

Unilever plc

TICKER
LSE:ULVR

MARKET CAPITALIZATION
US\$156 billion

HEADQUARTERS
United Kingdom

COMPLIANCE

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Not applicable](#)

COMMITMENTS

[None](#)

OVERALL RANKING

1 out of 38

(2016: 1 out of 20)

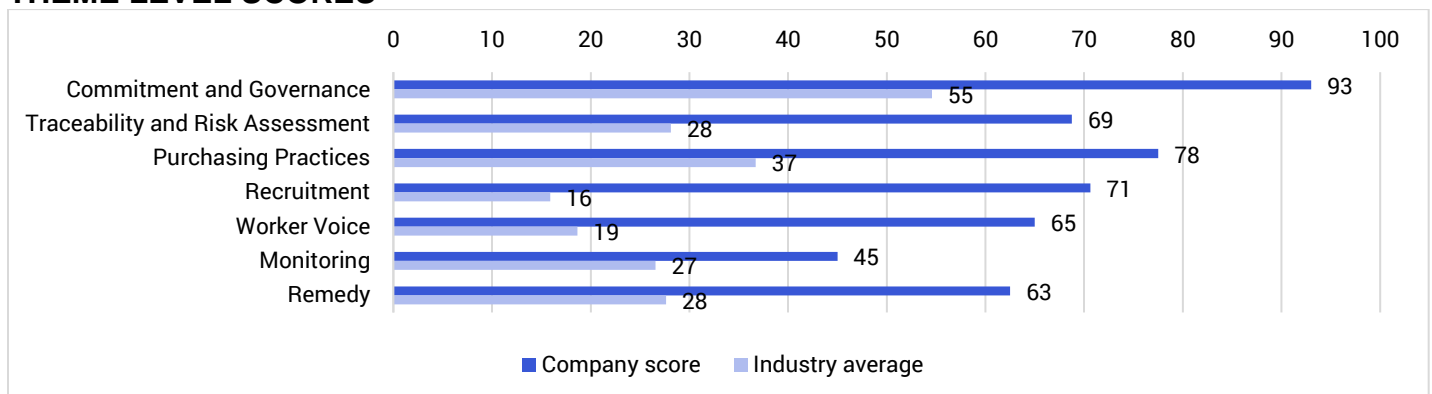
OVERALL SCORE

69 out of 100

SUMMARY

Unilever plc (Unilever) ranks first out of 38 companies, disclosing significantly more information on its forced labor policies and practices than its peers across all themes. Compared to 2016, the company improved its score by four points by disclosing efforts undertaken across various themes. Most notably, the company developed and disclosed a grievance mechanism for its palm oil supply chains and trainings on forced labor for suppliers across sourcing countries and tiers. The company achieves the highest scores on the themes of recruitment and worker voice. For example, the company discloses the positive impacts of engaging workers in its supply chains and provides several examples of how it supported freedom of association in its supply chains. KnowTheChain identified one allegation of forced labor in the company's supply chains. The company provided five public responses regarding the allegation and outlines the steps taken by itself and its supplier to improve processes. However, Unilever does not disclose remedy outcomes for workers. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of worker voice, monitoring, and remedy, and expanding existing systems to additional commodities at risk of forced labor.

THEME LEVEL SCORES



Research conducted through March 2018, or through June 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

Worker Voice: Unilever discloses a collaboration between its largest tea supplier and the Ethical Tea Partnership which resulted in training 1,000 managers, supervisors, and other staff (out of a total workforce of 9,000) on discrimination and harassment. The company reports that after the training, 97% of staff understood issues and policies to prevent discrimination and harassment (77% improvement), 80% understood grievance procedures (40% improvement), and 100% knew their managers (50% improvement). Further, 54 of the 66 factories have women on their boards—up from two four years ago.

Freedom of Association: Unilever discloses that it found one of its suppliers did not recognize trade unions or endorse workers joining unions and refused auditors access to workers. Following discussions with Unilever, the supplier changed its policy and agreed to guarantee that there would be no retaliation against workers who are union members.

