

Modern slavery statement

March 2022



Unilever

Foreword

"2021 was another difficult year for many, but particularly for those most at risk in our societies. We saw an accelerated focus on climate change and its effect on human rights. There's clear evidence that, as a result of extreme and sudden weather events and longer-term climate issues, people most at risk of conflict or inequality are more likely to become victims of modern slavery.

Over the last year, we've continued our hard work to implement Unilever's Compass commitments, which includes living wages and living income for those in our extended supply chain. We know that the more secure people are in their income, the less likely they are to fall victim to forced labour or – in the case of families – to take children out of school for work.

A worker's income can also be severely impacted by the payment of recruitment fees. We continue to see this within our extended supply chain and are working with our suppliers to support the remediation of these cases. Through organisations such as the Consumer Goods Forum and Leadership for Responsible Recruitment, we are working with peer companies and expert

organisations to support the development of responsible recruitment markets and effective human rights due diligence systems to combat forced labour.

Identifying, preventing and addressing forced labour in global supply chains, and continuing to improve overall working conditions and reduce inequality, are not just about living up to requirements to respect human rights. It's also about strengthening the foundations of business. We're reducing risk, improving traceability and transparency, and delivering supply chain resilience.

Simply put, these actions are integral to every business focused on the long term."



Alan Jope
Chief Executive Officer, Unilever

This document builds on last year's statement and explains the steps Unilever has taken to prevent, detect and respond to slavery in our business and throughout our supply chain. This Statement covers Unilever PLC and their group companies, with other reporting companies proceeding with their own board approvals according to the Modern Slavery Act (the 'Act'). It covers the period of 12 months ending on 31 December 2021.

Contents

About us	2
Our approach	3
Salient Issues	4
Embedding our policies	5
Risk identification	6
How we reduce risks of forced labour – focusing on the Employer Pays Principle (EPP)	7
Examples of supplier type, commodity and geography-specific approaches in 2021	9
Working with others to increase our impact	10
Tracking progress and remediation	11
Looking ahead	12
Appendix	13

About us

Our organisation, structure and supply chain

Unilever is a multinational consumer goods company that produces food, drink, personal care and home care products. About 3.4 billion people use our products every day. More than 400 Unilever brands are used by consumers worldwide. Thirteen of our brands have sales of more than €1 billion a year and our turnover in 2021 was €52.4 billion, with 58% in emerging markets. Our brands are available in around 190 countries, and we employ approximately 148,000 people.

The Unilever supply chain

We have a large and diverse supply chain. Details of our supply chain and strategy (including our suppliers per spend category), the geographic distribution of our suppliers, our country risk assessment and number of audited sites can be found [here](#). Further details of our company and supply chain can be found in our [Annual Report and Accounts 2021](#).



Our approach

“As Unilever’s new Chief Business Operations Officer, I understand the critical role and responsibility we have to prevent, detect and remediate any instances of forced labour in our value chain. We will continue to engage our suppliers, collaborate across our industry and beyond, and always respond to any issues in the best interest of the workers or individuals involved”.

Reginald E Ecclessato

Chief Business Operations Officer, Unilever

Our approach to respecting and advancing human rights can be found [here](#).

Our human rights governance is led from the top, overseen by our CEO, and supported by our Unilever Leadership Executive (ULE), the most senior leaders of our business. As well as providing strategic direction, the ULE is consulted on human rights issues when the severity of an actual or potential impact is high, where a business-critical decision needs to be taken, or where substantial financial investment may be needed to address an impact. Additional board-level oversight is provided by the [Corporate Responsibility Committee](#). The business is also advised by the [Unilever Sustainability Advisory Council](#).

Our approach is to embed human rights in all parts of our business, using global expertise to guide and support our teams. This includes expertise within our Global Sustainability, Supply Chain, Procurement and Responsible Business (Business Integrity) teams. Our teams work together to embed respect for human rights in our business and in the markets where we operate, working closely with other functions, including Human Resources and Legal. Our Responsible Business team is responsible for the compliance and governance of the Responsible Sourcing Policy within Unilever.

Our Global Sustainability and Sustainable Sourcing teams work together to identify emerging human rights issues, create action plans to respond to our salient human rights issues (including capability building and remediation where needed), and work both bilaterally and more widely to prevent their re-occurrence. This includes working on the root causes of endemic human rights issues and collaborating with others to make systemic change.

We are clear about our human rights commitments, and our expectations of ourselves and those with whom we work. We strive to understand where risk to people is, what’s behind the risk (the root cause), and how to prevent the risk from becoming an issue, while monitoring for new and emerging risks.

