

Unilever Australia Group Pty Ltd | ABN: 13 614 413 179

Modern Slavery Statement for the financial year ending 30 June 2021 (FY21)

Including subsidiaries: Unilever Australia Group Pty Ltd, Unilever Australia (Holdings) Pty Ltd, Unilever Australia Ltd, Unilever Australia Supply Services Ltd, Ben & Jerry's Franchising Australia Ltd, Tea Too Pty Ltd, Unilever Australia Trading Ltd.

Unilever is one of the world's leading suppliers of Beauty & Personal Care, Home Care, and Foods & Refreshment products with sales in over 190 countries and reaching 2.5 billion consumers a day. Globally, we have 149,000 employees and generated sales of €50.7 billion in 2020. Over half of our footprint is in developing and emerging markets.

In Australia, we employ more than 1,500 people across all of our subsidiaries. We have offices and manufacturing facilities in North Rocks, Minto and Tatura. Globally, Unilever has around 400 brands - our brands sold in Australia include Dove, Rexona, Lynx, Vaseline, OMO, Surf, TRESemmé, Toni & Guy, Continental, Weis, Ben & Jerry's and Streets.

Our vision is to be the global leader in sustainable business and to demonstrate how our purpose-led, future-fit business model drives superior performance. We have a long tradition of being a progressive, responsible business. It goes back to the days of our founder William Lever, who launched the world's first purposeful brand, Sunlight Soap, more than 100 years ago, and it's at the heart of how we run our company today.

The Unilever Compass, our sustainable business strategy, is set out to help us deliver superior performance and drive sustainable and responsible growth, while improving the health of the planet; improving people's health, confidence and wellbeing; and contributing to a fairer and more socially inclusive world.

While there is still more to do, we are proud to have been recognised in 2020 as a sector leader in the Dow Jones Sustainability Index and - for the tenth-consecutive year - as the top ranked company in the 2020 GlobeScan/SustainAbility Sustainability Leaders survey.

Through our Compass, we are setting out to create a movement in which our suppliers, customers and consumers are all part of building a better future. 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.

We welcome the requirements of the Australian Commonwealth Modern Slavery Act 2018 (the Act) and see the transparency it encourages as coherent with our support for the UN Guiding Principles on Business and Human Rights. Unilever Australia Group Pty Ltd has an annual revenue that exceeds the Act's minimum mandatory reporting threshold of \$100 million.

Our supply chain is both local and international. In Australia, we source from over 900 suppliers both through direct and indirect procurement, as well as through suppliers connected with Unilever's global supply chain.

Our parent company is Unilever PLC, a publicly registered company in the United Kingdom. The following copy of Unilever's Modern Slavery & Human Trafficking Statement, March 2021 outlines

the processes and procedures Unilever has in place globally to understand, mitigate, and address human rights and modern slavery risks across our supply chain.

We adhere to these global processes and procedures including regular global training for our staff to understand and address human rights in the supply chain. This includes the requirement for suppliers to comply with our Responsible Sourcing Policy (RSP) and the requirement for our business partners to comply with our Responsible Business Partner Policy (RBPP).

Ongoing compliance is assessed through our annual Responsible Sourcing Audit questionnaire. The majority of Unilever Australia Group Pty Ltd subsidiaries share the same central supply chain and procurement team, so follow all procurement processes outlined above and were actively consulted for the development of this statement. These entities include Unilever Australia Group Pty Ltd, Unilever Australia (Holdings) Pty Ltd, Unilever Australia Ltd, Unilever Australia Supply Services Ltd, Ben & Jerry's Franchising Australia Ltd and Unilever Australia Trading Ltd. Ben & Jerry's Franchisees sign our RSP and ensure they utilise the guidance provided in the Franchisee Operations Manual which includes an approved supplier list.

Tea Too Pty Ltd was the only subsidiary of Unilever Australia Group Pty Ltd with a separate procurement team and process. Unilever established a local consultation process with T2 whereby during the reporting period we met with T2 to raise awareness and understand their approach to mitigating modern slavery risks. As part of the preparation of this statement, a small working group was established whereby senior executives from Unilever and T2 discussed current controls T2 has in place to mitigate the risk of modern slavery. T2 is a Certified B Corporation. Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose through regular supply chain audits and annual reporting.

