

Modern slavery & human trafficking statement

March 2020



Foreword

“As a purpose-led business, having a strong set of values and behaving with integrity is part of who we are.

With the world’s ever-accelerating pace of change and speed with which we operate, we must not compromise on doing things the right way. Everyone who works for or with Unilever has a responsibility to live and uphold our values, day in and day out.

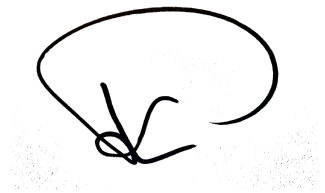
But, despite laws and systems, the sad reality is that people all around the world remain vulnerable to modern slavery and human trafficking. We’re seeing borderless labour and the changing world of work contributing to the genesis of an often informal and invisible workforce. As a result, people are exposed to unregulated working hours and fluctuating pay, without access to benefits or representation.

Navigating such challenges becomes even more complex for a business as big as Unilever. But when a company of our scale and reach champions higher standards and practices, we can have a real impact on the lives of millions of people across our value chain. And that impact requires collaborative action.

We’re listening to the experience of others – particularly those working to support victims. We’re working with governments, civil society, NGOs and unions to create effective abuse detection and prevention mechanisms, and to implement meaningful and sustainable change on the ground. We continue to scale up our work to enable us to reach more people in a systematic way. By working with others we can help the people in our value chain receive the respect and dignity they deserve.”



Alan Jope
Chief Executive Officer, Unilever



Jean-Marc Plisson
Chief Executive Officer, Tatcha

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 Unilever N.V. 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 2019.

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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 2.5 billion people use our products every day. More than 400 Unilever brands are used by consumers worldwide. Twelve of our brands have sales of more than €1 billion a year and our group turnover was €52 billion in 2019. Our brands are sold in 190 countries and we employ approximately 155,000 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 and 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](#) and our inaugural [Modern Slavery Act Statement 2017](#).



Our approach

“Human rights are fundamental rights and freedoms belonging to everyone. As the societal context does not stand still and we are faced with new challenges, it is critical that our policies and measures address these to ensure human rights are respected, particularly for the most vulnerable. We must always be vigilant in respecting workers’ rights in our value chains.”

Marc Engel

Chief Supply Chain Officer, Unilever

We have a responsibility to respect human rights. And we know that by advancing human rights in our operations, we’re strengthening our business and building trust. To make sure we’re respecting – and advancing – the human rights of everyone in our value chain, we need to be sure we understand our impacts.

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

And in our [first Human Rights Report](#) and our [Human Rights Progress Report](#).

We regularly update on our progress and share developments in our understanding and reporting on our human rights impacts – see more [here](#).

The Integrated Social Sustainability team drives our human rights agenda. It is responsible for strategy, ambition, policy and advocacy and it drives initiatives to embed best practices in our brands with purpose and business globally. It is led by the Global Vice President for Integrated Social Sustainability.

The team is located in our Supply Chain function. There are three streams of activity within Integrated Social Sustainability. The first, Human Rights Stewardship, focuses on helping the business address human rights issues which we know are endemic in global supply chains. The second, Social Accountability, focuses on working with our suppliers with the aim of creating supply chains that are truly socially, environmentally and economically sustainable. And third, Social Impact, operationalises human rights work on the ground.

Governance of our human rights strategy is led from the top by our CEO and the Unilever Leadership Executive, with oversight provided by the Corporate Responsibility Committee of the Unilever Board of Directors. The business is also advised by the [Unilever Sustainability Advisory Council](#).

Its membership includes [Professor John Ruggie](#).

Forced labour was identified as one of our eight salient human rights issues in 2014. In December 2017, we produced our second [Human Rights Report](#) which outlined progress against our salient human rights issues, including forced labour. In 2018 we published a series of [short videos](#) highlighting examples of the progress we had made over the year. In 2019 we updated our progress on the [Understanding and Reporting on our Human Rights Impacts](#) pages of our global website, including details of case studies relating to our work in the tomato industry in Turkey and in the trucking industry.

This statement containing our commitments and roadmap to strengthen our efforts was endorsed by our CEO and approved by both our English and Dutch Boards.

“Environmental conditions and political and social crises continue to drive an increase in borderless workers, and in refugees seeking better legal protections and good jobs in pursuit of a better life. Yet they find themselves in the most vulnerable conditions, too often leading to modern slavery and forced labour.”

