

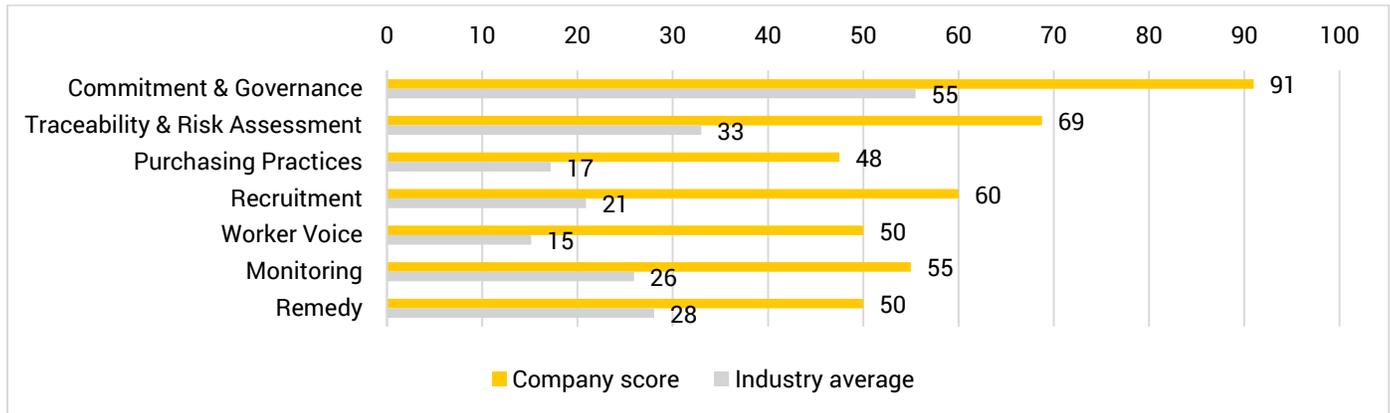
Unilever plc

TICKER
LON:ULVR**MARKET CAPITALIZATION**
US\$221 billion**HEADQUARTERS**
United Kingdom**DISCLOSURES**
UK Modern Slavery Act: YesCalifornia Transparency in Supply Chains Act: Yes**TARGETS**
Yes**OVERALL RANKING****2 out of 43**[\(2018 Rank: 1 out of 38\)](#)**OVERALL SCORE****60 out of 100****SUMMARY**

Unilever plc (Unilever), the UK's biggest listed company,¹ ranks 2nd out of 43 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Since 2018, the company has taken some additional steps to strengthen its performance and disclosure. It discloses working with the Argentinean government on forced labor, the sourcing countries of its tea and cocoa, a training module on purchasing practices and human rights, a palm oil grievance tracker, and lower-tier audits. As the benchmark methodology requires companies to keep up with evolving stakeholder expectations and emerging good practices and the company has not improved across themes, the company's rank decreased by one place. Notably, the company is among those achieving the highest scores on the themes of Commitment & Governance and Traceability & Risk Assessment.

KnowTheChain identified two allegations of forced labor in the company's supply chains. The company discloses that it carried out a review of its grievance procedures. However, Unliever does not disclose engagement with affected stakeholders nor remedy outcomes for workers. The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice, and Remedy.

Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

THEME-LEVEL SCORES

KEY DATA POINTS
SUPPLIER LIST

Yes (tea, palm oil, soy oil, cocoa)

NO-FEE POLICY

Yes ([Employer Pays Principle](#))

SUPPORTS FREEDOM OF ASSOCIATION

Yes

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK COMMODITIES

Coffee, cocoa, tomatoes, and others²

LEADING PRACTICES

Risk Assessment: The company discloses that it carried out a study on migrant workers in Turkey’s tomato industry, focused specifically on recruitment and working conditions. It states that it found a “widespread lack of written contracts, the payment of recruitment fees in workers’ home countries or regions, and a lack of transparency or awareness on deductions made to wages.” It states that earnings did not cover the basic cost of living and that workers were employed through “crew leaders,” which are the company’s second-tier suppliers. In addition, Unilever discloses that it has carried out a human rights impact assessment on human rights and forced labor in Turkey. It states the assessment is part of a global series of assessments also done in Honduras, Brazil, Thailand, and Guatemala.

Recruitment Fees: Unilever states that it supported a prevention and remediation workshop for a supplier in Malaysia to “implement the Employer Pays Principle and develop a remediation plan for the reimbursement of recruitment fees to existing workers.”

NOTABLE FINDINGS

Training: The company discloses that it has trained its procurement staff on its supplier code of conduct addressing forced labor. It states training has included how procurement staff should respond to “red flags.” Unilever also reports that supplier training on recruitment practices and on how poor practices such as contract labor and working hours can lead to forced labor has been delivered to suppliers in China, Dubai, India, Malaysia, and Thailand. It also states that it worked with the Fair Labor Association in Turkey to train agricultural suppliers on responsible recruitment practices for migrant workers and

employment practices for seasonal workers. It states this includes capacity-building training for suppliers' management teams, field teams, farmers, agriculture workers, and labor intermediaries.

Traceability and Supply Chain Transparency: Unilever discloses the names of its first-tier suppliers for four high-risk commodities: cocoa, palm oil, soy, and tea. The palm oil supplier list includes mills, from which it sources both directly and indirectly. The company also discloses a list of the countries from where it sources tea and cocoa.

Monitoring: The company publishes an annual supplier audit report that details its findings. It states that during 2018 audits, it identified 97 forced labor-related non-conformances, including 33 in South Asia, 21 in Southeast Asia, and ten in Latin America. It reports some violations related to policies and procedures, avoidance of forced labor, and having contracts in languages that workers understand. It also discloses the number of non-conformances per country.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While the company reports that it has developed a training module on purchasing practices, it is further encouraged to adopt responsible purchasing practices (such as prompt payment) and disclose data points on its purchasing practices to demonstrate their scope across the business, and how practices such as price premiums work when applied. While Unilever discloses assessing forced labor risks at potential suppliers, it is encouraged to disclose outcomes thereof (such as the number or percentage of potential suppliers rejected for lack of strong labor practices).

Worker Voice: While the company discloses working with local and global unions in its supply chains, it is encouraged to assess where there are regulatory constraints on freedom of association and consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing. Further, to ensure positive outcomes for workers, the company may consider entering into a global framework agreement that covers its supply chains and/or an enforceable supply chain labor rights agreement with trade unions or worker organizations. In addition, though the company discloses engaging with supply chain workers on their labor rights in its tea supply chains, it is encouraged to work with relevant stakeholders to engage with and educate supply chain workers across different commodities on their labor rights.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of human trafficking and forced labor and disclosing details on this process, such as timeframes and engagement with affected stakeholders, responsible parties, or approval procedures. To demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including in cases of specific allegations in its supply chains.

ENGAGED WITH KNOWTHECHAIN

Yes ([Provided Additional Disclosure](#)).

¹ Financial Times (23 July 2020), "[Forecast-beating Unilever becomes UK's biggest listed company.](#)"

² The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor.](#)"