



## **Company Engagement Questions:**

### **KnowTheChain Food & Beverage benchmark**

Companies can use these questions to provide additional information relevant to KnowTheChain's benchmarking of companies' commitments and programs targeted at addressing human trafficking and forced labor in the supply chain.

*Please note that answers to these questions will be made publicly available on the [website of Business & Human Rights Resource Centre \(BHRRC\)](#), one of the partners in KnowTheChain. The project will maintain a strict standard of only including information provided via a company's public website or BHRRC's website in the evaluation.*

Please send your answers to Felicitas Weber, KnowTheChain Project Lead: [weber@business-humanrights.org](mailto:weber@business-humanrights.org), with a cc to Megan Wallingford, Senior Advisor, Advisory Services, Sustainalytics: [megan.wallingford@sustainalytics.com](mailto:megan.wallingford@sustainalytics.com).

We encourage companies to answer as many of the questions as possible. You may wish to focus particularly on those for which your company currently does not have information available on its website. We particularly welcome disclosure on evidence of implementation of policies and processes related to addressing forced labor, such as specific examples of outcomes or an analysis of trends in progress made.

**Name of company: Unilever**

**Name of respondent: Rachel Cowburn-Walden**

**Position of respondent: Global Senior Manager Social Impact**

**Respondent's contact information (email): [rachel.cowburn-walden@unilever.com](mailto:rachel.cowburn-walden@unilever.com)**

*Note: For companies with vertically integrated supply chains, any reference to 'suppliers' in the following questions includes manufacturing and production sites owned by the company.*

### **Documents**

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.
  - Unilever Human Rights Report 2015 (we have identified forced labour as one of Unilever's salient human rights issues – page 32)

- Code of Business Principles and Respect Dignity and Fair Treatment Code Policy [https://www.unilever.com/Images/cobp-code-policies-booklet\\_tcm244-409220\\_en.pdf](https://www.unilever.com/Images/cobp-code-policies-booklet_tcm244-409220_en.pdf)
- The Responsible Sourcing Policy [https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014\\_tcm244-409819\\_en.pdf](https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014_tcm244-409819_en.pdf)
- Unilever Responsible Sourcing Audit Guide [https://www.unilever.com/Images/ursa-guide-for-direct-suppliers-v2may2016\\_tcm244-425722\\_en.pdf](https://www.unilever.com/Images/ursa-guide-for-direct-suppliers-v2may2016_tcm244-425722_en.pdf)
- Responsible Business Partner Policy [https://www.unilever.com/Images/unilever-responsible-business-partner-code-may-2016\\_tcm244-482388\\_en.pdf](https://www.unilever.com/Images/unilever-responsible-business-partner-code-may-2016_tcm244-482388_en.pdf)
- Sustainable Agriculture Code: [https://www.unilever.com/Images/unilever-sustainable-agriculture-code\\_2015\\_tcm244-422949\\_en.pdf](https://www.unilever.com/Images/unilever-sustainable-agriculture-code_2015_tcm244-422949_en.pdf)
- Unilever Human Rights Policy Statement [https://www.unilever.com/Images/unilever-human-rights-policy-statement\\_tcm244-422954\\_en.pdf](https://www.unilever.com/Images/unilever-human-rights-policy-statement_tcm244-422954_en.pdf)
- Call to action on forced labour from the Consumer Goods Forum, of which Unilever is a member <http://www.theconsumergoodsforum.com/fighting-forced-labour-a-rallying-call-from-the-consumer-goods-industry>
- Leadership group on responsible recruitment <http://www.ihrb.org/news/leadership-group-responsible-recruitment.html>

*Note: You may be aware that the [Corporate Human Rights Benchmark \(CHRB\)](#) is analyzing companies' broader human rights policies and performance. Where the KnowTheChain benchmark indicators are related to [indicators of the CHRB](#), this is indicated under each engagement question.*

*We welcome that some companies have disclosed information on their human rights policies and practices for the [Corporate Human Rights Benchmark \(CHRB\)](#). Where companies have disclosed information on specific CHRB indicators, as well as any links available from the company website, these will be considered in the KnowTheChain analysis. Third party information and links to third parties' websites will not be considered.*

## **Commitment and governance**

Awareness and commitment

2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.

Please see page 32 of our Human Rights Report

*Related to indicator A.1.2 of the CHRB*

Supply chain standards

3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.