Where suppliers are found to fall short against the RSP requirements, they are required to close the gaps through risk mitigation and the development and implementation of a corrective action plan. A supplier must close all of its non-conformances in full before it can be considered compliant.

Our approach is to work with the supplier to remediate the issue in the best interest of the workers. If, however, a supplier is not willing to comply, or has continual non-conformances with no remediation plans, then our global Procurement Business Integrity Committee is empowered to make the decision to terminate the business relationship.

In addition to the Statement being available on the Governments Online Register for Modern Slavery Statements, it is also available on the [Unilever Australia website](#).

Further information about our approach to respecting and advancing human rights can be found [here](#).



Nicole Sparshott
CEO, Unilever Australia & New Zealand
CEO Global T2
15 December 2021

Modern slavery & human trafficking statement

March 2021



Foreword

If we ever needed reminding, 2020 showed us again and again why equity and human rights matter so much. Around the world, social divides widened, inequalities deepened and the COVID-19 pandemic threatened livelihoods and the rights of workers. The vulnerable, including migrant workers, became increasingly so as they are often living in poor and crowded living conditions with limited access to healthcare and basic services and can be exposed to exploitation.

At the heart of our business strategy is the vision of building a fairer, more socially inclusive world. We're determined to turn that vision into action – and that means everything we do through our business and our brands must be underpinned by an absolute commitment to respect human rights. This is the foundation of the [Unilever Compass](#) which I first talked about externally in May 2020 and was formally launched in March 2021, following the publication of new [environmental](#) and [social](#) commitments. Raising living standards, creating opportunity through inclusivity, and preparing people for the future of work. Our main commitments include:

- Ensuring everyone who directly provides goods and services to Unilever **will earn a living wage or a living income by 2030.**
- Spending **€2 billion annually with suppliers owned and managed by people from under-represented groups, by 2025.**
- Pioneering new employment models for our employees, and equipping **10m young people with essential skills to prepare them for job opportunities, by 2030.**

The Unilever Compass builds on the past ten years of the Unilever Sustainable Living Plan (USLP): the successes, the failures and the lessons learnt. It lays the pathway for us to realise our vision of being the leader in sustainable business globally – as well as to finally putting to bed the debate of whether sustainability is good for business.

We have already made good progress in embedding human rights in our business as illustrated by the three phases of our human rights strategy: setting our social sustainability ambition including strengthening our human rights policy framework; building capacity and public reporting; and moving from 'do no harm' to 'do good'. However, endemic business and human rights issues still exist today, but often out of sight. Our work therefore continues.



Alan Jope
Chief Executive Officer, Unilever

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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. Thirteen of our brands have sales of more than €1 billion a year and our turnover in 2020 was €51 billion with 58% in emerging markets. Our brands are sold in 190 countries and we employ approximately 149,000 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 2020](#) and our inaugural [Modern Slavery Act Statement 2017](#).



Our approach

“Harnessing the scale and reach of Unilever, we are absolutely committed to advancing human rights around the world. Regardless of what progress we may have already made, we now all need to re-double our efforts, and continue to actively drive an environment where it’s safe to speak up, collectively and individually.”

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 supply chain, we need to be sure we understand our impacts.

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

Our Integrated Social Sustainability team drives our human rights strategy, working across the business on effective implementation. It owns and develops our human rights policies, reporting, advocacy and multi-stakeholder collaboration. It also drives social impact programmes focusing on the root causes of business and human rights issues. Third-party compliance governance is consolidated under the Business Integrity function. To enable further segregation of duties and enhance synergies regarding our Responsible Sourcing Policy, we have established a new tripartite leadership between Business Integrity, Procurement and Integrated Social Sustainability.

Procurement is responsible for policy implementation and alignment of purchasing practices; Business Integrity is responsible for compliance processes, systems and risk management; and Integrated Social Sustainability is responsible for standard setting, capacity building, effective remediation and endemic issues resolution.

In 2020 we started work to develop an internal framework model for each of our salient human rights issues. This will cover 5 parts: Background to the Issue, Theory of Change, Areas of Intervention and Action Plan, KPIs/Metrics and Communication and Reporting. We are currently finalising the first two frameworks relating to Forced Labour and Safety for Women.

We published our first [Human Rights Report](#) in 2015 followed by a [progress report](#) in 2017. In January 2021 we published our [Human Rights Report \(2020\)](#) in which we describe the progress we’ve made in addressing our salient human rights issues, including forced labour, and discuss the challenges we continue to face as well as the lessons we’ve learnt. We regularly update on our progress and share developments in our understanding and reporting on our human rights impacts – see more [here](#).

