

Unilever Human Rights Case Study

Remedying Issues

September 2024

Forced labour is one of Unilever's salient human rights issues and we have a clear action plan to address risks and issues associated with modern slavery that are identified throughout our value chain (for details please see our [2023 Modern Slavery Statement](#)). One area of intervention that makes up our action plan on modern slavery is engagement with workers to better understand their experiences so that we can make improvements to the way that we detect, prevent, and resolve issues.

This year we commissioned [Ergon](#) to carry out a study of migrant workers that are employed by our suppliers based in Malaysia and Thailand, as well as their families to understand the impact that paying recruitment fees to secure their job has had on their lives.

“It was a very difficult period for us. Some of our friends who were in better financial situations would help us out with our monthly expenses. But you never feel good, and you are anxious all the time about making money and paying your loans. We thought when we first came to Malaysia that we would be back in Myanmar in 2 years. But, because of the loans, we ended up staying a lot longer. And we are still here.”

Burmese worker from a supplier in Malaysia

Across four supplier sites, 75 workers from Nepal, Myanmar and Laos that had paid recruitment fees were interviewed. In some cases, workers had borrowed money to pay recruitment fees, with interest rates up to as much as 15% of the value of the loan. All the workers interviewed were repaid by the supplier in one lump sum or via installments. Workers shared testimonies about the impact that their repayment had - some gave money to their families to support with expenses, savings or children's education and some purchased land or built houses with repaid funds.

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, whilst 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 and therefore created a shortfall. We are reviewing these learnings and looking at how we can improve our guidance to suppliers in future situations.

Alongside the reimbursement process, all four suppliers have thoroughly revised their policies and contracts with recruitment agencies to ensure that workers are not made to pay any fees. One supplier has also improved advertising and recruitment processes to make clear that fees should not be paid by workers throughout the process.

A detailed summary of this study can be found on [Unilever.com](#) (look for 'Impact of fee repayment – Summary of lessons and findings') and more information about our work to address modern slavery risks and issues can be found in our [Modern Slavery Statements](#).

This case study includes information relating to the following UN Guiding Principles Reporting Framework questions:

A2.4 | A2.5 | B1 | B4 | C1.1 | C2.1 | C2.2 | C2.3 | C3.1 | C3.2 | C5.1 | C6.3 | C6.4 | C6.5