Responsible Partner Policy Implementation Guidance

2023

Unilever

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Introduction

What is this document?

This document, the Implementation Guidance, provides guidance to our business partners on how to better understand and implement the Fundamental Principles of Unilever's Responsible Partner Policy (RPP), introduced in 2022.

This Implementation Guidance is referred to in the Introduction section of the Responsible Partner Policy, and provides you with examples of effective steps and additional information on approaches to help you achieve and sustain the Mandatory Requirements. This Implementation Guidance should be read alongside our RPP.

In each section you will find guidance on both what the requirements of each Fundamental Principle mean and questions to help you develop and implement your own Management Systems. These are the appropriate policies, processes, and procedures that you must have in place and implement in order to achieve and maintain the Mandatory Requirements. The type and complexity of Management Systems required will depend on the size, type, and risk profile of your business, with consideration of the severity of the impact of those risks.

Please note you will also find links for a non-exhaustive list of supporting tools which you may find useful. The inclusion of these tools does not indicate any endorsement by Unilever and you should make your own assessment as to whether to use these tools and, if so, what relevant and proportionate approach to take. We welcome your feedback and suggestions for other tools that may be useful for business partners (see How can you give us feedback on page 4).

This Implementation Guidance is not intended to mandate the method or manner of your management of your own business or those working for you, and is intended to demonstrate certain approaches and methods that may assist you in achieving and maintaining the Mandatory Requirements.

This version of the Implementation Guidance covers our RPP Fundamental Principles 1 - 13 and 15 - 17 inclusive. A separate guidance document will be published for Fundamental Principle 14 on Land Rights.

Who is this for?

This Implementation Guidance is with respect to our Responsible Partner Policy, and therefore applies to the same scope of suppliers, their supply chains, customers and distributors as described in more detail in its introduction (see **RPP Page 5: Who does our RPP apply to?**). For ease of reading, "you", "your company", "your business" and "your organisation" have been used in this document and refer to the same scope as described on RPP Page 5 above.

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How does it work?

It is highly likely that you are subject to some of the RPP's requirements already – either by law or regulation, or because you are working with other business partners who have similar requirements. Our objective is to help you meet these requirements by your implementing Mandatory Management Systems. Management systems that you create and implement will support you by helping you to run your business effectively and meet certain standards as you conduct business. These Mandatory Management Systems will ideally build on other management systems that you already have in place for compliance. Here, we have focused on the Mandatory Management Systems that help you meet the Mandatory Requirements, which in turn help ensure you respect the Fundamental Principles of our RPP, as shown next.

Fundamental Principles
Our Responsible Partner Policy (RPP) and its Fundamental Principles embody our commitment to responsible, transparent and sustainable business.

Mandatory Requirements
This is the minimum expectation we have of all of our business partners set out in the RPP. Your meeting of the Mandatory Requirements enables you to respect the Fundamental Principles.

Mandatory Management Systems
These are policies, processes and procedures that you have in place to be a responsible business partner. Your creation and implementation of these Mandatory Management Systems will help you to meet the Mandatory Requirements.

This Implementation Guidance also sets out certain guidance with respect to Future Mandatory Requirements, that will become mandatory in the future, as well as examples of Leading Practices that are signaled in blue text.

Please note:

- You can jump to individual sections of this Implementation Guidance through the navigation bar at the top of each page.

- The section on implementing the Mandatory Requirements starts at page 8 and provides links so that you can go to guidance for each Fundamental Principle individually.

- Following the section on implementing the Mandatory Requirements, towards the end, there is a section on Other Tools and Support that you may find useful for more than one Fundamental Principle.

How can you give us feedback or let us know if you need support?

We see this Implementation Guidance as a living document. We invite you to contact us to let us know how the Implementation Guidance can be adapted to provide the most useful guidance to you, or if you are looking for support to meet the RPP. You can reach us directly at **Responsible.Business@Unilever.com.**

Understanding Management Systems

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Understanding Management Systems

In this Implementation Guidance we list a number of different management systems that you should consider when you create the Mandatory Management Systems for your own business. These systems can be grouped into the four categories summarised below.

(a) Policy

A policy is whatever written documents you use as a business to set out your responsibilities, commitments and expected behaviours. This document is typically approved at the most senior level of your company, and sets out expectations of the company's employees, business partners and other parties directly linked to its operations, products or services.

(b) Embedding measures

Embedding a policy refers to the steps a company takes to ensure that the policy is reflected in all relevant operational processes, procedures and systems – and implemented – so it becomes embedded from the top of the company throughout all its functions. Creating and communicating policy-based processes and procedures is key, but on their own, processes and procedures are unlikely to embed successfully. However, there are many additional forms of embedding you can use. The most common ones to consider include:

- Defining clear **roles and responsibilities** and **assigning individuals** to ensure that processes and procedures are carried out effectively

- Allocating adequate **resources** to the management systems

- **Building internal capability** through awareness raising, training and communication

- Creating **incentives** that enable workers to meet the policy expectations

- Identifying and addressing **business pressures** that can undermine the policy being met

- Creating regular **senior-level discussions** with senior managers and directors of the company

- **Conveying expectations** clearly to your business partners, for instance through contracts, guidance, conversations, and incentives

- Creating a system for **cascading** requirements to your suppliers and subcontractors and verifying their implementation.

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(c) Due diligence

Due diligence measures are those processes and procedures that enable you to:

Assess risks. These are the processes used to identify and assess potential risks in your operations and extended supply chain. These will help you better understand where there might be risks of not meeting the Fundamental Principles – and more broadly, where the business might be connected to risks to people or planet.

Take action. These are the measures taken to establish priorities, improvement objectives and plans to manage risks in your operations and extended supply chain. In short, these are the actions designated in applicable procedures and processes to help avoid, or reduce, the risks to people and planet.

Engage. These are the processes in place to engage with your workforce – including contracted workforce – to hear their perspectives on the risks and their expectations. This engagement can extend to communities surrounding your company.

Track performance. These are the measures used to monitor progress, for instance with clear performance targets and indicators, and procedures and records to demonstrate that policies and procedures are followed and to show how corrective action has been taken to address any gaps. These measures help you know whether the actions you are taking are **actually working** to minimise the risks.

Communicate. These are the processes in place to communicate with your stakeholders about the steps you are taking to meet the Fundamental Principles and minimise and address risks to people and planet through your business.

You could, for instance, start the due diligence process by reviewing your existing management systems in one area with this guidance in mind, to assess where you might need to make changes to meet the expectations set out in the RPP for Mandatory Management Systems. You could choose to start in particular functions, for instance related to human resources, or on specific issues, for example related to health and safety.

We suggest that you keep a **flexible mindset**. Your company may not have separate internal policies for each Fundamental Principle within our RPP – and some of these areas may be covered together by the same internal policy. Similarly, some of the areas covered by the Fundamental Principles will be addressed together by the same measures. What matters is the outcome that enables you to meet the Mandatory Requirements of the RPP.

We recommend that you **prioritise your efforts on the higher risk areas and segments of your business.** For human rights, this means prioritising your company's efforts on people who may be at higher risk, including people within your workforce, or in communities near your site, or in your company's value chain. According to the **UN Guiding Principles on Business and Human Rights**, you should find out who may be the most likely to be impacted, in the most severe way, and focus here. Those more at risk can include migrant workers, women, children, disabled workers and minimum wage workers; community members more at risk can include indigenous communities and poorer communities.

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(d) Remediation

Where Unilever's due diligence process identifies any negative business integrity, human rights or environmental impacts, particularly to those most at risk, or where you are in breach of a Mandatory Requirement, then you are expected by Unilever to rectify the issue and to put right and prevent repetition of the root cause that has caused the due diligence impact concern or breach of the Mandatory Requirement. This means, for instance, having procedures that aim to put the person back in the same situation they would have been in if the harm had not taken place. It also means creating a culture of trust where workers, contractors and other rights holders in the community can raise grievances freely.

You need to make sure channels are in place that let people raise issues in a way that ensures they will not be retaliated against. This is essential for workers to feel safe and comfortable to raise a complaint. They must know that they will not be retaliated against, and the complaint will be handled with sensitivity and confidentiality.

Although remediation processes are detailed specifically in Fundamental Principle 13 related to access to grievance mechanisms and remedies, they may be relevant for each of the other Fundamental Principles. What remediation is appropriate will depend on the impact to be remediated and therefore guidance on remediation is not included in each Fundamental Principle. However, in some cases, we do give examples that you may find helpful.

Remember: Mandatory Management Systems are created and implemented by you and will be appropriate to your business size and sector of activity as well as the severity and likelihood of potential impacts (risks) your business could be connected to. For assessment of potential human rights impacts:

Severity of impact depends on three factors:

1. Gravity of impact (scale)

2. Number of people impacted (scope)

3. Whether the impact can be remediated (remediability)

Likelihood of impact depends primarily on five factors:

1. Operating context

2. Nature of business activity

3. Nature of business relationship

4. Presence of at-risk groups

5. Strength of existing mitigation measures

Implementing the Mandatory Requirements Fundamental Principles

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Pillar 1 Business Integrity & Ethics

1. Legal Compliance & Countering Corruption
Business partners comply with relevant laws and regulations and have a zero-tolerance approach to all forms of corruption.

2. Safeguarding Information & Property
Business partners protect information and collect, process, store, transfer and dispose of personal data responsibly.

3. Sourcing and Manufacturing Products
Products and materials supplied to Unilever are appropriately sourced, tested and meet agreed specifications.

Pillar 2 Human Rights

4. Freely Agreed Terms of Employment
Work is conducted on the basis of freely agreed and documented terms of employment.

5. Free from Discrimination
All workers are treated equally and with respect and dignity without any form of discrimination.

6. Free from Harassment
All workers are free from harassment and abuse.

7. Work is Voluntary
Employment is accepted and work is conducted on a voluntary basis.

8. Appropriate Age
All workers are of an appropriate age and young workers are protected.

9. Fair Wages
All workers are paid fair wages.

10. Reasonable Working Hours
Working hours for all workers are reasonable.

11. Freedom of Association
All workers are free to exercise their right to form and/or join trade unions and to bargain collectively.

12. Health & Safety
All workers operate in a safe and healthy work environment that identifies and reduces risks to prevent accidents, injuries and illnesses.

13. Access to Grievance Mechanisms & Remedies
All workers have access to grievance mechanisms with fair procedures and remedies.

Note: A separate guidance document will be published for Fundamental Principle 14 on Land Rights

Pillar 3 Planet

15. Protect and Regenerate Nature
Business is conducted in a manner which protects, preserves and regenerates nature including biodiversity.

16. Climate Action
Greenhouse gas (GHG) emissions are reduced in line with the goals of the Paris Agreement.

17. Waste-free World
The generation of waste is reduced and zero waste to landfill is achieved.

Implementing the Mandatory Requirements

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1

Legal Compliance and Countering Corruption

All relevant laws and regulations are complied with and there is a zero-tolerance approach to all forms of corruption. RPP page 10.

What does this mean?

It is fundamental for companies to comply with all applicable **laws and regulations**.

All forms of **corruption**, including **bribery**, **extortion** and **embezzlement**, are prohibited and therefore, prevention measures should be implemented throughout your organisation and your business partners.

Gifts, **hospitality**, or any favours which are intended to or might be seen to influence business decision or create an obligation to do something in return must not be offered or accepted.

Ensure that workers do not allow their personal values, beliefs, welfare, and political views to take precedence over the company's expectations, thereby **avoiding conflicts of interest**.

Record all **transactions accurately, completely, and promptly** and ensure that approved transactions are legitimate and based on valid documentation. Retain records that may be relevant to any audit, litigation, or regulatory investigation. None of Unilever's confidential information can be used inappropriately.

Economic sanctions, anti-money laundering and anti-tax evasion laws are complied with.

As a Unilever business partner, there are certain countries to which you may supply goods or services, or do business in, that require you to meet additional, specific mandatory standards or to fulfil other legal obligations relating to Business Integrity & Ethics, Human Rights and Planet. These additional requirements and legal obligations must also be adhered to as Mandatory Requirements of our RPP.

Guidance on these additional requirements and legal obligations with respect to certain countries is set out in the Appendix of this Implementation Guidance. The Appendix provides additional guidance for Germany.

How to implement

Policy

- Consider whether you have clear and comprehensive policies covering your key risks on legal compliance.

  ➢ This includes checking if there are specific legal requirements and obligations for all the countries where you may supply goods or services or do business in. See Appendix for Germany.

- Consider whether you have clear and comprehensive policies covering your key risks on countering corruption, including on bribery, extortion, embezzlement, gifts, hospitality, conflicts of interest, accurate records, economic sanctions, money laundering and tax evasion.

  ➢ This includes committing to zero tolerance on corruption and establishing limits on the value of gifts and hospitality.

Implementing the Mandatory Requirements
Fundamental Principle 1 – Legal Compliance and Countering Corruption

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Embedding measures

- Consider whether your leaders are championing your policies through tone from the top.

- Consider whether all workers and directors receive effective communications and training on legal compliance and countering corruption.

  ➢ Tailoring the training for different roles and responsibilities and using real case examples from your company or your industry may help increase effectiveness.

- Consider whether you have procedures that are implemented with regard to your key risks on legal compliance and countering corruption.

- Consider whether you have a process for workers to disclose actual, perceived or potential conflict of interests.

- Consider whether you have a process for workers to disclose gifts & hospitality.

- Consider whether you have a periodic review process to ensure adequacy of all compliance policies with applicable laws and regulations.

Due diligence

- Consider whether you assess your risks on legal compliance and countering corruption.

➢ Risk assessments should be conducted on a regular basis, include consultations with key stakeholders and be proportionate to company size, country of operations and business activities. The methodology and outcome of the risk assessment should be communicated to leadership and documented. Action plans should be developed to close any gaps identified and implementation of the actions plans should be monitored.

- Consider whether you have internal controls in place to monitor and identify potential breaches or fraud.

- Consider whether you have an effective internal speak-up channel for the communication of suspicion or discovery of illegal or unethical practices.

  ➢ Speak-up channels should be available to all workers and third parties and include the option to report anonymously. Reports made through the speak-up channel should be treated confidentially and recorded in a protected system. A non-retaliation policy should be in place to protect reporters.

- Consider whether you have a due diligence procedure covering workers and third parties in order to verify compliance with your key legal and compliance requirements.

  ➢ Due diligence on third parties should be conducted at the time of onboarding and regularly reviewed. Any red flags identified should be mitigated and mitigation actions should be monitored.

Implementing the Mandatory Requirements
Fundamental Principle 1 – Legal Compliance and Countering Corruption

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Checklist: Ethics & compliance framework

Key principles for policies:

❏ Clear & simple

❏ Adapted to local context

❏ Include tone at the top

❏ Frequently reviewed

❏ Communicated regularly

❏ Easy to access

Key principles for training:

❏ Relevant to the audience e.g. building on real-life examples

❏ Communicated effectively

❏ Delivered to new joiners and regularly to workers

Key principles for risk assessment:

❏ Comprehensive in scope to cover main risks

❏ Proportionate to size of company, country of operations and business activities

❏ Regularly reviewed

❏ Include consultation with key stakeholders

❏ Documented

❏ Gaps are closed

Key principles for reporting channels:

❏ No retaliation

❏ Anonymity provided as an option

❏ Confidentiality of matters and partied involved

Key principles for third party due diligence:

❏ Screening at the time of onboarding and reviewed regularly

❏ Red flags are mitigated

Implementing the Mandatory Requirements
Fundamental Principle 1 – Legal Compliance and Countering Corruption

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Supporting tools

Transparency International – Business Principles for Countering Bribery (SME edition)

International Chamber of Commerce Anti-Corruption Guide for SMEs

The two resources above provide guidance for small and medium enterprises on countering bribery and corruption.

World Bank Group Integrity Compliance Guidelines

This summary of the World Bank Group guidelines incorporates standards, principles and components commonly recognised by many institutions and entities as good governance and anti-fraud and corruption practices.

OECD Guidelines for Multinational Enterprises

These guidelines from the Organisation for Economic Co-operation and Development are the most comprehensive international standard on responsible business conduct. The OECD Guidelines reflect the expectation from governments to businesses on how to act responsibly. They cover all key areas of business responsibility, including human rights, labour rights, environment, bribery, consumer interests, as well as information disclosure, science and technology, competition, and taxation.

Implementing the Mandatory Requirements

2

Safeguarding Information and Property

Information is protected, whether that information derives from Unilever or from its competitors, and personal data is collected, processed, stored, transferred, and disposed of responsibly. RPP page 12.

What does this mean?

Business partners which have access to **Unilever's information and property** should protect them. Any document containing confidential information should have an adequate level of protection. Only authorised personnel should have the accessibility of the data/information.