“Business has to take action to tackle the issues of unfairness and exploitation, and Unilever is setting a course for the future that is underpinned by an unfaltering commitment to respecting human rights.”

Marcela Manubens

Global Vice President for Integrated Social Sustainability, Unilever

Discrimination	Fair wages	Forced labour
Freedom of association	Our salient human rights issues	Harassment
Health & safety	Land rights	Working hours

Forced labour was identified as one of our eight salient human rights issues in 2014.

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. Our Policies and links to them can be found in the appendix.

Code of Business Principles (COBP)

In 2020 we updated our [Code of Business Principles](#) to state that we will work with partners to raise standards so that their employees are paid a living wage and are not subject to forced, compulsory, trafficked or child labour. This is already clear in and a requirement of our Responsible Sourcing Policy and Responsible Business Partner Policy.

Respect, Dignity and Fair Treatment Code Policy (RDFT)

Our [Respect, Dignity and Fair Treatment Code Policy](#) wording was updated in 2020 to expressly state that employees must have obtained employment with Unilever without having paid a recruitment fee or related cost directly or indirectly, as guided by the International Labour Organization standards.

Responsible Sourcing Policy – RSP (for our suppliers)

Our [RSP](#) consists of 12 fundamental principles 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. Our ambition is for our suppliers to progress from mandatory to good and to best practice, and our RSP provides guidelines they can follow on this journey.

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-compliance.

Our RSP contains benchmarks that guide suppliers to establish preventative mechanisms and strong internal control systems, including responsible recruitment practices.

Throughout 2020 we continued our work towards the onboarding of all of our suppliers into our processes, covering both 'production item' suppliers (suppliers 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).

We started to better integrate our spend and compliance systems towards enforcing our requirements of sourcing only from compliant suppliers ('Responsible Sourcing Policy before Purchase Order').

By the end of the year, 83% of our procurement spend was through suppliers that were compliant with the requirements of the RSP.

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 contracts</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>

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. 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. By the end of 2020, approximately 2,000 employees were trained on our Responsible Business Partner Policy, and 12,000 distributors were risk assessed. 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. During 2020, we extended the RBPP programme to cover direct customers and recipients of funding (e.g. NGOs). These programmes are being deployed according to a phased and risk-based approach.

Training

As referenced in our 2020 Statement, we have created and are rolling out a global internal business and human rights training programme. Our ability to carry out face to face training in 2020 was affected by COVID-19, both in terms of our ability to hold in-person meetings and also the pressure that global supply chains were under.

We were able to carry out face to face business and human rights in-person training in January in the UK. In July 2020 we carried out virtual training for our Procurement and Human Resources teams relating to how COVID-19 is highlighting the links between ethical recruitment, decent work and public health and what we can do as Unilever to support employers and recruiters so that migrant workers remain safe and healthy.

Working at a cross-industry level, we are a member of the [AIM PROGRESS](#) APAC (Asia-Pacific) Hub. In October 2020 we co-convened a virtual responsible recruitment capacity-building series in Malaysia to help suppliers better understand buyer expectations, and provide practical guidance on how to strengthen existing recruitment and employment practices for migrant workers. This guidance included e-learning modules to build understanding on what forced labour is, who is at risk and how to mitigate risks and remediate cases as well as on how to work with labourbrokers. It also included training on information to share with migrant workers around recruitment, pre- departure for their destination country, on arrival and ongoing during their employment term.

We will continue to target training relating to forced labour dependent on country risk. In 2021, we will work with peer companies to develop a larger capability-building plan for suppliers in the Gulf region that will cover responsible migrant workers recruitment and employment practices.

Our focus areas

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 the local leadership team, our Business Integrity committees, and internal functional 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.

Every two years we carry out operational country self-assessments of adherence to our code policies. These incorporate both external indices and internal data such as training records and historic Code cases, to identify high-risk countries with a potentially increased chance of a Code breach. These results are analysed and any necessary action plans drawn up and deployed.

Supply and value chain risk

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.