Once a risk to people is identified, we work to address it. In our extended supply chain, this is either bilaterally with our partners or collaboratively with other stakeholders, depending on our influence and the scale of the risk. If the risk materialises and an impact is found to have occurred, then we work with our partners to remediate it, verify remediation, and put appropriate processes in place to seek to prevent the issue from happening again. We believe that transparency is vital to enable positive change, and we report on our progress.

The Sustainable Sourcing team leads the development of a Framework and action plan to address forced labour which aims to improve the detection, prevention and remediation of forced labour issues, working in collaboration with the Global Sustainability team, the Responsible Business team, Human Resources and Procurement.

Salient issues

We have eight salient human rights issues, and forced labour is one of them.

Our Salient Issues Framework

We have created a structured approach to address our salient issues (including forced labour). This is our Salient Issues Framework.

The purpose of the framework is to:

- Ensure our approach to each salient issue follows a similar model
- Provide a global framework for each issue from which local approaches can be adapted
- Enable us to address issues in a consistent manner with consolidated reporting
- Define clearer articulation and coordination across issues and areas of intervention
- More easily prioritise action and resources
- Share clear impact assessment metrics and KPIs internally and clearly measure/report on progress.

The framework has four key elements:

- The **description of the issue**, which includes who is impacted and how, how many people and where they are, and the main root causes of the issue.
- Our **theory of change**, which is based on this clear understanding of the problem we are trying to address and enables us to set out our vision of the outcome we want to deliver.
- The **areas of intervention**, which we then define. These are the strategic priorities which will achieve the vision of the theory of change, with clear segmentation on where we will have the biggest impact on people.
- Our **action plans**, which outline what we need to do to achieve these priorities, how we will do this, and the internal and external stakeholders with whom we need to work to achieve our vision.

Over the past year, we have continued to work to eradicate forced labour. This statement provides a comprehensive overview of our Action Plan to tackle the payment of recruitment fees.

Human rights due diligence

Human rights due diligence (HRDD) is necessary for businesses to proactively manage potential and actual adverse human rights impacts with which they are, or could be, involved.

HRDD involves four core components:

- Identifying and assessing actual or potential adverse human rights impacts.
- Integrating findings from impact assessments into relevant company processes and taking appropriate action according to the business involvement in the impact.
- Tracking the effectiveness of measures and processes to address adverse human rights impacts, in order to know if they are working.
- Communicating on how impacts are being addressed and showing stakeholders – in particular, affected stakeholders – that there are adequate policies and processes in place.

In 2021, as part of a process of continuous improvement, our Legal and Global Sustainability teams came together to conduct a gap analysis of how we carry out HRDD. We reviewed our processes against the [OECD Guidance](#) on HRDD, in addition to reviewing them against guidance by [Shift](#).

Like many global companies with extensive and varied supply chains, we found that our biggest opportunities to further strengthen our respect for human rights lay in three areas. They are (1) traceability and issue resolution, beyond our direct (tier one) suppliers; (2) stronger data and systems to track and monitor issues; and (3) enhancing worker/stakeholder engagement relating to the identification of impacts and verification of their remediation.

Advocating for stronger human rights due diligence

In October 2021, we signed a [joint statement](#) with 35 other companies, investors and business associations, encouraging the UK government to introduce a Human Rights and Environmental Due Diligence (HREDD) law.

We also signed a [joint statement](#) in November with 42 investors and companies in support of meaningful and safe stakeholder engagement which should be prioritised in upcoming EU legislation.

Embedding our policies

Clear policies help us set consistent expectations and standards for ourselves and for our partners. They help drive the positive behaviour that we expect from everyone in our value chain, and they underpin our positive social impact, assigning clear responsibility and accountability. Further details on our policies and links to them can be found in the appendix.

Responsible Sourcing Policy – RSP (for our suppliers)

Our [RSP](#) consists of 12 fundamental principles (see [appendix](#)) covering business and human rights, and states mandatory requirements for each fundamental principle which suppliers must meet in order to maintain a business relationship with Unilever. This includes the principle that all work must be voluntary. Throughout 2021, we continued our work towards the onboarding of all our suppliers into our processes, covering both suppliers of the raw materials and packaging that go into the products we sell and suppliers of all other goods and services that we procure.

By the end of 2021, 81% of our procurement spend was through suppliers that were compliant with the requirements of the RSP. This year's result is not comparable to last year, as the scope of the reporting was widened.

RSP First

Our full approach to risk and evaluating our suppliers can be found in our [2017 Human Rights Report](#).