*Related to indicator A.1.2 of the CHR*

- The Responsible Sourcing Policy launched in 2014 [https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014\\_tcm244-409819\\_en.pdf](https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014_tcm244-409819_en.pdf).
- The Responsible Business Partner Policy for non-supplier business partners [https://www.unilever.com/Images/unilever-responsible-business-partner-code-may-2016\\_tcm244-482388\\_en.pdf](https://www.unilever.com/Images/unilever-responsible-business-partner-code-may-2016_tcm244-482388_en.pdf). Code Policies are regularly reviewed.
- The Sustainable Agriculture Code: [https://www.unilever.com/Images/unilever-sustainable-agriculture-code\\_2015\\_tcm244-422949\\_en.pdf](https://www.unilever.com/Images/unilever-sustainable-agriculture-code_2015_tcm244-422949_en.pdf)

## Management

4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe the scope of their responsibility and how they interact with other internal teams, groups or departments

*Related to indicator B.1.1 of the CHRB*

Overall responsibility for the implementation of supply chain standards/policies is the Chief Supply Chain Officer. The issue of human trafficking and forced labour is addressed in the Responsible Sourcing Policy. The Responsible Sourcing Policy was launched in 2014 and we are rolling this out starting with our strategic and new suppliers. Over 4,000 of our agricultural and raw materials suppliers (including our Partner to Win and strategic suppliers) have undertaken and confirmed that they comply and will continue to comply with the mandatory requirements set out in our Responsible Sourcing Policy.

The Assurance Team leads on the implementation of the Responsible Sourcing Policy and sits within Supply Chain. Due to a recent re-organisation, this team is now led by Marcela Manubens Global VP Integrated Social Sustainability.

Customer Development owns and drives the implementation of the Responsible Business Partner Policy (RBPP). The issue of human trafficking and forced labour is addressed in the Responsible Business Partner Policy. The programme was piloted in some of our higher risk countries including India, Indonesia, Russia, Mexico, Nigeria and Myanmar in December 2015. By end June 2016 we will have rolled out to Sth East Asia, Australasia, North Asia, South Asia, Turkey and the Middle East.

## Training

5. Does your company conduct training programs for internal decision-makers and suppliers' management teams on risks, policies and standards related to human trafficking and forced labor (this may include training on elements such as passport retention, payment of wages, and vulnerable groups such as migrant workers)? Please describe.

*Related to indicator B.1.5 (internal training) and B.1.7 (training of suppliers) of the CHRB*

We train internally and externally on the Responsible Sourcing Policy. Over 2014-2015, we held events to further our suppliers' understanding of our policy in China, Brazil, Vietnam, India and Costa Rica. These events have helped over 700 supplier personnel to build skills and develop capabilities in human

rights, wages, working hours, management systems, fire safety, the environment, and other issues. To date the RBPP programme has internally trained 180 Customer Development users plus in country Legal, Business Integrity and senior stakeholders. A programme will be developed to train and drive external awareness with our business partners. We have written guidance on issues including migrant labour which includes guidance on issues including recruitment processes, debt bondage and passport retention. We will be focusing training more explicitly on forced labour and human trafficking going forward.

## Stakeholder engagement

6. In the last three years, has your company engaged on human trafficking and forced labor, especially as it relates to the supply chain a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives? Please describe with whom your company has engaged, the purpose of the engagement and how it relates to forced labor and human trafficking in the supply chain, and your company's role and level of engagement.

*Related to indicator A.1.4 of the CHRB*

In January 2016, the Board of The Consumer Goods Forum (CGF) announced a new resolution to fight forced labour issues throughout global supply chains. Paul Polman is a co-sponsor of the Sustainability pillar of the CGF and said “As part of our wider efforts to promote human rights and decent working conditions worldwide, we acknowledge the broad societal problem of modern slavery and we strive to eradicate forced labour from our value chains. In doing so, we will harness the power of collective action as an industry group to identify and address issues and geographies of shared concern, enhancing the efficiency of any individual company initiatives in this area.”

In 2014 our Global Vice-President for Social Impact, Marcela Manubens, became Vice-Chair of the World Economic Forum Global Advisory Council on Human Rights. The council encourages industry-wide approaches to human rights challenges and in November 2015, published a report entitled ‘Shared Responsibility: a new paradigm for supply chains’ which sets out how business can address serious, entrenched human rights challenges – such as forced labour - in supply chains. Often those countries where investment is most needed are also where it is most difficult to do business and where we face the hardest human rights challenges. It is often also where governance and transparency are weakest. No one sector e.g. government, NGOs or business, can address these issues successfully alone.

