



Unilever

# UNILEVER RESPONSIBLE SOURCING POLICY

WORKING IN PARTNERSHIP  
WITH OUR SUPPLIERS

2017 | ENGLISH VERSION

# INTRODUCTION

Partnerships based on responsible sourcing strengthen our supply chain and the businesses within it. They help us mitigate risk and build trust among consumers and stakeholders.

Unilever's Responsible Sourcing Policy (RSP) was updated in 2017 to reinforce our commitment of working together with our suppliers towards a long-term, sustainable and successful future for all parties. The RSP is instrumental in ensuring we deliver our business objectives while making a positive social impact on the lives of millions of people in our supply chains around the world and reducing our environmental impact. **These ambitions were at the core of our Unilever Sustainable Living Plan (USLP) and underpin our Compass strategy going forward.**

The RSP includes a set of Mandatory Requirements which all our suppliers need to meet to be able to do business with Unilever. Beyond this, we encourage our suppliers to move from the Mandatory Requirements, to Good Practice, and onwards to Best Practice – Unilever is committed to work with our suppliers on this journey of continuous improvement.

We strongly believe that this journey will benefit both Unilever and our supplier partners – by helping communities and the environment flourish, we create the right conditions for sustainable business growth.

**Dave Ingram**  
*Chief Procurement Officer*

**Kim Morgan-Verlaque**  
*Chief Business Integrity Officer*



# UNILEVER RESPONSIBLE SOURCING POLICY



## THE FUNDAMENTAL PRINCIPLES

Every aspect of this policy is focused on achieving and upholding the Fundamental Principles, which are both the foundation and vision to realise our responsible business ambitions. As we work with suppliers who share and commit to these Principles, within their own business and across their extended supply chain, we will be able to effect change.

The Principles are not a Unilever 'creation'. They are anchored in internationally recognised standards.

We endorse the UN Guiding Principles on Business and Human Rights and are embedding them throughout our operations. In line with the Fundamental Principles, we base our Human Rights commitment on the International Bill of Human Rights consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights; and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We support the OECD Guidelines for Multinational Enterprises and resulting commitments to compliance with applicable laws, and to fighting corruption in all its forms.

The same approach is reflected in our other third party compliance materials, notably our Responsible Business Partner Policy.

### EVALUATION AND ASSESSMENT

The 2017 Unilever Responsible Sourcing Policy (RSP) updates our previous 2014 Unilever Responsible Sourcing Policy. Unilever will verify alignment to and implementation of the RSP's Mandatory Requirements through the use of supplier self-declaration, online assessments and – for designated high-risk countries and supplier types – independent verification including third-party audits.

The implementation process will encompass a process suitable for small businesses as well as large businesses with well-established compliance programmes.

### THE FUNDAMENTAL PRINCIPLES ARE:

1. **Business is conducted lawfully and with integrity**
2. **Work is conducted on the basis of freely agreed and documented terms of employment**
3. **All workers are treated equally and with respect and dignity**
4. **Work is conducted on a voluntary basis**
5. **All workers are of an appropriate age**
6. **All workers are paid fair wages**
7. **Working hours for all workers are reasonable**
8. **All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively**
9. **All workers' health and safety are protected at work**
10. **All workers have access to fair procedures and remedies**
11. **Land rights of communities, including indigenous peoples, will be protected and promoted**
12. **Business is conducted in a manner which embraces sustainability and reduces environmental impact**

# UNILEVER RESPONSIBLE SOURCING POLICY



## CONTENTS

Unilever strives to conduct its operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees. We similarly respect the legitimate interests of those with whom we have relationships. Our reputation is an asset, as valuable as our people and our brands. We expect the highest standards of behaviour from all our employees, suppliers, their workers and those with whom we do business. By becoming a supplier, you are stating that you share the values embodied in the Fundamental Principles.



## SECTION 1

# MANDATORY REQUIREMENTS FOR DOING BUSINESS WITH UNILEVER

# UNILEVER RESPONSIBLE SOURCING POLICY



## MANDATORY REQUIREMENTS FOR DOING BUSINESS WITH UNILEVER

In this section, we describe the Mandatory Requirements relevant to each of the Fundamental Principles which our suppliers must achieve to establish and maintain a business relationship with Unilever.

We require all suppliers who work with or for Unilever to respect and comply with these Mandatory Requirements.



1.

### BUSINESS IS CONDUCTED LAWFULLY AND WITH INTEGRITY

#### Compliance with Laws

All laws and regulations are complied with in the countries in which the supplier operates. All other applicable international laws and regulations are complied with including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), data protection and anti-trust/competition laws.

#### Bribery

There is a prohibition on any and all forms of bribery, corruption, extortion or embezzlement and there are adequate procedures in place to prevent bribery in all commercial dealings undertaken by the supplier.

#### Conflicts of Interest

All and any conflict of interest in any business dealings with Unilever, of which the supplier is aware, will be declared to Unilever to allow Unilever the opportunity to take appropriate action. Any ownership or beneficial interest in a supplier's business by a government official, representative of a political party or a Unilever worker are declared to Unilever prior to any business relationship with Unilever being entered into.

#### Gifts and Hospitality

Any business entertaining or hospitality with Unilever is kept reasonable in nature, entirely for the purpose of maintaining good business relations and not intended to influence in any way Unilever's decisions about how Unilever awards future business. Gift giving should occur sparingly and always be legitimate and aligned with company policies.