We want to work with our suppliers to drive behaviour change towards identifying and addressing issues and keeping them in compliance with the requirements of our RSP.

While our suppliers have been contractually obligated to be able to meet the requirements of our RSP, with some having been delisted due to ongoing non-compliance in the past, in July 2021 we launched a programme called 'RSP First'. This initiative ensures that any new suppliers must formally agree that they can meet or exceed the requirements of our RSP before they can be onboarded into our systems. The onboarding process includes due diligence checks and once they are onboarded, suppliers need to follow our risk based RSP audit requirements.

RSP First also means that we now have a system-governed process in place to prevent the creation of purchase orders with suppliers if they cannot meet our RSP requirements. The new process creates a link between our spend system and our responsible sourcing compliance system, to check ongoing compliance and time-bound remediation of issues before orders can be placed.

Our new system-based approach, which we are progressively implementing, means that new purchase orders are unable to be created for suppliers while they remain non-compliant.

The new system has led to the temporary blocking of purchase orders to a number of suppliers and an improvement in the closure rate of outstanding issues. However, our overall objective is not to block purchase orders, but to drive behaviour change towards identifying and addressing issues with our suppliers and keeping them in compliance with the requirements of our RSP.

Updating our Responsible Sourcing Policy (RSP)

In 2021, we began the process of updating our RSP. The updated policy will have an increased focus on the environment and climate, and on other policy areas, while continuing to build on our human rights requirements. We will strengthen the need for our suppliers to cascade these requirements up their own supply chains and will include management systems as mandatory requirements. Both will be pivotal to us and our suppliers as we deliver on current and future mandatory Environmental and Human Rights Due Diligence (EHRDD) obligations and reporting requirements.

Risk identification

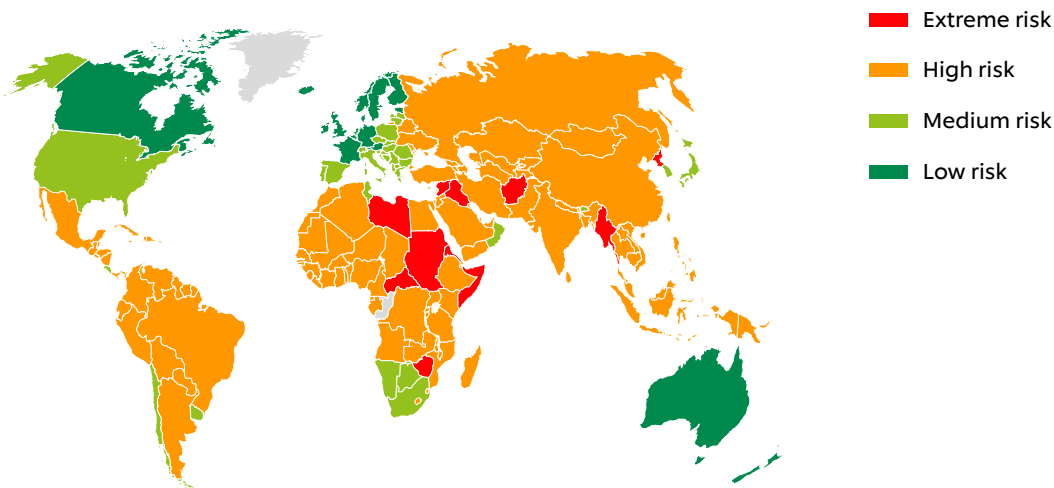
Internal risk

Our risk assessments take many factors into account. These include external country-level human rights risk indicators, such as those provided by the risk organisation Verisk Maplecroft, as well as the views of our local leadership teams, our Business Integrity committees and internal experts. They also consider historic Code breaches, training completion statistics, local activations to drive awareness and visibility, and the procedures in place to respond to issues. We assess risk geographically, for both our own operations and extended supply chain. This means we can focus on our highest-risk operations and work with leadership and Business Integrity committees to drive awareness, enable mandatory training and review internal structures and procedures.

