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INTRODUCTION

At Unilever, our ambition is to be a leading change agent in responsible sourcing. We want to do business in a manner that improves the lives of workers across our supply chain, their communities and the environment consistent with the Unilever Sustainable Living Plan. That is why we are introducing our Responsible Sourcing Policy (RSP).

The Unilever Responsible Sourcing Policy is based on twelve fundamental principles and is aligned with our business growth goals of reducing our environmental footprint and increasing our social impact. It has been developed in close collaboration with leading figures in responsible sourcing across industry, government and non-governmental organisations.

Aligning with and incorporating the Fundamental Principles into operations is not an event, but a journey. We are introducing a continuous improvement ladder that provides benchmarks for three performance levels, Mandatory Requirements, Good and Best Practices. The first stage is to implement the Mandatory Requirements. Mandatory requirements ensure that all suppliers who work with us are grounded in the foundational elements of the Fundamental Principles. Progression up the ladder to Good Practice and achieving Best Practice and the subsequent cascading of the same principles throughout your supply chain will require a commitment to the vision of social responsibility. We plan to promote the achievement of a higher level of social performance and recognise those in our Supply chain who go beyond the basics in responsible sourcing.

At Unilever we want to work with like-minded businesses. We believe that partnerships with shared responsibility create a virtuous circle that will deliver great results for everyone while having a positive impact on millions of lives across the world.

Let’s all make a truly positive, lasting and sustainable impact.

Dhaval Buch
Chief Procurement Officer
Every aspect of this policy is focused on achieving and upholding these Fundamental Principles. The 12 principles are both the foundation and vision to achieve our responsible business ambitions. Only as our suppliers commit to these Principles both within their own business and across their extended supply chain, will we be able to affect 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 fundamental conventions on Rights at Work. We support the OECD Guidelines for Multinational Enterprises.

Evaluation and Assessment

The 2014 Unilever Responsible Sourcing Policy (RSP) supersedes our previous Unilever Supplier Code. Unilever will verify alignment to the RSP’s Mandatory Requirements through the use of supplier self declaration, online assessments and in designated high risk countries third party audits. Additionally suppliers moving from Mandatory to Good or Good to Best will require third party audit verification.

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. Workers’ health and safety are protected at work
10. 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
IMPLEMENTATION GUIDELINES

Unilever strives to conduct its business with integrity and respect for others. Our reputation is an asset, as valuable as our people and our brands. We expect the highest standards of behaviour from all our workers and those with whom we do business. By becoming a supplier, you are stating that you share our Fundamental Principles.

SECTION I
Contains our Mandatory Requirements.
All suppliers to Unilever must observe and comply with these Mandatory Requirements.

SECTION II
Contains the Continuous Improvement Benchmarks.
We expect all our suppliers to meet the Mandatory Requirements benchmarks and to work towards, and over time meet the Continuous Improvement Benchmarks for Good Practices and Best Practices. We will work to recognise and reward suppliers who strive to reach these highest levels of responsible sourcing.

SECTION III
Contains the disclosure and reporting requirements we expect of our suppliers when there are breaches of the Policy.
I. MANDATORY REQUIREMENTS FOR DOING BUSINESS WITH UNILEVER

In this section, we describe the Mandatory Requirements for our suppliers to establish and maintain a business relationship with Unilever.

We require all suppliers who work with or for Unilever to respect and confirm that all their activities comply with these Mandatory Requirements.
1. Business is conducted lawfully and with integrity

**Bribery**
There is a prohibition of 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 employee is declared to Unilever prior to any business relationship with Unilever being entered into.

**Gifts, Hospitality and Entertainment**
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 between supplier’s employees and Unilever’s employees is avoided. Official company to company gift exchanges are acceptable but must be transparent and properly recorded.

**Competition and Competitor Information**
All information about Unilever’s competitors is obtained legitimately and will only be used for legitimate purposes in compliance with all relevant anti-trust and other laws and regulations. No attempt is made at any time to divulge to Unilever any information about Unilever’s competitors that is confidential to them and not in the public domain.