Competitor's information should only be used when publicly available. No competitor information which is commercially sensitive in nature or confidential should be divulged. In the same manner Unilever's sensitive and confidential information is not shared or used unless there is an explicit consent/approval from Unilever.

Personal data is collected, processed, stored, transferred, and disposed of in line with applicable laws. Personal data is stored in secured servers.

How to implement

Policy

- Consider whether you have clear policies on safeguarding information of Unilever and its competitors.

  ➢ Consider whether you have a policy for data privacy. This should include a defined retention period for each type of personal data.

Embedding measures

- Consider whether your leaders are championing your policies through tone from the top.

- Consider whether all workers and directors receive effective communications and training on safeguarding information.

- Consider whether you have a defined procedure on how to collect the data and where to store it.

- Consider whether you have a procedure for how to destroy the data once the objective or data retention limit has been met (whichever is sooner).
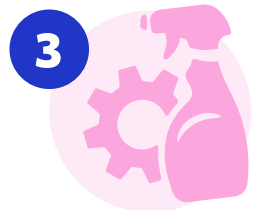
Due diligence

Consider whether you have an effective internal reporting channel for the communication, management and resolution of data breach incidents.

Implementing the Mandatory Requirements
Fundamental Principle 2 – Safeguarding Information and Property

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Supporting tools

UK ICO - 15 things all small businesses need to know about data protection

This blog from the UK Information Commissioner's Office has been written with the needs of small businesses in mind.

Implementing the Mandatory Requirements

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3

Sourcing and Manufacturing Products

Products and materials supplied to Unilever are appropriately and responsibly sourced and tested and meet agreed specifications. RPP page 14.

What does this mean?

Business partners should follow quality standards and **safety protocols** should be fully embedded into production standards.

To communicate responsible business requirements to business partners, a **responsible business partnering policy** should be designed and communicated.

Prior to its initiation, any **animal testing** whether on existing or new products, product ingredients or materials should be disclosed to Unilever.

How to implement

Policy

- Consider whether you have policies on quality and safety for all the materials, goods or services that you may provide.

  ➢ Consider whether you cascade the policy requirements to third parties that you may sub-contract to supply Unilever.

- If applicable, consider whether you have a policy on non-animal testing that demonstrates how you uphold the principle of "animal testing as a last resort".

- Consider whether you have a policy on responsible business applicable to third parties.

Embedding measures

- Consider whether your leaders are championing your policies through tone from the top.

- Consider whether all workers and directors receive effective communications and training on quality and safety.

- Consider whether you have a procedure in place to ensure that all the quality-related certifications are in place as per the regulatory requirement and Unilever standards.

- Consider whether you have an effective procedure in place to ensure that any product quality or safety concern identified in your company or in your supplier chain is communicated to Unilever without delay.

- Consider whether you communicate to and train your third parties effectively on responsible business.

- Consider whether you have a procedure in place to identify animal testing in your production or supply chain and to notify Unilever without delay if animal testing is identified.

- Where applicable, consider whether you have a procedure in place to trace minerals which may come from conflict-affected or high-risk areas.

Implementing the Mandatory Requirements
Fundamental Principle 3 – Sourcing and Manufacturing Products

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Due diligence

Consider whether you have due diligence processes and/or audit requirements in place for your third parties.

Supporting tools

OECD Due Diligence Guidance for Responsible Business Conduct

This guidance from the Organisation for Economic Co-operation and Development provides practical support to enterprises on the implementation of the OECD Guidelines for Multinational Enterprises by providing plain-language explanations of its due diligence recommendations and associated provisions. Implementing these can help enterprises avoid and address adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance that may be associated with their operations, supply chains and other business relationships. The guidance includes additional explanations, tips and illustrative examples of due diligence.

Implementing the Mandatory Requirements

Introduction — Understanding Management Systems — **Implementing the Mandatory Requirements** — Other Tools and Support — Appendix   17

4

Freely Agreed Terms of Employment
Work is conducted on the basis of freely agreed and documented terms of employment. RPP page 16.

What does this mean?

It is fundamental for workers that they start their work with a clear understanding of what their work will be, and what they can expect in return from you, as their employer.

All workers should be given a contract, regardless of whether they are full time, part time, temporary or paid by the hour or by piece rate. Most importantly this document should be in the worker's native language. If there are literacy issues, the worker should have the opportunity to review the contract with someone they trust before signing.

How to implement

Policy

- Consider whether you have clear policy frameworks for key management functions such as hiring and contracting, worker grievance management, discipline, promotion and employment termination.

  ➢ Employment termination includes the ability for workers to terminate their employment by providing a reasonable notice period. What can be viewed as a 'reasonable notice period' is typically provided for in law, or you can choose to go for industry best practice if that is better for the worker.

Embedding measures

- Consider whether you have procedures for implementing these policy frameworks for these key management functions.

  ➢ Creating a procedure with a contract template or checklist can help to ensure that your employment documents include all the necessary information. A process to ensure that the procedure is followed by those responsible can also be useful.

- Consider whether you are training the people responsible for implementing these policy frameworks.

  ➢ This might be one person, or your entire Human Resources function.

- Consider whether you have a process to review the employment terms and treatment of short-term, casual or agency workers.

- Consider whether ongoing training is provided for all workers to raise and broaden their skills to enable them to advance in their employment. This would be Leading Practice.

  ➢ You could start by providing training to certain categories of workers, and building it out from there.

Due diligence

- Consider whether you have a clear and transparent system of worker and management communication. Do workers have the right to effective dialogue with management?

Implementing the Mandatory Requirements
Fundamental Principle 4 – Freely Agreed Terms of Employment

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- Consider whether you have a process for workers to be provided with information relating to any decision that changes or affects their terms of employment.

- Is appropriate documentation kept?

  ➢ Consider putting measures in place to keep an updated register of contracts and relevant worker information such as ID and social security card.

Top tip: Worker handbook

It may help you and your workforce if you create a worker handbook that includes information on employment terms and contract matters, in simple language that workers can easily understand. The handbook can use diagrams and visuals, if helpful – for instance, if there are literacy challenges in the workforce. The handbook can be attached to all contracts that workers are signing with you as employer.

Spotlight: Short-term, casual or agency workers

Short-term, casual or agency workers often have lower levels of employment protection and benefits compared with permanent employees and therefore can be considered to be at greater risk. Where required by law, short-term, casual or agency workers should be hired as permanent employees where

the work is of a regular nature and required all year round. If this is done regardless of legal requirements this would be Leading Practice.

Here are guiding questions that can help you explore and address the issues:

- Consider whether you **understand** the full situation with these kinds of workers in your business: the proportion of your workforce at different times, the duration of their employment and the reasons for using them.

- If not, how can you build your understanding? Can you **discuss** internally the terms and manner of usage of short-term, casual or agency workers with different people in management?

- What is driving the need for temporary or contract workers rather than having more permanent workers? Is it just seasonal or is it other things, such as rushes or last-minute orders? Or is it just a habit, and the cost of employing more permanent staff seems too high?

- If analysis of sales could give better forecasting and if production planning/account management worked closely with Human Resources, could more realistic staffing plans be developed to minimise the use of temporary workers?

Remember: investing in permanent employees means you are more likely to keep and develop their skills for longer and the stability this provides can be helpful to your business as well as to your employees.

Implementing the Mandatory Requirements
Fundamental Principle 4 – Freely Agreed Terms of Employment

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Supporting tools

Partner Africa, Regular Employment, Business Toolkit (2018)

This business toolkit for suppliers explains in simple terms how good management practices are an essential part of ensuring a sustainable and resilient business model. Partner Africa put this toolkit together in collaboration with companies AB-InBev, Diageo and The Coca-Cola Company, on behalf of **AIM-Progress**. The regular employment checklist (p. 93) can help you as a self-assessment tool.

Implementing the Mandatory Requirements

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5

Free from Discrimination

All workers are treated equally and with respect and dignity without any form of discrimination. Particular attention is paid to the rights of workers most at risk of discrimination. RPP page 17.

What does this mean?

Discrimination in the workplace occurs when a person is treated differently on the basis of protected categories that are described in our RPP, page 17, 5.2.

Discrimination can be a distinction, exclusion, detriment, or preference of treatment. To meet the Mandatory Requirements, you must ensure equality of opportunity and treatment at all times, as part of employment.

How to implement

Policy

- Consider whether your policies prohibit discrimination in any form during the recruitment, compensation, access to training, promotion, employment termination or retirement processes.

  ➢ For training, this would include any personal and professional development opportunities you may offer.

Embedding measures

- Are your policies clearly and regularly communicated to all workers, including management?

- Are you training Human Resources (or the equivalent) to avoid discrimination in employment practices?

  ➢ Situations where discrimination is most likely to happen include when you hire, pay, train, promote or discipline workers, terminate employment or organise worker retirement, so focused training on these situations using case examples may be helpful.

- Are you training workers (including managers, supervisors, site security) to avoid discrimination in operational practices?

  ➢ This could include building knowledge of how discrimination can arise and how to identify the groups of people who are at particular risk based on the list of protected categories (shown in Mandatory Requirement 5.2, RPP page 17), as well as how you might be biased against certain groups without realising it (see Top Tip on addressing unconscious bias and systemic discrimination).

Due diligence

- Consider whether you have procedures in place for implementing policies that prohibit discrimination in any form during the recruitment, compensation, access to training, promotion, employment termination or retirement processes.

  ➢ This may mean changing the way you communicate, for example using gender neutral language to describe roles and

Implementing the Mandatory Requirements
Fundamental Principle 5 – Free from Discrimination

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using pictures that include diverse people.

- Consider whether you have selection criteria for all human resource decisions which are objective and transparent, and whether there are controls in place to ensure these criteria are met.

  ➤ Consider if any parts of the human resource decision making processes can be done based on data that does not include names or other personal identifiers, to counter unconscious bias – also see Top Tip on addressing unconscious bias and systemic discrimination.

- Are procedures in place to ensure that job vacancies are not described in terms that could exclude a group, or groups, of people, other than based on the skills, occupational requirements or training needed to perform the work?

- Is the effectiveness of training and policies and the identification of possible areas of discrimination tested? This would be viewed as Leading Practice.

- Are there programmes addressing the needs of workers most at risk of discrimination (for example, under-represented communities, women or people with disabilities) in place? They may cover areas such as flexible time options, child and dependant care and mentoring programmes. This would be viewed as Leading Practice.

- Are diversity criteria included in the selection of new suppliers? This would be viewed as Leading Practice. Also see Spotlight on supplier equity, diversity and inclusion.

Top tip: Addressing unconscious bias and systemic discrimination

Discrimination isn't necessarily obvious and a direct action. It can also be hidden and driven by unconscious bias, meaning discrimination or discriminatory practices may be happening unintentionally.

It can help to review the list of protected categories (shown in Mandatory Requirement 5.2, RPP page 17) with workers, or worker/union representatives. You could also discuss this with an external civil society organisation or expert.

You could explore the following questions:

- Which protected categories are more likely to be impacted in your workplace, because of what you do, where you operate, and the kinds of people you employ?

- What kinds of processes might your company have in place that could be entrenching this discrimination?

- What measures could you take to ensure that this discrimination is not occurring?

- How can you raise awareness of unconscious bias across the company?

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Spotlight: Gender

Globally, there is still major gender inequality and businesses are often male dominated with gender dynamics in the workplace that favour men.

Specific focus on addressing gender discrimination will help you in meeting the requirements of Fundamental Principle 5 and also some requirements of Fundamental Principle 6 Free from Harassment. Exploring the questions below may help.

- Have you reviewed your policies to make sure they clearly state how your operations could affect women and men differently – for example with occupational health & safety concerns? This is called applying a gender lens.

- Have you reviewed workplace policies to make sure you have gender-sensitive policies in place – for example your anti-harassment policy?

- Are you adopting a broad definition of gender discrimination? Gender discrimination includes gender identity, meaning how someone identifies even if this does not correspond with the sex marked on their birth certificate. It also includes gender expression, meaning how someone dresses, styles their hair, etc. which does not always correspond with the traditional, binary ways of gender expression.

- Consider whether you have policies and specific and measurable targets for achieving gender equality and diversity. This would be viewed as Leading Practice.

- Consider whether you gather gender/sex disaggregated data to help you identify your gender differences and risks. Can you collect this data and review it on a regular basis – who will be responsible for collecting it and what process can you use? Tracking gender disaggregated/sex-disaggregated data over time can help you determine what is going well and what needs to be improved. You can see if your actions have the desired effect and make evidence-based decisions on which measures to continue and which to stop.

- Consider whether you can also engage with rights-holders who may be the subject of discrimination to identify their experiences. This can be done with a trusted third party and can help you understand the barriers you need to overcome to achieve success.

- Consider whether you can communicate the actions you are taking to close gender gaps and the progress your business is making. This demonstrates your commitment to gender equity and opens the door for additional feedback. You may need to tailor communications to the specific audience. For example, in cases where women may have low literacy, it may be important to use cartoons, pictures, and infographics.

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Top tip: Gender committee

Having a gender committee in place to identify and address gender issues may be useful. This would be a group of workers that support the company in identifying gender-specific risks and opportunities related to the company's policies, operations, decisions, and programmes. Their objective is to act as a resource to improve worker safety, security, and empowerment with a gender focus.

Spotlight: Supplier equity, diversity and inclusion

Including diversity criteria in the selection of new suppliers is considered Leading Practice.

Supplier Equity, Diversity and Inclusion (EDI) is a business strategy that drives change and promotes proactive inclusion of diverse businesses in your organisation's procurement. This may help to increase business resilience and innovation, and also helps the business to advocate for this social issue.

Diverse suppliers are also referred to as under-utilised. WEConnect International provides more information including examples of diverse suppliers in **The Business Case for Global Supplier Diversity and Inclusion: The Critical Contributions of Women and Other Underutilized Suppliers to Corporate Value Chains.**

Here is some guidance on how you can develop your own supplier equity, diversity and inclusion (EDI) programme through a three step iterative process.

Step 1: Design your own supplier EDI programme

You can do this by, for example, establishing a strategy and governance structure for your programme, as well as building support from executive management. You could also carry out research to identify diverse suppliers in your value chain and what diversity means across different geographies, as well as reaching out to or creating a network of EDI champions across

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your procurement organisation.

To help you design your supplier EDI programme, you can consider the following questions:

- What are your strategic business growth goals for the next few years? What key products/services will your business be expanding purchase of?

- What growth areas can your business support through new, diverse supplier recruiting? Can it be supported by diverse small and medium enterprises (SMEs)?

- Which of your key customers relationships will gain value from the programme?

Step 2: Implement your supplier EDI programme

You can do this by, for example, implementing it in specific markets or procurement portfolios; supporting diverse business capacity building; partnering closely with global and local supplier diversity NGOs and networks; and leveraging your existing supplier relationships to grow diversity in your supply chain.

To help you implement your supplier EDI programme, you can consider the following questions:

- What markets, categories, brands, business opportunities will be the primary focus of your programme?

- Which paths to increasing diverse spend will be your priority? Can you purchase from diverse businesses already available in your supply chain, or new ones?

- Where can you – and your suppliers – find new diverse suppliers?

- Can you foster partnerships between your strategic suppliers and Tier 2 diverse businesses?

- How can you build the capacity of diverse suppliers to meet your needs?

- What supplier diversity data and systems will you invest in to facilitate programme implementation?

Step 3: Monitor your supplier EDI programme and report

You can do this by, for example, tracking and reporting on diverse spend; measuring the impact of your programme; and communicating this internally and externally.

To help you monitor your supplier EDI programme, you can consider the following questions:

- What partnerships and advocacy platforms will you leverage?

- What metrics will you report both internally and externally?

- What systems will you establish to allow demonstration of Tier 2 diverse spend to your clients?

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Supporting tools

United Nations Global Compact, Business & Human Rights Navigator, Discrimination (2022)

United Nations Global Compact, Business & Human Rights Navigator, Gender Equality (2022)

The Business & Human Rights Navigator is a tool created by the United Nations Global Compact. It gives definitions and considers the dilemmas, main impacts on businesses and human rights, and key resources.

The Labour Principles of the United Nations Global Compact - a guide for business (2008)

The Labour Principles of the UN Global Compact provide guidance to help businesses understand and implement the 10 Labour Principles of the UN Global Compact. At page 31 (33rd page of the pdf) you will find a description of UN Global Compact's Labour Principle 6 - uphold the elimination of discrimination in respect of employment and occupation - with an inventory of key resources to help integrate this principle into business operations.

UN Women's Empowerment Principles, Gender Gap Analysis Tool (2022)

The Women's Empowerment Principles Gender Gap Analysis Tool (WEPs Tool) is a business-driven tool designed to help companies from around the world assess gender equality performance across the workplace, marketplace, and community.