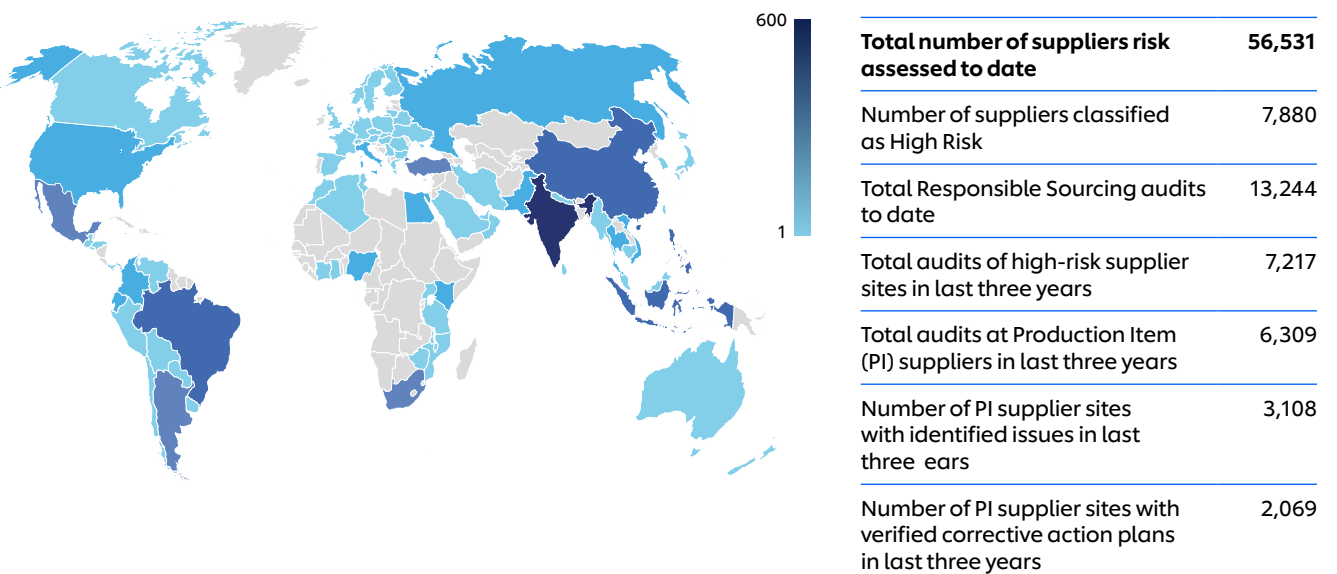
Supply and value chain risk

As part of our responsible sourcing programme, we conduct a risk assessment of our suppliers, considering answers to a self-assessment questionnaire as well as a review of the countries they operate in and the goods or services they provide compared with externally available indices. These indices include an evaluation of the risks of modern slavery in those geographies and procurement activities.

Country risk assessments



Audit sites within the last three years



How we reduce risks of forced labour – focusing on the Employer Pays Principle (EPP)

Implementing the EPP

We have developed a three-pillar Action Plan (detection, prevention and remediation) to address issues related to the payment of recruitment fees by workers, as part of our Forced Labour Framework. Implementation of this framework started in 2021. Not only does this help address our RSP's fundamental principle that all work is conducted on a voluntary basis, but it also interlinks with our commitment on a living wage "that everyone who directly provides goods and services to Unilever earns at least a living wage or living income by 2030", because a worker cannot be deemed to be earning a living wage if they are bonded to their workplace through recruitment fee debt. Payment of a living wage to workers at every stage of the supply chain lessens the likelihood of their becoming victims of forced labour or their children having to engage in child labour. Workers who live in poverty are disproportionately affected by these issues.

Capability building and training are critical components of our plan as it is our objective to equip our key stakeholders – such as auditors, procurement teams and suppliers – with the knowledge, and tools to improve the detection, prevention, and remediation of forced labour issues. Each pillar of our plan has specific capacity building initiatives for internal and external stakeholders.

Collaboration with the industry is one of the key success factors of our plan, therefore, as described in the sections below. We actively engage with peer organisations through different platforms to share best practices and collaboratively address common issues.

Detection

Our detection work is designed to ensure that potential issues of forced labour (including recruitment fees) are captured and brought to our attention.

In 2021, we reviewed and updated our list of [Key Incidents](#), to include issues related to the payment of recruitment fees. These changes were approved by the Procurement Business Integrity Committee (PBIC) and communicated to all relevant procurement teams. If there is a Key Incident related to forced labour, it is immediately (within 24 hours) escalated to the Procurement Vice President and Director. We then work with the supplier to put an action plan in place to remediate the issue by reimbursing the fees paid. Some issues, such as passport retention, can be quicker to

The Employer Pays Principle

No worker should pay for a job - the cost of recruitment should be borne not by the worker but by the employer.

www.employerpays.org

Credit: EPP www.employerpays.org

remediate; others, such as repayment of fees, can be more complex and take more time. In all cases, we require suppliers to put in place a corrective action plan and timeline (please refer to the [remediation section](#) for further information) and to develop and implement responsible recruitment management systems to avoid the re-occurrence of the same issue (*see prevention pillar of our action plan*).