Marcela Manubens

Global Vice President for Integrated Social Sustainability, Unilever



Embedding our policies

We believe that a strong internal business integrity framework drives principles, process and due diligence and is an essential precursor to responsible sourcing, distribution and the tackling of human rights issues such as the eradication of modern slavery including forced labour. Our Policies and links to them can be found in the appendix.

In 2019 we created and began to roll out a global internal business and human rights training programme (five distinctive series, focusing on our supply chain, procurement and brand teams and consisting of an introductory film, e-learning and

face-to-face workshops (Series 100, 200 and 300). They will be complemented by deep dives into our salient human rights issues (Series 400) and our human rights and brands with purpose (Series 500).

Third-party compliance

Responsible Sourcing Policy – RSP (for our suppliers)

Our Responsible Sourcing Policy (RSP) sets out the Mandatory Requirements that our suppliers must adhere to in order to do business with us and this includes ensuring that all work is conducted on a voluntary basis. Unilever defines both the Mandatory Requirements and the minimum threshold that suppliers must achieve, as well as what both good and best practices look like in order to encourage suppliers to move their practices from 'do no harm' toward actually 'doing good'.

Contractual terms in our contracts with our suppliers require their agreement to comply with the Mandatory Requirements of the RSP and to commit to the costs to verify compliance and to rectify any non-compliances. Our Responsible Sourcing programme builds on the agreements made by our suppliers in our sourcing contracts through gaining a more detailed commitment, conducting due diligence, monitoring compliance, and working with suppliers to remediate identified issues.

Throughout 2019 we continued our work towards the onboarding all of our suppliers into our processes, covering both 'production item' suppliers (suppliers

The 12 fundamental principles

of our Responsible Sourcing Policy & Responsible Business Partner Policy

1 Lawful business with integrity  Anti bribery & corruption	2 Terms of employment  Documented & freely agreed contracts	3 Equal treatment with respect & dignity  No discrimination	4 Voluntary work  No forced or slave labour
5 Appropriate age No child labour 15+	6 Fair wages  Ensuring wages, overtime & benefits	7 Working hours  Controlling regular & overtime hours	8 Freedom of association  Trade unions & associations
9 Health & safety  H&S mindset & practices	10 Fair procedures & remedies  Grievance mechanisms	11 Land rights  Respecting title & rights to land	12 Sustainability & environment  Protect & preserve environment

of raw materials and packaging that go into the products we sell) and 'indirect procurement' (suppliers of all other goods and services that we procure). By the end of the year, 70% of procurement spend was through suppliers that were compliant with the requirements of the RSP.

Our programme conducts a risk assessment of our suppliers taking into account 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.

Suppliers evaluated as being 'high risk' against the Fundamental Principles (mandatory requirements) of our RSP are required to undergo a third-party verification of their procedures and practices. For production item suppliers, this includes an on-site audit providing us with key insights into the practices within our supply chain and identifying where the risks exist and where the actual findings indicate issues that require remediation. We evaluate these results to find the endemic issues to help guide our capacity building and training work to address these issues in a more concerted manner.

In 2019, we co-sponsored Aim-Progress supplier training events in Brazil and India, led by IBGC Humanitas, which included raising awareness of forced and child labour. Details of this presentation can be found [here](#) (Portuguese version).

We commissioned ethical trade management consultancy [Impactt](#) to run internal training in the UAE and in KSA for our Procurement and Human Resources teams, and external training for our suppliers on ethical recruitment, with a focus on recruitment fees. Participants gained insight into practices linked to potential forced labour conditions and how responsible businesses are tackling those challenges and driving best practices.

Responsible Business Partner Policy – RBPP (for our other business partners)

The Responsible Business Partner Policy ('RBPP') was launched in 2015 to articulate the fundamental principles that our business partners are required to uphold. Adopting a risk-based approach, a due diligence and remediation program aimed at third parties of the Customer Development function has been rolled-out. By end of 2019, 96% of in-scope distributors had completed onboarding and training. The RBPP questionnaires and due diligence process have identified 1,173 red flags, out of which 98% have been remediated. Approx. 70% of relevant CD employees have been trained on the RBPP procedure and associated tool.

Further due diligence and actions were carried out where our required standards were not met. Resolution of these issues involves agreeing a mitigation plan with the distributors and working jointly to upskill and drive an improved understanding and approach on ethical and responsible behaviours.