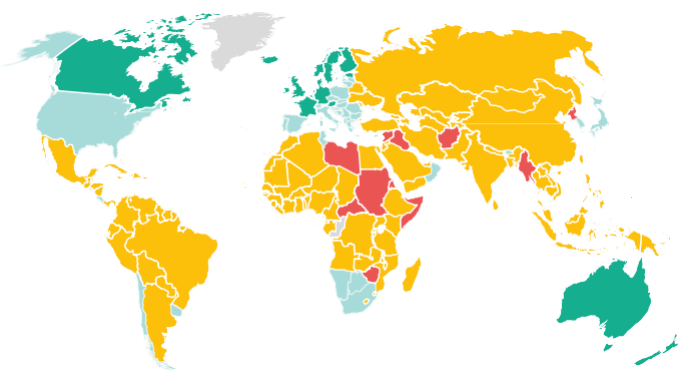
We review our risk indices each year and consider industry, commodity, supplier, geography and specific risk issues. As a business, we are evolving our risk assessments to broaden the geographies that are considered as high risk, and balance this with a more focused assessment relating to the risk of particular industries. This means we will assess risk through distinct lenses rather than providing a broader, average risk. We will evaluate risk with regard to three areas: legal and business integrity risk; human rights; and environment and planet. Where we outsource our manufacturing production to third parties, we will require independent onsite audit verification of their compliance with our RSP standards, regardless of what they are manufacturing or in which country they operate.

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

Details of our risk identification and audit process can be found in the appendix to this Statement ([page 13](#)).

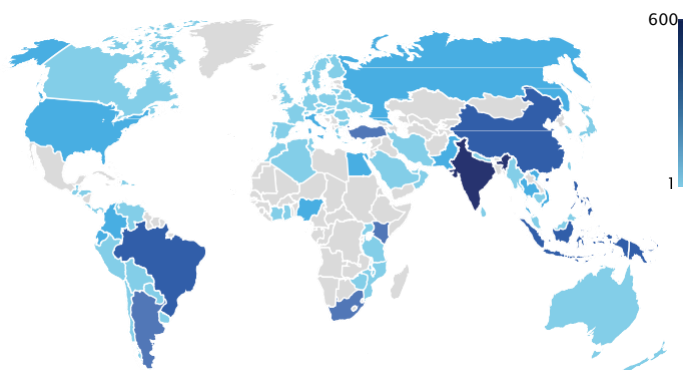
Our audit processes are supplemented by human rights impact assessments (HRIAs). HRIAs are carried out by independent expert organisations who visit a representative sample of our own operations, our suppliers and other business partners. Engagement with workers and other rights-holders are an integral element of HRIAs. Due to the COVID-19 pandemic we were unable to carry out any on the ground HRIAs in 2020.

We continue to look for ways to improve how we review risk to make sure we can identify any trends, hot spots and root causes and remediate issues effectively.



Country risk assessment

- Extreme risk
- High risk
- Medium risk
- Low risk



Audit sites (May 2020)

Total number of suppliers risk assessed to date	56,848
Number of suppliers classified as high risk	11,808
Total Responsible Sourcing audits to date	12,995
Total audits of high-risk supplier sites in last 3 years	6,942
Total audits at production item (PI) suppliers in last 3 years	5,585
Number of PI supplier sites with identified issues in last 3 years	3,200
Number of PI supplier sites with verified corrective action plans in last 3 years	1,693

Due diligence frameworks

We support due diligence frameworks that address the root causes of human rights violations, lead to real shifts in companies' practices and bring about positive change on the ground. In 2020 we supported [statements](#), including one by [Business for Inclusive Growth](#), relating to the EU framework on mandatory human rights and environmental due diligence, supporting legislation that will require businesses to address their actual and potential human rights impacts and, where legally permissible, scale up collaboration between brands, suppliers and other stakeholders to improve the sustainability of supply chains.

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, 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.

Supplier type, commodity and geography specific approaches in 2020

Third-party labour providers and responsible recruitment

We identified temporary workers as an area of focus both in our own operations and in our extended supply chain. In 2018 we rolled out our internal policy and process for the Sustainable Employment of Temporary Workers, which set out 10 Golden Standards – guiding principles that include fair and equal treatment, gender equality and the prohibition of forced labour or modern slavery. By linking this to extensive work to collect global granular data relating to the employment of temporary workers in our factories and by creating a strengthened labour agency vetting process, we've gained greater insight and understanding of how temporary workers are employed. Instances of recruitment fees being paid were found and these are being further investigated. In 2020, because of COVID-19, these assessments, including worker surveys, were done remotely, focusing initially on South East Asia.