BSR, Making Women Workers Count: a framework for conducting gender-responsive due diligence in supply chains

This paper offers guidance to brands and suppliers on how to conduct gender-responsive due diligence in supply chains. It follows a 4-phase scenario (Phase 1: Assess and Analyse; Phase 2: Integrate and Act; Phase 3: Track and Phase 4: Communicate).

Unilever Gender Integration Course – focus on women (easy generator.com)

This training was created by Unilever and provides a step-by-step approach to help you develop a gender integration plan for your business. It also provides resources, tools and templates you may need to implement your plan successfully, aiming to improve your management of gender-related risks and enhance your sustainability performance.

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Free from Harassment

All workers are free from harassment and abuse. No worker is subject to any physical, sexual, psychological, or verbal harassment, abuse or other form of intimidation. RPP page 18.

What does this mean?

All workers should be treated with dignity and respect; they should be free from harassment and abuse. Harassment and abuse can come in many different forms, described in our RPP, page 18, 6.1.

Harassment is any conduct that is unreciprocated or unwanted and affects the dignity of people at work. Any worker can be the person responsible for harassment and abuse, and any worker can be the victim of harassment. However, harassment is more likely to arise in certain settings:

- Where there is an imbalance of power in a relationship – for example a manager with a worker

- Where worker populations are in a situation of poverty/high unemployment

- Where the prevailing culture/context/law discriminates against certain groups.

Spotlight: Sexual harassment

Sexual harassment is unwelcome conduct of a sexual nature which makes a person feel offended, humiliated and/or intimidated. It can be physical, verbal or non-verbal. It is generally a display of power intended to intimidate, coerce, or degrade another person, creating a hostile working environment. A single isolated act may be sufficient to constitute sexual harassment.

Here are some examples of sexual harassment. Keep in mind that other acts can also be defined as sexual harassment.

- **Physical:** touching, pinching, stroking, squeezing, or brushing against someone; unnecessary physical contact and touching; physical assault; the use of job-related threats and rewards to solicit sexual favours.

- **Verbal:** making homophobic or sexual comments or innuendos; telling sexual jokes or asking about sexual fantasies; making insults based on a person's sex or rating their sexuality; turning work discussions into sexual topics; requesting sexual favours often related to promotion.

- **Non-verbal:** sending unwanted e-mails and text messages; posting sexually explicit jokes on the office intranet; displaying pictures, calendars, desktop wallpaper or other sexually explicit material; leering or ogling.

Remember that many forms of sexual harassment are also a criminal offence under the law.

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How to implement

Policy

- Consider whether you have policies in place that prohibit any form of harassment or abuse.

- Consider whether you have committed to zero tolerance for harassment.

  ➢ How can you ensure this extends to your business partners – customers, clients, suppliers, etc. – with whom your workers work? Zero tolerance for harassment should cover both the rights of your workers while working with business partners and also make sure that your workers respect the rights of business partners.

Embedding measures

- Consider whether you communicate your policies clearly to all workers.

- Consider whether you ensure all workers are given regular training on how to recognise and prevent harassment and other forms of intimidation.

- Consider whether you ensure written disciplinary procedures are communicated and explained clearly to all workers.

- Consider whether procedures are in place that prohibit any form of harassment or abuse.

- Consider whether you have programmes in place to increase safety for women and reduce gender-based violence both for workers and women in the community. This would be viewed as Leading Practice.

Due diligence

- Have you conducted a harassment risk assessment and identified the factors that might increase the likelihood of harassment or sexual harassment when building teams, for example relating to leadership positions, and the steps that can be taken to minimise them? This would be viewed as Leading Practice.

  ➢ Consider whether you can build on existing risk management frameworks, traditionally used in the workplace health and safety context.

  ➢ Consider providing specific sensitivity trainings to managers or supervisors dependent on the demographic profile (for example gender and race) of the workforce.

  ➢ You can also consider assessing high-risk workplaces where workers might be alone with third parties (such as customers, clients, suppliers, or other business partners) and putting reporting mechanisms in place, together with any other steps that help to prevent harassment.

- Consider whether you ensure that all workers (including managers, supervisors, site security) are subject to appropriate disciplinary measures if they are responsible for harassment or abuse.

- Consider how to ensure that all disciplinary actions are documented for the duration applicable by law.

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Remediation

- Consider whether you have gender-sensitive grievance mechanisms, including distinct procedures for cases involving sexual harassment or assault.

  - ➤ Those procedures should take into account the potential trauma and risks involved and make provision for counselling and other support to harassment survivors.

In addition:

- Consider whether you send a regular, clear message to everyone in your organisation that:

  - ➤ The person who makes a harassment complaint will not be blamed.

  - ➤ The perpetrator of harassment will be the one facing consequences (for example redeployment, suspension, dismissal, etc.).

  - ➤ False accusations do happen, but they are rare.

- It can be helpful if the above messages come from senior leadership.

- In addition to disciplining the perpetrator, do you provide the survivor with access to ongoing support for their mental and physical health, as needed?

Top tip: Training for freedom from harassment

Harassment can be perpetrated by anyone, and all workers should be given training on how to recognise and prevent harassment and any other forms of intimidation.

However, we also know that harassment is more likely to occur when there is an imbalance of power in a relationship, or where the prevailing culture discriminates against certain groups. This means that you can place extra focus on training specific groups as part of your embedding measures. You could:

- Make sure those who may be considered to be in positions of power, or who have particular opportunity for abuse of power, receive regular training that is specific and relevant to their roles – for example, run courses for managers, supervisors and site security staff.

- Consider working on this issue with trade unions as they can be another avenue of training, monitoring and reporting.

- Consider engaging experts on ending violence against women and girls. They can help you to raise awareness among managers and workers and to deliver training for men on gender-sensitive issues.

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Spotlight: Human rights defenders

Our RPP includes a focus beyond workers to community members surrounding your sites. Where these individuals are speaking up for their rights, they are known as "human rights defenders".

Who could be human rights defenders?

- Workers and trade union leaders.

- Community members, indigenous communities, community leaders.

- Civil society organisation representatives, campaigners, advocates.

- Journalists, whistle-blowers.

- Any other individuals who are speaking up for their rights.

One of the Mandatory Requirements is zero tolerance of any abuse, threats, intimidation or reprisals against human rights defenders. To help you meet this zero-tolerance requirement, you could consider the following questions:

- Do you have processes in place to speak with people in and outside your workplace to identify where there are people that could be at risk due to speaking up to defend their rights?

- Do you have channels in place to enable human rights defenders to raise concerns with you?

- Do you have processes in place to enable your company to prevent retaliation/harassment of human rights defenders in response to risk assessments and grievance mechanisms?

Civil society organisations and human rights defenders play a role in creating a profitable, enabling environment for the private sector. The right to freedom of expression is a fundamental human right. Leading practice includes that Strategic Lawsuits Against Public Participation (SLAPPs) used to silence human rights and environmental defenders and civil society organisations that support affected rights-holders in legitimate activism are not engaged in. Free expression including from civil organisations and human rights defenders also help businesses manage risk related to business operations.

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Supporting tools

Focus on elimination of violence and harassment in the workplace

ILO, Eliminating Violence and Harassment in the World of Work Convention No. 190, Recommendation No. 206, and the accompanying Resolution

This is the international treaty that provides a clear and common framework to prevent and address violence and harassment in the world of work, based on an inclusive, integrated and gender-responsive approach.

ILO, Violence and Harassment at Work: a practical guide for employers (2022)

This practical guidance to companies describes how to address, prevent and respond to violence and harassment in the world of work with reference to the ILO Violence and Harassment Convention (No. 190) and its accompanying Recommendation (No. 206), 2019. It aims to enable enterprises to better control the risks and minimise the negative impacts that violence and harassment bring to the workplace.

Partner Africa Business Toolkit 2018.pdf (aim-progress.com)

This toolkit provides practical guidance and tools to improve productivity, quality and efficiency, based on good working conditions and workforce management – which are essential elements to build a sustainable and resilient business.

Partner Africa put this toolkit together in collaboration with companies AB-InBev, Diageo and The Coca-Cola Company, on behalf of AIM-Progress. The chapter on Discrimination and Harassment (starts on page 88) may be useful.

Focus on prevention of sexual harassment

ITUC, A Trade Union Guide: stopping sexual harassment at work (2008)

This guide from the International Trade Union Confederation describes how trade unions can play a major role in outlawing sexual harassment at work.

Preventing Sexual Harassment at the Workplace (eepcindia.org)

This guide for employers on preventing sexual harassment in the workplace is a practical tool developed by the Engineering Export Promotion Council of India.

Guidelines on the Prevention of Workplace Harassment (betterwork. org)

Better Work Indonesia has developed these Guidelines on the Prevention of Workplace Harassment, mainly based on the Guidelines on the Prevention of Sexual Harassment developed by the Indonesian government.

A Global Women's Safety Framework in Rural Spaces

This is a UN Framework that incorporates experience in the tea sector in rural spaces and builds common understanding that is applicable to other commodity sectors in agricultural value chains. Together with the guide for implementation, it provides examples of how producers, authorities and civil society groups can work together, with links to tools and organisations.

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Unilever, IUF & IndustriALL joint commitment to prevent sexual harassment (unilever.com)

This guidance is based on internationally recognised instruments and focuses on how to develop policies and procedures to prevent sexual harassment, adapted to the workplace context. This was jointly developed by Unilever and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco, and Allied Workers' Associations (IUF) and IndustriAll, the international union federations representing the vast majority of Unilever's unionised workforce.

Focus on respect for human rights defenders

Guiding Principles on Business and Human Rights: guidance on ensuring respect for human rights defenders (2021)

This guidance explains how to use the UN Guiding Principles on Business and Human Rights for engaging with, safeguarding and ensuring respect for the rights of human rights defenders.

Business and Human Rights Resource Centre & ISHR, Shared Space Under Pressure: business support for civic freedoms and human rights defenders (2018)

This guidance advises companies to address the challenges and opportunities to support civil society and human rights defenders. It describes how freedom of expression also help businesses managing their risks and how the use of strategic lawsuits against public participation, or SLAPPs are considered by many as an illegitimate business strategy for companies.

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7

Work is Voluntary

Employment is accepted, and work is conducted on a voluntary basis. RPP page 19.

What does this mean?

Forced labour describes work that is performed involuntarily and under the threat of penalty. It is easy to understand a situation of forced labour in situations in which people are coerced to work through the use of violence, for instance. However, forced labour can exist through more subtle means such as debt, retention of identity papers, excessive overtime, or threats of reporting the worker to immigration authorities.

Forced labour can occur in any type of work and in any industry including the informal economy. It can occur in any country. And it can take many forms, as defined below:

- **Human trafficking** is a process of bringing workers into a situation of exploitation through a series of actions, including deceptive recruitment and coercion
- **Debt bondage** is when workers must continue to work in order to repay a debt to a labour broker, their employer, or another third party
- **Indentured labour** is when workers are bound to their employer with or without an employment agreement and are not able to leave at will. Slavery is a form of indentured labour
- **Slavery** is a situation where there is (perceived) power of ownership; for example where an employer or labour broker exercises (perceived) power of ownership over a worker

- **Forced overtime** is when workers cannot refuse to work overtime without fear of penalty
- **Limited freedom of movement** means confinement or not allowing workers to leave the facility grounds and dormitories
- **Prison labour** is when people who are incarcerated are used as part of the workforce.

There are some specific situations that are not viewed as forced labour.

Unilever does not permit the use of prison and/or detained labour. The only exception is regarding voluntary prison labour if certain conditions are met. Voluntary prison labour may only be used when (1) people who are incarcerated are going through rehabilitation or being trained in preparation for re-entry to society and (2) their terms and conditions of employment are strictly similar to those in the open labour market. To ensure that these conditions are met, any use of people who are incarcerated for labour must be discussed with Unilever prior to doing business and/or using this type of labour force.

In addition to voluntary prison labour under these conditions, international standards also make clear that the following situations would not be defined as forced labour:

- Compulsory military service
- Normal civic obligations
- Work in emergency situations, that is to say, in the event of war or of a calamity or threatened calamity, such as fire, flood, famine, earthquake, violent epidemic or epizootic diseases, invasion by animal, insect or vegetable pests, and in general any circumstance that would endanger the existence or the well-being of the whole or part of the population
- Minor communal services (within the community).

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How to Implement

Policy

- Consider whether you have policies that explicitly prohibit forced labour and set out protections for workers.

  - ➢ An effective policy against forced labour addresses specific issues such as recruitment fees, wage advances and worker loans, withholding of wages, freedom of movement and possibility to leave the premises freely (e.g. if a curfew is in use), site and dormitory security, overtime, right to terminate employment, and document retention.

  - ➢ Check that you have included indicators of involuntary work in your policies – see the Checklist on ILO indicators of forced labour on the next page.

- Consider whether you have policies in place to prevent, identify and remediate any potential cases of involuntary work.

- Consider whether you have a responsible recruitment policy that covers migrant workers.

  - ➢ See Spotlight on migrant workers and other workers at risk.

Embedding measures

- Consider whether you have clear communication to all workers about your policies on voluntary working and responsible recruitment.

- ➢ Do you have processes in place to verify that workers also understand the policies? You could start with a specific focus on new recruits and migrant workers.

- Consider whether you train Human Resources (or the equivalent) to ensure that workers are entering into employment freely during the course of hiring.

- Are you making sure there is training (or other means) to give migrant workers clear, complete information about their working terms and conditions as well as their rights, pre-departure and post-arrival, in a language that they understand?

  - ➢ See Top Tip on worker handbook in section on Fundamental Principle 4 Freely Agreed Terms of Employment.

Due diligence

- Consider whether you have processes to make sure workers have freedom of movement and that they are not confined to the facility's premises, including worker accommodation and transportation to or from the place of work (where either is provided).

  - ➢ Freedom of movement means without fear of disciplinary action, discrimination, or termination of employment. This includes ensuring that security guards cannot take disciplinary action against workers.

  - ➢ You should also ensure workers have free access to toilets, water and breaks and that they are free to leave the workplace (after giving notice) under extenuating circumstances such as personal or family emergencies or illness.

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➢ Workers should be free to refuse to perform certain tasks that they believe to be hazardous, and free to resign (after a reasonable notice period), without penalty.

➢ Where you or your recruiter offer worker accommodation (dormitories), make sure that workers are free to choose to live in them or not.

• Consider whether you have processes in place to identify indicators of involuntary work and take appropriate actions to address them.

Checklist: ILO Indicators of forced labour

❏ Abuse of vulnerability

❏ Deception

❏ Restriction of movement

This could include being unable to leave the premises of the workplace or dormitory (if provided) – for example if a curfew is in use

❏ Isolation

❏ Physical and sexual violence

❏ Intimidation and threats

❏ Retention of identity documents

This could include any identity documents, personal papers or other items that could prevent the worker leaving freely, for example credit cards, ATM cash withdrawal cards, SIM cards

❏ Withholding of wages

❏ Debt bondage

This could include debt from recruitment fees paid by workers to various agencies or labour brokers; other payments to access work; wage advances and worker loans

❏ Abusive working and living conditions

This could include lack of privacy or absence of site / dormitory security

❏ Excessive overtime

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Spotlight: What to watch out for as an employer

What matters is that workers can leave freely, and that they feel able to do so. Retention of papers, threats, physical or logistical barriers or debt are all measures that could hinder a worker's ability to leave freely

Fees

- You are responsible for paying all fees and expenses connected to a worker obtaining employment or incurred as part of the worker performing their duties. If workers have paid any fees, you must reimburse them.

- Keep in mind that the worker may pay for their job, even if you have covered the cost of labour. For example, a labour agency may be gathering fees from both you and the workers. Or workers may be paying fees to another person involved in the recruitment process, beyond the agency.

- Even if individual recruitment fees are small amounts, they may be paid to a number of people – which can add up to create large amounts of debt for the worker. This can lead to debt bondage.

Document retention

- You are responsible for ensuring there are no other measures in place that would put workers in a situation of forced labour, for example retention of identity, personal papers or other documents.

- If you need worker identification or other personal documents, you can use photocopies – or use the originals and return them immediately after. If workers would like you, as the employer, to keep documents safe, then you should provide a safe and secure place for this where workers can access their documents directly and independently at any time (day and night).

Recruitment agencies

- If you use recruitment agencies or labour brokers, they are expected to follow responsible recruitment and employment practices. See Top Tip on labour agencies and labour brokers.

Overtime and freedom of movement

- Remember that any overtime must also be agreed on a voluntary basis - and working hours must not exceed 60 hours for non-management workers – see further guidance on Fundamental Principle10 Reasonable Working Hours. This means you need to ensure that worker production targets and performance indicators are reasonable and achievable without overtime.

- If workers choose not to perform overtime, they must be free and able to leave at the end of their shift and not restricted by doors that are locked/blocked, or unable to leave due to a lack of transport.