Unilever further states that it conducts a biannual consultation forum with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) and IndustriALL. It discloses that it uses these meetings to communicate directly with its trade union partners and that conversations focus on key commodities such as palm oil and tea and working conditions for women in those sectors.

As an additional example, Unilever discloses that, after discovering non-conformances relating to freedom of association, it required the suppliers to develop policies that allowed the formation of workers' unions, to train staff on those policies, and to ensure the agreed outcomes with unions were documented and addressed.

Migrant Worker Rights: Unilever's Responsible Sourcing Policy includes provisions regarding employment terms and passport retention. Further, Unilever discloses that it worked with an external independent expert organization to develop best-practice guidelines on migrant labor. It also states that when it discovered a Saudi Arabian supplier was withholding workers' passports, it ensured the supplier changed its processes to provide workers with a letter in their own language explaining that providing their identification documents to management would be on a voluntary basis and only for safe keeping. An agreement was also put in place that upon request workers are able to access their documents within 24 hours. Unilever delivered training to suppliers in its extended supply chain on forced labor and migrant labor. Specifically, it invited 155 Turkish suppliers to a virtual training on migrant labor.

NOTABLE FINDINGS

Board oversight: Unilever has a board committee, the Corporate Responsibility Committee, which oversees the company's human rights work. Board members also receive training on the Code of Business Principles, which includes provisions on forced labor.

Traceability: Unilever discloses the names of the palm oil suppliers from which it sources palm oil. It further discloses an interactive map which shows the names, locations, and countries of mills used in its supply chains.

Recruitment: Unilever discloses some information on recruitment agencies used in its supply chains, noting that its "suppliers in Malaysia and Dubai for example use recruitment agencies which is why we carried out supplier training there." The company discloses it is one of the founding members of the Leadership Group for Responsible Recruitment, which includes a commitment to the Employer Pays Principle. It further discloses that "we are committed to the removal of fees in our extended supply chain and should we discover fees had been paid, we would discuss remediation with the supplier." The company also states that its third-party auditors will verify that suppliers who hire workers through recruitment agencies have procedures use measures to check that the recruitment agency has policies and procedures in place to combat forced labor. The company also states that it hosted a series of internal webinars, some of which focused on the use of ethical recruitment agencies. Further, the company discloses that it co-sponsored workshops organized by AIM-PROGRESS in Dubai, Malaysia and India which "specifically called out" ethical recruitment.

OPPORTUNITIES FOR IMPROVEMENT

Worker Voice: While the company has significantly stronger practices in place than its peers (see leading practices), it is encouraged to ensure its human trafficking and forced labor policies and standards are communicated to workers in its supply chains. Further, it may consider taking steps to ensure that there are worker-to-worker education initiatives on labor rights in its supply chains, which would allow it to scale its efforts significantly. The company discloses several grievance mechanisms available to supply chain workers. The company is encouraged to take steps to ensure that its suppliers' workers trust the mechanism (e.g., by involving workers or an independent third-party in the design or performance of the mechanism), to disclose data about the practical operation of the mechanism(s) and its use by its suppliers workers, and to provide evidence that the mechanism is available and used by workers or their representatives in the lower tiers of its supply chains.

Monitoring: While Unilever undertakes supplier audits which include a review of relevant documents, interviews with workers, and visits to production facilities and related worker housing, the company is further encouraged to perform unannounced audits and to audit suppliers below the first tier. The company has strong disclosure on audit outcomes in place; it may further consider disclosing the percentage of suppliers audited annually, the percentage of unannounced audits, and the number or percentage of workers interviewed during audits.

Remedy: Unilever discloses its process for responding to grievances submitted via its palm oil grievance mechanism. The company is encouraged to disclose a similar process for grievances submitted in other commodities, and to provide details, such as responsibilities, timelines, and engagement with impacted right holders. While the company discloses remedy outcomes for workers in one case, it is encouraged to disclose concrete remedy outcomes for workers and evidence that remedies are satisfactory to the victims or groups representing the victims for any allegations of forced labor in its supply chains.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)