In addition, we have been working towards increasing the ability of the auditors who carry out our Responsible Sourcing audits to recognise the signs of forced labour, and effectively report this to us. In 2021, we developed guidance for auditors on how to detect 'Employer Pays Principle'-related non-compliances. We have shared this guidance with all the audit houses we work with and used it to train over 500 auditors through online workshops. We are exploring digital solutions to conduct a baseline assessment of suppliers, with the aim of further assessing the maturity level of our suppliers' recruitment and employment practices, as well as their exposure to forced labour risks. In 2021, we explored several solutions and are planning to start piloting in 2022.

Prevention

It is imperative we support our suppliers in putting a management system in place to reduce the risk of recruitment fees. We are building the capability of our suppliers to understand what a responsible recruitment system looks like, and how to properly implement it.

Each of our suppliers is expected to embed a system which includes:

- A **responsible recruitment policy** that clearly articulates the supplier's responsible recruitment commitment, setting expectations internally and externally for agencies, subcontractors and, importantly, their own suppliers (our tier two suppliers).

- **Due diligence and screening processes** to select recruitment agencies.
- **Clear contracts with agencies** that include clauses relating to the prohibition of passport retention and the payment of recruitment fees.
- **Training for management and workers** to understand the key components of responsible recruitment and its importance, as well as providing transparency for workers on their rights.
- **Grievance mechanisms** to allow workers the opportunity to confidently raise any concerns they may have.

In 2021, we created a capability building plan for our Procurement teams as well as suppliers, by risk profile. The training session focused on raising awareness of forced labour and how Procurement can support suppliers in building a responsible recruitment system. We also delivered a presentation to all procurement teams and leadership to increase awareness and present our 2021 key priorities and action plan.

In order to drive change at an industry level, we partnered with the [Responsible Business Alliance](#) (RBA) to share an eLearning programme. The programme has been designed to equip suppliers with the knowledge and practices to prevent issues of forced labour in the supply chain and provide recommendations to establish a responsible recruitment process.

In addition, we have prepared comprehensive responsible recruitment guidance, outlining key steps and practical tools to support the building or strengthening of responsible recruitment systems. Suppliers are free to access resources such as videos, quizzes, and templates to help develop and create their own responsible recruitment systems.

In 2021, working with an independent expert organisation, we co-designed and started implementing a responsible recruitment and employment practices capacity building initiative for our suppliers in Oman, Qatar, UAE and Saudi Arabia. This initiative, developed in partnership with [AIM-Progress](#) and sponsored by six members, focused on how to apply organisational frameworks to reduce risks of forced labour across supply chains and aimed at providing participants with practical steps to transform their organisations into more sustainable and responsible business models.

As a first step of this initiative, we conducted a self-assessment questionnaire to assess our suppliers' level of understanding of forced labour. Following the assessment, we ran four online training sessions: one introductory session to explain the course structure and the self-assessment results and three sessions on responsible recruitment and employment practices. As a follow up from the training sessions, we will ask attendees to complete an action plan based on the learning of the training (this last activity will take place during 2022).

We will repeat the same capability building initiative in March 2022 with other suppliers based in the same countries.

In addition to the Middle East, we are also exploring opportunities for collaboration with members of the AIM-Progress Asia-Pacific regional collaboration hub (APAC hub), to conduct baseline assessment and capability building in Malaysia and Thailand. In 2021, we had several meetings with AIM-Progress members, third-party service providers and subject-matter experts, and we are currently assessing the best approach and defining next steps.

Remediation

We require repayment of recruitment fees, but we know suppliers need support in understanding how to do this.

One of the biggest challenges we have found relates to the remediation of fees paid, a key element of the EPP. The large amounts of money involved, often covering several years, means that a sustainable fee repayment plan has to be created, involving both suppliers and workers. Workers are often concerned about being open about the fees they have paid for fear of retaliation. We also need to be aware of possible tension between migrant and local workers, who may not understand why fees are being reimbursed.

The remediation pillar of our work focuses on what suppliers must do to resolve existing occurrences of forced labour, and the process to follow when recruitment fees have been paid.

The steps for recruitment fee remediation include:

- Investigating the recruitment fees and costs paid by workers.
- Identifying eligibility for repayment.
- Calculating the repayment amount.
- Agreeing who will pay back the recruitment fee.
- Establishing a timeline for repayment.
- Engaging and communicating with migrant and local workers.
- Verifying payment.

In Q4 2021, we held in-depth training sessions with our Procurement teams in countries we identified as high risk for recruitment fee issues, such as Thailand and Malaysia, and therefore, as priorities for engagement. This training covered the remediation process to follow when recruitment fees are paid. We are continuing this work during 2022 for other high-risk countries.