- Where approval to change job is required or a visa must be cancelled, as employer, you need to guarantee your worker's freedom of movement.

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As an employer you should never:

- Withhold salary and/or benefits as a 'year-end bonus'.

- Charge a penalty if workers wish to return to their home country during paid leave.

- Refuse to sign a visa approval that may be needed for workers to leave the country.

Spotlight: Migrant workers and other workers at risk

Do your company or your contractors rely on workers that are relocating for a job, in particular to countries where the regulatory systems offer less protection?

If your company relies on **workers that are relocating for a job (migrant workers), the risk of forced labour is much higher**. It doesn't matter if the relocation is done within the country, or from another country, the risk of forced labour is higher when workers relocate. This is because they are typically more dependent on the work being provided – and more vulnerable – outside their typical family and home environment. If, in addition, your company or a contractor **relies on labour brokers** to help provide you with workforce, then this is viewed by external expert organisations as very high risk.

If you are operating in **a country that offers little legal protection for migrant workers** or makes it more challenging for migrant workers to work freely, then your operations would also be viewed as at high risk of forced labour.

If you are bringing workers in from other locations – whether in your country, or from another country – as an employer, you are expected to **pay the expenses associated with bringing that worker** to you and into your employment. We know that workers sometimes pay to get access to their jobs. This goes against Fundamental Principle 7 of our RPP, and we expect you to identify where it is happening, take strong action to stop it and remediate the situation.

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Responsible recruitment policy

To help address these points, you could develop and embed a responsible recruitment policy that includes:

- The protocol for managing the recruitment process, including job advertisement, interview and selection process, and pre-departure training requirements.

- The requirements for management of sub-agents.

- The remediation protocol specifying how the company will check with workers if they have paid fees (e.g. on and post-arrival); and how fees paid will be reimbursed (e.g. re-charged to the company relying on the work).

Recruitment agencies

You could put processes in place with recruitment agencies or labour brokers to ensure workers have not paid fees or expenses to get work. This could include:

- Selection criteria to evaluate agencies and brokers.

- Contractual provisions that convey clear expectations of agencies and brokers along the lines of what's included in your company's policies and requirements, that implement requirements at least as stringent as the RPP.

- Processes to verify the existence and effectiveness of procedures that these agencies or brokers have in place; and processes to monitor whether these procedures are being applied in practice.

You could also consider how to put procedures in place to prevent, identify and remediate any potential cases of recruitment fees paid by workers, including through selection and monitoring of recruitment agencies or labour brokers.

Remember: migrant workers are not the only workers at risk. There are also higher risks of forced labour when employing people on parole, or people who have formerly been in prison.

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Top tip: Labour agencies and labour brokers

If you can, recruit workers directly.

This gives you more visibility of how these workers have been recruited, what they have been told, and whether or not they have been expected to pay a fee to get the work. This will help you meet the Mandatory Requirements of our RPP and similar requirements from your other business partners. It will also create a stronger connection with workers from the outset, which can help your business.

If you do decide to use a labour agency or labour broker to help you, they are expected to fulfil the requirements of this Fundamental Principle 7 as well as Fundamental Principle 4 (Freely Agreed Terms of Employment).

Here are some approaches to consider:

- You can share your policy with the agency, and request that the agency review and disclose to you the policies and processes the agency has in place to meet these expectations.

- You can contractually request that the agency put in place similar policies and processes.

- You can ask the agency to verify whether the relevant policies and processes are being applied, and measures the agency is taking to ensure effective implementation.

- You can specifically discuss with the agency the processes the agency has in place to ensure the payment of recruitment fees does not take place. For instance, what money has been allocated to the recruitment process?

- You can also discuss with the agency the processes the agency has in place to enable workers to let the agency know if the worker has paid a fee or feels that another indicator of involuntary work is present. You can use the ILO indicators of involuntary work described in the checklist for this conversation.

- You can ask the agency how it guarantees the transparency of the position – and the full terms and conditions of employment, ensuring free consent, language, and training.

- You can ask the agency to share with you how it conducts this training, or provide your own content for training workers pre-departure.

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Fundamental Principle 7 – Work is Voluntary

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Spotlight: Unilever's experience with sector-wide initiatives to promote ethical recruitment

Participating in sector-wide initiatives to promote ethical recruitment is a leading practice. Unilever is part of a group of companies and expert organisations called **The Leadership Group for Responsible Recruitment**. This group aims to drive positive change in the international recruitment industry and a global prohibition of recruitment fees being paid by workers. We are together advocating for the Employer Pays Principle. In particular, through this group, Unilever works to:

1. Create demand for responsible recruitment by raising awareness of the positive benefits of ethical practices and developing tools to help companies implement the Employer Pays Principle.

2. Increase supply of ethically sourced labour by creating an enabling environment and supporting the development and implementation of systems to identify and use ethical recruitment agencies.

3. Improve protection for migrant workers through effective regulation.

You may want to consider how you could initiate similar discussions with peer companies and contractors around your operations context that are also relying on migrant workers in their workforce. We know that tackling forced labour can be challenging to do alone and is easier when tackled with peers.

Supporting tools

Focus on the overall issue of forced labour

ILO, ILO Indicators of forced labour (2012)

This booklet presents an introduction to the ILO Indicators of Forced Labour to understand the situations they cover.

ILO, Combating Forced Labour: a handbook for employers and business (2015)

This handbook provides guidance material and tools for employers and business to strengthen their capacity to address the risk of forced labour and human trafficking in their own operations and in their global supply chain.

IFC, Ethical Trading Initiative and Ergon Associates, Managing Risks Associated with Modern Slavery: a good practice note for the private sector

This guidance looks to increase the private sector's ability to identify and assess modern slavery risks, and to implement appropriate controls and solutions.

Sedex, Guidance on Operational Practice & Indicators of Forced Labour (2017)

This document provides guidance on how to spot the signs of definite, strong and possible indicators of forced labour for both auditors and audit readers. This guide can be used as a general reference tool by auditing bodies, ethical sourcing initiatives and businesses to help their understanding of forced labour risks and to enhance their existing audit protocols.

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Fundamental Principle 7 – Work is Voluntary

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Marks & Spencer, Forced Labour Toolkit for International Suppliers and Partners

This toolkit includes practical steps, case studies and examples of how businesses can reduce the risk of forced labour in their own operations and their supply chains.

Disney Forced Labour Supplemental Guide

This is the Forced Labour chapter of Disney's International Labour Standards (ILS) Guidebook. The Guidebook is intended to increase transparency of the requirements of Disney's labour standards programme.

Stronger Together, Resources and toolkits

This site compiles various resources and practical toolkits to help consumer goods companies to address modern slavery in their supply chains.

Focus on responsible recruitment

ILO, Frequently Asked Questions on Fair Recruitment (2022)

This series of Frequently Asked Questions (FAQs) on common fair recruitment challenges are designed to provide user-friendly answers to technical questions related to the implementation of fair recruitment in practice.

IOM, Migrant Worker Guidelines for Employers (2022)

This publication provides practical guidance for business enterprises on how to recruit and employ international migrant workers ethically and responsibly.

Verité, Fair Hiring Toolkit

This toolkit offers tools and guidance to support the responsible recruitment and hiring of migrant workers in global supply chains.

Issara Institute, Worker Voice-driven Ethical Recruitment Toolkit

Issara brings employers and recruitment agencies together to identify the strengths and weaknesses of their current labour recruitment practices, and develop improvement plans to get their recruitment channels on a more ethical track.

Unilever's Training on Building a Responsible Recruitment System

This training has been developed by Unilever to help guide our suppliers on how to build responsible recruitment practices. It focuses on prevention of forced labour issues, specifically on recruitment and employment of migrant workers.

Focus on recruitment fees

ILO, Definition of recruitment fees and related costs

This video outlines the comprehensive ILO definition of recruitment fees and related costs, guided by international labour standards and adopted in November 2018.

CGF HRC and AIM-Progress 2022-Guidelines-on-Repayment-of-Recruitment-Fees.pdf

This guide provides a practical tool to establish good practices to support businesses in addressing fees, aiming to facilitate more coherence, action and positive impact for workers around the world. It draws heavily from Impactt's Principles and Guidelines for the Repayment of Migrant Worker recruitment Fees and Related Costs, and the practical experience of a range of member companies.

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8

Appropriate Age

**All workers are of an appropriate age and young workers are protected.
RPP page 20**

What does this mean?

This Fundamental Principle specifies that business partners must not use child labour in any circumstances – meaning those under the age of 15 or under the local legal minimum age for work or mandatory schooling, whichever is higher. Employers must also take pro-active measures and steps to protect young workers between the ages of 15 (or older depending on the local law) and 18, and ensure they are not working in hazardous work. Employers need to implement responsible remedial measures immediately whenever workers under the age of 15 are identified and whenever young workers are found to be working in hazardous work.

How to implement

Policy

- Consider whether you have an employment policy in place that:

  ➢ Covers all workers, including those recruited directly or via an agency or third party.

  ➢ Specifies the minimum age for all workers as well as remediation measures if there is an incident of child labour detected.

- Does your policy outline the conditions under which young workers can be employed?

  ➢ For example, making clear the type of work and hours they are not allowed to work, as well as the activities they are allowed to do.

Embedding measures

- Consider whether you have processes in place to help Human Resources or other relevant personnel check and verify age documentation.

  ➢ See Top Tip on verifying proof of age documents.

  ➢ The same age verification processes apply to any person working in your facilities, even if you have not hired them directly. This includes situations in which you outsource production lines, waste management, canteen services, security, dormitory services etc to third parties. Keep a record of workers hired by service providers as well as the relevant documentation on proof of age.

- Consider whether all relevant workers are trained to respect the requirements for young workers, including apprentices and interns.

  ➢ Does this training include specific details on hours of work, night shifts, working hours during school terms and heavy or dangerous work?

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Fundamental Principle 8 – Appropriate Age

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Due diligence

- As part of your due diligence, have you carried out an assessment to identify where there are risks of child labour in your business and supply chain?

  ➢ See spotlight on identifying risks of child labour.

- Have you put in place processes and procedures to prevent child labour occurring in your business partners?

  ➢ See Top Tip on preventing child labour in subcontractors.

- Are you able to support community-building activities that help reduce barriers to access to education? Activities could include working with local government to enable greater school provision, providing workers with an allowance for school expenses, funding school expenses, supporting safe transportation to schools and providing vocational training. This is an example of Leading Practice.

Remediation

Implementation guidance on examples of remediation measures for the other Fundamental Principles are set out in the section on Fundamental Principle 13 related to access to grievance mechanisms and remedies. However, there is some specific detail relevant for child labour, provided below.

These remediation measures should be applied in a responsible and local-law compliant manner to any situation which is not allowed, for example workers under 15 (or older depending on the local law) and young workers engaging in hazardous work. See spotlight on remediation of child labour.

Top tip: Verifying 'proof of age' documents

It can help you at the outset if you ensure that all job announcements contain the minimum working age, ensure the minimum age specified is 18 in the case of hazardous work and state that all applicants must present government-issued identification documents to prove their age and identity.

Falsification of 'proof of age' documents can happen so here are some suggested approaches to overcome the problem. For instance, you can:

- Request two forms of identification (e.g. birth certificate, household registry or family book, driver's licence, right to vote card, or work permit).

- Check that the photo and identity mark on the documents match the appearance of the applicant.

- Check that the signature on the national ID card matches the applicant's signature.

- Check that the original seal between the photo and card is intact.

- Check that the state of the card matches the date of issue (e.g it's suspicious if a card issued many years ago looks brand new).

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Spotlight: Identifying risks of child labour

There are some risk factors that increase the likelihood of child labour arising, for example:

- Rapid increases in demand for labour during peak seasons or labour shortages.

- Use of labour agents, subcontractors or service providers.

- Context of local neighbourhood poverty.

- Lack of access to education facilities.

Remember: Young workers (between 15 and 18) cannot be asked to engage in hazardous work. **ILO defines hazardous work** as "work which by its nature or circumstances in which it is carried out, is likely to jeopardise the health, safety or morals of children".

Watch out for:

- Work with dangerous machinery, equipment or tools, or which requires heavy handling.

- Work which is performed in an unhealthy or hazardous environment.

- Work which entails working with pesticides or underground/under water.

- Work which entails excessively long hours or in high temperatures.

- Work which entails working at dangerous heights or in confined spaces.

- Night work.

- Work which is performed in particularly difficult conditions.

It can help you to consult with relevant stakeholders, including civil society, trade unions, and governments, to **understand the**

Top tip: Preventing child labour in subcontractors

Here are a few simple steps you can consider:

- Check and make sure you only work with business partners that are formally registered businesses.

- Include the policy and remediation procedures on child labour in contracts with subcontractors and service providers.

- Collect information on your subcontractors such as size of facility, production capacity, number of workers – and take this into consideration when placing orders. If your orders may exceed production capacity, explore ways to address this.

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Spotlight: Remediation of child labour

Here are examples of remediation steps:

Immediate care

- Immediately remove the child from all work.

- Ensure the child is in a safe environment and does not feel in any way threatened or scared by the situation.

For instance, you could:

- Bring a trusted person to speak with the child.
- Talk to the child in a calm manner, offer information about yourself and ask open-ended, general questions to establish a rapport. Listen to the child to understand their needs. Assure them that they have done nothing wrong and are not "in trouble". In a kind manner explain why they can't be working.

Support for the child

Who to contact will depend on the situation at hand.
- For instance, you can contact the child's parents/guardians and explain the situation to them. If this is not possible or this would be dangerous for the child, then you can contact the relevant child services department.

Education

- Look into how the child will access education and care.

Income replacement

- Ensure that the child has been paid for the time worked.

- Look into how you, as the employer, can ensure security of the same income to the family.

Good practice is to provide financial support to the child and their family to cover school fees and living costs until the child reaches the end of compulsory schooling or the minimum age for work, then rehiring the young worker to do non-hazardous work.

Work replacement

- If they are above the minimum age for work, create an opportunity for them to work in a non-hazardous job.

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Fundamental Principle 8 – Appropriate Age

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Supporting tools

United Nations Global Compact, Business & Human Rights Navigator, Child Labour (2022)

The Business & Human Rights Navigator is a tool created by the United Nations Global Compact. It gives definitions, considers the dilemma, summarises the main impacts on businesses and children's rights, and lists key resources.

ILO and IOE, Child Labour Guidance Tool for Business: how to do business with respect for children's right to be free from child labour (2015)
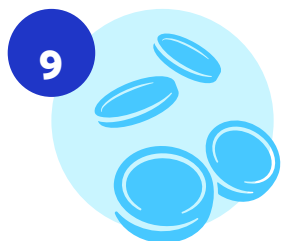
This tool helps companies meet the due diligence requirements laid out in the UN Guiding Principles, with a focus on child labour.

ILO, Supplier Guidance on Preventing, Identifying and Addressing Child Labour

This document provides practical guidance for factories and other production sites to prevent child labour through effective age verification and the protection of young workers, and to effectively respond to it if it does occur.

ILO, Child labour monitoring (CLM)

This page gives resources and training material on child labour monitoring to identify child labourers and to determine risks to which they are exposed in a given geographical area; verify that children have been removed; and track them afterwards to make sure that children have been provided with appropriate solutions.

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9

Fair Wages

**All workers are paid fair wages.
RPP pages 21 & 22.**

What does this mean?

A fair wage has multiple dimensions. In addition to the wage paid, these dimensions include elements such as working hours, pay systems, communication and social dialogue – all of which are addressed in the RPP. For more information see **Fair Wage Network 12 Dimensions of Fair Wages (fair-wage.com)**

Wages should always be enough to at least meet basic needs and provide some discretionary income. In a time of rising inequality and also of worker shortages, good working conditions including fair wages are even more important. Social dialogue has an important role to play in helping you understand what kinds of wages would be considered as fair wages, by workers. See RPP page 24 for the requirements relating to Freedom of Association and Collective Bargaining.

How to implement

Policy

- Consider whether you have a written policy on wages and compensation in place.

  ➢ The minimum wage is usually set by law. The total compensation package for all workers must meet or exceed this.

- It is important that workers being paid by piece rate (or similar) must also earn at least the legal minimum wage. Pay-slips should incorporate applicability to a piece-rate system.

- Overtime wages are paid for any work beyond normal work hours, and must be at the premium rate required by country law.

- Overtime should not be used as a method for addressing inadequate wages or achieving regular/foreseeable production volumes. Regular working hours and pay rates should be sufficient to achieve a reasonable salary, and to achieve normal production volumes.

Embedding measures

- Is the written policy on wages and compensation transparent and explained to all workers in a language they understand?

  ➢ Transparency, so that workers understand their payslip, is an important part of fair wages. Employers are expected to explain to workers how their pay, benefit and deductions are calculated – in a language that workers understand.

