# Modern slavery statement

1 January 2024 - 31 December 2024



#### Unilever Australia Group Pty Ltd | ABN: 13 614 413 179 Modern Slavery Statement for the calendar year ending 31 December 2024

The Australian Commonwealth Modern Slavery Act 2018 (the Act) encourages transparency and is coherent with Unilever Australia Group Pty Ltd support for the UN Guiding Principles on Business and Human Rights.

The Unilever Australia Group Pty Ltd subsidiaries share the same central supply chain and procurement team. Our subsidiaries follow all procurement processes outlined below 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, Ben & Jerry's Franchising Australia Ltd and Unilever Australia Trading Ltd. Ben & Jerry's Franchisees sign our Responsible Partner Policy and utilise the Franchisee Operations Manual which includes guidance and an approved supplier list.

#### **About Unilever**

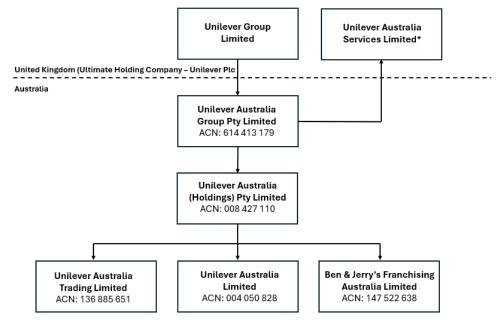
Unilever is one of the world's leading suppliers of Beauty & Wellbeing, Personal Care, Home Care, Foods and Ice Cream products, with sales in over 190 countries and products used by 3.4 billion people every day. Globally, we have 128,000 employees and generated sales of €60.8 billion in 2024.

Unilever Australia & New Zealand is a Certified B Corporation™. B Corps are leaders in the global movement for an inclusive, equitable, and regenerative economy. Certification is independently administered by B Lab and awarded to companies that demonstrate verifiable positive impact through policies and practices across five areas – governance, workers, communities, customers, and the environment. Our approach to sourcing and human rights is assessed as part of the Certification process.

In Australia, we employ more than 900 people across our subsidiaries. Offices and manufacturing facilities are located in Sydney CBD, North Rocks, Minto, and Tatura. Our key brands include Dove, Rexona, Lynx, Vaseline, OMO, Surf, Comfort, Sunsilk, TRESemmé, Continental, Hellmann's, Knorr, Weis, Ben & Jerry's and Streets.

Unilever Australia Group Pty Ltd has an annual revenue that exceeds the Act's minimum mandatory reporting threshold of \$100 million. The organisational structure of Unilever Australia Group Pty Ltd. and its subsidiaries is outlined on the following page.

#### Unilever Australia Group



<sup>\*</sup> Note: Part of Australian consolidated tax consolidated group. Central management and control/place of effective management is in Australia

#### Our approach to sourcing and human rights

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

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 and operations.

Our parent company is Unilever PLC, a publicly registered company in the United Kingdom. The following copy of Unilever's Modern Slavery Statement, March 2025 outlines the processes and procedures Unilever has in place globally to understand, mitigate, and address human rights and modern slavery risks across our global supply chain. Unilever Australia adheres to these global processes and procedures to understand and address human rights in the supply chain.

#### Our Responsible Partner Policy

Our suppliers and business partners are required to comply with our <u>Responsible Partner</u> <u>Policy (RPP)</u>. The RPP is designed to build a more resilient business, by moving beyond a compliance model to a more continuous improvement process.

RPP and its Fundamental Principles embody our commitment to responsible, transparent, and sustainable business across our partnerships. The scope of the RPP extends beyond those suppliers who directly invoice us for goods and services, to include those in any tier that do the work that Unilever contracts from a Tier 1 (direct) supplier; and any supplier beyond Tier 1 who has a contract with Unilever, or whom Unilever has expressly appointed to provide goods or services to the Tier 1 supplier, even where they do not directly invoice Unilever.

Ongoing compliance to our RPP is assessed through ARAVO (Unilever's Supplier Qualification System) where suppliers are required to complete a Responsible Sourcing Audit questionnaire on a regular basis. There have been no recorded instances of noncompliance in Australia in 2024.

Any failure to meet the mandatory requirements of our RPP of which a supplier is aware and is not rectified in a reasonable timeframe must be reported to Unilever. We strongly support a culture of speaking up for both business partners and their workers without fear of retaliation against those who report actual or suspected breaches.