**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.
Safeguarding Information and Property
Unilever’s confidential information, know-how and intellectual property is respected and safeguarded. All information provided by Unilever is only used for its intended and designated purpose. All and any personal information about individuals, such as Unilever’s consumers or employees are 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.

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.

Reporting Concerns and Non-retaliation
Employees are provided with means by which to raise their concerns about any of these requirements and all employees who speak out about an issue are protected from retaliation.
2. Work is conducted on the basis of freely agreed and documented terms of employment

Policies are adopted and adhered to that respect workers, permanent and casual and, at a minimum, safeguard their rights under their employment contract, local, national labour and social security laws and regulations, and applicable collective agreements.

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, 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 caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy is prevented. In particular, attention is paid to the rights of workers most vulnerable to discrimination.

4. Work is conducted on a voluntary basis

Forced labour, whether in the form of indentured labour, bonded labour or other forms, is not acceptable. Mental and physical coercion, slavery and human trafficking are prohibited.

5. All workers are of an appropriate age

Under no circumstances will a supplier employ workers under the age of 15 or under the minimum age for work or mandatory schooling as specified by the local law, 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

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. **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. **Workers have access to fair procedures and remedies**

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.

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 to protect and preserve the environment.
II. CONTINUOUS IMPROVEMENT
BENCHMARKS

This section contains benchmarks relating to all the Fundamental Principles encompassed in this Responsible Sourcing Policy. They include:

- Criteria which are essential to meeting the Mandatory Requirements of this Responsible Sourcing Policy; and
- Benchmarks we expect suppliers to achieve over a reasonable period of time in order to reach Good Practice and ultimately to achieve Best Practice.

We recognise that achieving Best Practice will take time. We will work to share knowledge and guidance with our suppliers to help them reach this level.

These benchmarks comprise the critical elements of what is generally required to reach Mandatory Requirements and to reach Good and Best Practice, but are not exhaustive.
1. Business is conducted lawfully and with integrity

**Implementing Mandatory Requirements**

1.1 Clear and effective guidelines and policies are in place describing business integrity expectations relating to anti-bribery, gifts and hospitality. They comply with competition laws and conflicts of interest and are available to the supplier’s workers.

1.2 Annual training and risk assessment mechanisms for compliance issues are in place. Non-compliance is subject to sanctioning and remedial procedures.

1.3 Adequate financial transaction policies and procedures are maintained to ensure proper recording of all financial transactions, as well as to identify possible money laundering. No undisclosed or unrecorded account, fund or asset will be established or maintained.

1.4 Adequate 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.

1.5 Adequate procedures are in place to ensure that any product quality or safety concerns originating from the supplier or its supply chain are immediately notified to Unilever.

1.6 Adequate procedures are in place to ensure that all applicable laws and regulations are complied with by a supplier and their workers. This includes maintaining adequate due diligence and disclosure procedures to identify whether the supplier has used conflict minerals.

1.7 Workers have a channel through which they can raise concerns without fear of retaliation.
Advancing to Good Practice

1.8 Guidelines and policies covering each of the different elements of this Responsible Sourcing Policy are in place and readily available to employees. There are procedures to communicate, monitor and measure such policies. Preventive and remedial measures are taken to address adverse impacts that are directly linked to the supplier’s operations, products or through business relationships.

1.9 The supplier has in place a code of conduct or responsible sourcing policy for its direct suppliers, which is consistent with the requirements of this Responsible Sourcing Policy. In addition, there is a process to communicate the requirements of the supplier’s code or policy to all of its direct suppliers and to monitor compliance by these direct suppliers.

1.10 Regular reviews are conducted to verify compliance with the relevant guidelines and policies by workers.

1.11 Regular training and communications are provided to employees in relation to integrity and compliance.

1.12 Suppliers’ executive management is held accountable for compliance matters.

1.13 Workers have multiple grievance channels available to them, including by phone or by web.

Achieving and Maintaining Best Practice

1.14 Additional policies and processes are developed in consultation with relevant stakeholders to (i) ensure all relevant risks of non-compliance with laws are addressed; (ii) cover organisational responsibility for the implementation of such policies by the board of directors or equivalent body; (iii) extend training in relation to compliance issues to contractors and suppliers as appropriate; (iv) establish feedback mechanisms to support continuous improvement; and (v) enable independent assurance.