We are creating guidance for suppliers on remediation. This will be for all our suppliers who employ migrant workers and, in particular, for those who have identified cases of recruitment fees payment across their own operations and/or their supply chain. Where needed, we will run workshops with individual suppliers to explain key remediation steps and how to put processes in place to prevent the charging of fees in the future.

Examples of supplier type, commodity and geography-specific approaches in 2021

Turkey

In 2021, the [Harvesting for the Future](#) project came to an end.

We prioritised the hazelnut crop because of the dynamics of hazelnut harvesting and the number of seasonal migrant workers working with this crop who are most at risk to poor recruitment and employment practices that might lead to forced labour.

The overall goal of Harvesting the Future was to collaborate with buyers, suppliers, producers, labour intermediaries and workers groups to create an acceptable standard of working conditions for seasonal labour workers, farmers and labour intermediaries that adhere to international norms.

The scope of the project focused on three key objectives:

- To facilitate the ability of the project partners to tackle responsible recruitment issues and social compliance through data collection, supply chain mapping and internal monitoring.
- To create a collective understanding and common standard for seasonal labour working conditions by assessing the needs of workers, farmers and labour intermediaries.
- To increase compliance with national regulation and improve the coordination and implementation of responsible recruitment practices in supply chains through increased stakeholder engagement and training.

As a result of this project, suppliers developed a shared understanding of human rights due diligence, conducted supply chain risk assessments to identify salient human rights issues in their upstream supply chains while receiving training on and addressing decent work, child protection and child labour monitoring and remediation mechanisms. Labour agencies were trained on responsible recruitment and agency registration.

Palm oil Social Issues Working Group

As described in our previous Statement, in 2020, we launched and co-convened the Social Issues Working Group (SIWG) as members of the [Palm Oil Collaboration Group](#). Since then, members of the SIWG have identified a need to create a common understanding and alignment on the implementation of zero recruitment fees in the palm oil sector.

This includes defining what zero fees means, who is responsible for fees at each stage of the recruitment process, how zero fee implementation can be cost-shared and how to implement a phased approach to fees paid. This will require collaboration with other organisations who are not currently in the SIWG, through structured dialogue and workshops, to create alignment.

Mapping exercises will also play a key part in the group's work, analysing the landscape of national recruitment industries and existing regulatory frameworks in Malaysia and key origin countries. This will better inform intervention strategies and prioritise engagement.

In 2021, the SIWG rolled out its Zero-Recruitment Fee Survey to understand and clarify challenges, experience and perceptions linked to zero recruitment fee implementation. Input from the survey will be used to create a baseline for the SIWG to design necessary interventions and support to guide suppliers with operations in Malaysia in addressing and mitigating issues of responsible recruitment.

Malaysia

Malaysia has taken a major step towards eliminating forced labour with the launch of a first-ever National Action Plan to combat the practice. Developed by the Ministry of Human Resources (MOHR) with the support of the International Labour Organization (ILO), the National Action Plan on Forced Labour (NAPFL) 2021–2025 focuses on awareness, enforcement and labour migration, as well as access to remedy and support services, with the aim of eliminating forced labour in Malaysia by 2030.

In 2021, we collaborated with members of the Social Issues Working Group subgroup, Responsible Recruitment in Malaysia, under the Palm Oil Collaboration Group (POCG), on the joint submission of comments to Malaysia's National Action Plan on Forced Labour.

We are following closely the steps taken by the Malaysian government and we will explore opportunities to collaborate with the industry and provide input into the government implementation process. Further information will be provided later in 2022.

Working with others to increase our impact

In 2021, we continued to work with the [Leadership Group for Responsible Recruitment \(LGRR\)](#), the [Human Rights Advisory Group](#), the [Business Against Slavery Forum \(BASF\)](#), set up by the UK Home Office, and the [B4IG Working Group on Human Rights](#).

CGF Human Rights Coalition (HRC)

We continued our work in 2021 with the [Consumer Goods Forum \(CGF\) Human Rights Coalition \(HRC\)](#). Our shared ambition is to transform working conditions, practices, and respect for rights using a human rights due diligence tool and process. The work of the coalition is currently focused on eradicating forced labour and is split into three projects.

The first project covers Human Rights Due Diligence (HRDD) systems in own operations, using a set of common guidelines and approaches. These will be created by members of the HRC through sharing key challenges and best practice.

The second project is designed to support palm suppliers in Malaysia by establishing HRDD systems for forced labour.

The third project sets out to support the development of responsible recruitment markets, through capability building and government advocacy.