Business partners and their workers, communities and other stakeholders may report actual or suspected breaches of our RPP - including any failure by a Unilever worker or anyone acting on behalf of Unilever - directly to Unilever by phone or online via www.unilevercodesupportline.com.

Unilever will investigate any concern raised and discuss findings with the business partner. The business partner must assist with the investigation and provide access to any information reasonably requested. If remediation is required, the business partner will inform Unilever of their corrective action and implementation plans and timeline to resolve the breach effectively and promptly.

In addition to the Statement being available on the Australian Government 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.

**Nick Bangs** 

Head of Unilever Australia and New Zealand

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23 June 2025

### **Preface**

In 2024, the <u>International Labour Organization</u> (ILO) reported that illegal profits from forced labour have risen by 37% over the past decade, reaching to US\$236 billion per year. The ILO's research also showed that approximately 86% of forced labour cases occur in the private sector, with the large majority of cases concentrated in three areas that are relevant to our business: industry (including manufacturing), services (including transport and storage), and agriculture. These shocking figures demonstrate how important it is for all businesses, including Unilever, to continue working to identify, prevent, and mitigate this pervasive issue.

It has never been more important for businesses to act responsibly. The combination of legislation requiring businesses to respect human rights, combined with sector-focused and investor benchmarks offer a robust framework for building our approach. We remain steadfast in our commitment to working to address forced labour as part of our wider human rights strategy, which continues to act as the foundation underpinning everything we do.

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Fernando Fernandez

Chief Executive Officer, Unilever

This document builds on last year's statement and explains the steps Unilever has taken to prevent, detect and respond to slavery in our business and throughout our supply chain. This Statement covers Unilever PLC and its 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 2024.

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## **About Unilever**

#### Our organisation, structure and supply chain

Unilever is a multinational consumer goods company that produces food, drink, personal care, beauty, wellbeing and home care products. About 3.4 billion people use our products every day and consumers worldwide use more than 400 Unilever brands. In 2024 our turnover was €60.8 billion with 58% in emerging markets, and 14 of our brands generate sales of more than €1 billion a year. Our brands are available in 190 countries, and we employ approximately 120,000 people.

Unilever has a large and diverse supply chain. Additional information about our company and supply chain is available in our <u>Annual Report and Accounts 2024</u>.



# Our commitment to human rights: policy and governance

"New forms of modern slavery are emerging all the time, such as 'fraud factories' that coerce highly skilled job hunters into fraudulent employment and force them to coordinate and conduct digital-based scams. And these issues continue to be pervasive, even in countries with established employment and labour rights laws. These worrying trends challenge our assumptions, views and perspectives on where our priority focus needs to be. This is why it is critical that we regularly review and adapt our approach to reflect current dynamics and emerging best practice."

#### Willem Uijen

Unilever's Chief Supply Chain Officer





#### Governance

Our approach is to embed respect for human rights in all parts of our business by implementing the UN Guiding Principles on Business and Human Rights (UNGPs) and with consideration for rightsholders at the core. 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 in our business.

The Unilever Board of Directors is liable for overseeing the company's due diligence actions and is required to consider relevant inputs from stakeholders and civil society organisations. Additional board-level oversight is provided by the Corporate Responsibility Committee (CRC), including on safety, security and wellbeing. The business is also advised by the Unilever Sustainability Advisory Council, a newly reformed group comprising independent external sustainability specialists who guide and critique our overall sustainability strategy.

The Global Code & Policy Committee (GCPC) owns the <u>Code of Business Principles</u> (COBP) and the 24 related Code Policies and assists the Board, the ULE and the CEO in ensuring that Unilever employees act at all times in compliance with the COBP.

Our commitment to human rights is reflected in our work to integrate the UNGPs throughout all parts of our business, supported by areas of global expertise, including from the Sustainability Function, Procurement Human Rights team and Responsible Business. The Head of Social Sustainability reports to the Chief Sustainability Officer, who reports to the Chief Executive Officer. Teams work together to embed respect for human rights within our business and in the markets where we operate. This includes working on the root causes of endemic human rights issues and partnering with others to drive systemic change.

Our Responsible Business team is responsible for the compliance and governance of the Responsible Partner Policy (RPP).

The Human Rights team in our Procurement function leads the implementation of Unilever's human rights strategy across our global supply chain. This includes working collaboratively with other teams across the business to address potential and actual human rights impacts.