#### Confidential and Competitor Information

All competitor information is obtained and used legitimately and in compliance with all applicable laws and regulations. No attempt is made to divulge to Unilever any information about its competitors. Likewise, Unilever's confidential information must not be shared with any third party unless expressly permitted by Unilever.

#### Financial Records, Money Laundering and Insider Trading

All business and commercial dealings are transparently performed and accurately recorded in the supplier's books and records. There is no actual or attempted participation in money laundering. No confidential information in the supplier's possession regarding Unilever is used to either engage in or support insider trading.

# UNILEVER RESPONSIBLE SOURCING POLICY



## Safeguarding Information and Property

Unilever's confidential information, know-how and intellectual property is respected and safeguarded. All information provided by Unilever that is not in the public domain is deemed confidential and it is only used for its intended and designated purpose. All and any personal information about individuals, such as Unilever's consumers or employees, is handled with full respect for the protection of their privacy and for all relevant privacy laws and regulations.

## Product Quality and Responsible Innovation

Products and services are delivered to meet the specifications and quality and safety criteria specified in the relevant contract documents and are safe for their intended use. Research and development are conducted responsibly and based on good clinical practice and generally accepted scientific, technological and ethical principles.

## Reporting Concerns and Non-retaliation

All workers (whether directly employed or not) are provided with means by which to raise their concerns about any of these requirements and processes are in place to ensure that workers who raise concerns and speak up in good faith are protected from retaliation.



## 2. WORK IS CONDUCTED ON THE BASIS OF FREELY AGREED AND DOCUMENTED TERMS OF EMPLOYMENT

All workers, both permanent and casual, are provided with employment documents that are freely agreed and which respect their legal and contractual rights.



## 3. ALL WORKERS ARE TREATED EQUALLY AND WITH RESPECT AND DIGNITY

All workers are treated with respect and dignity. No worker is subject to any physical, sexual, psychological or verbal harassment, abuse or other form of intimidation. There is no discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement. Discrimination based on race, ethnicity, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, pregnancy, dependants, disability, social class, union membership or political views is prevented. In particular, attention is paid to the rights of workers most vulnerable to discrimination.



## 4. WORK IS CONDUCTED ON A VOLUNTARY BASIS

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.

# UNILEVER RESPONSIBLE SOURCING POLICY



## 15+ 5. ALL WORKERS ARE OF AN APPROPRIATE AGE

Under no circumstances will a supplier employ individuals under the age of 15 or under the local legal minimum age for work or mandatory schooling, whichever is higher. When young workers are employed they must not do work that is mentally, physically, socially or morally dangerous or harmful or interferes with their schooling by depriving them of the opportunity to attend school.

## 6. ALL WORKERS ARE PAID FAIR WAGES

All workers are provided with a total compensation package that includes wages, overtime pay, benefits and paid leave which meets or exceeds the legal minimum standards or appropriate prevailing industry standards, whichever is higher, and compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.

## 7. WORKING HOURS FOR ALL WORKERS ARE REASONABLE

Workers are not required to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. All overtime work by workers is on a voluntary basis.

## 8. ALL WORKERS ARE FREE TO EXERCISE THEIR RIGHT TO FORM AND/OR JOIN TRADE UNIONS OR TO REFRAIN FROM DOING SO AND TO BARGAIN COLLECTIVELY

The rights of workers to freedom of association and collective bargaining are recognised and respected. Workers are not intimidated or harassed in the exercise of their right to join or refrain from joining any organisation.

## 9. ALL WORKERS' HEALTH AND SAFETY ARE PROTECTED AT WORK

A healthy and safe workplace is provided to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the employer's operations.

## 10. ALL WORKERS HAVE ACCESS TO FAIR PROCEDURES AND REMEDIES

All workers are provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties which may arise as part of their working relationship.



# UNILEVER RESPONSIBLE SOURCING POLICY



11.

**LAND RIGHTS OF COMMUNITIES, INCLUDING INDIGENOUS PEOPLES, WILL BE PROTECTED AND PROMOTED**

The rights and title to property and land of the individual, indigenous people and local communities are respected. All negotiations with regard to their property or land, including the use of and transfers of it, adhere to the principles of free, prior and informed consent, contract transparency and disclosure.



12.

**BUSINESS IS CONDUCTED IN A MANNER WHICH EMBRACES SUSTAINABILITY AND REDUCES ENVIRONMENTAL IMPACT**

Operations, sourcing, manufacture, distribution of products and the supply of services are conducted with the aim of protecting and preserving the environment.





## SECTION 2

# REPORTING ON BREACHES

## REPORTING ON BREACHES

1. Any failure to comply with this Policy (including any failure by a worker of Unilever or anyone acting on behalf of Unilever) of which the supplier is aware should be reported to Unilever as soon as possible. Failure to do so will be a breach of this RSP.
2. We strongly support a culture of speaking up for both suppliers and their workers without fear of retaliation against those who report actual or suspected breaches.
3. Suppliers, their employees, workers or contractors may report actual or suspected breaches of this RSP to Unilever by phone or online. Reports can be submitted confidentially and anonymously (where permitted by law). For more information, click on [Raise a Concern](#)
4. Unilever will investigate any concern raised and discuss findings with the supplier. The supplier shall assist with any such investigation and provide access to any information reasonably requested.
5. If remediation is required, the supplier will devise and inform Unilever of their corrective action and implementation plans and timeline to effectively and promptly resolve the breach.

### IMPLEMENTATION TIPS

- Familiarise yourself and your employees with the RSP and how to report suspected breaches to Unilever.
- Speak to your Unilever Procurement or Social Accountability contact to discuss any areas you don't understand.
- Review your current practices against the Policy to ensure you are not at risk of any breaches of the Policy.