## **Traceability and risk assessment**

### Traceability

7. Please describe your company's supply chain tracing processes. Does your company publicly disclose a) the names and locations of first-tier suppliers, and b) some information on suppliers beyond the first tier? If yes, please provide a URL.

*Related to indicator D.1.3 of the CHRB*

We currently have over 72,000 suppliers around the world. We share the names of some of our key commodity suppliers in articles on the sustainable sourcing pages of our global website. Examples of our suppliers include vanilla supplier Symrise <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/enhancing-livelihoods/inclusive-business/creating-an-inclusive-supply-chain/vanilla.html>; cocoa suppliers Barry Callebaut, Cargill and ADM <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/sustainable-sourcing/our-approach-to-sustainable-sourcing/sustainable-cocoa-and-sugar.html>; sugar suppliers : CristalCo and Tereos <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/sustainable-sourcing/our-approach-to-sustainable-sourcing/sustainable-cocoa-and-sugar.html> and

our dairy supplier Friesland Campina <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/sustainable-sourcing/our-approach-to-sustainable-sourcing/sustainable-dairy.html>. We also list some of our suppliers on our Partner to Win website <https://www.unilever.com/about/suppliers-centre/partner-to-win/index.html>

## Risk assessment

8. Please describe your companies' risk assessment processes. Please include specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group (e.g. migrant workers in a specific context), as well as the forced labor risks identified through these risk assessment processes (e.g. high risk commodities or high risk sourcing countries).

*For examples of commodities where forced labor risks have been identified - such as tomatoes from Italy, rice from India or strawberries from the United States - see Verite (2016) – “[Strengthening protections Against Trafficking in Persons in Federal and Corporate Supply Chains Research on Risk in 43 Commodities Worldwide](#)”.*

*Related to indicator B.2.1 of the CHRB*

Our Human Rights Report, using the UN Guiding Principles Reporting Framework, was published June 2015 and was an important step forward in our effort to disclose our non-financial performance metrics. We were the first company to create a comprehensive, stand-alone report using the Framework. Through a cross-functional working group, we identified 8 salient human rights issues (page 26), those most at risk of the most severe negative impacts through a company's activities or business relationships: discrimination, fair wages, forced labour, freedom of association, harassment, health and safety, land rights and working hours.

We also identified key high risk commodities such as tea, palm oil and soy and countries such as Myanmar. Using an expert external organization, we have mapped the human rights risks in our tea supply chain. Our Palm Oil Policy can be found here: [https://www.unilever.com/Images/unilever-palm-oil-policy-2016\\_tcm244-479933\\_en.pdf](https://www.unilever.com/Images/unilever-palm-oil-policy-2016_tcm244-479933_en.pdf). Please also see the following: <https://www.unilever.com/news/press-releases/2016/Unilever-reacts-to-palm-oil-suppliers-suspension-from-RSPO.html?criteria=search%3dpalm%2boil>. We commissioned an independent Human Rights Impact Assessment into our business in Myanmar.

For our extended supply chain, we use a risk matrix based on the country where the item or service is supplied from and what is being supplied to Unilever. This has been developed in conjunction with a global risk management consultancy which selects parameters based on our RSP such as child labour, forced or involuntary labour and health and safety. The countries are then given scores depending on the risk (both systemic and operating) of these issues existing in the country. The overall score, based on all parameters, determines the risk of the country. All audits happen on a site level, rather than on parent company level, and this adds to the challenge in terms of the scope and volume of audits and follow up needed.

For non-supplier business partners, the RBPP risk based approach identifies higher risk operations using both internal and external indexes and assessments leading to the development of risk mitigation actions to address concerns. External due diligence may be undertaken depending on the concerns raised.

## **Purchasing practices**

9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.

As we acknowledge in our Human Rights Report, we are aware that we need to examine, on an on-going basis, our own purchasing practices to ensure that they are not contributing to excessive working hours and other poor employment conditions. Our Responsible Sourcing Policy is clear that we want to do business in a manner which improve the lives of workers across our supply chain, their communities and the environment consistent with the Unilever Sustainable Living Plan and sets out our expectations of our RSP-governed suppliers.