We will continue our work on all of these projects during 2022 and report our progress in what will be a five-year journey of issue identification, action, remediation and impact measurement through to 2025.

Mekong Sustainable Manufacturing Alliance (MSMA)

In 2021, we joined the [Mekong Sustainable Manufacturing Alliance \(MSMA\)](#). Working with other brands, the MSMA is a three-year programme, funded by the United States Agency for International Development (USAID) and implemented by the [Institute for Sustainable Communities \(ISC\)](#) in partnership with [ELEVATE](#) and the [Asian Institute of Technology \(AIT\)](#).

The MSMA aims to support suppliers in strengthening their environmental, social and governance (ESG) performance. This is done through training, technical assistance, demonstration activities and facilitated access to finance, in order to enhance capacity and drive ESG improvements. The 2021 focus included recruitment practices and fee payment by workers in Thailand. The project implementation and activities are taking place during 2022.

Tracking progress and remediation

Our Code procedure enables individuals to raise concerns about our Respect, Dignity and Fair Treatment (RDFT) Code Policy, or related policies, following an established process led by our Chief Business Integrity Officer. Under our Code Procedures, our market-based Business Integrity committees oversee investigations of all potential breaches of our Code and Code Policies, except where senior executives are involved.

We aim to continuously improve how we work and to further embed a culture of business integrity. We analyse results of investigations, market assessments and audit findings to identify trends and opportunities for improvement. On a quarterly basis, we collect key case information across each geography for the purposes of creating case studies and benefiting from the lessons learnt.

The lessons learnt form part of the Unilever Leadership Executive quarterly reporting and are shared with country and functional leaders, Code Policy owners and our wider Business Integrity network. If cases relating to third parties that do not involve a Unilever employee are raised, after an initial review by Business Integrity Officers, they are passed on to the relevant expertise team to investigate, liaise with the third party and resolve.

In our extended supply chain, (see the [detection section](#)), as part of our [audit process](#), we are informed by auditors of any case related to payment of recruitment fees immediately by email and we follow each case individually to monitor that the proper remediation steps have been followed by the supplier. When issues related to payment of recruitment fees have been identified, we expect suppliers to repay workers and, if needed, to engage with a credible, independent third party to enhance the credibility and reliability of the repayment process and ensure that the issue has been fairly remediated within a reasonable timeline.

Looking ahead

We will continue to implement our Salient Issue Framework on Forced Labour in those countries prioritised in terms of risk to workers, including remediation where needed. Coordination and coherence of actions remain important, so we will continue to engage actively in industry platforms and with governments in countries which both send and receive migrant workers. During 2022, we will finalise our impact KPIs in order to better measure and describe our progress.



Alan Jope
Chief Executive Officer,
Unilever

This Statement has been approved by the Unilever PLC Board at its meeting on 2 March 2022.

Our policies

Policies for our own operations

- [Code of Business Principles \(Code\)](#).
- [Respect, Dignity and Fair Treatment Code Policy \(RDFT\)](#).
- [Internal Policy on the Sustainable Employment of Temporary Workers](#).

Policies for our suppliers and other business partners

- [Responsible Sourcing Policy \(RSP\)](#).

Our RSP is the foundation of our engagement with suppliers. It is how we communicate our expectations and requirements and build our [responsible business compliance programme](#). We first published the policy back in 2014 and updated it in 2017.

Contractual terms in our contracts with our suppliers require their agreement to comply with the Mandatory Requirements of the RSP, to commit to the costs of verifying compliance and to rectify any non-compliance.

Responsible Business Partner Policy (RBPP)

The [Responsible Business Partner Policy \(RBPP\)](#) was launched in 2015 to articulate the fundamental principles that our business partners are required to uphold. Our RBPP shares the principles of the RSP and applies to distributors and other partners in our value chain that are not covered by the RSP. During 2020, we extended the RBPP programme to cover direct customers and recipients of funding (such as NGOs). These programmes are being deployed according to a phased and risk-based approach which was continued in 2021 and into 2022.

People & Nature Policy

We are committed to developing deeper relationships with partners who share the same ambition to protect and regenerate the land and to empowering the farmers and smallholders who depend on it.

Our work on this is covered in our cross-commodity [People & Nature Policy](#) which is based on the principles of protecting natural ecosystems from deforestation and conversion, respecting, and promoting human rights, creating transparent and traceable supply chains, and being a force for good for people and nature. This policy is an industry-first policy, covering both environmental and social objectives.

Along with our Responsible Sourcing Policy, it lays out clear requirements for our own business, suppliers, and partners.