Turkey

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

Harvesting the Future Project (Turkey) 2019 and 2020

Crops: Workers accessed:

6

9,440

Participant brands: Labour contractors

5

363

Participant suppliers: Producers accessed:

20

746

Worker groups accessed:

528

This [project](#) aims to improve recruitment and employment practices among seasonal migrant agriculture workers in Turkey

Project activities support three expected outcomes:

1. Improved capacity of participants to tackle issues related to responsible recruitment that seasonal migrant workers face in the agriculture sector;
2. Increased adherence to national and international norms; and
3. Increased coordination and implementation of responsible recruitment principles in companies' supply chains.

Palm oil

We work with the Consumer Goods Forum and are a member of the [Human Rights Coalition – Working to End Forced Labour](#) to develop and deploy human rights due diligence from the refinery to the plantation level. As a member of the [Palm Oil Collaboration Group \(POCG\)](#), we launched and co-convened the Social Issues Working Group (SIWG) established to foster collaboration to address human rights issues on the ground. The POCG brings together companies from every stage of the palm oil supply chain to accelerate effective implementation of no deforestation, no development on peat, no exploitation of people and communities (NDPE) commitments. It meets regularly to discuss ways to align and collaborate, and is facilitated by an independent, expert organisation.

We are increasingly taking a 'landscape and jurisdictional' approach to address both environmental and social impacts in palm oil. These approaches bring together diverse stakeholders to develop and pursue common environmental, social and economic goals in specific geographic areas. Through collaboration with government, civil society and local communities, these initiatives can help address risks and impacts of commodity production that are beyond the full control of individual companies. We are continuing to address the root causes of issues. For example, fair wages, gender empowerment and the right to land all contribute to the eradication of child labour.

Cocoa

We are developing impact programmes with our partners, certifiers and suppliers to ensure that we source from cocoa cooperatives that have monitoring and remediation systems in place that assess and address child labour cases. By 2023, all the cooperatives we directly source from will have such a system in place. By 2025, we aim to have reached at least a third of the cocoa farmers in our direct sourcing with tailored impact programmes that: close the gap to a [living income](#), eliminate child labour and halt deforestation. They often champion forest protection and conservation.

Seafarers

COVID-19 restrictions on travel and transit have meant that hundreds of thousands of seafarers have been either left stranded on vessels or prevented from returning to ships during the COVID-19 pandemic. It is a humanitarian emergency, as these men and women are at risk of becoming physically and mentally exhausted, away from their families and loved ones for periods far beyond the standards stipulated in international conventions. The situation has also inadvertently created a modern form of forced labour.

We believe governments should step in and organise the facilitation of crew changes, and work together with the shipping industry in ways that recognised seafarers' rights and averted the risk of widespread disruption to the global economy. In September 2020, we joined 30 Consumer Goods Forum (CGF) companies in a [joint letter](#) to the UN calling for governments to designate seafarers as 'key workers' and grant exemptions from government-imposed travel restrictions and quarantine measures.

Working with others to increase our impact

As a member of the [Consumer Goods Forum \(CGF\)](#), we participate actively in its committees. They include the [Sustainable Supply Chain Initiative \(SSCI\)](#), which is focused on providing clear guidance on third-party auditing and certification schemes to buyers and suppliers in the consumer goods industry. The schemes cover sustainability requirements and apply relevant governance and verification.

Employer pays principle

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.

Demand from businesses like ours helps create an ethical recruitment industry, especially where systems have previously relied on fees. We are engaging our suppliers so that they have processes in place to fully understand the recruitment journey of workers, and so that workers understand their rights and the work they are being recruited to do.

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 relating to 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.

In 2021, we will continue to implement our multi-year strategy to eradicate forced labour, including our EPP operational framework. We will continue to collaborate with others and, where possible, will move to more robust social impact metrics to help better capture complexities, enabling clearer measurement of our effectiveness in addressing these issues.

As an active [Leadership Group for Responsible Recruitment \(LGRR\)](#) member, we work with other businesses and civil society partners to promote responsible recruitment. In 2020, we've been part of the development of a reporting framework for LGRR businesses to increase transparency and demonstrate action and activities undertaken to promote the Employer Pays Principle (EPP).

