

Strengthening human rights and driving positive impact in our palm oil supply chain

October 2025

Upholding respect for human rights is fundamental to our business – across both our operations and our value chain. Palm oil is an important global commodity and a key ingredient for Unilever. Its production can have both positive and negative impacts on people and communities linked to the supply chain, including workers, smallholder farmers, and their families.

Robust human rights due diligence (HRDD) is essential in minimising potential and actual negative impacts, while also enhancing positive societal outcomes, including better working conditions and sustainable livelihoods.

This article outlines how we have integrated HRDD across our palm oil value chain – from policy to practice.

1. Embedding responsible business commitments into policy

Unilever's HRDD in palm oil is grounded in international standards and a set of robust company policies. Our [Responsible Partner Policy](#), [People and Nature Policy](#), and [Sustainable Agriculture Principles](#) are central to this approach, promoting respect for human rights and enhanced transparency and traceability. Our palm suppliers are required to apply these principles across their own operations and third-party supply chains where applicable. For example, suppliers must uphold the principle of Free, Prior, and Informed Consent (FPIC), ensuring that communities are consulted before any changes to land use occur. This is a critical safeguard for Indigenous Peoples and Local Communities and those with land tenure rights.

2. Identifying and prioritising adverse impacts

We regularly assess human rights issues to ensure we remain focused on the most salient risks, allowing us to take a risk-based approach focused on where action is most needed. An independent human rights impact assessment carried out in 2023 by [Dignity in Work for All](#) (DIWA) identified **land rights violations and precarious working conditions** as key concerns within palm supply chains in Indonesia.

To drive consistency across the industry, we have been a leading business in the development of the [Palm Oil Collaboration Group HRDD system questionnaire](#) and have introduced this across our supplier base. This tool crucially standardises data collection, enables benchmarking, and helps identify gaps in HRDD practices to support our suppliers in the creation of their own improvement plans. For more on

this approach, see our case study [Collaborating to drive improvements in our value chain](#).

Our palm oil suppliers also undergo regular independent audits to verify compliance with the RPP at site level. Where non-conformances are found, suppliers must develop and implement time-bound remediation plans. For more on Unilever's audit program visit: [Human Rights in our Value Chain](#).

3. Driving positive impacts and taking action on potential negative impacts

Supply chain programmes

Suppliers requiring the most support join our Palm Oil Social Supplier Development Programme, which aims to strengthen their HRDD practices to reduce the risk of negative impacts and improve working conditions. Together with DIWA, we review supplier management systems and gather direct feedback from workers. Based on these insights, we co-develop improvement plans and provide 12-18 months of targeted support, followed by impact assessments through interviews with both management and workers.

We also drive positive impact through our support for independent palm smallholders. By the end of 2024, we had mapped 47,000 smallholders, trained 26,000, and supported 17,500 to achieve certification. In Aceh, North Sumatra and Riau, **smallholder farmer development hubs** established in partnership with [SNV](#), [Forum Konservasi Leuser](#) and World Resources Institute coordinate activities to improve farm productivity, livelihoods, and ecosystems. These hubs also support women's participation, cooperative development, and traceability tools that strengthen incomes, resilience, and sustainable market access. Further information about this work can be found on our [website](#).

This integrated approach helps us build supplier and farmer capability that aim to deliver long-term improvements on the ground.

Collaborating to address systemic challenges

Transforming the palm oil sector requires collaboration. We work with industry platforms like the [Consumer Goods Forum](#), [Roundtable on Sustainable Palm Oil](#) (RSPO), and the [Palm Oil Collaboration Group](#) to address systemic human rights issues.

In Indonesia, for example, we work with partners like [Proforest](#) and peers on initiatives such as [Respecting Indigenous Peoples and Local Communities Rights Affected by Agricultural Production in Indonesia](#). This work aims to identify and address systemic barriers to land rights, strengthen local mediation capabilities, and co-develop scalable, community-driven solutions.

We also participate in [landscape and jurisdictional programmes](#) to strengthen human rights approaches more broadly. These initiatives support sustainable development, forest protection, restoration, training, certification, and resolution of land and labour conflicts. For example, in Aceh, Unilever is supporting efforts to restore degraded land, protect natural ecosystems, and help smallholder farmers work towards RSPO certification. Further information about this work can be found on our [website](#).

By working with others, we aim to influence broader change and tackle root causes.

4. Strengthening grievance mechanisms and accountability

In line with our RPP, all direct palm oil suppliers must have grievance mechanisms aligned with the United Nations Guiding Principles on Business and Human Rights. These are assessed through third party audits.

In addition, our [Principles in Support of Human Rights Defenders](#) emphasise the need for safe, accessible and confidential channels for raising concerns. We also encourage others including civil society organisations to raise concerns via our [People Nature Grievance Mechanism](#).

Grievances received are recorded, addressed, and reported systematically via our public [Grievance Tracker](#). We maintain a list of direct palm oil suppliers and indirect oil palm growers that have been [suspended](#) or placed under a “no-buy” status due to lack of engagement on the issues related to unresolved grievances or the inability to verify compliance with our policies. Non-compliant suppliers may be delisted from our supply chain.

Our transparent grievance system seeks to hold suppliers accountable and support affected communities. We are committed to continue to develop our People and Nature grievance mechanism in line with legislative requirements and industry standards and continue to adapt our approach in order to drive the most positive impact. We plan to review the effectiveness of the grievance mechanism in line with the UNGPs in 2026.

We also continue to monitor our approach to suspension based on insights and evolving best practice. We have noted that suspension of suppliers may, in some cases, cause greater long-term harm and may not be the most effective way to drive meaningful change. Where suppliers can assure that potential harms have ceased, preventive measures are in place, and they are actively engaging on issues, including accepting independent verification and mediation, our approach is to continue using our leverage through constructive engagement.

5. Monitoring and reporting

We **measure the impact** of our interventions across the supply chain. For example, we conduct multi-year impact assessments in smallholder hubs to understand livelihoods outcomes and evaluate supplier training for both knowledge gains and behavioural change among workers.

To drive transparency, we report through platforms such as the [Annual Communication on Progress \(ACOP\)](#), a self-reporting mechanism for RSPO member companies. We also contribute to external benchmarks including sustainability scorecards that are driven by the [Rainforest Action Network \(RAN\)](#) and [the World Wildlife Fund for Nature \(WWF\)](#). In addition, we also publish information through our own reports and policies such as the [Forest Risk Commodities Report](#) and within our [Annual Reporting Accounts](#) which are assured by a third party.