The 12 fundamental principles

of our Responsible Sourcing Policy & Responsible Business Partner Policy

 <p>1. Lawful business with integrity Anti bribery & corruption</p>	 <p>2. Terms of employment Documented & freely agreed contacts</p>	 <p>3. Equal treatment with respect & dignity No discrimination</p>	 <p>4. Voluntary work No forced or slave labour</p>
 <p>5. Appropriate age No child labour</p>	 <p>6. Fair wages Ensuring wages, overtime pay & benefits</p>	 <p>7. Working hours Controlling all working hours & rest days</p>	 <p>8. Freedom of association Trade unions & collective bargaining</p>
 <p>9. Health & safety H&S mindset & practices</p>	 <p>10. Fair procedures & remedies Grievance mechanisms</p>	 <p>11. Land rights Respecting land titles & user rights to land</p>	 <p>12. Sustainability & environment Protect & preserve the environment</p>

Definition of a Key Incident

Key Incidents (KIs) are the most serious non-conformances and must be communicated by the auditor to Unilever within 24 hours. Internally, these are escalated to either a Director or Vice President.

Audit data

Audit results are from 2020 in order to enable a full year of data to be shown as some issues identified at the end of 2021 may not yet be fully remediated allowing for the 90 day period from discovery.

In 2020, there were 14 Key Incidents related to the retention by the employer or employment agency of original identification papers and / or passports (unless required by law) and of these 13 were closed. One KI remains open and we have internally blocked the creation of any more purchase orders until the supplier resolves the issue.

In addition, audits found 97 non-conformances in relation to forced labour; 80% have been effectively remediated and the remaining are in process of being remediated.

Out of the non-conformances related to 'avoidance of forced labour':

36 related to EPP principles and requiring workers to pay deposits, or withholding payments:

- 4 were related to payment of deposits when workers commence employment.
- 10 non-conformances were found related to monetary deposits required for work tools, PPE, or training.
- 15 were related to delays of payments to workers when they leave the employment of the facility.
- 7 were related to notice requirements, or financial penalties, for workers when they leave the employment of the facility.

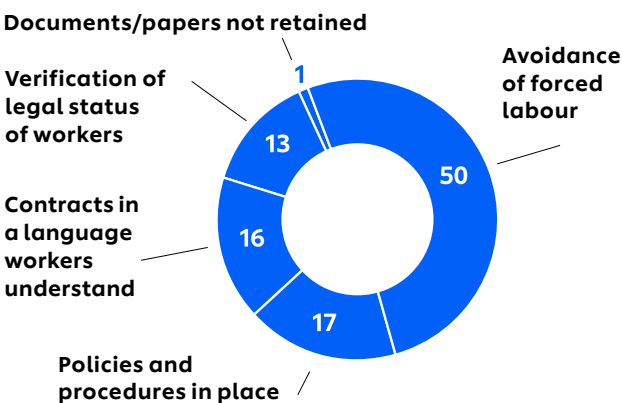
6 related to unreasonable controls imposed on workers freedoms:

- 1 was related to penalties if a worker refuses to work overtime.
- 3 non-conformances were related to freedom of movement and workers not being confined to the facility's premises.
- 1 was related to unreasonable control of workers by security guards.
- 1 was related to monitoring of toilet/rest breaks.

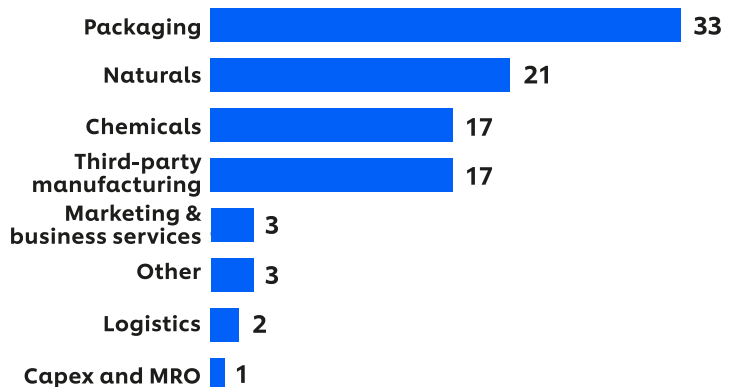
8 related to a lack of controls of the supplier's recruitment agencies:

- 8 were related to procedures to check that the recruitment agency has hiring policies and procedures to combat trafficking and forced labour.

Non-conformances versus mandatory requirement



Non-conformances by business area



Forced labour key data

97 non-conformances related to forced labour during 2020.

Location of non-conformances

During 2020 by region