We continued our membership of the UK government Human Rights Advisory Group and Business Against Slavery Forum (BASf), set up by the UK Home Office. A planned UK conference was postponed due to the COVID-19 pandemic.

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

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.

In such cases, our Chief Legal Officer and Chief Business Integrity Officer oversee investigations and a global code policy committee determines any sanctions regardless of where the executives are located.

In 2020, we investigated and closed 520 cases related to our Respect, Dignity and Fair Treatment Code Policy (RDFT) received either directly to our Business Integrity Officers or through our hotline and online reporting systems. Of these, 209 were confirmed as breaches. In 2020, intimidating, offensive behaviour and bullying were our highest reported salient issues under RDFT, with a high number of reported breaches coming from Latin America, North America and East Africa. We analyse our case data including both organisational and behavioural drivers at a geography level, carrying out targeted regular awareness-raising sessions and training. If cases relating to third parties that don't 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.

For our extended supply chain, we work with RSP (Responsible Sourcing Policy) champions to monitor progress against targets and review suppliers' registration and compliance status and action plans. RSP champions are the first contact point for procurement colleagues, helping to strengthen implementation of the RSP and our ongoing due diligence. We run RSP champions' calls and clinics to monitor progress against targets, explain any process changes, and showcase best practices.

Tracking and monitoring issues are a vital part of measuring progress in remediation and addressing grievances. Grievance mechanisms play a critical role in opening channels for dialogue, problem solving, investigation and, when required, providing remedy. They enable workers and other rights-holders to raise complaints freely and obtain effective and transparent resolutions. They can also help identify country-specific solutions and pre-emptive action.

We recognise work remains to be done to strengthen grievance mechanisms, for migrant workers in particular. We are also exploring a greater role for technology to bring transparency, as well as continuing expansion of community-based monitoring engagement, including '[ground-truthing](#)'.

We will continue to promote prevention as well as remediation. Gaps in legislation also need to be effectively addressed, putting in place safeguards to protect and respect the rights of migrant workers: for example, local laws do not prohibit fee payment in some instances. This means transparency and clarity from governments are critical.

Transparency

Through consolidation of our supply chain we are improving traceability. Greater traceability, transparency and scrutiny of our commodity supply chains help us work more effectively with partners and suppliers to address human rights issues and bring about positive change. These are the reasons why we publish our supplier lists. In March 2020 we published a [list of our cocoa suppliers](#) (Tiers 1 and 2). This builds on our [palm oil](#) and [tea supplier lists](#).

In 2020, we scored highest in the agricultural sector and joint highest in overall sectors of the [Corporate Human Rights Benchmark](#). We were the [Personal Products industry leader](#) in the Dow Jones Sustainability Index (DJSI) with an industry-best score in Human Rights and were ranked 2nd out of 43 companies by the [Know The Chain benchmark](#).

Looking back and ahead

2020 put huge pressure on global supply chains and on the workers within them, many of whom who have seen working conditions further deteriorate including in somecases, particularly for some migrant workers, non-paymentof wages. We know we must re-double our efforts to root out forced labour and modern slavery. As we wrote in our 2020 Human Rights Report, we have seen how regional or industry approaches to addressing human rights issues, such as those taken in the palm oil sector, can drive changeat scale. For migrant workers, these must take action in both the migrant workers' home and destination countries. While we are seeing progress on issues such as passport retention and an increasing understanding among suppliers that fee payment is not acceptable, we need to domorework to demonstrate both the moral and the businesscase for suppliers to practise responsible recruitment.

In 2021, we will continue to implement our multi-year strategy to eradicate forced labour. We will continue to collaborate with others and where possible, will move to more robust social impact metrics to help better capture complexities, enabling clearer measurement of our effectiveness in addressing these issues.



Alan Jope

Chief Executive Officer, Unilever

This Statement has been approved by the Unilever PLC Board at its meeting on 3 March 2021.