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#### **Policies**

Our overarching commitment to respect for human rights is set out in our <u>Human Rights Policy Statement</u>. We have a strong and comprehensive human rights policy framework that supports us in realising this commitment and driving the behaviour we expect from our employees and everyone in our value chain. Our Policy Statement also makes clear that we are committed to respecting all internationally recognised human rights, with specific focus on those rights that are at risk of the most severe negative impact through our activities and business relationships – our eight identified 'salient human rights issues', of which forced labour is one. We will review our Human Rights Policy Statement in 2025 and gather the views and experiences of rightsholders to inform this update.

Our Code of Business Principles and 24 related Code Policies set out how we seek to ensure compliance with laws and regulations, protect our brands and reputation, and prevent harm to people and the environment. By helping us put our values of integrity, respect, responsibility and pioneering into practice, the Code and Code Policies provide a mandatory framework to guide Unilever employees in their day-to-day work.

Our RPP details what we expect from our partners through 17 Fundamental Principles, organised into three interconnected pillars: Business Integrity & Ethics, Human Rights, and Planet. 'Work is Voluntary' is included as a Fundamental Principle under the Human Rights pillar of the RPP, which includes the Mandatory Requirements outlined below:

- Under no circumstances will forced labour be used, whether in the form of trafficked labour, indentured labour, bonded labour or other forms including mental and physical coercion, and slavery.
- Workers enter employment freely and are neither required to surrender any identity or personal papers nor pay a deposit in relation to their employment.
- Workers are free to terminate their employment after a reasonable notice period without penalty, as agreed in the terms and conditions of employment.



- Workers have freedom of movement and are not confined to the business partner's premises, including dormitories or provided housing.
- Workers are not required to pay a fee or deposit in connection with obtaining employment, to the employer or to any person, company or agency involved in the recruitment process.
- Employers are responsible for the payment of all fees and expenses in connection with a worker obtaining employment or incurred in connection to the worker performing their duties. If workers have paid any fees, we expect these to be reimbursed by the employer.
- The use of prison labour is prohibited except in circumstances where their terms and conditions of employment uphold the Mandatory Requirements of this policy and can be verified.

We expect our business partners to cascade equivalent requirements within their own supply chains and to carry out their own human rights and environmental due diligence, which helps to prevent modern slavery from entering the supply chain.

By the end of 2024, 88% of our procurement spend was through business partners that were compliant with the requirements of the RPP, representing an increase from 85% in 2023.

# Identifying and assessing potential and actual forced labour impacts

#### Forced labour: a salient human rights issue

As a global business operating in 190 countries, our human rights strategy follows a risk-based approach where we assess and prioritise risks based on saliency (risk to the rightsholder) and materiality (risk to the business).

In our 2024 Modern Slavery Statement, we committed to carry out a review of our forced labour action plan. To achieve this, we engaged an external consultancy to benchmark our approach against peers and evaluate where it could be strengthened. Recommendations from this work, which have been incorporated into our 2025 strategy include:

- Strengthening how we engage with rightsholders during the remediation process and the consistency of measuring their satisfaction with the remedy.
- Developing clearer impact measurement indicators relating to forced labour.

#### Using data to inform priority areas of focus

We take a multidimensional approach to identifying potential and actual forced labour impacts, using inputs from a range of sources including:

- Verisk Maplecroft external risk indicators, based on country-level analysis of forced labour risk.
- Insights from our Business Integrity committees, internal subject-matter experts and our teams in local markets.
- Business partner self-assessments carried out through our Responsible Sourcing Program.
- Historic COBP breaches.
- Grievances raised and direct engagement with workers.
- The views and work of industry experts, civil society, trade unions and our peers.
- Carrying out heightened human rights due diligence where appropriate.
- Worker-facing technologies including mobile tools such as diginex to gather insights from workers about their experiences.

From this data, in 2024 we mainly focused our work in Malaysia and Thailand, in addition to continuing projects in India and Indonesia. The details of this are shared throughout this Statement. In 2025, we will implement our action plans addressing forced labour in Saudi Arabia and the United Arab Emirates.

# Identifying forced labour impact in our own operations

We expect everyone at Unilever to be an ambassador for our high ethical standards. Our Business Integrity team oversees robust procedures and controls to help us prevent, detect and respond to breaches of our COBP, including forced labour impacts. We carry out internal analysis of breaches of our COBP to gather insights and identify root causes, which we then take action on to improve our performance. For more information see our Business Integrity page.

#### Identifying forced labour in our value chain

Unilever requires all high-risk business production item suppliers to conduct site audits, using our preferred audit methodology – <u>Sedex SMETA</u>. More information on our due diligence requirements for business partners can be found on <u>Unilever.com</u> and details of findings related to modern slavery indicators identified at business partner sites in 2024 are available in the appendix of this Statement.