  ➢ Any changes to a pay-slip – including deductions – should be agreed to by the worker before being made. This means explaining it in a language that they understand.

  ➢ You could consider providing workers with free or discounted access to financial literacy training and relevant tools – many businesses run such programmes, sometimes with external expert advisors.

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Fundamental Principle 9 – Fair Wages

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- Consider whether you have a process in place to understand legal requirements for wages, overtime pay, benefits, holidays and deductions.

  ➢ Deductions cannot be made for disciplinary purposes. The only exception is if deductions from wages for disciplinary purposes are permitted by both (1) the law and (2) a collective bargaining agreement that has been freely negotiated.

  ➢ Deductions cannot be made for the costs of uniforms, equipment, or personal protective equipment (PPE).

- Is a best practice fair compensation system in place for all workers that categorises them according to qualifications, skill and experience; recognises and rewards them for performance through wage and non-wage benefits and/or incentives; and regularly assesses and adjusts pay according to relevant market benchmarks and business performance and engages in regular social dialogue on compensation questions? This would be recognised as Leading Practice.

Due diligence

- Consider whether you have processes to monitor any changes to wages, overtime pay, benefits, holidays and deductions in place and implemented.

  ➢ There are some workers who may be more at-risk when it comes to fair wages, so checking these remain fair when changes are made is important. For example:

  ➢ **Women** – may not benefit from equal pay and may be subject to discrimination (also see section on Fundamental Principle 5 Free from discrimination).

  ➢ **Interns/students** – should be compensated the legal minimum standard, or the prevailing industry rate (in addition to receiving academic credit for the work).

  ➢ **Migrant workers** – where remittances are being sent, these should be authorised in writing by the worker, in a language understood by workers.

- Are records maintained that demonstrate that workers are paid accurately for standard and overtime hours worked, based on an appropriate hours and wages system?

- Consider whether you have insurance that covers workers in the case of any work-related injuries, accidents, illness, invalidity and death in accordance with local worker compensation laws, as a minimum.

  ➢ This should cover all on site contractors, temporary, and part-time workers (at a minimum when stipulated by law).

  ➢ See if you can go beyond work-related accident and invalidity to include unemployment, maternity, health and retirement. This would be considered Leading Practice.

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Fundamental Principle 9 – Fair Wages

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Top tip: How to create leverage with recruitment agencies

Where wages are paid through recruitment agencies, they must also comply with the RPP requirements on fair wages. You can help to ensure this by creating appropriate leverage with agencies. For example, you can:

- Set your wages and compensation expectations in your contracts with recruitment agencies. You can establish a clear labour cost structure to support this

- Carry out audits to check that standards on wages and compensation are being respected

- Provide training on best practices in wages and compensation

- Include compliance with wages and compensation standards as a target in your key performance indicators

- Make the renewal of contracts with recruitment agencies conditional on compliance with wages and compensation standards

- Provide longer-term contracts to those who fully implement the expectations

Spotlight: Living wage and living income (a Future Mandatory Requirement)

We know that economic growth is only inclusive and sustainable when workers receive fair wages. And that our business flourishes when those around us are doing well. Making sure that workers earn a living wage helps support economies and fosters growth. And it's simply the right thing to do for a business that is founded on respect for human rights. This is why as a business, we committed in 2014 to pay all our employees a **living wage**.

We achieved this in 2020. We now are expecting the same of our business partners. In 2021, we made a commitment that everyone who directly provides goods or services to Unilever will earn at least a living wage or income by 2030. This explains why we have Future Mandatory Requirements in the RPP related to the payment of living wage or living income.

The aim is to progress from a legally mandated minimum wage to a collective agreement wage, to paying a living wage.

Minimum Wage		Collective Agreement Wage		Living Wage/ Living Income

Mandatory Requirements   **Future Mandatory Requirements**

Implementing the Mandatory Requirements
Fundamental Principle 9 – Fair Wages

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What is a living wage?

A living wage is the remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, healthcare, transportation, clothing and other essential needs including provision for unexpected events (we have used here the definition agreed by the **Global Living Wage Coalition**, a partnership promoting knowledge and information about living wage levels).

What is a living income?

Living income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. This is typically applied for households who do not receive remuneration for a standard work week, such as farmers. See the **Living Income Community of Practice.**

Which is relevant for my organisation?

- If you have hired workers (e.g. workers in factories), or employ people to help sell products, then living wage is relevant for you.

- If your business connects with income earners, for instance self-employed farmers, then living income is relevant for you.

When will my organisation be required to start paying living wage/living income?

- We will be expecting all business partners directly providing goods and services to Unilever to pay Living Wage/Living Income. You can find more information on the timeline on the following website, which will be kept updated: **www.unilever. com/suppliers/becoming-a-unilever-supplier**

- The timeline depends on the type and location of our partners; we recommend that you start the work now so that you are ready.

- To read more on benefits see '**The Case for Living Wages**'. A growing number of other companies are also starting to expect living wage/living income commitments on the part of their business partners.

What is the process for paying a living wage?

The following steps may help you to achieve paying a living wage.

Step 1: Make the commitment

- This entails committing to paying at least a living wage to every worker in your own operations.

- Make the commitment public, if you can.

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Fundamental Principle 9 – Fair Wages

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Step 2: Identify the living wage benchmark

- Living wage benchmarks are different by geography, as the cost of living and other variables are different in each geography. While it differs across countries, it can also differ for different locations within the same country.

- Use the **Living Wage Identifier Tool** from IDH to identify which recognised benchmarks exist for locations relevant to your operations. You might need to pay the data provider a fee.

Step 3: Calculate the living wage gap

- In cases where the living wage benchmark is lower than the legal minimum wage, follow all the requirements for the minimum wage.

- All types of remuneration models are acceptable: a monthly salary, hourly wage, or piece-rate/quota-based rate, for achieving a living wage.

- All cash elements of a worker's pay, including the base pay, any fixed bonuses, and a fair value of any in-kind benefits provided to the workers such as healthcare, food, transportation, etc. can be included to reach a living wage.

- Living wage must be achievable within normal working hours; hence any overtime-related pay cannot be considered towards a living wage.

- Any non-fixed bonus cannot be included e.g. performance bonus.

- Be aware that the living wage benchmark is a gross number, and includes applicable statutory deductions and taxes.

- To identify the living wage gap for each worker, compare the available living wage benchmark with the value reached from adding the value of all eligible pay elements and adjusting them for applicable taxes and deductions.

- The living wage gap for the whole site will be the sum of all positive gaps (gaps for workers who earn less than a living wage).

Step 4: Create a plan to close the gap

- This involves creating a plan towards paying all workers a living wage.

- Depending on the extent of gaps this will involve reviewing opportunities to improve productivity, upskill workers and increase wages over a fixed period of time.

- It is good practice to prioritise workers for payment of a living wage based on where the impacts on workers of non-payment of a living wage are deemed the most severe.

- It is important to engage with workers and their representatives in a social dialogue to validate the living wage data, and agree ways to close the living wage gap.

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Fundamental Principle 9 – Fair Wages

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Step 5: Play a role within the living wage eco-system

- Once you have made progress with your own workforce, you can then look into how you can cascade living wage and/or living income requirements to your own suppliers and to their upstream supply chain. This would be considered Leading Practice.

- By transparently communicating on progress towards achieving a living wage, you can help other companies advance and learn from your progress.

- You can also help to build workers' financial literacy so that workers better understand how to manage the wages being paid.

Note that the above five steps relate to the living wage. There will be some parallels with living income but also some differences.

For more information, please see **IDH Roadmap on Living Wages**

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Fundamental Principle 9 – Fair Wages

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Supporting tools

AIM Progress, Business Toolkit, Section on Wages and Benefits

Section 6.1 of this toolkit (pp. 80-82, corresponding to pp. 40-41 of the pdf) explains why wages and benefits are an important consideration for your business, the expectations, what are the means in practice and practical tips. The wages and benefits checklist explains the details and can also be used as a tool to self-assess your site.

Wage Indicator

This is a database on wage levels paid around the world and the calculation of the living wage.

The Fair Wage Network

This civil society organisation aims to help companies design and implement global wage strategies that respect the living wage.

United Nations Global Compact, Living Wage Microsite; moving beyond legal minimum wages to living wage

This microsite of the United Nations Global Compact is dedicated to the issue of the living wage. The site contains detailed explanations of the living wage, the actors and tools available and what companies can do to implement a living wage in their operations and value chains.
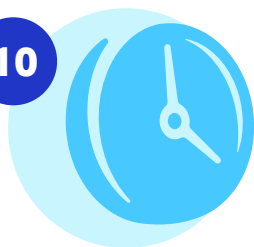
UN Global Compact, Achieving the Living Wage Ambition: reference sheet and implementation guidance (2021)

The guide provides illustrative details regarding the steps to take to successfully implement a living wage programme in a company's business system which will lead to all employees being provided with wages and benefits that are sufficient to cover at least their basic needs.

Global Living Wage Coalition

The Global Living Wage Coalition is a knowledge - action partnership working to enable collaborative action to achieve a decent standard of living for working people and their families. It provides high-quality information about living wage levels, implementation, and impact.

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10

Reasonable Working Hours

Working hours for all workers are reasonable. RPP page 23.

What does this mean?

Reasonable workings hours are essential for workers' rights to just and favourable conditions of work and their health and safety. Excessive working hours can lead to injuries and accidents from physical and mental fatigue, and lower productivity. We recognise that excessive working hours have negative effects on all people, regardless of what job they do.

The International Labour Organization guides that regular working hours should not exceed 48 hours per week and overtime should not exceed 12 hours per week. The majority of countries have adopted these ILO recommendations, though some countries have national, regional, or industry-specific laws which may be more or less restrictive. Recognising the importance of the ILO guidance, the RPP includes a Mandatory Requirement that the total weekly working hours including overtime must not exceed 60 hours for non-management workers even if local law would otherwise allow it.

If all workers, inclusive of management roles, do not exceed weekly working hours of 60 hours per week inclusive of overtime, this is recognised as Leading Practice.

The ILO convention and many national laws do allow for working hours exemptions in exceptional circumstances (see Spotlight on working hours exemptions).

How to implement

Policy

- Consider whether you have written policies in place for regular working hours and overtime, which clearly state that overtime is voluntary. Policies should also include:

  ➤ provision that no penalties will be imposed on workers for refusing overtime.

  ➤ provision on equal opportunity for overtime among all types of workers.

  ➤ a way for workers to report cases of involuntary overtime to management.

- Do policies on overtime indicate the start and end of regular working hours and follow limitations set by the law or a 60 hour limit, whichever is stricter?

Embedding measures

- Consider whether you ensure that the expected work hours and schedules are communicated to all workers in a language and format that they understand.

- Consider whether you communicate the relevant policies clearly to workers

  ➤ For example, you can display them in prominent locations, upload them on the company intranet and include them in the employee handbook that is distributed to workers.

Implementing the Mandatory Requirements
Fundamental Principle 10 – Reasonable Working Hours

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➢ You could also use these communications to make information on national laws and regulations on working hours, including government limitations on overtime, easily available to workers in a language they understand.

➢ All managers and supervisors need to be made aware of company policies related to hours and overtime. You can do this as part of onboarding or incorporate it into manager/supervisor training.

- Are specified hours of work provided in the employment agreements of all types of workers?

➢ This includes temporary workers, migrant workers, apprentices, trainees, probationary workers etc.

Due diligence

- Is workers' consent to perform overtime work documented?

- Consider whether you have defined and effective mechanisms for recording, documenting and monitoring working hours and overtime for all workers, regardless of the wage system (for example, piece-rate payment) or contract type.

➢ It is really important that an effective and transparent time recording system is implemented including maintaining accurate and transparent records of regular and overtime working hours for each employee so that you – and they – know what hours they are working and that there is an accurate recording of actual regular and overtime hours worked in the payroll register and on pay slips.

- Some workers may be entitled to specific rights. For example, pregnant women must be given sufficient rest breaks and young workers may have hours restricted by law.

- Working time arrangements that allow workers to attend to family and personal needs (for example, time off for medical appointments and flexibility and agility in work hours/shift coverage) without being penalised would be viewed as Leading Practice.

Implementing the Mandatory Requirements
Fundamental Principle 10 – Reasonable Working Hours

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Spotlight: Working hours exemptions

In **exceptional circumstances**, exemptions for working hours restrictions may be allowed by national law and the ILO convention.

For example, additional overtime may be considered:

- In agricultural work for a limited time during peak harvest season to process the harvest when it is ready.

- In circumstances that are unforeseeable or cannot be prevented where recovery of production is needed following situations such as machinery break down or prolonged disruption of electricity supply.

Exemptions should be specific – for example to peaks in seasonality - and the employer should be able to demonstrate that exceptional circumstances apply.

The additional overtime should not exceed 24 hours per week, and the working hours per day (regular plus overtime) should not exceed 12 hours per day, as working beyond this represents a health and safety risk. Days over 8 hours should only be considered if the type of work done allows it to be done without increased risk.

Remember to build in appropriate rest breaks to avoid fatigue and to consider health and safety requirements, particularly for seasonal workers and others who may not be familiar with the inherent dangers of the workplace. Limits on night-time working should be observed.

The total working hours should not exceed 72 hours per week. This limit can be on average over the defined 'Peak Season' up to a maximum of 12 continuous weeks. 'Peak Season' definition can be no more than six months of the year, in total.

During the exemption period, as set out in the RPP Mandatory Requirements, workers remain entitled to at least 1 day (24 consecutive hours) of rest in every seven-day period or, if 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 to ensure a minimum of two days' rest in every 14 days. These rest days can take advantage of natural down-times, for example a rainy day or machine maintenance day.

Remember, all overtime should be on a voluntary basis and paid at the premium rate required by local law. Maximising worker earnings during this period is critically important for those who may not have opportunities of work for the rest of the year.

See the Spotlight on the role of overtime, the 'how to implement' section on reasonable working hours (above), and the guidance on the other Fundamental Principles on Human Rights (4-13) in this document – these remain applicable in working hours exemptions.

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Fundamental Principle 10 – Reasonable Working Hours

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Spotlight: The role of overtime

Your operations should not be relying on overtime as a default. Overtime should not be used:

- As a replacement of an additional shift.

- To avoid paying a fair wage.

- As a replacement of an additional shift.

- Over an extended period of time (e.g. to make up for worker shortages, or increased order volumes).

Overtime should only be used in certain situations, to deal with:

- Exceptions.

- Temporary increases in volume.

- Short-term peaks in seasonality.

It can help to review your committed production and available capacity alongside your production quotas, targets, and other productivity requirements, as well as your peak periods. This can help map out existing hours – without overtime – and see where additional workers may be needed.

Here are some questions that can help:

- Are production quotas reasonable and can workers finish them within legal and working hours limits?

- If transport is provided, is it available at the end of the standard shift as well as the overtime shift?

- Are company-requested activities (such as briefings, daily meetings, trainings, or work team meetings) paid at the standard rate for the hours of mandatory activity attended (or overtime if outside regular hours)?

- Are workers consulted on ways to reduce working hours, without compromising their ability to earn at least a living wage? This would be recognised as Leading Practice.

If excessive overtime hours seem 'normal' in your facility you need to assess what is driving that (e.g. lack of sufficiently skilled workers, lack of appropriate machinery, poor balancing of production processes).

We recognise that there may be times that without modification our orders may lead to a significant demand on your available capacity. If so, we ask you to let us know at the time when orders are being proposed so that we can discuss how to prevent any excessive hours being worked.

Implementing the Mandatory Requirements
Fundamental Principle 10 – Reasonable Working Hours

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Top tip: Recognising the role of the law and operating contexts

We recognise that having a 60-hour working week (for non-management workers, and in time, for management roles) will be challenging in those countries where legal requirements allow longer working hours. It can also be particularly challenging where working more than 60 hours per week is viewed as the default in certain operating contexts. For instance, workers may request overtime.

However, we know the desire to work overtime is closely connected to wages. In many cases people want to work overtime because the hourly wage is not sufficient. Therefore, there is a strong connection between meeting this Fundamental Principle related to reasonable working hours, and the previous Fundamental Principle 9 related to fair wage. In these cases, it will be all the more important to take a stepwise approach to reducing working hours over time.

- For example, you could set milestones to reduce overtime in increments over a multi-year period and establish processes and procedures to assess and keep track of overtime so you can measure your progress.

Supporting tools

Ethical Trading Initiative, Base code clause 6: working hours are not excessive

This resource from the Ethical Trading Initiative is based on the ETI Base Code. It offers additional resources, mentions relevant ILO conventions and includes an FAQ.

Partner Africa, Business toolkit, Section on Time Management and Productivity

This chapter from a business toolkit for suppliers provides checklists, cases studies and practical tips and tools for improvements on time management and productivity. Partner Africa put this together in collaboration with companies AB-InBev, Diageo and The Coca-Cola Company, on behalf of AIM-Progress.