Our focus areas

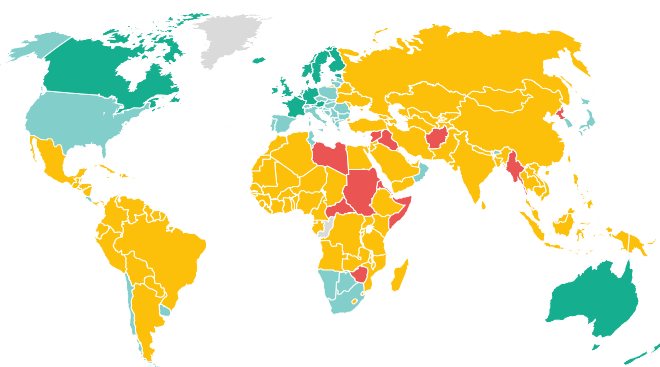
Risk identification

Details of our risk identification and audit process can be found in the appendix to this Statement ([page 11](#)).

The map below shows the country risk assessment for responsible sourcing for those countries within our extended supply chain.

Our audit process is supplemented by Human Rights Impact Assessments (HRIAs) and our work with others, either bilaterally with our suppliers or through industry or other multi-stakeholder initiatives. HRIAs are carried out by independent expert organisations who visit a representative sample of our own operations, our suppliers and other business partners. After each HRIA, the external expert organisation writes a report with key findings and suggested ways of addressing them. We share the report with the local leadership and the local team creates a time-bound action plan, assigning responsibility for leading on each issue and finding solutions. This might include, for example, reviewing our local planning or purchasing practices, or running local training. Read more about our [HRIAs in Guatemala, Thailand and Turkey](#).

The map below shows the country risk assessment for responsible sourcing for those countries within our extended supply chain. We recognise that forced labour and modern slavery is prevalent across most countries of the world, including those countries and regions traditionally perceived as ‘low risk’.



Country risk assessment

Extreme risk High risk
Medium risk Low risk

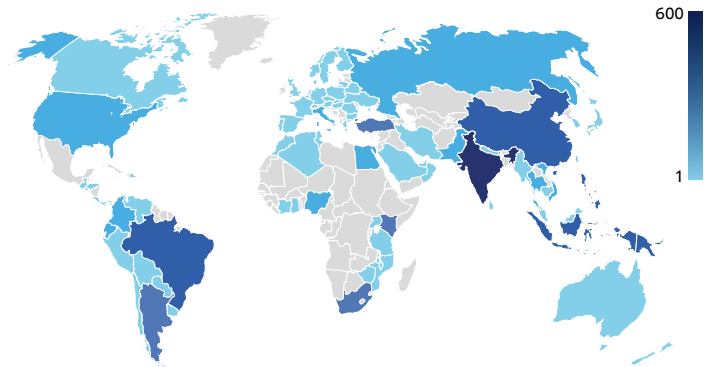
HRIA in Thailand

In our value chain in Thailand, we found that recruitment fees were being paid by employees, which could potentially lead to debt bondage. Another key finding of our HRIA in Thailand was that the global spotlight on exploitation in the Thai seafood industry has pushed the risk of exploitation further into other sectors, including sectors that we rely upon in our supply chain. Through our membership of the [Responsible Labor Initiative](#), we will provide all suppliers in Thailand, and our Procurement teams, with access to online training, including modules relating to identifying and preventing forced labour. We will also carry out face-to-face training for high-risk suppliers. This will be replicated in other high-risk countries needing such support.

What we do if modern slavery is found

If there is an indication of forced labour/modern slavery or a specific case is identified, it is immediately escalated to the Procurement Director and Procurement Vice President within 24 hours.

We then work with the supplier to put an action plan in place to remediate the issue. Some issues, such as passport retention, can be remediated quickly; others, such as repayment of fees (see [page 8](#)), can be more complex and take more time. In all cases, a corrective action plan and timeline are put in place. We always make the well-being of the affected individual(s) the key priority.



Audit sites (May 2019)

Total number of suppliers risk assessed to date	55,938
Number of suppliers classified as high risk	19,806
Total Responsible Sourcing audits to date	6,605
Total audits of high-risk suppliers in last 3 years	4,423
Number of high-risk suppliers with identified issues in last 3 years	3,172
Number of high-risk suppliers with verified corrective action plans in last 3 years	2,121

Supplier type, commodity and geography specific approaches in 2019

Third-party labour providers and responsible recruitment

Recognising the potential vulnerability of temporary workers, in 2018 we rolled out a new internal Policy and Process for the Sustainable Employment of Temporary Workers (focussed initially on our manufacturing sites). This sets out ten Golden Standards – guiding principles that include fair and equal treatment, gender equality and the prohibition of forced labour or modern slavery.