## SECTION 3

# CONTINUOUS IMPROVEMENT GUIDELINES AND TIPS

## CONTINUOUS IMPROVEMENT GUIDELINES AND TIPS

This section contains guidelines and tips relating to all the Fundamental Principles encompassed in the RSP for Mandatory, Good and Best Practice to assist suppliers as their organisations move up the continuous improvement ladder.

- Guidelines are our recommendations for the implementation of a comprehensive and robust process to help meet our Mandatory Requirements for compliance.
- These Guidelines can also help suppliers achieve Good and Best Practice within a reasonable timeframe. We will continue to share best practices and updated guidance with our suppliers to help them reach this level. Likewise, we always value receiving suppliers' collaborative input.
- These Guidelines are comprehensive but not exhaustive. They comprise the critical elements of what is generally advisable to reach Mandatory Requirements and to progress toward Good and Best Practice.

Throughout this section, the implementation tips are provided as additional information and recommendations to help Unilever's suppliers comply with the RSP. Independent input from suitable professionals should be obtained where assistance is required. In particular, the tips do not constitute legal advice and do not relieve suppliers of their obligations to consult legal professionals, as appropriate, on contractual terms and obligations, and on how to comply with all laws and regulations relevant to them in the countries where they operate. In addition, the tips do not preclude the supplier from going beyond what is suggested.



# 1.

## BUSINESS IS CONDUCTED LAWFULLY AND WITH INTEGRITY

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 1.1. Procedures to ensure that all applicable laws and regulations are complied with by the supplier and its workers are tailored to the size and risk profile of the business.
- 1.2. Senior management are engaged and have oversight of the content and implementation of their compliance framework.
- 1.3. There is a clear commitment to zero tolerance of bribery or corruption in all forms.
- 1.4. A regular risk assessment is undertaken to identify key compliance risks.
- 1.5. Clear and effective internal training and/or guidelines are in place to embed a culture of integrity and mitigate key risks, for example; on gifts and hospitality, conflicts of interest, handling competitor information and anti-competitive behaviour. Such guidelines are readily available to the supplier's workers.
- 1.6. Appropriate due diligence checks are conducted in respect of third party relationships, whether new or ongoing, to ensure they meet equivalent standards.
- 1.7. Non-compliance by the supplier's workers with any applicable law, regulation or policy is subject to appropriate sanctioning and remedial procedures.

- 1.8. Financial procedures ensure the proper recording of all financial transactions, and facilitate the identification of any suspected money laundering activities. They ensure that no undisclosed or unrecorded account, fund or asset is established or maintained.
- 1.9. Procedures and mechanisms are in place to ensure that all confidential information, whether business or product related, is safely stored with limited access rights on a need-to-know basis only.
- 1.10. Procedures are in place to ensure that any product quality or safety concerns originating from the supplier or its supply chain are notified to Unilever without delay.
- 1.11. As part of a culture of promoting speaking up, there is zero tolerance for retaliation and the anonymity of persons wishing to raise concerns is protected to the extent permitted by law.

## ADVANCING TO GOOD PRACTICE

- 1.12. A Code of Conduct, guidelines, policies and/or training covering each of the elements of this RSP are in place and readily available to workers.
- 1.13. There are procedures to communicate, monitor and measure the effectiveness of the Code of Conduct, guidelines, policies and/or training.
- 1.14. Preventive and remedial measures are taken to address adverse impacts that are directly linked to the supplier's operations, products or through business relationships.

- 1.15. The supplier has in place a code of conduct or responsible sourcing policy for its direct suppliers, consistent with the requirements of this RSP. In addition, there is a process to communicate this to all of its direct suppliers and to monitor compliance by these direct suppliers.
- 1.16. Suppliers' executive management and leaders are held accountable for compliance and conducting business with integrity, with individual sanctions applied as appropriate to a fair and consistent standard.
- 1.17. Workers have multiple grievance channels available to them.
- 1.18. Procedures have been developed to investigate grievances.

## ACHIEVING AND MAINTAINING BEST PRACTICE

- 1.19. Additional steps are taken to continuously improve the effectiveness of relevant policies and processes, in consultation with key stakeholders, and thereby:
  - i. ensure all relevant risks of non-compliance with laws are addressed;
  - ii. affirm the responsibility for the implementation of such policies by the board of directors or equivalent body;
  - iii. extend training to contractors and suppliers as appropriate; and
  - iv. enable independent assurance.
- 1.20. Suppliers' third party business partners are able to raise concerns anonymously.
- 1.21. The supplier is prepared to take a public position on ethical issues and engage in collective action where appropriate.

## IMPLEMENTATION TIPS

- Compliance materials should clearly set out what is expected of the workers, in a language they understand.
- Ensure clear senior management buy-in and a strong tone from the top.
- Allocate resources consistent with actual risks faced.
- Regularly evaluate business practices for compliance gaps, if appropriate using external professional support.



## 2. WORK IS CONDUCTED ON THE BASIS OF FREELY AGREED AND DOCUMENTED TERMS OF EMPLOYMENT

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 2.1. The key components of the employer/worker relationship such as hours, overtime, pay, benefits, leave, disciplinary and grievance systems are: (i) freely agreed by both parties; (ii) documented in writing; and (iii) signed by the employer and worker.
- 2.2. Suppliers shall ensure that the terms and conditions of employment contracts are in a language understood by the worker and are explained verbally if required.
- 2.3. Changes are agreed in writing by both employer and worker.

