Unilever Human Rights Case Study

Collaborating to drive improvements in our value chain

November 2024

Respect for human rights is the non-negotiable foundation of responsible business conduct at Unilever. Our approach is grounded in the principles of effective human rights due diligence (HRDD), a process through which companies identify and address potential and actual human rights impacts throughout their value chain. Gathering accurate and meaningful data is an important part of this process, requiring effective two-way engagement between a company and those in its value chain: from logistics firms transporting product to retailers, to small-scale operators such as smallholder farmers growing ingredients for our brands. Data helps to build up part of the picture about the working conditions and livelihoods of the people that are connected to the business.

Evaluation questionnaires are a common tool that businesses use to collect this data. However, we recognise that as suppliers often receive duplicative questionnaires and surveys from their customers, this may drive the unintended consequence of having to prioritise reporting over taking action. In addition, using multiple scorecards or questionnaires make it more difficult to identify common gaps which may lead to missed opportunities for building capability on complex topics.

The palm oil supply chain has the potential for significant impact on both human rights and the environment and that is why the industry is working together to align their HRDD efforts to drive systemic change. By starting with palm oil, we can learn a lot about the process and show the benefits of industry-wide cooperation in working towards our ambition of operationalising responsible palm oil.

In 2023, as members of The Palm Oil Collaboration Group (**POCG**), we launched the Social Issues Working Group (**SIWG**) – dedicated to labour and land issues - and developed the **Refinery Human Rights Due Diligence** (**HRDD**) **System Questionnaire.** The questionnaire was designed to assess the strength and maturity of palm oil refinery HRDD systems. Working with <u>ProForest</u>, the group also created a Maturity Matrix to rank the refineries based on their answers. This helps businesses to see where opportunities for improvement exist and develop effective action plans to address these issues.

Questions from the Refinery HRDD System Questionnaire were then included in other assessments which have been rolled out to our suppliers in 2024. Together, these tools simplify and standardise the process of data collection for suppliers and support companies within the SIWG to get timely and accurate information they need.

We recognise that this assessment is one part of an effective HRDD process and that engaging with rightsholders directly to understand the issues that they face is also very important. The aligned questions provide one way to assess the working conditions of refinery workers and make it easier to spot areas of improvement. This streamlined approach frees up resources which can be used to act on the gaps and implement improvements, meaning we can more efficiently identify, prevent and mitigate human rights impacts collectively. This in turn can contribute to positive human rights outcomes throughout our value chain.

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

A1.1 | A2.5 | C2.1 | C2.2 | C2.3 | C4.1 | C4.3