ballot, Unilever and IUF agreed that an alternative verification process would be necessary, and should be pursued under the "Code of Discipline" procedure recognised for resolving Trade Union organisation membership disputes in India.

Unilever, IUF and its affiliated members agreed to abide by the outcome of the process for future collective bargaining purposes. [NB. Although not explicitly stated in the published statement, the parties' agreement was that union membership would be confirmed before opening negotiation on a new long-term collective bargaining settlement to replace a settlement expiring on 31 March 2012].

The deduction of trade union membership dues:

Unilever committed to ceasing the deduction of membership fees for any trade union organisation as soon as possible (the agreement reports progress on this to July 2010).

Implementation

The deduction of trade union membership dues:

Action by the company to suspend deductions from wages for union dues was contested in the Munsif court by the HUSS union (the rival to the CITU union on whose behalf the IUF had made the complaint under the Guidelines). In November 2010, the court directed Hindustan Unilever Limited (HUL) to maintain the deductions, but HUL secured an order overturning this ruling and this took effect from 10 February 2011. From that date, no deductions were made from wages in respect of dues for either union.

The application of a secret ballot, or of alternative verification process:

Secret ballot

In September 2010, the State Government had agreed to the company's request to conduct verification through local government processes. But the Government later withdrew its agreement because of concerns that conducting a verification would be in contempt of a High Court ruling of February 2010.

Initial attempts to use alternative verification process:

In December 2011, parties had agreed an independent third party to conduct an alternative verification. When proposals for the verification were announced by HUL, however, the HUSS union contested the decision through local courts and it did not proceed.

On 31st March 2012, the current long-term (collective bargaining) settlement expired. HUL attempted to use a survey to determine workers' views on opening negotiations with the HUSS union in advance of conducting a verification, but IUF reported concerns about the survey's conduct, and neither IUF nor Unilever accepted that the results as conclusive.

HUL then arranged (without further discussion with IUF) for a verification to be conducted between 18th and 20th June 2012. A restraining order filed by the HUSS union, and a demonstration organised by that union at the factory prevented this verification proceeding, however. On 22 June, the Assam High Court stayed the restraining order, but listed the matter for a hearing with both HUSS and CITU unions represented.

Meeting with UK National Contact Point

On 20th June, IUF contacted the UK National Contact Point and reported the failure to implement verification. Both parties subsequently gave the NCP their accounts of the relevant events, and agreed to a meeting with the NCP to discuss the position. No further progress had been made when this meeting took place on 26th July 2012, as the High Court hearing was subject to multiple postponements. In the meeting, both parties re-affirmed their commitments to implementing their agreement, and agreed that the NCP should prepare and publish a follow-up statement on implementation.

Progress after July 2012

In July 2012, Unilever opened negotiations with both the HUSS union and the CITU union on the new long term settlement. On 19 September workers were balloted on which union they wanted to represent them in these negotiations, and an independent third party verified the ballot. Of 482 workers, 361 wanted to be represented by CITU and 61 by HUSS.

A new long-term settlement was signed by HUL management and CITU union on 27th October.

During Feb 2013 further steps were taken to re instate check off arrangements. Of a total of 569 employees, 525 employees participated in the process, 396 opted to have wage deductions for union fees in favour of the CITU union and 124 in favour of the HUSS union. 5 people opted for neither. As requested by both the unions, Union Subscription fees for the year 2013 have been duly deducted from the January'13 wages of all concerned employees and paid to the Unions.

The company has assured IUF that it accepts the result of the September ballot and subsequent check off arrangement, and considers that the issue of representation is clarified and resolved.

Conclusion and note by National Contact Point

The parties agree that they regard their agreement as implemented. The NCP commends the parties for their willingness to continue engaging in the face of difficult circumstances, and for their flexible and creative approach to finding a mutually acceptable way to deliver the agreed actions.

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This publication is available on our website at <https://www.gov.uk/uk-national-contact-point-for-the-organisation-for-economic-co-operation-and-development-oecd-guidelines-for-multinational-enterprises#uk-national-contact-point---whats-new>

Any enquiries regarding this publication should be sent to:

UK National Contact Point for the OECD Guidelines for Multinational Enterprises
Department for Business, Innovation and Skills
3VIC3
1 Victoria Street
London SW1H 0ET
Tel: 0044 (0)20 7215 5756

If you require this publication in an alternative format, email

uk.ncp@bis.gsi.gov.uk, or call 0044 (0)20 7215 5756.

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