### ADVANCING TO GOOD PRACTICE

- 2.4. Key management functions such as hiring, grievances, discipline, promotion and termination have clear policy frameworks, procedures for implementation and trained staff responsible for implementing them. Appropriate documentation is kept.
- 2.5. These policies and procedures are explained to workers upon hiring and contained in a workers' manual, and workers are trained to understand and use them.

2.6. Ongoing training practices are provided for all categories of workers to raise and broaden their skills to enable them to advance in their employment.

## ACHIEVING AND MAINTAINING BEST PRACTICE

2.7. There is a clear and transparent system of worker and management communication that enables workers to consult and have an effective dialogue with management.

2.8. Short-term, casual or agency workers are regularised where the work involved is clearly of a regular nature and is required all year round.

2.9. These employment relation policies and procedures are reviewed periodically and any necessary improvements are made to ensure that all categories of workers, regardless of contract status, have the same rights and entitlements at work. Special attention is paid to short-term, casual and agency workers and to vulnerable groups such as women, migrants, the disabled, legal young workers and interns/trainees to ensure such workers have exactly the same entitlements as full-time local workers.

2.10. The Human Resources function ensures legal compliance throughout the employment relationship and develops, motivates, recognises and rewards workers and engages in social dialogue.

## IMPLEMENTATION TIPS

- *Workers' employment contracts should contain all necessary information so that the worker knows what is expected. The contracts should be explained to workers in a language they can understand. Employment contracts should be agreed and signed by the workers and the supplier.*
- *Policies and procedures should be developed on all key aspects of the employment relationship.*
- *Develop a worker handbook which includes the employment policies and procedures. Provide training for all workers so they know how the policies and procedures apply to them.*
- *Ensure all workers receive equal treatment regardless of their contract type. This includes short-term and agency workers, women, migrants, disabled and young workers.*





## 3. ALL WORKERS ARE TREATED EQUALLY AND WITH RESPECT AND DIGNITY

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 3.1. Policies that prohibit discrimination of any form on the basis of race, ethnicity, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, pregnancy, dependants, disability, social class, union membership or political views are in place, and there are procedures to implement them.
- 3.2. These policies highlight actions to protect the rights of any worker considered vulnerable to discrimination.
- 3.3. Pregnancy testing or other forms of health screening that might result in discrimination are not tolerated (except when such health tests are mandated under local laws).

### ADVANCING TO GOOD PRACTICE

- 3.4. Selection criteria for all human resource decisions are objective and transparent and controls are in place to prevent arbitrary decisions.
- 3.5. Staff members responsible for hiring, paying, training, promoting, disciplining and terminating workers are trained to avoid discrimination in the exercise of their duties.

3.6. All workers and their managers are trained to recognise and prevent harassment, abuse and other forms of intimidation.

3.7. Managers, frontline supervisors, production staff, quality controllers and guards are trained to avoid discrimination.

### ACHIEVING AND MAINTAINING BEST PRACTICE

- 3.8. Human Resources records are kept and data analysed to ensure that equality is achieved in practice.
- 3.9. Regular assessments are conducted and any gaps or shortcomings identified are addressed through an action plan with measurable outcomes.
- 3.10. Specific and measurable targets for achieving equality between women and men are set and affirmative action is taken to attain them.
- 3.11. Programmes addressing the needs of the most vulnerable workers, such as flexible time options, child and dependant care, and mentoring programmes are in place.



## IMPLEMENTATION TIPS

- Communicate your non-discrimination policy. Ensure that all workers regardless of contract type are treated with respect.
- Make certain that discrimination based on race, ethnicity, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, pregnancy, dependants, disability, social class, union membership or political views is prevented when making hiring, compensation, advancement or discipline decisions, including termination.
- Provide training to ensure that managers including supervisors and guards understand how to carry out their functions without discriminating.
- Test your policy and training effectiveness by collecting and analysing human resource data, looking for possible areas of discrimination.



## 4. | WORK IS CONDUCTED ON A VOLUNTARY BASIS

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 4.1. There are hiring policies, procedures and trained staff to ensure that workers are entering into employment freely and equally and that they are never prevented from leaving if they so wish.
- 4.2. Workers have freedom of movement and are not confined to the supplier's premises, including dormitories or provided housing.
- 4.3. Workers are not required to surrender their identification papers. Where the retention of identification papers is legally required, arrangements are made to ensure that workers can access their identification papers, are not prevented from leaving the workplace and that their papers are returned immediately upon cessation of employment.
- 4.4. Workers should not be required to pay a fee in connection with obtaining employment (including migrant workers or recruited workers supplied through an agency). Suppliers should be responsible for payment of all fees and expenses. Workers are not required to pay deposits in relation to their employment.

### ADVANCING TO GOOD PRACTICE

- 4.5. To the extent possible, workers are hired directly and transparently, or only through recruitment agencies that have developed policies and strategies to combat trafficking and forced labour.
- 4.6. Voluntary prison labour may be used when prisoners are being rehabilitated or trained in preparation for release and where their terms and conditions of employment are similar to those in the open labour market.

### ACHIEVING AND MAINTAINING BEST PRACTICE

- 4.7. Recruitment of migrants includes full transparency about terms, conditions and any employment costs, and the migrants are informed about the labour laws applicable in the place of work prior to granting their written consent.
- 4.8. Policies, procedures and training are regularly reviewed to ensure that they are effective in preventing forced labour.