1.15 Anonymity of persons reporting a concern is protected to the extent permitted by law. Suppliers’ suppliers are able to raise concerns anonymously.
2. Work is conducted on the basis of freely agreed and documented terms of employment

Implementing Mandatory Requirements
2.1 The key components of the employer/worker relationship, hours, overtime, pay, benefits, leave, discipline and grievance systems are: freely agreed by both parties, documented in writing and signed by the employer and worker.

2.2 The terms and conditions are explained, verbally if required, in a language the worker can clearly understand.

2.3 Changes are agreed in writing by both employer and worker.

Advancing to Good Practice
2.4 Key management functions including hiring, grievance management, discipline, promotion and termination have clear policy frameworks, procedures for implementation and trained staff responsible for implementing them. Appropriate documentation is kept.

2.5 Policies and procedures are explained to workers at hiring. Workers are given training to ensure they are understood and the right way to use them. Policies and Procedures are contained in a manual provided to each worker.

2.6 On going training is provided for all workers to broaden their skills and 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 Employment relationship policies and procedures are periodically reviewed and improvements made to ensure that all workers regardless of contract status have the same rights and entitlements at work. 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 employees.

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.
3. All workers are treated equally and with respect and dignity

**Implementing Mandatory Requirements**

3.1 Policies that prohibit discrimination on the basis of caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy are in place, and procedures to implement them.

3.2 Pregnancy testing or other forms of health screening that could discriminate are not used or tolerated.

**Advancing to Good Practice**

3.3 Selection criteria for human resource decisions are objective and transparent and controls are in place to prevent arbitrary decisions.

3.4 Staff members responsible for hiring, paying, training, promoting, disciplining and terminating workers are trained to avoid discrimination in the exercise of their duties.

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

3.6 Managers, frontline administrators, production staff, quality controllers and guards are trained to avoid discrimination.

**Achieving and Maintaining Best Practice**

3.7 Human Resources records are kept and data analysed to ensure that equality is achieved in practice.

3.8 Regular assessments are conducted and gaps are identified and addressed.

3.9 Specific and measurable targets for achieving equality between men and women are set and affirmative action is taken to attain them.

3.10 Programmes such as child and dependent care, flexible working time and mentoring are in place to address the needs of vulnerable workers.
4. Work is conducted on a voluntary basis

**Implementing Mandatory Requirements**

4.1 There are hiring policies, procedures and staff trained to ensure that workers enter into employment freely and equally.

4.2 Workers are free to leave the workplace and are not confined to the suppliers premises.

4.3 Unless specifically required by law, workers are not required to surrender their identification papers. Regardless, workers have access to their identification papers and they are immediately returned upon cessation of employment.

4.4 Suppliers shall ensure that contracts are in a language understood by the worker.

**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 Workers should not be required to pay a fee in connection with obtaining employment (including migrant workers or workers recruited 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.

4.7 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**

4.8 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.

4.9 Policies, procedures and training are regularly reviewed to ensure that they are effective in preventing forced labour.
5. All workers are of an appropriate age

Implementing Mandatory Requirements
5.1 Employment policies and procedures are in place that specify the minimum age for employment and the means to verify and ensure implementation.

5.2 Responsible remedial measures are immediately implemented whenever any breach of that policy is identified.

5.3 When employing young workers, their health and safety is always the first consideration. Their protection should preclude them from hazardous and night work and should clearly outline when they can and cannot work and what types of work they can do. This requirement requires extra care, commitment and vigilance.

5.4 The goals and requirements set out in the International Labour Organization Worst Forms of Child Labour Conventions 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.

Advancing to Good Practice
5.6 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.

5.7 Periodic health screening to juvenile workers, apprentices and interns is provided.

Achieving and Maintaining Best Practice
5.8 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) caused or contributed to by the supplier, remedial action through legitimate processes is provided by the supplier, or it co-operates with such action.