Fair Wear Foundation, Addressing excessive overtime through better purchasing practices: root causes and solutions (2020)

This document provides guidance to brands in the garment sector on how to prevent and mitigate excessive overtime in their supply chain.

ILO, Q&As on business and working time

These questions and answers on working time are provided by the International Labour Organization's Helpdesk for Business.

ILO, Working conditions

This link to the International Labour Organization's 'working conditions' topic includes resources such as a database that provides a picture of the regulatory environment of working time in more than 100 countries.

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11

Freedom of Association

**All workers are free to exercise their right to form and/or join trade unions and to bargain collectively.
RPP page 24.**

What does this mean?

The ILO defines Freedom of Association as the "right for workers and employers to establish and join organisations of their own choosing without previous authorisation. Workers' and employers' organisations shall organise freely and not be liable to be dissolved or suspended by administrative authority, and they shall have the right to establish and join federations and confederations, which may in turn affiliate with international organisations of workers and employers."

Freedom of association is the enabling right to allow effective participation of non-state actors in economic and social policy, lying at the heart of democracy and the rule of law. Ensuring that workers and employers have a voice and are represented is, therefore, essential for the effective functioning not only of labour markets, but also of overall governance structures in a country.

It means all workers can freely exercise their rights:

- To form or join a union of their choice
- To seek representation and collectively bargain and
- Do so without fear of intimidation, harassment or obtaining prior approvals, unless legally required.

Key themes to watch out for:

- **Discrimination against worker representatives.** Worker representatives should not be discriminated against, and unfair labour practices must not take place against them because of their role as worker representatives. They should have reasonable access to carry out their representative functions in the workplace.

- **Discrimination based on gender.** Union or committee meetings should be organised in such a way that allows the participation of workers of all genders.

- **Non-independent trade unions.** Trade unions known as 'company unions' or 'yellow unions' which are dominated or influenced by an employer do not serve the company well, neither do they meet these requirements. Ability to operate independently from management is key.

- **Local law restrictions.** Where local law sets restrictions on the right to freedom of association and collective bargaining, alternative forms of worker representation, association and bargaining are allowed.

- **Areas of the business at particular risk.** It is good practice to build your understanding of where freedom of association may be at risk within your business and extended supply chain, for example relating to temporary or contract workers or at certain times in the business, for example relating to industrial unrest or strikes. Neither internal nor external security guards should impair the right to freedom of association and to organise.

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Fundamental Principle 11 – Freedom of Association

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It helps to adopt an open and collaborative attitude towards the activities of trade unions. Trade unions can provide a valuable channel for relaying feedback and grievances, anonymously and without fear of reprisal. Supporting and respecting freedom of association and collective bargaining can help you identify sources of dissatisfaction early and address them before they escalate. This can help you create strong relations between employers and workers that can result in greater worker retention, as well as health and safety improvement.

Worker representatives also play a significant role in raising standards – and therefore can help your company meet all the other Fundamental Principles contained in the RPP. This in turn will also help reduce your reliance on other assessment processes, such as audits and certifications.

Spotlight: Freedom of association and connection with collective bargaining

The ILO defines collective bargaining as all negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for:

(a) determining working conditions and terms of employment; and/or

(b) regulating relations between employers and workers; and/or

(c) regulating relations between employers or their organisations and a workers' organisation or workers' organisations.

The right of workers to bargain freely with employers is an essential element in freedom of association. Collective bargaining is a voluntary process through which employers and workers discuss and negotiate their relations, in particular terms and conditions of work. It can involve employers directly (or as represented through their organisations) and trade unions or, in their absence, representatives freely designated by the workers.

How to implement

Policy

- Consider whether you have clear policies that respect freedom of association and collective bargaining.

Embedding measures

- Is regular training of workers, managers and site security guards carried out to ensure a worker's right to associate freely and to ensure the effective right to collective bargaining and good industrial relations practice (including consultation and negotiation)?

Due diligence

- Consider whether you have clear processes relating to freedom of association and collective bargaining in day-to-day operations in place.

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Fundamental Principle 11 – Freedom of Association

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- Consider whether you have processes that ensure that a worker's choice to form or join a trade union will not compromise their equal treatment (including treatment relating to hiring, discipline, promotion, wages, hours, grievances or employment termination).

- Consider whether you undertake a risk assessment to identify limits to workers' rights to freedom of association. This can be done in conjunction with worker representatives. This would be viewed as Leading Practice.

- Are measures in place to address the issues identified from the risk assessment? This would be viewed as Leading Practice.

- When new policies and procedures are developed, are worker representatives engaged for input where possible? This would be viewed as Leading Practice.

- Are social dialogue and joint training with trade union or worker representatives arranged to promote constructive labour relations (for example, health and safety training; training to prevent sexual harassment)? This would be viewed as Leading Practice.

Spotlight: Trade unions

A positive relationship between companies and trade unions has many benefits for your business as well as for workers. You could explore the following questions:

- Do unions have a free and fair electoral process with no influence from the company's management? Management should not seek to interfere in union activities.

- Consider whether you ensure that union member recruitment activities are not restricted.

- Consider whether you ensure that worker/union representatives have access to the workplace and the workforce. Are they allowed time and facilities to conduct union business?

- Are workers allowed to take part in union activities in the workplace? It can help for the company to support by allowing the collection of union dues on company premises, as well as the distribution of union documents and trade union notices, and the provision of office space.

- Are workers able to declare openly the fact that they are a union member?

- Where there is more than one union, consider whether you ensure management treats unions equally or as stipulated by national law.

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Fundamental Principle 11 – Freedom of Association

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Workers may be asked to pay a subscription fee for a particular trade union. This is permissible with three conditions:

1. This trade union has been approved as the majority union.

2. This trade union is the one recognised in the Collective Bargaining Agreement.

3. Workers are free to independently join another union of their choice or none at all.

You should put in place processes to make sure that the following are prevented:

- Blacklisting, dismissing, disciplining, or otherwise discriminating against workers based on their participation or membership in a union or representative organisation. This discrimination can be subtle, from prioritising other workers for promotions or treating these workers less positively, to more obvious discrimination, such as dismissing, punishing, or harming workers.

- Threatening the use of internal or external security guards, police, or military forces to prevent, disrupt or break up any peaceful exercise of the rights of association.

- Seeking to prevent or weaken a legal strike, for instance by hiring replacement workers.

Supporting tools

United Nations Global Compact, Business & Human Rights Navigator, freedom of association (2022)

The Business & Human Rights Navigator is a tool created by the United Nations Global Compact. It gives definitions; considers the dilemma; provides a global overview; reviews trends; looks at the impacts on businesses and human rights; and lists key resources.

ILO, Q&As on business and freedom of association

This site replies to key questions on freedom of association and businesses.

Ethical Trading Initiative, Freedom of association in company supply chains: a practical guide (2013)

This ETI guide provides practical help to companies in identifying and understanding the impacts of their operations on the fundamental rights of freedom of association and collective bargaining. It is a guide to many aspects of industrial relations across different regions and cultures.

Ethical Trading Initiative, Implementing Freedom of Association: A five-step plan (2019)

This five-step plan guides businesses in their journey towards mature and effective support of independent worker representation and trade union relationships.

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12

Health and Safety

All workers operate in a safe and healthy work environment that identifies and reduces risks to prevent accidents, injuries, and illnesses. RPP pages 25 & 26.

What does this mean?

Health and safety in the workplace aims to prevent accidents and injury, or illness arising out of, linked with, or occurring in the course of work, or as a result of the employer's operations, as well as to protect and promote the health of workers. Health and safety includes both physical and mental safety and health. In June 2022, delegates attending the **International Labour Conference** (ILC) adopted a resolution to add the principle of a safe and healthy working environment to the International Labour Organization's (ILO) Fundamental Principles and Rights at Work. The decision by the Conference means that Occupational Safety and Health will become the fifth category.

How to implement

Policy

- Consider whether you have clear and effective policies in place for health and safety in the workplace and also for health and safety in any worker accommodation that you provide.

- Are these policies updated with learnings from due diligence?

  ➢ See below and also the Top Tip on continuous improvement.

Embedding measures

- Do the policy and procedure documents set out the practical organisation and arrangements for health and safety, as well as the policies and procedures themselves, or at least indicate clearly where the relevant information can be found and accessed?

- Are your health and safety policies and procedures widely communicated and cascaded effectively throughout the organisation, with a mechanism to ensure relevant information is provided to all visitors?

  ➢ To embed health and safety processes and procedures effectively, it is important to create a safety culture, and focus on identifying the root cause of health and safety issues – see Top Tip on creating a safety culture.

- Is regular and repeated safety training including evacuation drills provided to all workers, including managers, supervisors, contract workers and security guards?

- Is the assignment of roles and responsibilities clearly understood by workers and managers, proportional to the size and risks of the work site?

- Is a senior member of management appointed to administer and oversee the safety plan for each work site?

- Consider whether you have an effective health and safety committee in place.

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Fundamental Principle 12 – Health and Safety

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The Health and Safety Committee should identify, monitor and ensure improvement plans are implemented to reduce health and safety risks, in order to protect workers from work-related accidents, injury and illness.

To achieve this, it can help if the Health and Safety Committee:

➢ Meets at least quarterly.

➢ Includes members from every level of the workforce and from various shifts and functions.

➢ Receives training on health and safety, hygiene, waste management, proper handling and disposal of hazardous materials.

➢ Reviews high-risk parts of your business, for example the ways of working and behaviour of security guards.

➢ Takes meeting notes with concerns, suggestions and also actions agreed and a note of who will do the action and by when. The management then needs to feed back to the committee on progress on the actions. Taking action on issues raised builds trust and confidence and includes the opportunity to discuss learnings, to further inform better practices.

Due diligence

• Is the effectiveness of safety plans regularly tested through drills and other means?

• Are the structural integrity and fire safety of work sites specifically and regularly assessed, and are identified issues addressed?

• Are operations regularly evaluated for safety issues, including areas for equipment and worker housing, where provided?

➢ Consider that manufacturing facilities may be at higher risk, for example of fires and other emergencies, so worker housing/sleeping areas should not be in the same building as the operations.

• Consider whether you have processes to ensure decent housing conditions are provided to workers.

➢ When living accommodation is provided for workers, either directly or by for example a labour agency, the facilities must be clean, safe, and structurally maintained. There should be access to potable water, sanitary food preparation areas, reasonable personal space, adequate heat and ventilation and clean and well-maintained bathrooms, and showers. All facilities must have clear and unrestricted exits.

• Are your company-wide goals to achieve zero accidents actively monitored and reported on, while continuing to encourage transparent reporting of any incidents that occur? This would be viewed as Leading Practice.

• Is a crisis management plan in place, including contingency planning and prioritisation of the health and safety of workers? This would be viewed as Leading Practice.

• As an employer, do you provide – and are workers encouraged to adopt and maintain – good health and safety practices which cover both mental and physical wellbeing? This would be viewed as Leading Practice.

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Fundamental Principle 12 – Health and Safety

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Top tip: Creating a safety culture

We know through our work that what matters is the safety culture.

- Is there a culture in place that drives workers to perform their work safely, and report matters where this is not the case?

- Is safety viewed as an imperative across the business, that always prevails – even if it means slowing down operations, or losing some money?

- Is safety implemented from the top down, with senior leadership supporting and embedding a safety culture?

A safety culture means that workers have a sense that their safety should always come first. This also entails tackling the cause of the issue, rather than the symptom itself.

The higher the risks to health and safety, the greater the need for you to look at identifying the root cause of the issue.

Top tip: Continuous improvement

Only by understanding why an issue – for example an accident – happened, can it be prevented from happening again. It is important to tackle the root cause of an issue, and not just the immediate issue.

For example, if you find that night shift workers have a higher rate of accidents than day shift, you could consider the following questions:

- Are safety rules equally enforced on night and day shifts?

- Have night shift workers received the same safety training as day shift workers?

- Is there something different about the night shift operation that is more hazardous than day shift?

- Do night shift workers work longer hours than day shift?

- Is this a company-wide issue or only in some departments?

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Fundamental Principle 12 – Health and Safety

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Spotlight: Mental health

Having a focus on mental health is a critical component of a health and safety framework. This includes:

- Providing additional benefits and resources for workers to access confidential mental health professionals.

- Creating a safe, quiet room for people to meditate or take a rest break.

- Creating a culture where workers can talk openly about mental health resources to destigmatise asking for help.

Upholding the other RPP expectations will also support better mental health:

- Reasonable working hours allow people the time to rest, spend with family and friends and go to appointments including medical appointments.

- Paying a fair wage decreases people's financial anxieties that could cause them stress and/or see them working excessive hours.

- Eliminating discrimination and harassment means people can show up as their authentic selves and not have to fear that being who they really are will cause them harm.

Supporting tools

United Nations Global Compact, Business & Human Rights Navigator: occupational safety and health (2022)

The Business & Human Rights Navigator is a tool created by the United Nations Global Compact. The text includes definitions, considers the dilemma, occupational safety and health problems, impacts on businesses and human rights, and provides key resources.

United Nations Global Compact and ILO: nine business practices for improving safety and health through supply chains and building a culture of prevention and protection (2021)

This brief focuses on the role that businesses can play in ensuring safe and healthy workplaces, especially when operating in countries with deficient national safety and health and employment injury protection schemes. It identifies practices that businesses can implement to ensure that all workplaces and all workers can benefit from the wealth of knowledge, expertise, instruments and tools developed in the field of OSH to ensure that no one is left behind.

IUF, Making women visible in occupational health and safety (2020)

This resource shares information on integrating gender into workplace health and safety based on concerns raised by trade unions. It develops suggestions and actions to be taken.

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13 Access to Grievance Mechanisms & Remedies

All workers have access to grievance mechanisms with fair procedures and remedies. RPP page 27.

What does this mean?

A grievance mechanism is a process through which workers and affected stakeholders can raise complaints, concerns or grievances about the negative impacts a business has on them. An effective grievance mechanism is not just a way for workers or others to raise concerns, but also supports the development of a better relationship with workers and the company's understanding of its risks. Where a company could be viewed as having caused, or contributed, to a harm, then they are expected to put it right, in other words, provide remedy. Remedy can take many forms. For instance, remedy can include apologies, restitution such as payment or compensation, and support.

How to implement

Policy

- Consider whether you have a policy which provides for a grievance mechanism and guarantees non-retaliation for those using it.

- In your policy, consider whether you commit to:

  ➢ Creating a culture of trust. This is essential for workers to feel safe and comfortable to raise a complaint.

  ➢ Zero tolerance against retaliation. Check if your non-retaliation policy protects whistle-blowers – both your own workers and third party-workers.

  ➢ Managing your grievance mechanisms in a transparent, fair and confidential manner.

Embedding measures

- Are workers trained on the policy and procedures for handling grievances?

- Are managers specifically trained to avoid recriminations and retaliation? It is helpful to:

  ➢ **Adapt the grievance mechanisms and the processes to your company.** There is no 'one size fits all' approach. Procedures can differ according to the size of your company and available resources.

  ➢ **Give access to various channels to raise grievances.** This includes, but is not limited to welfare officers, toll free hotlines, and web-based platforms (such as emails, SMSs, apps and online surveys).

  ➢ **Facilitate the access to information for every worker and other stakeholders.** Give access to a 24/7 channel: some workers might want to raise a concern outside their hours of work. Give access to the relevant local language, as well as the language of workers, for people to understand and be able to access the mechanism.

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Fundamental Principle 13 – Access to Grievance Mechanisms & Remedies

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➢ **Make the grievance mechanism local.** A grievance is always best dealt with as close as possible to where it has occurred. That is why it is important that every business has their own grievance mechanisms, and that your business partners also have trusted and effective grievance mechanisms in place. You may wish to offer access to your own grievance mechanism for your supply chain workers.

➢ **Involve worker representatives.** It can be helpful to create a grievance mechanism taskforce or committee drawn from workers and managers which includes, for instance, grievance officers who are representative of the workforce composition. In addition to functional representatives, for instance, from Human Resources and Business Integrity/Legal, worker representatives could also be involved in analysing trends and identifying preventive measures.

Due diligence

Consider whether you have clear and documented processes to address any grievance.

• Is anonymised data on the receipt and handling of grievances maintained and analysed to ensure the efficacy of grievance mechanisms? This would be considered Leading Practice.

• Are the root causes of complaints and grievances and any related underlying patterns identified, in order to make operational improvements where appropriate? This way you can integrate learnings from your grievance mechanism into your management systems. This would be considered Leading Practice.

Spotlight: Effective grievance mechanisms

To ensure your grievance mechanisms are effective, it may help if you explore the following questions:

Is your grievance mechanism legitimate?