## IMPLEMENTATION TIPS

- Have clear processes to ensure that workers have freedom of movement and are not confined to facilities premises, including worker accommodations where provided.
- If you use labour brokers or agencies to supply workers, ensure that you fully understand their policies and procedures and know that they are not using forced or trafficked labour. Verify that workers do not pay fees to secure employment contracts and that they were correctly informed of the terms and conditions of the job they received and are aware of all costs.

## 15+ 5. | ALL WORKERS ARE OF AN APPROPRIATE AGE

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 5.1. An employment policy is in place specifying the minimum age for employment, together with effective procedures and means of age verification to implement this policy.
- 5.2. Responsible remedial measures are immediately implemented whenever any breach of that policy is identified.
- 5.3. In all circumstances the health and safety of young workers are considered and protected. This protection should preclude them from certain types of work such as hazardous or night work and requires extra care and commitment.
- 5.4. The goals and requirements set out in the International Labour Organization Worst Forms of Child Labour Convention are met.
- 5.5. The goals and requirements set out in the International Labour Organization Minimum Age Convention are met, including those regarding minimum age, appropriate types of work for young workers, hours of work, health and education concerns.
- 5.6. Policies clearly state that individuals under the age of 15 are not allowed on work premises where hazards may exist.

## ADVANCING TO GOOD PRACTICE

- 5.7. All relevant supervisors are trained to respect the provisions for young workers, apprentices and interns, especially with respect to hours of work, night shifts, weekend work and heavy or dangerous work.
- 5.8. Periodic health screening of juvenile workers, apprentices and interns is provided.

## ACHIEVING AND MAINTAINING BEST PRACTICE

- 5.9. For any adverse impact on children's rights beyond those stipulated by law (such as but not limited to children's rights to care, protection, education and development) which are caused or contributed to by the supplier directly or indirectly through labour agencies, remedial action shall be provided by the supplier, through legitimate processes, or the supplier shall co-operate with such action.
- 5.10. The effectiveness of the supplier's system is regularly monitored to prevent the hiring of minors and to check the adequacy of efforts to protect children's rights.

### IMPLEMENTATION TIPS

- **Age verification for job applicants is an important step in ensuring that you do not hire under-age workers. Document your process.**
- **If you use contract labour, ensure that your agency also has an age verification process.**
- **Extra care should be taken when hiring legally authorised young workers. Your policies, procedures and training both for workers and management should comprehend the additional steps needed to safeguard young workers.**
- **When hiring young workers, keep in mind the impact of their working on family life, education and social development. Periodically evaluate the impact and address issues.**



## 6. | ALL WORKERS ARE PAID FAIR WAGES

### **GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS**

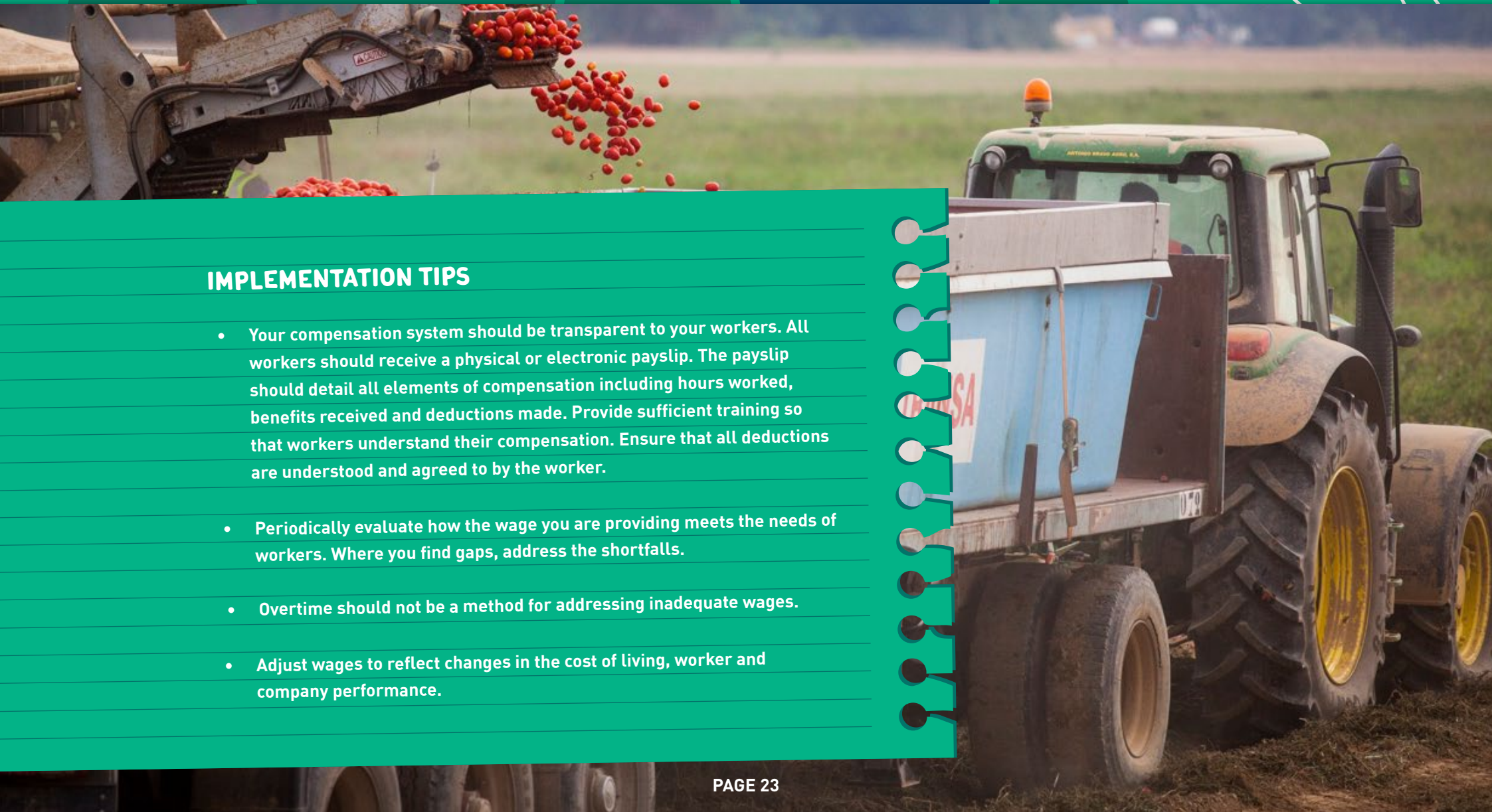
- 6.1. Workers receive a payslip for each pay period, clearly indicating the components of the compensation, including exact amounts for wages, benefits, incentives/bonuses and any deductions.
- 6.2. Wages are paid on time and in full.
- 6.3. All work is compensated according to at least the legal minimum standards or the appropriate prevailing industry standards, whichever is the higher, including that of interns/students receiving academic credit for their work.
- 6.4. All legally mandated deductions, such as taxes or social insurance, are deposited each pay period to the legally stipulated accounts or agencies and as required by law.
- 6.5. Other than legally mandated deductions, all other deductions from wages are made only with the express and written consent of the workers.
- 6.6. Migrant workers' remittances are authorised in writing.

