

KnowTheChain 2023 Food & Beverage Benchmark

Additional Disclosure

Company Name: Unilever PLC

Date: 03.04.23

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

On page 15 of our 2023 Modern Slavery Statement, we outline our capability building work with palm oil suppliers. The statement says, "As part of our work as a member of the Consumer Goods Forum (CGF) Human Rights Coalition (HRC) – Working to end forced labour, we have been working to strengthen our approach to human rights due diligence (HRDD) relating to the eradication of forced labour in the palm oil supply chain [...] Project P3 aims to foster collective action and advocacy to address forced labour within the Malaysian palm oil sector through a targeted, impact-based assessment and training for key palm suppliers in Malaysia on both prevention and remediation. The project consists of two tracks, Learning and Engagement. The Learning track, open to all palm oil suppliers with operations in Malaysia, consists of a number of no-cost workshops on key topics surrounding forced labour."

In addition to this, the statement also outlines various capability building initiatives where we have engaged our suppliers and their labour agencies (beyond first tier) to build awareness and capability on responsible recruitment practices. A summary of these initiatives can be found in the table on page 10, along with additional information on our diginex pilot on page 11.

*Unilever (March 2023) "Modern Slavery Statement," p.9-11, 15, 16
<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

Our 2023 Modern Slavery Statement (p.9-11, p.16) outlines a number of capability building initiatives that we carried out in 2022 for our suppliers, their workers and their recruitment agencies on responsible recruitment. We train our suppliers and their recruitment agencies on a case by case basis - see page 16 of the Statement "....has provided training for 83 direct suppliers and service

providers in the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE)"

When we launched our [Responsible Partner Policy](#) (RPP) in December 2022, we strengthened the requirement for our partners to cascade requirements up their own supply chains. Alongside our RPP, later in 2023 we will publish Implementation Guidance, which provides our business partners with examples of effective steps and additional information to help them achieve and sustain the requirements of our RPP. This includes advice and information on how to cascade requirements, including on forced labour, to their own suppliers.

*Unilever (March 2023) "Modern Slavery Statement," p.9-11, 15, 16

<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

Our 2023 Modern Slavery Statement outlines our use of incentives for staff which are tied to improvements in working conditions in our supply chain. On page 18 it says: "Part of Unilever's 2022 SPI (Sustainability Progress Index) is linked to our Compass ambition to raise living standards and specifically the value of contracts (including the requirement that workers are paid a living wage). As stated by organisations such as Walk Free, "Ensuring a living wage for workers at every stage of the supply chain lessens the likelihood of them becoming victims of forced labour or child labour"". As outlined on page 114 of our 2022 Annual Report and Accounts, our SPI accounts for 25% of the total Performance Share Plan (PSP).

*Unilever (March 2023) "Modern Slavery Statement," p.18

<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

*<https://www.unilever.com/investors/annual-report-and-accounts/>

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

Please see pages 78-90 of our 2022 Annual Report and Accounts explaining how the Board is engaged on topics as well as visits to sites to gain more insights.

*<https://www.unilever.com/investors/annual-report-and-accounts/>

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

We have approx. 55,000 first tier suppliers, and so although we disclose this information on our first-tier suppliers for a number of high risk commodities, we would question the practicality and objective of Unilever disclosing all of our suppliers.

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

Our published list of soybean suppliers states "96% of the soybean oil sourced in CY 2021 is traceable back to country of origin of the soybean. Countries of origin are: USA, Canada, Brazil, Ukraine, China, Bolivia, Argentina, Serbia, Romania, Croatia, Germany, Austria, Hungary, Greece, Czech Republic, France."

*<https://www.unilever.com/files/2c83c299-128f-4509-a684-8431035301f1/unilever-soybean-suppliers-2021.pdf>

3.3 We would welcome clarity on whether and to what extent tea suppliers are also tea plantations.

Our tea suppliers are made up of both tea plantations and smallholder farmers and in our tea supply chain this varies, percentage-wise from 50% to 95% dependant on the sourcing country.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

Page 7 of our 2023 Modern Slavery Statement outlines our approach to forced labour risk identification.

We disclose further information on our engagement with relevant stakeholders on page 9, where we give the example of Human Rights Impact Assessments (HRIAs) in Brazil and the USA, which we undertake to complement our social compliance process. These HRIAs were conducted by an independent 3rd party, who reviewed a sample of locations of our business partners and our own operations and conducted interviews with workers, managers and business owners.