Business partners are expected to create a corrective action plan (CAP) to address any issues identified during an audit. This could include, for example, reimbursing fees paid by workers and returning original identity documentation to them. Auditors then carry out a review to verify that the corrective actions are sufficient and that the issue has been resolved satisfactorily.

#### Deep-dive risk assessments

In 2023 we partnered with Embode, a business and human rights consultancy, to build a greater understanding of the forced labour risk indicators in specific parts of our supply chain (see page 6 of our 2024 Statement). Embode's research focused where the risk of modern slavery is high, including factory manufacturing sites in India and Indonesia, as well as the tea, sugar, dairy and coconut sectors in India and Indonesia using insights gathered from:

- Public research and media coverage.
- Internal stakeholder consultations with 29 Unilever representatives.
- Supplier consultations, including stakeholders from our collaborative manufacturers and dairy farmers.
- Civil society and non-governmental organisation (NGO) consultations with six representatives.
- Site visits to supplier sites, including dairy farming households.

The findings, summarised in the table below, reflect contextual factors and dynamics that may contribute forced labour impacts.

#### Contextual factors contributing to forced labour impacts

#### India

#### Manufacturing

- Informal working conditions, including undocumented employment contracts.
- Large numbers of inter and intra-state migrant workers.
- Seasonal work patterns.
- Low levels of worker representation.
- Reliance on social audits to identify potential and actual impacts on workers.

#### Tea sector

- Business model and purchasing practices that exacerbate vulnerabilities within the sector.
- Shrinking space for NGO and civil society.
- Lack of worker representation.
- Unsustainable tea prices exacerbating labour exploitation.

#### Sugar sector

- Climate change impacting crop yields, forcing seasonal workers into unsafe migration.
- Socio-cultural vulnerability sugar cutters tend to be predominantly from traditionally marginalised communities.

#### **Dairy sector**

Reliance on unregulated migrant workers who are not covered by legislation (relevant laws apply only to sites employing 5+ migrants).

#### Indonesia

#### Manufacturing

- Informal labour practices temporary or contract workers are often engaged through third-party agents without formal contracts or proper documentation of working conditions.
- Business model requires significant workforce flexibility (between 60 – 80% on temporary or third-party contracts) which has a considerable impact on suppliers' ability to meet regulatory compliance.

#### Tea sector

- Prevalence of casual labour employed on smallholder producer farms.
- Inadequate worker representation and access to grievance mechanisms.
- Business practices contributing to labour exploitation – limited profitability in the tea sector driving persistent low standards.

#### **Coconut sector**

- Smallholder farmers increasingly finding it difficult to make a living income from coconut farming.
- Unequal labour dynamics created by sharecropping agreements, requiring alternating possession of the harvest or sharing an allowance of the produce with the farm owner.
- Workers living on large-scale plantations are at increased risk of bonded and child labour due to the significant distance of education and services from their residence and place of work.

The findings from this work have helped set our overall strategic priorities in 2024 for addressing forced labour impacts. They have informed our industry collaborations – including our sugar partnership (see page 9) and capability-building programme in India (see page 9) – and shaped the support we offer to suppliers in strengthening their human rights due diligence (HRDD) approach (see page 9 for project

details). Additionally, we have begun working with an independent consultancy to develop an industry capability-building programme in Indonesia, focused on improving conditions for informal workers. We will also conduct a deep dive into potential forced labour and child labour impacts in our tea supply chain in India, with findings to be reported in our next Statement.

# Preventing and mitigating forced labour impacts

In line with the OECD guidelines, we address any potential impacts through prevention and mitigation measures – any actual impacts are addressed through remediation (see <u>page 11</u> for details on our remediation work). Our training and capability-building programmes are a key focus of our work to prevent impacts both within our own operations and throughout our value chain. We aim to put rightsholders at the centre, ensuring their views and experiences are considered.

#### Training for our employees

In 2024, we expanded our range of multimedia training modules for Unilever employees, introducing one on 'Our Salient Human Rights Issues Fundamentals', which includes forced labour. We held a function-specific training session for Business Integrity employees who have responsibility for responding to human rights related issues that might be raised through our COBP processes, to reinforcing their understanding of HRDD. We also hosted a webinar facilitated by business and human rights experts from <u>Human Level</u> on recently enacted human rights legislation.

We have developed a new e-learning curriculum on HRDD for Human Resources teams in Unilever factories, including a module on Implementing Responsible Recruitment and another on Repayment of Worker Fees and Related Costs; these will be rolled out in 2025.