5.9 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.
6. **All workers are paid fair wages**

**Implementing Mandatory Requirements**

6.1 Workers receive a payslip for each pay period clearly indicating the components of their 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 The compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.

6.5 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.

6.6 Other than legally mandated deductions, all other deductions from wages are made only with the express and written consent of the workers.

**Advancing to Good Practice**

6.7 Migrant workers’ remittances are authorised in writing.

6.8 There is a system of periodic assessment in place to ensure equal pay for equal work.

6.9 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**

6.10 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.
7. Working hours for all workers are reasonable

Implementing Mandatory Requirements

7.1 Clear policies and procedures are implemented defining regular and overtime work.

7.2 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.

7.3 If the employment contract allows for overtime it is on a voluntary basis and workers expressly agree to it.

7.4 All overtime work is paid at least to the rate defined by law.

Advancing to Good Practice

7.5 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.

7.6 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.

7.7 If sufficient workers cannot be hired, new working time arrangements are explored to ensure that overtime is the exception rather than the rule.

7.8 The goals and requirements set out in the International Labour Organization Conventions on hours of work and overtime are met so that the regular workweek 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.

Achieving and Maintaining Best Practice

7.9 Work-study, costing and scheduling systems are in place that plan production to avoid overtime except in exceptional circumstances.

7.10 Working time arrangements allow for work-life balance.
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

**Implementing Mandatory Requirements**

8.1 Managers, supervisors and guards are trained to respect each workers’ right to associate freely.

8.2 When requested by legally recognized representatives, collective bargaining negotiations are entered into and agreements are concluded.

8.3 Workers know and understand their rights, feel free to exercise them and are confident that other workers or supervisors or managers will not impede them.

**Advancing to Good Practice**

8.4 Policies, procedures and training are in place for all to ensure freedom of association in day to day operations.

8.5 Clear rules governing the activities of recognised trade unions in the workplace are in place.

**Achieving and Maintaining Best Practice**

8.6 The goals and requirements set out in the International Labour Organization Conventions on freedom of association and collective bargaining are met.
9. Workers’ health and safety are protected at work

Implementing 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 All 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.

9.4 All people 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

9.5 Occupational health and safety policies and procedures are included in the workers’ manual.

9.6 On-going safety training is provided to all personnel, including managers, supervisors, workers and security guards.

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, managers, and supervisors.

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.
10. Workers have access to fair procedures and remedies

Implementing Mandatory Requirements

10.1 Policies and Procedures provide accessible and effective mechanisms for workers to make suggestions, to complain and to lodge grievances. Procedures require full investigation, and result in swift, unbiased and fair resolution.

10.2 Grievance mechanisms are widely communicated and guarantee confidentiality of the complainant (if desired). They should prohibit retaliation.

Advancing to Good Practice

10.3 Grievance mechanisms are included in the workers’ manual.

10.4 Workers, managers and supervisors are trained in 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 victimization. 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.
11. Land rights of communities, including indigenous peoples, will be protected and promoted

Implementing Mandatory Requirements

11.1 Due diligence is undertaken to uphold individual or indigenous people’s established rights to property and land.

11.2 Periodic training on Free, Prior and Informed Consent (FPIC) is provided to all relevant staff members.

11.3 There is zero tolerance of land grabbing.

11.4 A zero land grabbing policy is implemented.

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.
12. Business is conducted in a manner which embraces sustainability and reduces environmental impact

**Implementing Mandatory Requirements**
12.1 All necessary legal permits are held for operations.

12.2 Training is provided to all personnel to ensure knowledge of and compliance with all necessary legal permits.

**Advancing to Good Practice**
12.4 Environmental management policies and procedures are in place regarding water, energy, hazardous materials, air quality and emissions, deforestation, waste, and other significant risks.

12.4 Training is provided to all personnel on environmental policies and procedures to ensure effective implementation and compliance.

12.5 Suppliers and where relevant farmers, uphold the guidelines within the Unilever Sustainable Agriculture Code and other applicable and publicly available Unilever industry or sector specific codes of conduct.