Building on this, in 2019 we worked with expert consultancy [Elevate](#) to create a labour agency specific self-assessment questionnaire and scoring system. This has helped prioritise labour agencies for further assessment. We are now rolling out on-the-ground assessments, including engagement with workers, starting in UAE and Asia. As part of the tender process, we also piloted a labour agency specific questionnaire for those suppliers bidding for contracts to provide workers for our office-based facilities in certain clusters, covering cleaning, security, catering services, etc. This is in addition to our Responsible Sourcing programme and is the first step in our advanced due diligence for these suppliers. After initially focusing on temporary workers in our own sites, we will extend this to our extended supply chain.

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

Working with the International Transport Workers' Federation to improve conditions for transporters

Transporters are often migrant workers, driving between countries and often working away from their home country for long periods of time. These conditions can make transporters vulnerable to forced labour.

In 2018 we formed a working group with the International Union of Food Workers (IUF), [International Transport Workers' Federation](#) (ITF) and [FNV-Stichting VNB](#) to explore how we could work together to address potential human rights abuses and raise the bar industry-wide.

We created a guidance document, a pre-tender questionnaire and, working with Elevate, a new assessment protocol. This focuses on the ability to identify an individual driver and gives guidance on how to conduct interviews with remote workers through the use of mobile technology – critical when workers are constantly on the move.

Based on the results from our pre-tender questionnaire, in 2019 we chose two companies to pilot the new protocol. The chosen companies had different structures and differing risk scores – enabling us to make clear comparisons. We will verify the information we are receiving through assessment with the ITF and FNV-Stichting VNB, who will engage with workers at key points of the value chain, such as distribution centres, factory sites and common truck parking locations. This will help us map the supply chain to find the actual employer of the drivers and the sub-contracting companies in the network supporting our ultimate supplier.

We believe our new approach will help us find objective data about potential driver exploitation or unacceptable working conditions in our supply chain, which traditional auditing procedures may not always be able to identify. It will also provide a useful point of comparison as we continue to evolve and improve our due diligence.

The aim of the collaboration between Unilever, the ITF and FNV-Stichting VNB is to create a model that can be rolled out to peer companies who are willing to participate. We plan to create a steering committee to oversee the working committees to enable discussion and collaboration on endemic issues, remediation and the adoption of best practices, while fully abiding by competition law requirements.

Malaysia

A key element of our work is our commitment to the [Employer Pays Principle](#) (EPP) that no worker should pay for a job. We support the Employer Pays Principle as a way to change business models, eradicate recruitment fees and recruitment-related costs, advance ethical recruitment and stop abusive practices by third-party labour suppliers.

During a follow-up assessment of one of our suppliers in Malaysia in October 2018, we found cases of passport retention, recruitment fee payment and substandard worker accommodation. Working with our supplier, passports were returned and workers moved to alternative accommodation.

In 2019, working with ethical trade business management consultancy [Impactt](#), we supported a recruitment fee prevention and remediation workshop for one of our suppliers in Malaysia to implement the Employer Pays Principle and develop a remediation plan for the reimbursement of recruitment fees to existing workers. One of the challenges in implementing the Employer Pays Principle is mapping the entire recruitment process of a worker from their home to destination country, as there are complex relationships between suppliers, brokers and agents. Impactt has helped us map the recruitment journey of workers in our extended supply chain in Malaysia. It has been helpful to collaborate with another buyer in order to increase our leverage. We recognise this issue is difficult for the supplier, as the practice of fee remediation is not yet commonplace in Malaysia. We are now discussing the details of fee remediation with our supplier, which will be independently verified. This has led to the creation of a Recruitment Fees Remediation Toolkit which we will roll out in Malaysia and Thailand during 2020.

Turkey

In 2019 we built on our initial assessment of part of our tomato supply chain in Turkey by commissioning a further independent field study. Working through the [Enhancing Livelihoods Fund](#), a joint initiative between Unilever, Oxfam and the Ford Foundation, we engaged ethical trade business management consultancy, Impactt. The aim was to enhance our understanding of the recruitment and working conditions of migrant workers in the tomato industry in Turkey and to create an action plan to resolve any identified issues. Details of this work can be found [here](#).