We held forced labour prevention training for procurement teams based in Southeast Asia. This included examining the role that procurement teams can play in the prevention, mitigation and remediation of forced labour issues. Additionally, we ran a training session with procurement teams based in our Mumbai office in India.

#### **External training**

In 2024, 20 business partners accessed training for their factory workers on ethical employment practices. Delivered via the Quizrr platform, 262 employees completed the training.

# Raising awareness of responsible recruitment practices and effective grievance mechanisms in Thai supply chains

In 2024, AIM-Progress launched the Supplier Capability Building Programme in Thailand, in collaboration with International Organisation for Migration (IOM), Quizrr, Mars, Nestle and Unilever. The programme aims to equip business partners' management teams with essential knowledge and tools for implementing HRDD, understanding responsible recruitment and effective grievance management.

The programme was launched with an onboarding session in August 2024, followed by three online training webinars. The programme included an inperson event in Bangkok in November, bringing together 172 attendees from governments, civil society and business (including 14 Unilever suppliers).

"In an era where consumers increasingly demand sustainably and ethically produced goods, businesses are expected not only to voice their commitment to uphold human rights but to follow through on those commitments. To meet these expectations in line with international standards, businesses must prioritize responsible recruitment in all their operations and supply chains."

#### **Géraldine Ansart**

Chief of Mission at IOM Thailand

# The AIM-Progress Ganapati Responsible Recruitment Project

Initiated in 2023, the Ganapati Project was developed by the AIM-Progress Responsible Recruitment Working Group and executed in partnership with Embode. The project has been designed to support suppliers with the knowledge and tools to manage recruitment practices effectively.

From January to April 2024, 12 suppliers (including two Unilever suppliers) in Malaysia and Thailand participated in the programme, developing collectively agreed action plans to address issues identified in migrant worker recruitment practices, including:

- Lack of formal commitment to <a href="Employer Pays">Employer Pays</a>
  <a href="Principle">Principle</a> (EPP).
- Uncertainty among suppliers regarding fees paid by workers.
- Job advertisements that did not explicitly state that payment of recruitment fees is forbidden.
- Lack of clarity between buyer and supplier about their roles in the fee remediation process.
- Workers' contracts not provided in their primary language.
- Workers not involved in shaping grievance policies.

Participating suppliers' management teams were supported through a coaching, advisory and technical support process to gain deeper insights into their unique challenges. Following the completion of the engagement process with Embode, suppliers took part in an evaluation. Key outcomes include:

- Enhanced recruitment practices eight suppliers made progress in aligning their recruitment practices with ethical standards in Thailand and Malaysia.
- Worker engagement and rights four suppliers enhanced their communication channels and feedback mechanisms, enabling workers to voice concerns and shape workplace policies.

In addition, Embode delivered a series of training sessions for employers focused on grievance mechanisms and migrant worker regulatory frameworks for Nepal and Bangladesh (see below).

Lessons learned from the Ganapati programme pilot have been reviewed, and recommendations are being implemented into a revised scaled-up version of the programme by AIM-Progress. We will provide further information on this in our next statement.

raining topic	Attendees	Key outcomes
ntroduction to Grievance lechanisms	51	<ul> <li>80% of participants reported gaining new insights into grievance mechanisms.</li> <li>87% indicated an enhanced understanding of how to develop and implement effective grievance processes.</li> </ul>
Nepal Foreign Employment Regulatory & Legal Frameworks	26	<ul> <li>87% learned new information about Nepal's foreign employment regulatory frameworks.</li> <li>100% of participants said they would recommend this training to others.</li> </ul>
Bangladesh Foreign Employment Regulatory & Legal Frameworks	49	<ul> <li>75% of participants found the information directly applicable to their work.</li> <li>87% improved their understanding of bodies responsible for protecting migrant workers.</li> <li>75% acquired new knowledge about Bangladesh's foreign employment regulations.</li> </ul>

# Building responsible and ethical partnerships in India's global supply chains: a supplier capability-building programme

In 2024, we launched a capability-building programme for suppliers in India, to help them adopt policies and practices related to business and human rights and HRDD. The programme is supported by Unilever and other AIM-Progress members (ABF, Danone, Carlsberg, Coca Cola, PepsiCo, and The Hershey Company) and facilitated by the Centre for Responsible Business in partnership with Quizrr. The training, which began in August 2024 and will run through to April 2025,

covers legislative requirements for businesses relating to forced labour and broader HRDD and the steps required to carry out effective HRDD. Further information can be found here.