12.6 Transparency is ensured on environmental performance.

**Achieving and Maintaining Best Practice**
12.7 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.

12.8 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 12.7.
III. REPORTING ON BREACHES

1. Any failure to comply with this Policy (including any failure by an employee of Unilever or anyone acting on behalf of Unilever to so comply), of which the supplier is aware, should be immediately reported to Unilever. The failure to do so will be a breach of this Responsible Sourcing Policy.

2. We strongly support a culture of speaking up for both suppliers and their workers without any fear of retaliation against those who report actual or suspected breaches.

3. Unilever will investigate any reported non-conformity made in good faith and discuss findings with the supplier. The supplier shall assist with any such investigation and provide access to any information reasonably requested.

4. If remediation is required, the supplier will be expected to inform Unilever and implement a corrective action plan and timeline to effectively and promptly resolve the failure.

5. Suppliers, their workers or contractors may report actual or suspected breaches of this Responsible Sourcing Policy 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.
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 Conventions on freedom of association and collective bargaining.
- International Labour Organization Conventions on hours of work
- International Labour Organization Convention on Minimum Age
- International Labour Organization Conventions on 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

For any questions
Please email Supplier Excellence

Note
This Responsible Sourcing Policy supersedes and replaces the current Supplier Code. Any reference to the Supplier Code in any documentation or contracts with the supplier is intended to refer to this Responsible Sourcing Policy.
MANDATORY REQUIREMENTS

Implementation tips

- Review the Responsible Sourcing Policy

- Perform an internal assessment of your operations to determine if you have policies, procedures and processes to ensure alignment and fulfilment of requirements of the Unilever Responsible Sourcing Policy. If you find gaps, they will need to be closed so that your business does align. Make a plan to correct the gaps. Correct the gaps. Verify that the corrections are effective.

- If there are issues or concerns, have a discussion with your Supplier Relationship Manager
BUSINESS IS CONDUCTED LAWFULLY AND WITH INTEGRITY

Implementation tips

- Implement a Code of Conduct for workers, and a Code of Conduct for Suppliers
- Support these Codes of Conduct with internal policies and procedures
- Communicate and train workers on these documents, and make clear their responsibilities
- Regularly evaluate your business practices for business integrity gaps
- Check the integrity of third parties acting on your behalf
- Know your business partners and screen them for compliance

The implementation tips are provided as additional information to help Unilever’s suppliers comply with the Responsible Sourcing Policy. These tips are recommendations only and are not intended to relieve suppliers from complying with all applicable laws and regulations in the countries in which the supplier operates and all other applicable international laws and regulations, as well as all contractual obligations. These tips do not preclude a supplier from going beyond what is suggested. These tips are not exhaustive nor are they intended to constitute legal advice or other professional services. The services of suitable competent professionals should be obtained where legal advice or other professional assistance is required.
WORK IS CONDUCTED ON THE BASIS OF FREELY AGREED AND DOCUMENTED TERMS OF EMPLOYMENT

Implementation tips

• Ensure you have explicit and agreed contracts with all your workers, at least meeting legal and industry standards.

• Develop policies and procedures on all key aspects of the employment relationship.

• Put all those policies and procedures into a worker handbook and make sure that all workers are trained to apply them.

• Ensure equal treatment across all categories of contract, including short term, casual and agency workers and women, migrants, disabled and young workers.

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ALL WORKERS ARE TREATED EQUALLY AND WITH RESPECT AND DIGNITY

Implementation tips

• Articulate your non-discrimination policy to all workers so that everyone knows that they will not face discrimination in recruitment, hiring, job assignment, working conditions, pay, benefits, training, promotion, discipline and termination or retirement due to age, sex, pregnancy, race, religion, ethnic or national origin, disability, sexual orientation, political opinion or membership of a worker organisation.

• Non-discrimination is a principle that flows through everything you do so you need to train all staff to respect the principle

• Train frontline managers such as supervisors and guards and ensure they understand how to carry out their functions without discrimination

• Collect and analyse human resources data to ensure that you are achieving your non-discrimination goals

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WORK IS CONDUCTED ON A VOLUNTARY BASIS

Implementation tips

- Make sure that you know how workers came to be signing a contract of employment with you and satisfy yourself that they were not forced into it.