Also in 2019 we signed a Memorandum of Understanding with the [Fair Labor Association](#) (FLA) to participate in the Harvesting the Future project in

Turkey. The project brings together the [Sustainable Agriculture Initiative Platform](#) (SAI), agricultural suppliers and buyers to improve working conditions for migrants in seasonal agriculture work in Turkey. It is focused on the remediation of child labour practices and the application of fair recruitment, with interventions such as awareness-raising, capacity building, grievance mechanisms, case management and referral services. This is an example of the importance of collaboration across business and other stakeholders to drive progress.

UAE

As a follow-up to the training sessions described on [page 5](#), we developed a recruitment fees action plan specific to the Gulf region. This included reviewing our hiring process and incorporating recruitment fee related questions into this and into on-boarding packs in order to increase awareness and understand whether fees were charged by any agencies. We conducted shadow audits to understand how auditors were identifying issues related to recruitment fees and passport retention and will carry out further auditor training at the end of February 2020. We have written to our auditors to underline that there should be no retention by the employer of personal documents, or other personal items of value, under any circumstances, and that workers should always keep their personal documents with them or be provided a safe place to keep them that they have 24-hour access to. Where workers live in provided accommodation, for example migrant workers, we have clarified that they should be given a locker to store their personal belongings. Additionally, we have developed a questionnaire that provides guidance for our employees on the standards we expect when they are visiting accommodation for migrant workers.

Cocoa

In 2019 we joined the World Cocoa Foundation and the International Cocoa Initiative to further drive economic, social and environmental sustainability in the cocoa industry. To see how the industry is working to address the risk of forced labour click [here](#) and [here](#).

Examples of some of our findings relating to forced labour are in the Tracking progress and remediation section of this Statement ([page 9](#)). Forced Labour data from the Human Rights 2019 Supplier Audit Update is included in the Appendix ([page 11](#)).

Working with others to increase our impact

Advocacy

In 2019 we continued to drive action and engagement. Our activities included events with the [Leadership Group for Responsible Recruitment](#) (LGRR), the [Consumer Goods Forum](#), [Humanity United](#) and the [Responsible Labor Initiative](#) (part of the Responsible Business Alliance which we joined in 2019) in Myanmar and Malaysia. These are respectively home and destination countries for migrant workers. In our engagement with governments, labour agencies and civil society, we supported calls for a professional,

ethical and respectful recruitment industry and safe and secure recruitment corridors. We continued our membership of the United Kingdom Government Human Rights Advisory Group and [Business Against Slavery Forum](#) (BASF), set up by the UK Home Office. The scheduled BASF Anti-Slavery Conference scheduled for December 2019 and aimed at UK suppliers of the BASF membership did not take place due to the UK General Election and has been postponed until March 2020.

Tracking progress and remediation

Updated data relating to the occurrences of our salient human rights issues in our global supply chain, including forced labour, and examples of how we are responding to them can be found [here](#).

To help us track global compliance with the RSP, in 2019 we introduced a new dashboard used with our Procurement teams. This makes it faster for us to track compliance by supplier, region and procurement portfolios, and to view all red flags and key incidents identified in our due diligence and RSP audit processes. This raises the internal visibility of our program with senior leaders. The data from the dashboard is also available on a supplier console, where a supplier can see their own performance with regard to the RSP as well as a number of Procurement, Quality, and delivery indices. Procurement and suppliers need to have a common view of the importance of the RSP in our sourcing decisions. As described in the 'What we do if Modern Slavery is found' section of this

Statement ([page 6](#)), we work with the supplier to not only remediate the identified issue but also to identify and address the root cause of the issue to prevent it re-occurring. We track findings at both a portfolio and country/cluster level.

We address the effectiveness of the steps we are taking to respond to negative human rights impacts through independent audit and assessment, including Human Rights Impact Assessments.

Trusted and effective grievance mechanisms and other ways for worker to raise concerns help track progress and remediation. We continue to seek effective prevention mechanisms collaborating with industry partners and through multi-stakeholder initiatives.

A key element of being able to track progress is knowing – and being transparent about – our value chain. In 2019 we published a [full global list of our tea suppliers](#).

Looking back and ahead

In 2019 we worked with expert organisations, both bilaterally and with peer companies, to use findings and the lessons we have learned to create replicable models which we will deploy to other parts of our supply chain and, where appropriate, share with others.