### **ADVANCING TO GOOD PRACTICE**

- 6.7. There is a system of periodic assessment in place to ensure equal pay for equal work.
- 6.8. There is a living wage approach to fair compensation which encompasses a system to periodically assess that wages are sufficient to meet the basic needs of the worker and to provide some discretionary income.

### **ACHIEVING AND MAINTAINING BEST PRACTICE**

- 6.9. A best practice fair compensation system is in place for all workers. This system categorises workers according to qualifications, skill and experience; recognises and rewards them for performance through wage and non-wage benefits/incentives; regularly assesses and adjusts their pay according to the cost of living, basic needs, discretionary income, relevant market benchmarks and enterprise performance; and engages in regular social dialogue on compensation questions.



## IMPLEMENTATION TIPS

- Your compensation system should be transparent to your workers. All workers should receive a physical or electronic payslip. The payslip should detail all elements of compensation including hours worked, benefits received and deductions made. Provide sufficient training so that workers understand their compensation. Ensure that all deductions are understood and agreed to by the worker.
- Periodically evaluate how the wage you are providing meets the needs of workers. Where you find gaps, address the shortfalls.
- Overtime should not be a method for addressing inadequate wages.
- Adjust wages to reflect changes in the cost of living, worker and company performance.



## 7. WORKING HOURS FOR ALL WORKERS ARE REASONABLE

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 7.1. Clear policies are implemented regarding regular and overtime hours of work, with defined procedures for deciding on overtime and securing worker consent.
- 7.2. In the absence of law, the supplier will over time implement steps to meet the goals and requirements set out in the International Labour Organization Convention on hours of work and overtime so that the regular working week does not exceed 48 hours and other than in exceptional circumstances, the sum of regular and overtime hours in a week does not exceed 60 hours. Where the sum of regular and overtime hours in a week exceeds 60 hours under normal conditions, a plan to implement a step-wise and sustainable reduction toward this goal must be in place.
- 7.3. Workers are entitled to at least 24 consecutive hours of rest in every seven-day period. If workers are required to work on a rest day due to a genuine need for continuity of production or service, workers must receive an equivalent period of compensatory rest immediately following.
- 7.4. If the employment contract allows for contractual overtime, workers expressly agree to it. All overtime work by workers is on a voluntary basis.
- 7.5. All overtime work is paid at least to the rate defined by law.

### ADVANCING TO GOOD PRACTICE

- 7.6. The goals and requirements set out in the International Labour Organization Convention on hours of work and overtime are met so that the regular working week does not exceed 48 hours, and overtime does not exceed 12 hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week does not exceed 60 hours.
- 7.7. All overtime work is paid at the appropriate premium rate according to law or to prevailing industry standards, whichever is the higher, and there is an effective mechanism to monitor hours of work.
- 7.8. Peak periods are planned in such a way as to avoid excessive overtime. Overtime is not used for extended periods as a means of making up for labour shortages or increased order volumes.
- 7.9. If sufficient workers cannot be hired, new working time arrangements are explored to ensure that overtime is the exception rather than the rule.

### ACHIEVING AND MAINTAINING BEST PRACTICE

- 7.10. Work-study, costing and scheduling systems are in place that plan production in such a way as to avoid overtime, except in exceptional circumstances.
- 7.11. Working time arrangements allow for a work-life balance.







## IMPLEMENTATION TIPS

- Overtime should be used as an exception, and not the standard way you run your business.
- Document overtime and the workers' expressed acceptance.
- Anticipate possible issues that would result in overtime, such as machine downtime, late supplier deliveries, change to customer orders, absent workers and increases in volume. For each issue, have a plan to minimise overtime.
- Exceptional circumstances (with reference to 7.2) could include for example: peaks in seasonal production, fulfillment of exceptional production orders, or when recovering production after a strike, machinery broke down, or when there has been no electricity for a few hours or days.