In addition to the six webinars, participants attended an in-person event held in December in Bangalore with keynote presentations from the Government of India and business and human rights experts. We will share findings from this programme in our next Statement.

# Strengthening the HRDD capability of our suppliers

In 2024, our Procurement team partnered with an external provider to strengthen suppliers' human rights due diligence processes and improve workers' ability to access their rights.

Facilitated by a local implementing partner, the programme follows six key steps:

- Step 1: Baseline assessment- gathering data to determine the supplier's maturity rating, as well as indicators of job quality and worker confidence, using worker engagement tools deployed by <a href="https://www.www.eman.com/w
- Step 2: Supplier engagement reviewing findings from the baseline assessment and engaging in dialogue on ways to address identified potential and actual impacts.
- Step 3: Management training building their capability on effective HRDD (using Quizrr).

- Step 4: Worker training increasing workers' understanding of their rights (using Quizrr).
- Step 5: Supplier develops and implements improvement plan.
- Step 6: Endline impact assessment evaluating improvements made.

In 2024,the programme was launched in Thailand, India, Mexico and Brazil as a pilot before scaling it up. Across 25 participating sites, over 4,700 workers were reached through worker engagement tools deployed by &Wider and 60 decibels. These sites will continue working through the programme and expand it to an additional 25 sites in 2025, including in Thailand, the Philippines, Vietnam and Turkey. We will provide an update on this programme and findings to date in our next Statement.

## Using technology to amplify engagement with workers

In July 2023, a collaborative partnership was launched with Coca-Cola, IOM, <u>diginex</u> and Unilever, aided by financial support from the <u>Bonsucro Impact Fund</u>. This 18-month project focuses on strengthening human rights due diligence and promoting decent work in Thailand's sugarcane supply chain using new technology and multi-stakeholder engagement.

This year the programme has encouraged workers in the sugarcane sector to provide insights into their experiences and day-to-day work life. Diginex is

using this information to help build a comprehensive understanding of the challenges workers face. The survey data is also helping to identify how factors such as gender, migration status, and other variables may influence their potential exploitation.

Key recommendations are being shared with industry stakeholders to influence policy development. Further updates on this project and its progress will be shared in 2025.

# Eradication of forced labour guidance and tools

In addition to the capability-building programmes described above, we continue to signpost guidance and tools that can be accessed by business partners. In 2025, we will be developing a digital capability building platform to guide suppliers to external resources that will support them to build on their understanding of human right issues, including forced labour.

Following an IOM review in November 2023 of our Building a Responsible Recruitment System training and guidance on the Repayment on Recruitment Fees and Related Costs (available via our RPP Implementation Guidance), we strengthened these resources in 2024 to align with updated best practice and international standards.

We also share outputs and recommendations with our peers to support industry-wide improvements in detecting forced labour. In January 2024 we presented the findings of an assessment carried out by Control Risks with the Aim-Progress Responsible Recruitment Working Group and also shared them with Sedex. The assessment reviewed the effectiveness of SMETA auditing guidelines in identifying issues relating to migrant worker recruitment in the Gulf Cooperation Council (GCC). In addition, we shared our experiences and learnings from other work in forums including AIM-Progress, the Consumer Goods Forum (CGF) and at the Institute for Human Rights and Business (IHRB) Global Forum for Responsible Recruitment in 2024.

# Industry platforms working on eradication of forced labour

Along with our work on training, capability building and guidance materials, we actively engage in multistakeholder platforms including the CGF, World Business Council for Sustainable Development, the International Organisation of Employers, and the UN Global Compact. These platforms enable us to contribute to industry-level change on a wide range of topics including addressing forced labour.

We are also members of the Leadership Group for Responsible Recruitment, which works closely with the World Employment Confederation to encourage improved governance of recruitment processes, particularly in countries with poor or non-existent legislation that protects workers migrating to other states for employment.

The transport sector is a network of global value chains which we know is vulnerable to forced labour and the trafficking of people. We continue to engage with the Road Transport Due Diligence Foundation ('RTDD') on worker-centred supply chain monitoring using innovative approaches that are tailored to the unique needs of workers in the European road transport sector.

# Remediating forced labour impacts

Once an actual impact to people is identified (including relating to forced labour), we work to address it, including supporting our partners to remediate it, verify remediation and put appropriate processes in place to seek to prevent the issue from happening again.