• Have your consulted with workers on its design?

• Consider whether you know if workers trust it.

Is your grievance mechanism accessible?

• Do all workers know about it?

• Does the mechanism provide adequate assistance for those who may face particular barriers to access? (e.g. language, literacy, costs, physical location and fears of reprisal?)

• Consider whether you seek to guarantee and protect confidentiality.

• Consider whether you protect individuals who raise concerns from retaliation.

• Does the mechanism enable anonymous complaints and seek to protect this anonymity?

Is your grievance mechanism predictable?

• Consider whether you provide a step-by-step procedure in reporting and processing of complaints with the appropriate timeframe for each step.

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Fundamental Principle 13 – Access to Grievance Mechanisms & Remedies

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- Consider whether you provide an indicative timeframe for each stage of the management of complaints and grievances, ensuring parties to the complaint or grievance are kept informed about its progress.

- Is the mechanism clear on the types of process and outcome available and means of monitoring implementation?

Is your grievance mechanism equitable?

- Does the mechanism seek to ensure that parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms?

- Is there an appeals procedure that allows parties who are not satisfied to appeal against the results of investigations to the higher authorities?

Is your grievance mechanism transparent?

- Does the mechanism keep parties informed about the progress of their grievance?

- Does the mechanism provide sufficient evidence to build confidence in its effectiveness? (e.g. statistics.)

Is your grievance mechanism rights-compatible?

- Are the outcomes and remedies aligned with internationally recognised human rights?

Is your grievance mechanism a source of continuous learning?

- Is there a regular analysis of the frequency, patterns and causes of grievances?

- Have you developed meaningful indicators to assess success?

- Are there procedures in place to enable feedback?

- Does your grievance mechanism enable escalation of issues that are particularly severe so that your company can learn from them and respond accordingly?

Is your grievance mechanism based on engagement and dialogue?

- Are the workers consulted on the mechanism's design and performance (e.g. choice of channels, modes of dispute of resolution, transparency)?

- Is dialogue used as the means to address and resolve grievances?

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Fundamental Principle 13 – Access to Grievance Mechanisms & Remedies

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Top tip: Adapting the grievance mechanism to specific groups

Consider how you can focus your grievance mechanism on at-risk groups. For instance, you may want to consider the following questions:

Gender-sensitive grievance mechanisms:

- Consider whether you have distinct procedures for cases involving sexual harassment or assault.

- Do these procedures take into account the potential trauma and risks involved?

- Consider whether you make provision for counselling and other support to survivors. See section on Fundamental Principle 6 Free from harassment.

Young workers:

- Consider whether you have an effective system accessible to young workers. This is a good way to identify potential risks and hazards for young workers to ensure their protection.

Communities:

- Consider whether you have procedures in place to deal with concerns from local communities as well as human rights and environmental defenders.

- Are grievance mechanisms widely communicated and accessible in order to enable local communities to report to the company on any issue, in line with the UN Guiding Principles on Business and Human Rights? This would be viewed as Leading Practice.

Top tip: Raising awareness

Grievances may also be raised to and acted **on by trade union and other worker representatives**. Shop stewards and union officials can play an important role in handling the grievances of their members, and this should be clearly specified.

You may want to pro-actively communicate on your grievance mechanisms to the workers in **your extended supply chain**, but this may depend on its size. It is also important that any identified issues are, where possible, resolved as close as possible to where the issue happened: it is better for workers to have confidence in the grievance mechanisms in their own workplaces.

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Fundamental Principle 13 – Access to Grievance Mechanisms & Remedies

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Supporting tools

Aim-Progress, Grievance Mechanism Maturity

This framework was developed by AIM-Progress using various guidance documentation, standards and benchmarks. It can be used as a benchmark tool or as blueprint to further embed and improve a grievance mechanism and its management systems.

Oxfam Business Advisory Service, Grievance Mechanism Toolkit (2022)

This toolkit, developed for Reckitt by the Oxfam Business Advisory Service, aims to help companies to design and implement effective site-level grievance mechanisms in their own supply chains. It offers guidance for beginners, established and advanced companies.

ITUC, Legal guide for setting up an operational-level grievance mechanism for the world of work in the context of business and human rights (2022)

The purpose of this legal guide is to provide an overview of the principles and measures to be considered by businesses and workers' organisations when setting up a non-state-based operational-level grievance mechanism to provide access to justice and remedy for workers, including workers in supply chains.

Marks and Spencer's Food Human Rights Standards: human rights due diligence and remedy guidance

This guidance has been designed as a reference guide to help Marks and Spencer's suppliers learn from others and develop their own approach to Human Rights Due Diligence, that works for their business.

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Protect and Regenerate Nature

Business is conducted in a manner which protects, preserves and regenerates nature (including biodiversity) and ensures no deforestation or conversion takes place in connection with the supply of palm oil, soy, paper and board, and tea and cocoa materials. Water consumption is reduced, particularly in areas of high water stress, and wastewater discharge is appropriately managed. RPP page 31.

What does this mean?

It is fundamental that you understand and comply with all relevant legal environmental permits and regulatory requirements relating to nature, water and deforestation in your relevant jurisdictions. These laws and permits may relate to planning, development and your business operations.

You may need to regularly review and demonstrate that your operations, sourcing, manufacturing and distribution of products and supply of services are minimising negative impacts and maximising positive impacts on the natural environment and biodiversity. If you have operations in certain protected areas, you may need to obtain special environmental permits. This guidance gives pointers of where to start but is not an exhaustive checklist. These requirements may change over time, so you may need to keep informed and take time to regularly review whether you are still compliant.

How to implement

Policy

- Determine whether you have policies in place to guide the management of any environmental issues that present significant environmental risks related to your operations.

  ➢ Do the policy documents set out the practical organisation and arrangements as well as the policies themselves?

- Consider whether you have a policy that ensures no deforestation or conversion takes place in your business or your suppliers' businesses (especially in connection with the supply of raw materials that have a high risk of deforestation and conversion, including but not limited to palm oil, soy, paper and board, and tea and cocoa materials).

- Consider whether you have due diligence policies and processes in place to apply sub-national, national and international requirements relating to nature, water and deforestation.

- Consider whether you have environmental targets in place,

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Top tip: Environmental targets

In setting environmental targets, an organisation can confirm the level of ambition, improve transparency, and ultimately maximise positive impacts on the natural environment. Environmental targets can be set for different issues, however the best practice is that these are related specifically to the environmental issues and impacts deemed most material to your organisation and external stakeholders. Targets should therefore be tailored. Examples of environmental targets can include, but are not limited to:

- Land area protected or restored.

- % of volume that is deforestation free.

- Number of environmental incidents.

- Water consumption.

- Wastewater discharge.

- Energy consumption.

- Greenhouse gas (GHG) emissions.

- Waste sent to landfill or recycled/reused.

a governance process to monitor progress, and public communication of both targets and progress. This would be considered leading practice.

Embedding measures

- Consider whether you have in place the required supply chain transparency and traceability compliance needed.

- Consider whether you have in place the required capability to monitor changes in the state of environmental aspects in order to act in accordance with your policy.

- Consider whether you measure and publicly disclose deforestation related to your supply chain.

- Consider whether you have an Environmental Management System (EMS) to track and improve your environmental performance. If so, do you have processes and strategies in place to implement your EMS?

- Consider whether you have compliance programmes in place to ensure that applicable legal requirements and permits are held and complied with in relation to nature, water and deforestation.

- Consider whether you have a process to measure water abstraction, water usage, surface water management and effluent discharge.

- Examine whether relevant environmental policies, procedures, and legal or regulatory obligations are widely communicated throughout your organisation, with appropriate training provided.

- Examine whether you are engaging with your suppliers to reduce negative environmental impacts and maximise positive impacts.

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- Consider whether you embed sustainability practices and performance improvement plans to address material environmental issues. This would be considered leading practice.

- Consider whether you readily share all required data with Unilever where needed to allow Unilever to use that data (on an anonymised basis, where the reporting or requirements allow anonymity) to comply with the reporting and disclosure requirements of all relevant environmental protection and supply chain due diligence laws. **For example, a future mandatory requirement for suppliers of ingredients and formulations used in homecare, beauty and personal care products is to provide Unilever with data on the biodegradability of organic (carbon-containing) ingredients according to internationally recognised OECD (or ISO equivalent) test methods.**

- Consider whether you measure and publicly disclose water abstraction and wastewater generation. This would be considered leading practice.

- In areas with a high level of water stress, consider whether you implement water optimisation to address leaks, water wastage and advanced wastewater treatment. This would be considered leading practice.

- Consider whether you engage collaboratively with other stakeholders across the value chain and beyond with the aim of improving biodiversity, ecosystem performance, and water security. This would be considered leading practice.

Top tip: Nature-related targets

It is becoming increasingly important for businesses to understand and assess their impacts and dependencies on nature. While this is an evolving space, the best practice is to conduct this right across your value chain.

To do so, you could consider the following steps:

1. **Assess:** gather data to estimate value chain-wide impacts and dependencies on nature.

2. **Interpret and prioritise:** interpret the outputs from gathering and assessing the data, then prioritise key issues and locations.

3. **Measure, set and disclose:** collect baseline data for the issues and locations that have been prioritised, then set targets aligned with planetary boundaries and disclosure these targets.

4. **Act:** make a plan or roadmap for how to reach your targets and begin to take action to address negative impacts on nature.

5. **Track:** monitor progress towards the targets set and disclose this progress publicly and transparently.

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Due diligence

- Consider whether you and your suppliers are independently audited on your compliance with relevant legal environmental permits and regulatory requirements.

- Consider whether you investigate all environmental incidents in order to prevent recurrence.

- Determine whether you identify where operations take place in water stressed areas and implement mitigation actions to prevent negative impacts and maximise positive impacts.

- Consider using geospatial reviews of the areas you source from.

- Consider whether you screen new suppliers and partners for environmental information, using a set of environmental performance criteria.

- Consider obtaining chain of custody certifications for raw materials, for example:

  ➢ Roundtable on Sustainable Palm Oil (RSPO) Chain of Custody.

  ➢ Rainforest Alliance Chain of Custody.

- Examine whether you embed environmental risks into your wider risk identification and mitigation processes, and whether you identify and implement plans to manage biodiversity and ecosystem risks for operations in or near sensitive areas. This would be considered leading practice.

- Consider whether you regularly undertake a systematic review of your sustainability practices and your EMS with support from independent experts, and with the involvement of local communities to determine if appropriate policies and procedures are in place and effective. This would be considered leading practice.

Spotlight: Types of environmental permits and requirements

It is a mandatory requirement that you understand and comply with all relevant legal environmental permits and regulatory requirements relating to nature, water, and deforestation in your relevant jurisdictions. While there are regional variances, legal permits and requirements can fall into the categories shown in the following table.

Note: This is not an exhaustive list and is only meant to be illustrative of the types of legislation and regulations that may be applicable to you. It is recommended that you familiarise yourself with what types of legal requirements you may be subject to and ensure that you are compliant with those.

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Type of requirement or permit	Description	Examples
Environmental impact and risk assessments	Environmental impact assessments and risk assessments are usually used in the development and application request of a plan, policy, programme or project. They are used to assess the potential impacts of such projects and/or the risk they pose to the environment. They can be required as part of planning or as part of business operations development. Their purpose is to ultimately protect the environment.	• An **Environmental Impact Assessment** (EIA) may be required (e.g in the UK, EU, Kenya, Tanzania, Peru, and China) for any planning applications. • A **Strategic Environmental Assessment** (SEA) may be required (e.g in the UK, EU, Indonesia, and Panama) as part of the planning stage of a plan, policy, programme or project for evaluating the environmental, social and economic impacts. • **Ecological Risk Assessment** (EcoRA) are used in the USA for evaluating the likelihood of environmental impact as a result of a project.
Biodiversity conservation laws	Domestic biodiversity conservation laws are essential to the effective management of impacts on nature. Different jurisdictions are governed by different conservation laws.	• In the EU, nature and biodiversity are protected by several laws such as the Habitats Directive and the Birds Directive.

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Type of requirement or permit	Description	Examples
Water permits	There are several water-related permits that could be applicable: • A water abstraction permit or a water usage permit may be required, which authorises withdrawal of a certain amount of water from a source (such as a canal, lake or river). • Surface water management plans may be required to assess and manage the risk of surface water flooding or other drainage disruption as a result of a business operation or development. • A wastewater discharge permit may be required if you discharge any liquid effluent or wastewater in surface water or groundwater.	• In the UK, certain local authorities will require surface water management plans to assist with local flood risk management activities
Agricultural runoff	Agricultural runoff is where waste materials such as animal waste or excess fertilisers leak into the surrounding environment and waterways. Runoff can be a cause of nutrification and eutrophication of surface waters and can cause serious damage to plants and animals, as well as posing a risk to human health. You may be subject to measures to try to prevent erosion and runoff or to control the use of pesticides and fertilisers.	• The USA's Environmental Protection Agency (EPA) provides farmers with management approaches to prevent and control **nonpoint source pollution**. • The UK's **Reduction and Prevention of Agricultural Diffuse Pollution Regulations 2018** outline the requirements for land managers to manage agricultural runoff.

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There are a number of guiding global agreements and treaties relating to nature, water and deforestation. They generally follow principles of equitable and reasonable utilisation of natural resources, the obligation not to cause significant environmental harm, and the duty to cooperate and protect ecological systems. You may consider familiarising yourself with the following global treaties:

- **Convention on Biological Diversity (CBD):** This treaty was adopted in 1992 and has been ratified by over 190 countries. It aims to promote the conservation and sustainable use of biodiversity. It sets out a framework for the protection and sustainable use of natural resources and establishes principles for the conservation and management of biodiversity.

- **The Convention on International Trade in Endangered Species of Wild Fauna and Flora** (CITES): This treaty was adopted in 1973 and has been ratified by over 180 countries. It aims to protect endangered plants and animals by regulating the international trade in these species so that it does not threaten their survival. CITES provides a framework for each party who have to adopt their own national legislation to ensure that it is implemented domestically.

- **The Ramsar Convention on Wetlands:** This treaty was adopted in 1971 and has been ratified by over 170 countries. It aims to protect and conserve wetlands, which are important habitats for a wide variety of plants and animals.

- **The World Heritage Convention:** This treaty was adopted in 1972 and has been ratified by over 190 countries. It aims to protect and conserve natural and cultural sites that are of outstanding universal value.

- **UN Watercourses Convention:** This treaty was adopted in 1997 and has been ratified by over 50 countries. It establishes principles for the equitable and sustainable use of international watercourses, including rivers, lakes, and aquifers that cross national boundaries.

- **UNECE Water Convention:** This treaty was adopted in 1992 and has been ratified by over 40 countries. It aims to promote the protection and sustainable use of transboundary water resources. Although originally a pan-European regional instrument, it has been opened for accession to all UN Member States.

- **UN Convention to Combat Desertification (UNCCD):** This treaty was adopted in 1994 and has been ratified by over 190 countries. It aims to combat desertification and land degradation, including through the sustainable management of natural resources. Deforestation can contribute to land degradation, as it can lead to soil erosion and the loss of vegetation that helps to anchor the soil in place.

- **The Rio Conventions – Action on Forests:** These bring together the CBD and UNCCD with the United Nations Framework Convention on Climate Change (UNFCCC), acknowledging the important contribution of forests to the achievement of each of their goals and objectives.

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Spotlight: Protecting natural ecosystems from deforestation and conservation

Following Unilever's **People and Nature Policy**, direct suppliers of palm oil, soy, paper and board, and tea and cocoa materials will only sell materials to Unilever sourced from places that are verified as deforestation and conversion-free.

Direct suppliers must:

- ensure there is no deforestation or conversion of natural ecosystems;

- protect natural ecosystems;

- have no burning policies in place; and

- implement best management practices and toolkits, including but not limited to: RSPO peat best management practices, best practices to prevent burning, and the High Carbon Stock Approach toolkit.

Top tip: Environmental screening criteria

It is best practice to conduct a supplier assessment (e.g questionnaire and in some cases site visits) on environmental or social practices ahead of engaging a new supplier. In alignment with the Global Reporting Standards (GRI), environmental criteria used for screening can include the topics in the environmental standards:

- Materials.

- Energy.

- Water and effluents.

- Biodiversity.

- Emissions.

- Waste.

- Supplier environmental assessment.

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Supporting tools

Unilever policies and guidelines

Unilever People and Nature Policy

Unilever People and Nature Policy Guidelines

Unilever regenerative agriculture principles

Unilever Sustainable Agriculture Code 2017

These are Unilever policies and guidelines outlining leading practices for Fundamental Principle 15.

CORE (corecert.net)
These are the leading practice requirements, applicable to suppliers of mined materials.