In addition to this, as outlined on pages 10-11 of our 2023 Modern Slavery Statement, in 2022 we partnered with diginex, a company which specialises in building purpose-led technology for greater transparency on social risks in global supply chains. For this initial pilot, we selected manufacturing suppliers across all our product portfolios, based on criteria that included the number of migrant workers employed, nationalities and issues identified during social audits. A number of suppliers based in Thailand and Malaysia who met the highest number of these criteria were initially selected. Suppliers conducted a baseline self-assessment using diginex's enhanced due diligence platform, diginexLUMEN. This enabled us to understand any management system gaps and helped us identify key risk areas where suppliers may need our support. The platform uses cascading invitations to identify connections further up our supply chain, again bringing our work closer to where adverse human rights impacts are more likely to be found. The platform allows for tailored due diligence surveys for suppliers and labour providers, based on international standards set by the International Labour Organization (ILO). The tool includes an audio-based survey (diginexAPPRISE) which is translated into local languages for accessibility, allowing workers to give anonymous feedback about their working conditions. Responses from suppliers, labour providers and workers are then

triangulated by the platform, which flags any inconsistencies and allows for easier analysis of data, ensuring we can effectively target the most critical areas for improvements. At the end of 2022, 12 of our suppliers and one recruitment agency in Thailand and Malaysia had completed the self-assessment questionnaire, while 200 workers had responded to the worker voice survey which aims to capture the views of workers on the ground.”

*Unilever (March 2023) "Modern Slavery Statement," p.7, 9-11

<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

4.2 details on forced labour risks identified in different tiers of its supply chains;

As outlined in our 2023 Modern Slavery Statement on page 10-11, in 2022, we partnered with diginex to pilot the use of supplier baseline self-assessments using diginex’s enhanced due diligence platform, diginexLUMEN. These assessments enabled us to understand any management system gaps and helped us identify key risk areas where suppliers may need our support. The platform uses cascading invitations to identify connections further up our supply chain (beyond tier 1), again bringing our work closer to where adverse human rights impacts are more likely to be found. The platform also allows for tailored due diligence surveys for suppliers and labour providers, based on international standards set by the International Labour Organization (ILO).

*Unilever (March 2023) "Modern Slavery Statement," p.10-11

<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

INDICATOR 7: RECRUITMENT-RELATED FEES

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

In our 2023 Modern Slavery Statement we provide further detail on steps taken to implement the Employer Pays Principle across supply chain contexts in 2022.

Our work to ensure that fees are not paid in the first instance is outlined in the 'Prevention' section on pages 9-11 where we describe numerous capability building initiatives.

In addition to this "In 2022, we were one of six global consumer goods companies co-ordinated by Aim-Progress to sponsor the training of over 80 businesses in the Gulf to help them improve their employment practices. This series of training was carried out in March and April 2022 and was sponsored by AIM-Progress members Mars, McDonald’s, The Coca-Cola Company, PepsiCo, Unilever and Reckitt. It aimed to develop long-term solutions to problems with labour practices in the region, so more suppliers can meet the standards required by global businesses. Throughout 2021 and 2022, this initiative, tailored to labour agencies and manufacturing suppliers has provided training for 83 direct suppliers and service providers in the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE) to help improve employment practices and tackle the risk of migrant worker exploitation." (pg 16)

*Unilever (March 2023) "Modern Slavery Statement," p.9-11, 16
<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

We disclose three examples of fee remediation for supply chain workers on pages 13-14 of our 2023 Modern Slavery Statement.

*Unilever (March 2023) "Modern Slavery Statement," p.13-14
<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

All information in the Engaging on labour rights section of our website page:
<https://www.unilever.com/planet-and-society/respect-human-rights/human-rights-in-our-operations/> is up to date:

"We engage in a wide range of consultation with our stakeholders on labour rights, including with the OECD, International Labour Organization, UN Global Compact, the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations) and IndustriALL. Dialogue with trade unions is very important and we continue to engage, take action and learn from best practices. We have formal and informal consultations with unions. Formal consultations are in addition to the day-to-day interactions our leadership teams have with union representatives in the factories, and regional and global consultations we have with trade union executives. Our engagement with trade unions is described in our Human Rights Report 2020."

* <https://www.unilever.com/planet-and-society/respect-human-rights/human-rights-in-our-operations/>

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations;

We are party to three global agreements with the IUF/IndustriALL:

Joint Commitment on preventing sexual harassment, Global Union Memorandum of Understanding, and Joint Commitment on Sustainable Employment in Unilever Manufacturing.

- <https://www.iuf.org/news/joint-commitment-on-preventing-sexual-harassment-at-unilever/>
- <https://www.iuf.org/news/global-agreement-with-unilever-on-rights-and-recognition/>
- <https://www.iuf.org/news/global-agreement-on-sustainable-employment-in-unilever-manufacturing/>

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

Although we do disclose the percentage of our employees covered by collective bargaining agreements, we do not currently disclose the percentage of supply chain workers covered by CBA's.

Note however that the right to Freedom of Association and Collective Bargaining is a fundamental requirement (Fundamental Principle 11) of our [Responsible Partner Policy](#), which all our business partners must meet the requirements of.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers;

We require suppliers to put in place grievance mechanisms which are in line with the requirements of the UN Guiding Principles on Business and Human Rights - this is a mandatory requirement of our [Responsible Partner Policy](#). In this revised policy we have also strengthened our requirements for our suppliers to cascade these requirements to their suppliers. Page 5 of the RPP states: "Beyond those listed above, we expect you to cascade equivalent requirements within your supply chain by carrying out human rights and environmental due diligence. This is to identify, prevent, mitigate and account for how you address and manage potential and actual adverse impacts on human rights and the planet that are directly linked to your operations, products or services by your business relationships, as well as those you may cause or contribute to through your own activities".