#### Our own operations

Our market-based Business Integrity Committees are responsible for the timely investigation of all alleged or suspected Code breaches by a Unilever employee. If a report is received, we formally acknowledge it and encourage the reporter to engage in the investigation process. Our aim is to provide transparency of the progress and anticipated completion. The full process is outlined on <u>Unilever.com</u>.

#### Our value chain

In 2024, we aligned with the updated Sedex SMETA 7.0 methodology to ensure consistency with industry best practice. This means that where a "Business Critical" issue is identified during the audit of a business partner (including those relating to forced labour), we expect a CAP to be created within seven days. When issues related to the payment of recruitment fees have been identified, we expect business partners to repay workers. In addition, we expect that any outstanding debts owed by an employee to either a supplier or recruitment agency are settled by the supplier.

We also require and guide suppliers to put policies and systems in place to ensure the issue is not repeated, referring them to publicly available guidance including how to build a responsible recruitment system.

The following section includes updates on remediation processes that were initiated in 2023 to share further lessons on effective verification of repayment fees repaid to workers.

#### Repayment verification - one year on

In 2023, we shared details of a recruitment fee repayment process that we were supporting one of our suppliers to deliver (see page 14 of our 2024 Modern Slavery Statement). Since our last Statement, we commissioned Impactt, a human rights consultancy, to verify the remaining payments that were made between July to December 2023. This verification process found that 100% of payments to the 155 eligible current workers had been made.

By the end of 2024, the amount paid since the beginning of this repayment verification project totalled USD 692,514.00. Impactt engaged with workers to understand how the repayment had benefited them. 80% of workers indicated that they found the money helpful and that they would be able to save a little more money monthly, better support their families, repay loans, buy land, build or renovate their own homes or pay for children's school fees. Additionally, 13% used the money for essential monthly expenses such as food.

The research also highlighted the importance of considering the long-term impact that repayments might have on workers. Since repayments were made in installments over the past three years, workers who came to rely on this additional income may face financial challenges when the installments end, therefore having a negative impact on their livelihoods. Improving dialogue between workers and managers is essential to help workers prepare for when the installment payments are completed.

We have been supporting the supplier to strengthen their grievance mechanisms processes, with technical input from Oxfam. We will follow up with the supplier in 2025 to understand the impact that these changes have had for workers and their employer.

# Evaluating the impact on workers of fee remediation - one year

Having supported suppliers through the process of reimbursing recruitment fees to migrant workers, we wanted to gain a clearer understanding of the impact this process has had on workers. We shared details in our 2024 Modern Slavery statement (see page 15) about the methodology to evaluate the impact of fee remediation on workers, which was carried out in 2024. The suppliers involved completed repayment of fees to workers within our supply chain of over GBP200,000 in 2023.

We commissioned <u>Ergon</u> to conduct the study, involving migrant workers employed by our suppliers in Malaysia and Thailand, as well as engaging with their families. Across four supplier sites, Ergon interviewed 75 workers from Nepal, Myanmar and Laos who had paid recruitment fees. In some cases, workers had borrowed money to pay recruitment fees, with interest rates as high as 15% of the loan value. All the workers interviewed had been repaid by the supplier, either in one lump sum or in instalments. Workers shared testimonies about the positive impact of the fee repayments, with some using the money to support with family expenses, savings or children's education, while others purchased land or built houses.

We have learned many lessons from this study about the reimbursement process. Some workers reported that they did not fully understand why repayments were being made, while others were unclear how the supplier had calculated the amount given to each worker. There were also reports that some workers were not involved in the consultative process as some workers spoke better Malay than others, meaning workers had to rely on second-hand translations from their peers. Workers expressed a preference for receiving the repayment as a lump sum rather than monthly instalments and reported that the amount repaid did not factor in inflation or interest, leading to a shortfall.

Alongside the reimbursement process, all four suppliers have thoroughly revised their policies and contracts with recruitment agencies to make clear that they do not expect workers to pay any fees. A detailed case study of this work can be found at <u>Unilever.com</u>.

# Monitoring effectiveness and impact

In 2024, we developed a human rights impact measurement framework to clarify the effectiveness of our work, inform decisions on the future direction of programmes and ensures consistent measurement over time. This framework draws on the indicator framework developed collaboratively through AIM-Progress. The relevant sections relating to forced labour have been outlined below. These replace the KPIs reported in <u>our previous Modern Slavery Statements</u>.

#### Human Rights Due Diligence element

#### **Expected impact**

#### Indicator

#### Update

Governance

Improve awareness of human rights risks and issues at senior level. Reporting of human rights risks to the CRC.