*Related to indicator D.1.2 of the CHRB*

### Supplier selection

10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them (this may include aspects such as passport retention and payment of wages)? Please describe.

Work that is conducted on a voluntary basis is one of the fundamental principles of our Responsible Sourcing Policy with forced labour, mental and physical coercion, slavery and human trafficking prohibited. Implementation of the mandatory requirements of the RSP includes that workers should not be required to surrender identification papers and if this is a legal requirement, that workers should have access to their documents and that they should be returned immediately on cessation of employment. Wages should be paid on time and in full and that, other than legally mandated deductions, all other deductions from wages are made only with the express and written consent of the worker. As previously mentioned, we also identify both high risk countries and commodities which may require suppliers to undergo an independent URSA (Understanding Responsible Sourcing Audit).

*Related to indicator B.1.7 of the CHRB*

11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands (to reduce the risk of undeclared subcontracting)?

As previously responded, we acknowledge that we do need to examine, on an on-going basis, our own purchasing practices to ensure that they are not contributing to excessive working hours and other poor employment conditions.

### Integration into supplier contracts

12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

*Related to indicator B.1.4.b of the CHRB*

Our Responsible Sourcing Policy addresses forced labour and human trafficking.

### Cascading standards

13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

We expect our suppliers to commit to the principles contained in our Responsible Sourcing Policy.

*Related to indicator A.1.2 of the CHRB*

## **Recruitment**

### Recruitment approach

14. Please describe your company's recruitment approach, including a) whether your company requires recruitment agencies in its supply chain to uphold workers' rights (this may include aspects such as written contracts, access to passports, and regular payment of wages), b) whether it has a policy on direct employment (i.e. a policy prohibiting suppliers in its supply chain from using recruitment agencies), and c) whether it requires suppliers to disclose to the company the recruiters that they use.

The RSP includes requirements relating to worker's rights as mentioned above. We do not prohibit our suppliers from using recruitment agencies or require suppliers to disclose to the company the recruiters that they use. Our work focuses on the promotion of best practices such as the Dhaka Principles for Migration with Dignity.

*Related to indicator D.1.5.b of the CHRB*

### Recruitment fees

15. Please describe your company's approach to recruitment fees in the supply chain, including whether your company requires that no fees be charged to supply chain workers during recruitment processes, and whether and how your company ensures that fees paid by workers are reimbursed.

*Related to indicator D.1.5.b of the CHRB*

We support the Dhaka Principles for Migration with Dignity and are a member of the Leadership Group for Responsible Recruitment, a collaboration between five leading global companies and expert organisations working towards a new business model in migrant worker responsible recruitment including commitment to the 'employer pays principle' meaning that no worker should pay for a job. More information can be found here: <http://www.ihrb.org/news/leadership-group-responsible-recruitment.html> Working with others, we are working to create a practical road-map to underpin this call to action.

### Recruitment audits:

16. Does your company audit recruiters used in its supply chain, to assess risks of forced labor and human trafficking, and/or require suppliers to audit their recruiters?

*For further information, see Verité – [Fair Hiring Toolkit. Conducting Interviews with Labor Recruiters.](#)*

Our third party administered URSA audit asks:

- 1 Where workers can only be hired through recruitment agencies, the facility has a procedure to check that the recruitment agency has hiring policies and procedures to combat trafficking and forced labour
- 2 There is no retention by employer or employment agency of original identification papers and / or passports unless required by law

### Worker voice

#### Communication of policies to workers

17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain, and whether your company makes its policies and standards available in the languages of suppliers' workers (including migrant workers).

Our RSP and Human Rights Policy Statement are available on our global website and are translated into 13 and 18 languages respectively. As part of our awareness raising and capacity building work on

responsible recruitment practices, we are reviewing how we can better communicate this and other information on forced labour to our suppliers and their workers.

*Related to indicator B.1.4.b of the CHRB*

18. Please describe how your company engages with workers in its supply chain on labor related issues and rights outside of the context of the factories/farms in which they work? (whether directly or in partnership with stakeholders).

A strong dialogue between an employee and its employees builds trust and provides opportunities to collaborate on solving shared problems. A mechanism for protecting employee's rights, to raise issues of concern and to bargain collectively, is essential. Our Codes are clear that people have the right to join or not to join unions without threat of intimidation or victimization and our clear about our support for collective bargaining and effective information and consultation procedures. We believe that Freedom of Association and the creation or enhancing of grievance mechanisms are key for this engagement.