Appendix

Company 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)

Responsible Business Partner Policy (RBPP)

People and Nature Cross-Commodity Policy

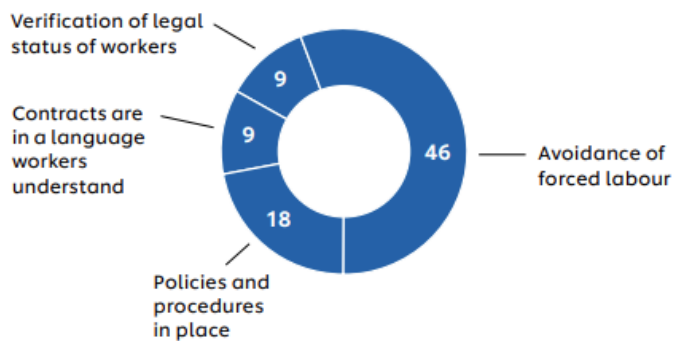
Forced labour

Data in relation to forced labour is taken from audits conducted in 2019 which found non-conformances against our RSP, and specifically Fundamental Principle 4, which 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.”**

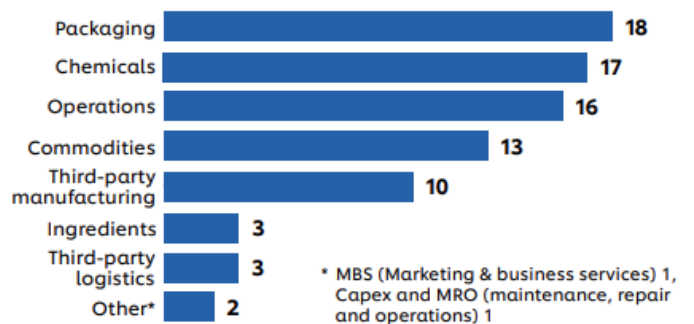
Our audits found 82 non-conformances in relation to forced labour, which have been effectively remediated, with 56% of these relating to the creation of indebted labour, which makes it difficult or impossible for a worker to have the freedom of movement to leave employment. Such practices include when workers are required to pay a recruitment fee to acquire employment, or to pay for their own personal protective equipment, or where payments are retained until the end of a harvest or other period. 22% of the 82 non-conformances found relate to a lack of policies and procedures to ensure that all workers enter employment freely and equally and that they are not prevented from resigning and leaving. This continues to be a complex salient issue that traditional auditing does not always effectively identify. We drive action and engage with suppliers, non-governmental organisations, and governments to address forced labour and focus on effective and trusted grievance mechanisms for workers. The eradication of forced labour is an example of an area where we work on initiatives with the Consumer Goods Forum and Leadership Group for Responsible Recruitment as we recognise the power of collaboration and advocacy to influence positive change. We have also been continuously engaged with audit companies to increase the capability of auditors in different regions to identify

the wide range of indicators of forced labour in global supply chains

Non-conformances versus mandatory requirements Numbers of non-conformances during 2019



Non-conformances by business area Issues recorded during 2019, listed by business area



Location of non-conformances

Non-conformances during 2019 by region



Key data

82

non-conformances related to forced labour.

56%

of non-conformances related to factors that will lead to debt bondage limiting a worker's freedom of movement.

Salient issues impact data

We analysed findings from audits conducted throughout our tier 1 supply chain of direct suppliers from 2016-2020 against each of our salient issues. In doing this we were able to see how many lives we both directly and indirectly impacted within the 'walls' of supplier sites through our remediation efforts working with our supply partners. For most of the findings, using the number of workers employed at a supplier's site, we were able to extrapolate the number of people that were potentially impacted. Meaning, for example, that where an auditor witnessed or found evidence relating to certain affected workers, the remediation of the issue found through the audit process would be expected to impact not only those workers directly, but also indirectly the rest of the workers, both now and in the future, due to improved conditions and stronger management systems. Because our suppliers are subject to re-audit on a routine basis through our audit process, we are able to see if these issues arise again. For the forced labour and health & safety salient issues, we focused on the Key Incidents as a sub-set of the total number of non-conformances from the same datasets. These are the most serious non-conformances and must be communicated by the auditor to Unilever within 24 hours.

Approximate number of workers in our extended supply chain potentially impacted:

1,800

Top three countries where issues are found:



We used the key incident of passport retention. We recognise this is just one indicator of forced labour. The number of workers potentially affected by these issues is far higher. Audit reports estimate over 23,000 migrant workers in our extended supply chain in Malaysia, Thailand, UAE and KSA.

When a non-compliance (NC) is found we estimate the possible number of people impacted. Our suppliers put remediation plans in place for every non-compliance. Data sources: Unilever Supplier Qualification System (USQS) Global Responsible Sourcing Report NC Audit data 2016-YTD 2020 audits.