## 8.

### ALL WORKERS ARE FREE TO EXERCISE THEIR RIGHT TO FORM AND/OR JOIN TRADE UNIONS OR TO REFRAIN FROM DOING SO AND TO BARGAIN COLLECTIVELY

#### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 8.1. Clear policies, procedures and training of workers and managers to ensure freedom of association in day-to-day operations are in place.
- 8.2. Managers, supervisors and guards are trained to respect each worker's right to associate freely.
- 8.3. Collective bargaining negotiations are entered into when requested by legally recognised representative agents and collective agreements concluded.
- 8.4. Workers know and understand their rights and feel confident to exercise them, and that no other worker or manager will impede them in the enjoyment of that right.

#### ADVANCING TO GOOD PRACTICE

- 8.5. Policies covering hiring, discipline, promotion, wages, hours, grievances and termination all clarify that a worker's choice to form or join a trade union will not compromise their equal treatment at work.
- 8.6. Clear rules governing the activities of recognised trade unions in the workplace are in place.

#### ACHIEVING AND MAINTAINING BEST PRACTICE

- 8.7. The goals and requirements set out in the International Labour Organization Convention on freedom of association and collective bargaining are met.
- 8.8. Social dialogue on all aspects of work is established with workers.

#### IMPLEMENTATION TIPS

- **Develop policies and procedures that demonstrate a worker's right to freely associate and to collectively bargain. Train workers to respect that freedom.**
- **Ensure that your policies on hiring, promotion and termination do not inhibit freedom of association, trade union membership or associated activities.**
- **Ensure the effective implementation of legally binding collective bargaining agreements.**



## 9. ALL WORKERS' HEALTH AND SAFETY ARE PROTECTED AT WORK

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 9.1. Clear and effective policies and procedures are in place for occupational health and safety and are updated periodically.
- 9.2. Occupational health and safety policies and procedures are widely communicated.
- 9.3. Ongoing safety training is provided to all personnel, including managers, supervisors, workers and security guards.
- 9.4. All workers and other people who enter business premises are properly informed about the inherent dangers of the workplace and are provided with adequate knowledge and personal protective equipment to avoid such dangers.
- 9.5. All personnel who enter the premises or deal with products are properly informed about the appropriate actions to take should a health and safety incident occur.

### ADVANCING TO GOOD PRACTICE

- 9.6. Occupational health and safety policies and procedures are included in the workers' manual.

- 9.7. The structural integrity and fire safety of worksites are specifically assessed and updated periodically.
- 9.8. Occupational health and safety committees are created and their roles are clearly understood by all workers and managers.

### ACHIEVING AND MAINTAINING BEST PRACTICE

- 9.9. Regular assessments are conducted to ensure the meaningful operation of the health and safety committees.
- 9.10. Risk assessments are conducted regularly and systems updated to reflect the changing risk profile of the workplace.
- 9.11. Regular assessments are conducted of the risk to the surrounding ecosystem of exposure to hazardous substances and steps are taken to manage any risks identified.



## IMPLEMENTATION TIPS

- Develop a detailed safety plan. Your plan should include safety relevant to your operations. Build safety incident and accident reduction targets into your plan.
- Test the effectiveness of your plan regularly through drills, safety talks and safety walks, using any means necessary to make it work. Regularly evaluate your operations for safety issues, including company-provided worker housing and equipment.
- Appoint a senior member of management to administer and oversee your safety plan.
- Conduct training on all elements of the safety plan to ensure your workers understand and obey your safety rules.
- Conduct regular training on all elements of safety that are relevant to your operations. Examples might include: fire and electrical safety, confined space, hazardous chemicals and the use of personal protective equipment.
- Incentivise your workers to adopt and maintain good health and safety practices.
- Assess the potential impact of your activity on workers and the community and take steps to mitigate or avoid any negative impact.



## 10. ALL WORKERS HAVE ACCESS TO FAIR PROCEDURES AND REMEDIES

### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 10.1. Procedures (i) provide effective, accessible channels for workers to complain, make suggestions and lodge grievances; and (ii) require the matter to be fully investigated and result in swift, unbiased and fair resolution.
- 10.2. Grievance mechanisms channels are widely communicated and guarantee the confidentiality of any complainant (if so desired) and prohibit retaliation.

### ADVANCING TO GOOD PRACTICE

- 10.3. Grievance mechanisms are included in the workers' manual.
- 10.4. All workers and managers are trained on the policy and procedures for the handling of complaints and grievances. Workers are confident that any complaint is handled objectively and fairly.
- 10.5. Specific measures exist to protect complainants against victimisation. All managers are trained to avoid recriminations.
- 10.6. Remedies are timely and open to appeal.

## ACHIEVING AND MAINTAINING BEST PRACTICE

- 10.7. Data on the receipt and handling of grievances is maintained and analysed to ensure the efficacy of the grievance mechanisms.
- 10.8. Where there are recognised trade unions, the role of shop stewards and union officials in handling the grievances of their members is clearly specified.
- 10.9. Distinct procedures managed by trained personnel are available for cases involving sexual harassment or assault. Those procedures take account of the potential trauma and risks involved and make provision for counselling and other support to victims, as needed.



## IMPLEMENTATION TIPS

- Provide adequate and confidential channels for workers to express grievances and make suggestions. Make sure that workers are familiar with how to report and process grievances.
- Having multiple ways for workers to express issues or items of concern is recommended (Suggestion Boxes are not considered particularly effective grievance tools). Additionally, all mechanisms should be administered so that workers feel free to use them and have no concerns about retaliation.
- View grievances positively – they are part of every business. Be open to constructive challenges and use them as a powerful feedback loop.
- Train staff in the soft skills (how to talk to people, show empathy, concern, etc) to avoid grievances.
- Document investigation and resolution of grievances.
- Encourage submission of suggestions and highlight adoption and implementation.