We have also extended the requirements of our RPP to, in some instances, beyond our direct (tier 1) suppliers (RPP, p.5).

In addition to this, any external party is able to raise a concern to Unilever through our independent Ethics Hotline: <https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e>

* Unilever "Responsible Partner Policy", p.5

<https://www.unilever.com/files/92ui5egz/production/7ee90f260faed25e11e1c4bbad207eec205b42d0.pdf>

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved;

Our Palm Oil grievance mechanism can be accessed by all parties in our value chain or those who support or represent them. Grievances have been raised both by civil society groups and by individual workers' legitimate representatives, but some cases are not published in the tracker at the complainant's request.

In addition to this, any external party is able to raise a concern to Unilever through our independent Ethics Hotline: <https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e>

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

This is a requirement of the UN Guiding Principles on Business and Human Rights (Guiding Principle 31) but we recognise that more work needs to be done to achieve this.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

During audits, worker surveys are carried out on-site, but with no management in the room.

As outlined on page 11 of our 2023 Modern Slavery Statement, in 2022 we piloted the use of the diginex worker voice tool, diginexAPPRISE, which allows workers to give anonymous feedback about their working conditions. The survey can be accessed via a QR code located on the premises, but can be completed anywhere, at the worker's convenience.

In addition to this, we will pilot the use of digital worker interviews (using diginexAPPRISE) in the SMETA (Sedex Members Ethical Trade Audit) audit process. Findings will be shared with auditors to enable them to gain a better understanding of working conditions prior to audits. The aim of the pilot will be to test if the insights from the tool can help inform audits and improve the detection of issues. All issues raised by workers, either as part of the audit process or through the diginexAPPRISE pilot will be shared with suppliers so that appropriate action is taken to remediate any issues or concerns raised by workers. " (2023 Modern Slavery Statement, pg 19)

*Unilever (March 2023) "Modern Slavery Statement," p.11, 19

<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

Our work with diginex in 2022 included the pilot of an audio-based survey tool (diginexAPPRISE) which is translated into local languages for accessibility, and allows workers to give anonymous feedback about their working conditions. At the end of 2022, 200 workers had responded to the worker voice survey. Responses from suppliers, labour providers (through diginexLUMEN) and workers (through diginexAPPRISE) are then triangulated by the platform, which flags any inconsistencies and allows for easier analysis of data, ensuring we can effectively target the most critical areas for improvements. All results are shared with suppliers so that appropriate action is taken to remediate any issues or concerns raised by workers.

We will pilot the use of these digital worker interviews (using diginexAPPRISE) in the SMETA (Sedex Members Ethical Trade Audit) audit process. Findings will be shared with auditors to enable them to gain a better understanding of working conditions prior to audits. The aim of the pilot will be to test if the insights from the tool can help inform audits and improve the detection of issues. All issues raised by workers, either as part of the audit process or through the diginexAPPRISE pilot will be shared with suppliers so that appropriate action is taken to remediate any issues or concerns raised by workers.

*Unilever (March 2023) "Modern Slavery Statement," p.10 - 11, 19

<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

Page 21 of our 2023 Modern Slavery Statement outlines how we define a Key Incident - including a potential issue of forced labour and our process for dealing with it. "Unilever defines the most severe non-conformances as Key Incidents. A Key Incident typically represents a significant risk to life or injury, or a significant human rights contravention. These are escalated to Unilever within 24 hours by the auditors and require the creation of a Corrective Action Plan within seven days by the supplier. As with all non-conformances, a follow-up audit is required within 90 days to confirm that the actions taken have been sufficient to remediate the identified issues. The nature of some Key Incidents means it may not be possible to close them within this timeframe before the follow-up audit, because capital investment or significant changes are needed. In such cases, the supplier will need to develop an interim plan to reduce the risk until the permanent solution can be put in place. The Key Incident will continue to be recorded as 'open' until fully remediated. In addition to this, pages 12-14 of the Statement outline our process for recruitment fee remediation, along with actions taken in 2022 to respond to forced labour related issues including the repayment of recruitment fees.

*Unilever (March 2023) "Modern Slavery Statement," p.21, p.12-14

<https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

We disclose three examples of outcomes of our remedy process on pages 13 - 14 of our 2023 Modern Slavery Statement

12A.2: could the company clarify whether the Malaysian example given relates to its food and beverage supply chains?

No it does not - it is a packaging supplier for another portfolio

In addition, where an allegation is identified in a company's supply chains:

We have not been contacted regarding this report.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes. Please provide link to a publicly available statement.

[Unilever Modern Slavery Statement March 2023](#)

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes. Please provide link to a publicly available statement.

[California Transparency in Supply Chain Act | Unilever \(unileverusa.com\)](https://www.unileverusa.com/ctsc)

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes. Please provide link to a publicly available statement.

[Unilever Australia Modern Slavery Act Transparency Statement | Unilever](https://www.unilever.com.au/modern-slavery)