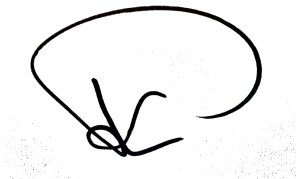
By the end of 2020 we aim to have run awareness-raising sessions on the Employer Pays Principle for all our high-risk suppliers in Malaysia, Thailand and UAE and, where fees have been paid, will have started working with them to put remediation plans in place. We will continue to raise awareness of the existence of forced labour and modern slavery in global value chains and strengthen our identification and due diligence processes.



Alan Jope

Chief Executive Officer, Unilever

This Statement has been approved by Unilever PLC and N.V. Boards at their meeting on 4 March 2020.



Jean-Marc Plisson

Chief Executive Officer, Tatcha

Appendix

Company policies

Policies for our own business

Code of Business Principles (CODE)

Respect, Dignity and Fair Treatment Code Policy (RDFT)

Internal Policy on the Sustainable Employment of Temporary Workers

Polices for our suppliers and other business partners

Responsible Sourcing Policy (RSP)

Responsible Business Partner Policy (RBPP)

FORCED LABOUR

Data in relation to Forced Labour is taken from audits conducted in 2018 which found non-conformances with our Responsible Sourcing Policy, and specifically Fundamental Principle 4, Principle 4 requires that "Under no circumstances will a supplier use forced labour, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour or other forms. Mental and physical coercion, slavery and human trafficking are prohibited."

Our audits found 96 non-conformances in relation to Forced Labour. The majority are classed as "indicators" of Forced Labour, and need to be understood in context. They include withholding of identification documents, restraining freedom of movement outside a workers' dormitory, or the paying of deposits for tools or training. Often such practices are, within a region, common practice, yet they severely reduce a person's ability to exercise their freedom of movement.

Through our membership of the [Leadership Group for Responsible Recruitment \(LGRR\)](#), we drive action and engage with both civil society representatives and the governments. In 2019 we engaged in joint events with the LGRR, the [Consumer Goods Forum](#), [Humanity United](#) and the [Responsible Labour Initiative](#), which is part of the Responsible Business Alliance and which we joined in 2019. These events took place in [Myanmar](#) and [Malaysia](#), respectively home and destination countries for migrant workers.

In our engagement with governments, labour agencies and civil society, we support calls for a professional, ethical and respectful recruitment industry and safe and secure recruitment corridors.

In 2019, Unilever signed a Memorandum of Understanding with the Fair Labor Association (FLA) to participate in the "Harvesting the Future" project, in Turkey. The project brings together the Sustainable Agriculture Initiative Platform ("SAI"), agricultural suppliers, and buyers to improve working conditions for migrants in seasonal agriculture work in Turkey, and is focused on the remediation of child labour practices, and promoting fair recruitment. Interventions include awareness-raising, capacity building, grievance mechanisms, case management, and referral services.

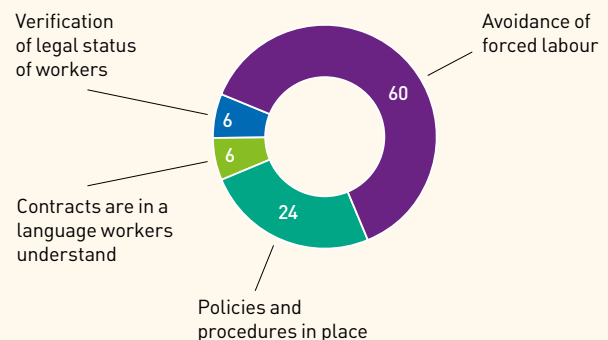
KEY DATA

97

non-conformances related to forced labour

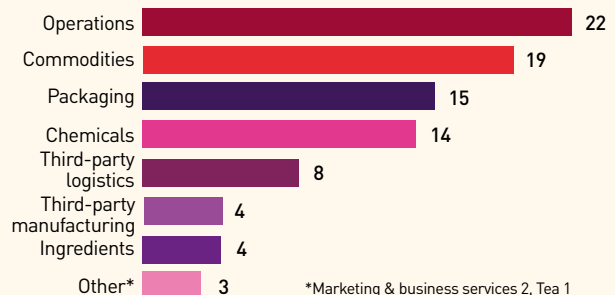
NON-CONFORMANCES VERSUS MANDATORY REQUIREMENTS

Numbers of non-conformances during 2018



NON-CONFORMANCES BY BUSINESS AREA

Issues recorded during 2018, listed by business area



LOCATION OF NON-CONFORMANCES

Non-conformances during 2018 by region