## 11.

### LAND RIGHTS OF COMMUNITIES, INCLUDING INDIGENOUS PEOPLES, WILL BE PROTECTED AND PROMOTED

#### GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

- 11.1. A zero land grabbing policy is implemented.
- 11.2. Where applicable, due diligence is undertaken to uphold individual or indigenous peoples' established rights to property and land.
- 11.3. Where applicable, periodic training on Free, Prior and Informed Consent (FPIC) is provided to all relevant staff members.
- 11.4. There is zero tolerance of land grabbing within the supply chain and this is stated in the suppliers' code of conduct (or equivalent).

#### ADVANCING TO GOOD PRACTICE

- 11.5. A system for due diligence is in place to uncover and disclose risks and impacts to communities related to land issues.
- 11.6. The right of women to land ownership and access to land is recognised.

#### ACHIEVING AND MAINTAINING BEST PRACTICE

- 11.7. Impact assessments are conducted with full participation of affected communities and published in a format and language accessible to those affected communities. The assessment data is disaggregated by gender, national origin, tribe or caste.
- 11.8. A public commitment is made to actively support responsible agricultural investments, the UN Voluntary Guidelines on the Responsible Governance of Tenure and full traceability.

#### IMPLEMENTATION TIPS

- **Land rights are relevant where land for your business needs to be acquired, leased or used.**
- **As a responsible business, make certain you know what action to take and who needs to be consulted to ensure legal, environmental and social requirements are assessed and managed where relevant.**
- **Ensure individuals responsible for land acquisition, or land use changes, fully understand the impact of those changes and can demonstrate proper land title and contract transparency through assessment outcomes.**



## 12.

### **BUSINESS IS CONDUCTED IN A MANNER WHICH EMBRACES SUSTAINABILITY AND REDUCES ENVIRONMENTAL IMPACT**

#### **GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS**

- 12.1. All necessary current and valid legal permits are held for its operations.
- 12.2. Training is provided to all relevant personnel to ensure knowledge of and compliance with all necessary legal permits.
- 12.3. Environmental management policies and procedures are in place regarding water, energy, hazardous materials, air quality and emissions, deforestation, waste and other significant risks.

#### **ADVANCING TO GOOD PRACTICE**

- 12.4. Training is provided to all personnel on environmental policies and procedures to ensure effective implementation and compliance.
- 12.5. Transparency is ensured on environmental performance.

#### **ACHIEVING AND MAINTAINING BEST PRACTICE**

- 12.6. Sustainability practices are embedded across the supplier's operations and activities which aim to (i) reduce the generation of waste and achieve zero landfill; (ii) reduce greenhouse gas emissions and achieve carbon neutral solutions; (iii) reduce the consumption of water; (v) protect and enhance nature and biodiversity; and (vi) halt deforestation.

- 12.7. A systematic review of the supplier's sustainability practices and environmental management systems is undertaken regularly with support from experienced conservationists and with the involvement of local communities to determine whether appropriate policies and procedures are in place and are functioning to achieve the aims outlined in this topic.

#### **IMPLEMENTATION TIPS**

- **Have a business plan that includes clear environmental performance targets.**
- **Ensure workers responsible for assessment and implementation of your environmental targets fully understand all the minimum requirements of local, national and international law related to environmental standards.**
- **Your company should have valid relevant permits for use and disposal of resources.**
- **Work to continuously improve your environmental performance in collaboration with internal and external stakeholders.**
- **Exhibit leadership by making a public commitment of your environmental targets and results. Promote awareness of the environmental impact of your site and its processes.**



# APPENDIX



# UNILEVER RESPONSIBLE SOURCING POLICY



## APPENDIX

The following principles, standards and conventions were used in preparing this Responsible Sourcing Policy and may be a useful source of additional information:

- International Labour Organization: [www.ilo.org](http://www.ilo.org) with specific reference to:
  - International Labour Organization Convention on freedom of association and collective bargaining
  - International Labour Organization Convention on hours of work
  - International Labour Organization Convention on Minimum Age
  - International Labour Organization Convention on the Worst Forms of Child Labour
  - International Labour Organization Convention on Forced Labour
  - The International Labour Organization Convention on Abolition of Forced Labour
  - International Labour Organization Convention on Equal Remuneration
  - International Labour Organization Convention on Discrimination (Employment and Occupation)
- Business Principles for Countering Bribery produced by Transparency International: [www.transparency.org](http://www.transparency.org)
- International Chamber of Commerce anti-corruption guide for SMEs: <http://www.iccwbo.org/Data/Policies/2015/ICC-Anti-corruption-Third-Party-Due-Diligence-A-Guide-for-Small-and-Medium-sized-Enterprises/>

- United Nations Sustainable Development Goals: <https://sustainabledevelopment.un.org/sdgs>
- Ethical Trading Initiative: [www.ethicaltrade.org/](http://www.ethicaltrade.org/)

For any questions, please email the **Social Accountability Team**, a part of Unilever's Integrated Social Sustainability group.



**NOTE:** This Responsible Sourcing Policy supersedes and replaces the previous Responsible Sourcing Policy (issued in 2014) and the previous Supplier Code. Any reference to the Responsible Sourcing Policy, RSP and/or the Supplier Code in any documentation or contracts with the supplier is intended to refer to this Responsible Sourcing Policy.



Unilever