We carried out a deep dive on human rights for the CRC in May, including on our approach to addressing forced labour impacts.

**Identify Risk** 

Improve visibility and understanding of potential and actual human rights impact.

- Number of forced labour related issues identified through audits of business partners' sites.
- % of audit findings that are "Business Critical" (previously known as Key Incidents).
- 94 number of forced labour related findings.
- ~18% which αre Business Critical.

Implement measures to prevent and mitigate impact Increase knowledge, skills and practice that drives respect for human rights and reduces occurrence and/ or severity of impact, including those relating to forced labour.

- Description of engagement in multistakeholder initiatives and key deliverables of the partnerships.
- Description of engagement with business partners.
- Our engagement in multistakeholder initiatives are evidenced throughout this Statement. We have standardised our data collection process, enabling more consistent and comparable reporting disclosures over time.
- Programmes that support our business partners in strengthening their HRDD can be found on page 9.

Remedy

Remediate impact on rightsholders.

- Amount of recruitment fees repaid.
- Number of workers that were reimbursed for recruitment fees.
- Repayments of MYR 1,150,017.28 verified in 2024 (see case study on page 11).
- In 2024, GBP 43,000 was repaid to workers by business partners for fees paid which were identified in audits.

# Looking ahead

We will continue to strengthen our engagement with rightsholders in 2025 – including those directly affected by modern slavery. We will do more to hear about their experiences to better shape interventions informed by their needs and perspectives, supported by a pilot implementing our rightsholder engagement playbook within our plastics value chain. We understand the importance of collaboration to enhance the overall effectiveness and scale of our programs, fostering a fairer, more socially inclusive world.

Key plans for our work in 2025 include:

- Continuing to work with implementing partners to expand the supplier development programme that aims to strengthen their approach to HRDD.
- Developing a digital capability building platform for suppliers to access public guidance and resources on addressing forced labour. This platform will serve as an open-source resource hub that can be used by our business partners to increase their understanding of a broad range of human rights issues and access tools to support them in strengthening their systems and processes and remedying impact where appropriate.
- Convening a working group to evaluate the intersectionality of forced labour and other human rights with climate change, better understand the connections and underlying trends and to align our strategies for addressing impacts holistically.

Fernando Fernandez

Chief Executive Officer, Unilever

This Statement has been approved by the Unilever PLC Board at its meeting on 4th March 2025.

# **Appendix**

#### Audit findings relating to forced labour indicators

#### **Definition of Business-Critical issues**

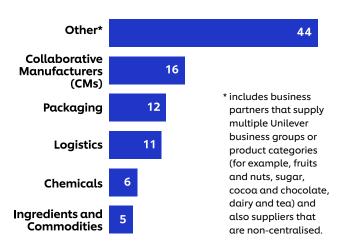
Unilever defines the most severe non-conformances as "Business Critical" issues. A Business-Critical Incident typically represents a significant risk to life or injury, or a significant human rights contravention. These are escalated to Unilever within 24 hours by the auditors and require the creation of a CAP within seven days. As with all non-conformances, a follow-up audit is required within 90 days to confirm that the actions taken have been sufficient to remediate the identified issues. The nature of some Business-Critical Incidents means it may not be possible to close them within this timeframe before the follow-up audit, because capital investment or significant changes are needed. In such cases, the supplier will need to develop an interim plan to reduce the risk until a permanent solution can be put in place. The Business-Critical Incident will continue to be recorded as 'open' until fully remediated.

#### Forced labour key data

#### Issue versus RPP mandatory requirement

#### Contracts in a Documents/ language workers papers not understand retained Verification **Employer pays** of legal principle (EPP)1 status of workers Controls on workers' freedoms<sup>2</sup> 12 Controls of 13 the supplier's recruitment Policies and agencies procedures in place

#### Non-conformances by business area



#### Forced labour key data

non-conformances related to forced labour identified by auditors at business partners' sites during 2024.

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#### **Location of non-conformances**

During 2024 by region.



#### 1. EPP findings:

- 6 cases related to delays of payments to workers when they left their employment.
- 14 cases related to migrant workers paying fees or employment costs to agents in their own or host country for the opportunity to be employed by the company.
- 6 cases related to workers paying fees or deposits when commencing employment.
- 7 cases related to notice requirements or financial penalties for workers when they left their employment.
- 16 cases related to monetary deposits required for work tools, PPE or training.

#### 2. Controls on Workers' freedoms findings:

- 8 cases related to penalties if a worker refused to work overtime.
- 1 case related to freedom of movement and workers being confined to the facility's premises.