[Example available here](#)

*Related to indicator B.1.8 of the CHRB*

### Worker empowerment

19. Please explain how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing, where there are regulatory constraints on freedom of association.

Our Responsible Sourcing Policy and other relevant Codes include the right to freedom of association and collective bargaining.

*For additional information on worker empowerment, see context in ["Responding to Challenges of Freedom of Association" chapter of Ethical Trading Initiative's practical guide on "Freedom of Association in Company Supply Chains"](#), and related company example on page 35*

*Related to indicator D.1.6.b of the CHRB*

### Grievance mechanism

20. Please describe your company's grievance mechanism, and clearly indicate whether it is available to workers in the supply chain, and how it is communicated to workers in the supply chain. Please also note whether you require your suppliers to establish a grievance mechanism, and to convey the same expectation to their suppliers.

Employees can raise grievances through their trade union representative, line manager and/or their Human Resources representative. Suppliers, their workers or their contractors may report actual or suspected breaches of the RSP by telephone or online and confidentially/anonymously (where permitted by law). The RSP states that workers must have access to fair procedures and remedies which are transparent, confidential and which result in swift, unbiased and fair resolution. We expect our RSP-governed suppliers to commit to the principles contained in our Responsible Sourcing Policy. We will continue to work to improve grievance mechanisms for both our own workers and those in our supply chain, including those working on agricultural plantations.

*Related to indicator C.1 and C.5 of the CHRB*

### Monitoring

#### Auditing process



21. Please describe your company's supplier auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents (documents may include wage slips, information on labor recruiters, contracts, etc.)<sup>i</sup>, and c) interviews with workers.

*For further details on document reviews see Verite – [Fair Hiring Toolkit. Conducting a Review of Documentation](#).*

*Related to indicator B.1.6 of the CHRB*

The Understanding Responsible Sourcing Audit (URSA) was designed to evaluate suppliers' process alignment with the requirements of the RSP good practice. Suppliers are primarily audited at site level to give a true picture of the supplier's ability to put policies into practice. Once the audit is finished, the supplier completes the process through risk mitigation and the development and implementation of its a corrective action plan. A supplier must close all its non-conformances in full before it can be considered compliant. Our procurement team manages the supplier relationship and works to ensure suppliers take the necessary steps to meet requirements and are willing to make the changes to continuously improve. Suppliers who are unwilling or unable to comply or progress with responsible sourcing requirements are reviewed by the Procurement Integrity Committee for further work or eventual delisting. Audit visits are scheduled and all relevant documents are reviewed. The audit includes interviews with workers.

#### Audit disclosure

22. Does your company disclose

- a) the percentage of suppliers audited annually
- b) the percentage of unannounced audits
- c) information on who carried out the audits (this may include further information on the expertise of auditors such as relevant certifications, in cases where third-party audits are used, the names of the auditors, and in cases where internal auditors are used, details on department/team/group within which the auditor(s) sits), and
- d) a summary of findings, including details of any violations revealed?

Please provide a URL with the relevant information.

*Related to indicator B.1.6 of the CHRB*

We do not provide the breakdown of this information but do provide relevant information relating to our salient human rights issues in our Human Rights Report. Working with key stakeholders we will build frameworks for better data collection, verification and analysis and to move more quantitative reporting.

#### Remedy

##### Corrective action plans

23. Does your company have a process for creating corrective action plans when violations are discovered through an auditing process? Please describe this process and the elements of a corrective action plan.

*Related to indicator B.1.6 of the CHRB*

We have a key incident process which recognizes findings that could pose imminent harm or danger to individuals in our supply chain. Those issues are escalated at finding as opposed to the end of the audit. The procurement relationship manager is notified to engage with the supplier and begin immediate implementation of a mitigation and if required remediation plan. Subsequent to the conclusion of an audit all issues found are incorporated into a time bound corrective action plan, implementation and third party verification is required to meet Unilever standards.

URSA guidelines <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/enhancing-livelihoods/fairness-in-the-workplace/advancing-human-rights-with-suppliers/implementing-our-approach.html>

## Remedy

24. Does your company have a process to provide remedy to workers in its supply chain in cases where violations are discovered, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes.

*Related to indicator C.7 of the CHRB*

Remedy is provided via grievance mechanisms including, where relevant, grievance mechanisms through certification schemes.

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