- If you use labour brokers to supply workers check on the policy and procedures they follow to avoid forced or trafficked labour. Make sure that workers did not pay an unreasonable fee and that they were correctly informed of the terms and conditions of the job they received and knew about all fees and costs.

- Make sure that your compensation system and working time arrangements do not produce situations where workers cannot leave work.
ALL WORKERS ARE OF AN APPROPRIATE AGE

Implementation tips

- Ensure you have appropriate processes for verifying the age of job applicants and that the process is documented. You want to be able to show the steps you took to prevent underage workers from being hired.

- Make sure that you have the policies, procedures and training in place to protect legally authorized young workers, interns and apprentices as the requirements are different adult workers.

- Look at the impact of work on the family life, education and social development of legally authorized young workers, juveniles, interns and apprentices and take steps to address any negative impacts that you identify.

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ALL WORKERS ARE PAID FAIR WAGES

Implementation tips

• Have a clear and easy-to-understand explanation of the different components of your compensation system, so that all your workers can understand.

• Ensure all workers are clear on exactly what they are being paid for and that all benefits or deductions are understood and agreed to.

• Evaluate the basic needs of workers and how the wage enables them to meet those needs. Plan to address any shortfalls.

• Adjust wages to reflect changes in the cost of living, worker and company performance.
WORKING HOURS FOR ALL WORKERS ARE REASONABLE

Implementation tips

- Overtime is costly and inefficient. It should be the exception rather than the rule.
- Plan your production as effectively as possible to prevent excessive overtime.
- Document overtime and the workers expressed acceptance
- Anticipate possible issues that would result in overtime, such as machine downtime, late supplier deliveries, changed customer orders, absent workers and increases in volume. For each issue, have a plan to minimise overtime.

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

Implementation tips

• Make sure that your policies, procedures and training equip both managers and workers to respect each other’s freedom to associate and collective bargaining in practice.

• Ensure that your key Human Resources policies on hiring, promotion and termination do not inhibit trade union membership or activity.

• Ensure the effective implementation of legally binding Collective Bargaining agreements.

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WORKERS’ SAFETY AND HEALTH ARE PROTECTED AT WORK

Implementation tips

• Make health and safety a critical success factor for your business. Build safety incident and accident reduction targets into your safety plan. Have in place policies, procedures and processes to ensure all that work in or enter into your business are safe.

• Have a safety plan and test its effectiveness often, through drills, safety talks, safety walks, any means necessary to make it work. Regularly evaluate your operations for safety issues, including company provided worker housing, and equipment.

• Have trained personnel to administrate and oversee your safety plan.

• Conduct regular training on all elements of safety that are relevant to your operations with all workers, for example fire and electrical safety, confined space, hazardous chemicals, use of personal protective equipment.

• Think about how you can 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 impacts.

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WORKERS HAVE ACCESS TO FAIR PROCEDURES AND REMEDIES

Implementation tips

• Provide a means for workers to express grievances. Make sure that workers know how to report a grievance and how to process one.

• View grievances positively – they’re a part of every business. Be open to constructive challenges and use them as a powerful feedback loop.

• Train staff in the soft skills that prevent or resolve grievances.

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

Implementation tips

- Make sure you and your supply chain adopt, implement and maintain a zero-tolerance approach to land grabbing.
- Conduct due diligence and tracing to ensure that you are not party to any land grabbing.
- Adopt the “know-and-show” approach to your supply chain.
Build clear environmental performance targets into your business plan. Aim to do great business without causing environmental harm.

- Raise awareness of your targets amongst internal and external stakeholders and support that by reporting periodically.

- Assess your impact by including internal and external stakeholders.

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III. REPORTING ON BREACHES

Implementation tips

- Familiarise yourself with the Responsible Sourcing Policy and how you can report suspected breaches to Unilever.

- Speak to your Unilever Procurement 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.

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