Other tools

ISO - ISO 14000 family – Environmental management

This is an internationally recognised standard for Environmental Management Systems. It sets out the criteria for an EMS and maps a framework that an organisation can follow.

ISO - ISO 46001:2019 - Water efficiency management systems – Requirements with guidance for use

The internationally recognised standard for water efficiency management systems. It sets out the requirements and guidance for implementing and maintaining a water efficiency management system for organisations of different sizes.

OECD Environmental Risk Assessment Toolkit: tools for environmental risk assessment and management

This is an interactive practical tool for environmental risk assessment and management relating to chemicals or hazards.

TNFD

The Taskforce on Nature-related Financial Disclosures is a new global initiative which aims to give financial institutions and companies a complete picture of their environmental risks. Beta framework v0.3 was released in November 2022. Final guidance is expected in late 2023.

SBTN guidance

The Science Based Target Network provides a method for companies to set integrated targets across all earth systems and to define how to assess, prioritise, measure, address and track impacts and dependencies on natural ecosystems. This includes initial Guidance for Business detailing the five-step process for setting SBTs for nature.

WBA Nature Benchmark Methodology

This is a global nature benchmark from the World Benchmarking Alliance that measures and ranks companies across various industries on their efforts to protect nature and biodiversity.

CDSB Biodiversity Application Guidance

This is the Climate Disclosure Standards Board Guidance for how to apply the CDSB Framework to natural capital elements of climate change, water and biodiversity. It lays out a checklist for effective biodiversity-related disclosures, reporting suggestions and guidance to integrate biodiversity-related issues into reporting, external resources, and examples.

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IUCN Global Standard for Nature-based Solution

This was published in 2020 by the International Union for Conservation of Nature as a user-friendly global framework for the verification, design and scaling up of nature-based solutions.

GRI 304 (2016) Biodiversity Disclosure

This biodiversity disclosure standard forms part of the GRI Sustainability Reporting Standards which are designed to help organisations report on their impacts on the environment, society and the economy.

EIA and SEA legislation | UNECE

The United Nations Economic Commission for Europe has collated this informal review of legislation across South-Eastern and Eastern Europe, Caucasus and Central Asia, with searchable information for each country.

Aqueduct Water Risk Atlas (wri.org)

This tool is an interactive global map of water risks, including physical water risks, risks quality and regulatory and reputation risks, developed by the World Resources Institute.

ECOLEX

This is a global database of national and international environmental and natural resources, treaties, law and policy. It is a web-based information service operated jointly by the Food and Agriculture Organization of the UN (FAO), the International Union for the Conservation of Nature (IUCN) and the UN Environment Programme (UNEP).

Accountability Framework initiative

The Accountability Framework initiative (AFi) is a collaborative effort to build and scale up ethical supply chains for agricultural and forestry products. The Accountability Framework is a practical, consensus-based guide for achieving and monitoring ethical supply chains.

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16 Climate Action

Greenhouse gas (GHG) emissions are reduced in line with the goals of the Paris Agreement and limits global warming to well below 2 degrees Celsius compared to pre-industrial levels. RPP page 33.

What does this mean?

As Unilever business partners, you are encouraged to reduce your GHG emissions in line with climate science, which is to focus on rapid and deep emissions reductions this decade.

This means understanding the main sources of GHG emissions across your operations and end-to-end value chain, and then putting in place plans, resources and processes to reduce them in line with what the science says is needed to limit global warming, i.e. to well below 2 degrees Celsius compared to pre-industrial levels.

The Unilever Climate Promise invites suppliers to commit to doing this, as well as to disclose both progress and product carbon footprint data for materials sold to Unilever. This Promise, whilst optional, presents an opportunity for our suppliers to demonstrate that tackling the climate crisis is of paramount importance.

How to implement

Policy

- It is fundamental that all applicable legal requirements related to GHG emissions are complied with.

- Depending on the geography in which you operate and the local regulatory requirements, you may need to measure GHG emissions; set emissions-reduction targets; track emissions sources and total emissions year on year; report publicly or disclose these to a formal entity; and demonstrate progress.

- Consider whether you are complying with all legal requirements on GHG measurement, public reporting and reduction.

- Consider whether you have a Climate Policy that outlines your approach to GHG emissions management and reduction.

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Spotlight: The Paris Agreement

Legal requirements will vary by jurisdiction, but most are aligned with the United Nations Framework Convention on Climate Change (UNFCCC), which was adopted in 1992 and has been ratified by over 190 countries.

Under the UNFCCC, several agreements have been reached for the reduction of GHG emissions and stabilisation of GHG concentrations in the atmosphere. Most recently, the Paris Agreement was adopted in 2015 and has been ratified by over 190 countries. It aims to limit global warming to well below 2°C above pre-industrial levels, and encourages countries to pursue efforts to limit the temperature increase to 1.5°C.

Embedding measures

If you are just starting out on your climate journey:

- Consider whether you have procedures in place for measuring and tracking GHG emissions across your business and operations (GHG Protocol Scope 1 and 2 emissions)

- Consider whether you have in place an EMS (environmental management system) related to GHG emissions reduction that is implemented and periodically updated to identify and mitigate the main sources of GHG emissions.

If you are already taking action on scope 1 & 2 emissions:

- Consider whether you have procedures in place to measure and track emissions across the supply chain (scope 3 emissions)

- Consider whether you have capabilities to calculate and share with Unilever the product carbon footprint of the materials/ingredients you sell us.

- Determine whether you disclose a public target and roadmap to reduce GHG emissions. This would be considered leading practice.

If you consider your company a leader on climate action, then:

- Consider adopting Paris Agreement aligned GHG emissions reduction targets. This would be considered leading practice.

- Consider adopting GHG emissions reduction targets that are approved by the **Science Based Targets Initiative** (SBTi). This would be considered leading practice.

- Consider whether you have a climate change or net zero strategy that guides how you will achieve your emissions reduction targets and a governance process to monitor progress. This would be considered leading practice.

- Consider whether you have capabilities to calculate and share with your customers the product carbon footprint of the materials or ingredients you sell. **This is a Future Mandatory Requirement.**

- Consider whether you prioritise GHG emissions reductions aligned with limiting global temperature rise to 1.5°C.

- Consider whether upstream suppliers are engaged with to reduce GHG emissions across the value chain. We encourage you to work with your suppliers; for example, leaning on the 1.5°C Supplier Engagement Guide launched by the 1.5°C Supply Chain Leaders initiative at COP26.

- Examine whether carbon credits are used only for residual GHG emissions and after proven absolute reductions in line with SBTi. Are carbon credits reported separately from GHG reductions?

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Spotlight: Scope 1, 2 and 3 GHG emissions

The **Greenhouse Gas Protocol** supplies widely used standards for measurement and accounting of all seven greenhouse gases covered by the **Kyoto Protocol** – carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.

Scope 1 emissions

GHG emissions from sources that are owned or controlled by an organisation.

Scope 2 emissions

GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organisation.

Scope 3 emissions

Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur in the value chain of an organisation, including both upstream and downstream emissions.

Due diligence

- Consider whether you have procedures in place for ensuring that all applicable legal requirements are complied with and permits are held with respect to GHG emissions management and reduction.

- Consider whether you have due diligence policies and processes relevant to national and international sourcing requirements in place pertaining to GHG emissions management and reduction.

- Examine whether you have identified and assessed all material sources of GHG emissions across your business, according to the GHG Protocol.

- Consider setting a corporate climate target that aligns with what the Science says is needed. Unilever encourages you to set an SBTi aligned climate target.

- Consider assigning roles and responsibilities to individuals, to ensure that the progress against the climate target is regularly reviewed and acted upon.

- Examine whether training is provided to all relevant workers to build necessary capabilities such that your company complies with the appropriate legal requirements with respect to GHG emissions as well as meeting customer requirements.

- Reflect on whether relevant climate policies and procedures are widely communicated throughout your organisation, with appropriate training provided.

- Consider whether you screen new suppliers and partners for climate-related information and performance.

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Spotlight: Potential legal requirements and permits with respect to GHG emissions management and reduction

Many countries have developed national laws and regulations related to GHG emissions management, GHG emissions reduction, and mechanisms for reporting and tracking GHG emissions. While there are regional variances, legal requirements and permits relating to GHG emissions can fall into the following categories:

Type of requirement or permit	Description	Examples
Emissions reporting and disclosure requirements	Requirements that may oblige you to report on your energy consumption and/or GHG emissions within your annual reporting, such as financial reporting.	• **UK Streamlined Energy and Carbon Reporting** (SECR) • **EU Corporate Sustainability Reporting Directive** (CSRD) • In Vietnam, publicly listed companies are required to consider the social and environmental impacts of their activities, which includes: reporting on GHG emissions, environmental impact, compliance with environmental protection laws, and energy and water consumption – as outlined in **Climate Reporting in ASEAN State of Corporate Practices 2022**.
Carbon pricing systems	An emitter has to pay a carbon price for the amount of emissions produced. Carbon pricing is another tool for governments to incentivise emissions reduction. However, they can come in different forms (e.g carbon tax, Emissions Trading System (ETS), or carbon crediting mechanisms).	• Argentina, Mexico, Chile, Colombia and Uruguay have introduced carbon taxes; however, these come with varying tax rates (per metric ton CO_2) across fuels. For further information see **What is Carbon Pricing?	Carbon Pricing Dashboard (worldbank.org)**

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Type of requirement or permit	Description	Examples
Clean energy standards	In some jurisdictions you may be required to adhere to various clean energy standards and regulations, such as renewable energy standards, energy efficiency standards, and greenhouse gas emission reduction targets.	• **EU clean energy package,** including Energy Performance of Buildings Directive, Renewable Energy Directive, and Directive of Energy Efficiency.
Fluorinated greenhouse gases (fluorocarbons) requirements	A number of countries party to the UNFCCC have established legal requirements or permits that apply to companies that use or produce fluorinated GHG, which may require companies to obtain permission before using these gases.	• **EU Fluorinated Gases Regulation** sets limits on the use and production of fluorinated GHG, and requires companies to obtain permission before using these gases. • US Environmental Protection Agency's **Significant New Alternatives Policy** (SNAP) evaluates the use of alternative substances to fluorinated greenhouse gases in order to reduce emissions. The SNAP programme also sets limits on the use of certain fluorinated greenhouse gases and requires companies to obtain approval before using these gases.

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Supporting tools

Climate Change Laws of the World database

The Grantham Research Institute on Climate Change and the Environment publish and regularly update the database which tracks climate laws, policies and litigation cases globally.

Carbon Pricing Dashboard

The World Bank's carbon pricing dashboard provides an up-to-date overview of carbon pricing initiatives from across the world.

GHG Supplier Engagement Guidance

The Greenhouse Gas Protocol provides guidance for companies on how to engage with suppliers to collect GHG data when developing scope 3 GHG inventories following the Greenhouse Gas Protocol's standards.

ISO 14064 Greenhouse gases standard

This standard provides a specification with guidance for companies to quantify and report GHG emissions and removals.

Grantham Research Institute on Climate Change and the Environment - Blog

This provides easily digested information on how emissions trading systems work.

Science-Based Targets initiative

This is relevant for companies across all sectors and of all sizes and guides on commitment to setting a science-based target to reduce GHG emissions.

CDP Climate Change

Here you will find questionnaires that provide a disclosure framework for companies to report on their GHG emissions management and reduction.

Greenhouse Gas Protocol

This is the world's most widely used GHG accounting standard.

1.5°C Supplier Engagement Guide

This initiative from Exponential Roadmap is a guide for companies seeking to reduce GHG emissions in their supply chains.

Unilever Climate Transition Action Plan

This sets out how Unilever will meet our climate action goals including net zero emissions across our value chain by 2039.

SME Climate Fit course

This is SME Climate Hub's free online training to help small and medium-sized companies to reduce emissions and join the collective race to net zero. This course aims to help small and medium businesses navigate the path to net zero in seven achievable steps.

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Waste-free world

The generation of waste is reduced and zero waste to landfill is achieved. Plastic use and waste are reduced to help create a transparent and circular economy for plastics. RPP page 34.

What does this mean?

The sustainable and responsible storage, handling, transportation and disposal of waste is critical for the protection of human health and safety and the environment. Waste is classified either as hazardous or non-hazardous based on local legislation. Applicable laws and permits will vary by jurisdiction.

The reduction of waste and the transition from a linear to a circular economy – particularly for plastics – is a particular focus area for Unilever. Shifting the economy from a linear – take, make, dispose – model to a circular approach will help to protect the environment and natural resources.

How to implement

Policy

- Determine whether you have a waste management strategy or policy for the sustainable storage, handling and disposal of waste.

- For suppliers using plastic in their production processes, determine whether you have a written policy for the management of plastic production, use, and end-of-life treatment that is updated periodically.

- For suppliers of post-consumer recycled (PCR) plastic, consider whether you have a policy to ensure annual migration tests are conducted to confirm the materials are within the approved limits for contaminants, and appropriate records of these results are maintained.

- Consider whether policies exist for governing the use of resources in the production of your products, including any policies related to virgin materials versus recycled or reused materials, and the management of plastics pellet loss.

- Consider whether you use risk assessments to determine any adverse environmental effects arising from the use and disposal of your products.

- Examine whether you have governance processes in place to oversee and manage the storage, handling, transportation and disposal of waste.

Embedding measures

- Consider whether you have compliance programmes in place to ensure that applicable laws and permits relating to the storage, handling and disposal of waste directly or through waste sub-contractors are complied with.

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- Consider whether you have an environmental management system (EMS) in place specifically to identify and mitigate issues related to waste management and reduction, and consider whether you have processes and strategies in place to implement an EMS.

- Consider whether you understand your sources of waste, and whether they are categorised into hazardous waste and non-hazardous waste.

- Determine whether you operationalise a waste inventory for all waste generated.

- Consider whether you report a process flow of inputs, activities, and outputs that lead or could lead to significant waste-related environmental and human health impacts.

- Consider whether you ensure that no non-hazardous waste from your operations is sent to landfill sites or incineration without energy recovery. This would be considered leading practice.

- Where no waste management local laws exist, consider whether you are taking steps to ensure that waste management (including waste management by sub-contractors) is conducted in line with international best practices. This would be considered leading practice.

- Consider whether you have established a long-term plan to practice the '5-R's of waste management: Refuse, Reduce, Reuse, Repurpose, Recycle. This would be considered leading practice.

- Consider whether you are embedding circular economy principles and approaches, and whether you are taking circularity measures to prevent waste generation in your own activities as well as upstream and downstream in your value chain. This would be considered leading practice.

- If food waste is material to your business, consider whether you have set baselines, targets and plans for delivery. Are you disclosing food waste data through external indices? This would be considered leading practice.

- Consider whether you have effective plastics usage, reduction, collection and recycling strategies in place across the value chain. This would be considered leading practice.

- Consider collaborating and partnering with other stakeholders across the value chain and beyond to innovate plastic materials and improve end-of-life management with the aim of tackling plastic waste, aligning and developing industry systems, benchmarking and standards, and leveraging enabling technologies. This would be considered leading practice.

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Top tip: Implement a waste hierarchy

Unilever's approach to waste implements a waste hierarchy – refuse, reduce, reuse, recycle, recover – and a 'zero waste mindset' of seeing waste materials as a resource.

Refuse
The waste hierarchy journey starts with refuse – that is, avoiding waste being generated in the first place. This is the best way of reducing the impact on the environment as it eliminates or reduces waste at source.

Reduce
The next step in a waste hierarchy is to reduce the amount of waste generated. This can enable you to increase the efficiency of converting raw materials into products.

Reuse
By reusing materials or making them available for others to reuse, you can get the most possible value from materials, and prolong their life by upcycling them.

Recycle
If the waste cannot be refused, reduced or reused, then it can go to recycling. Best practice may also involve recycling in quite innovative ways.

Recover
Finally, if recycling is not feasible, consider recovering materials from waste instead of sending them to landfill. If this is not possible, consider generating energy from waste through incineration.

Checklist: Annual migration tests for suppliers of PCR plastic

Suppliers of PCR plastic are required to conduct annual migration tests (according to Unilever's standard test methods) to confirm that materials supplied to Unilever are within the approved limits for contaminants and that appropriate records of these results are maintained.

To do so, you could consider the following steps:

1. Conduct an annual migration test – reach out to Responsible.Business@Unilever.com to obtain a copy of the standard test method as required.

2. Test whether you are within the approved limits for contaminants.

3. Make a record of the results.

4. Conduct risk assessments if the results show that the contaminant is above the limit.

5. Share copies of all test reports with the Unilever Global PCR Lead.

6. Clearly communicate to the Unilever Global PCR Lead when any contaminant is identified above the limit so that a Unilever led risk assessment can be conducted.

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Due diligence

- Consider whether you have an EMS in place, and whether it is regularly updated to identify and mitigate issues related to waste management and reduction.

- Determine whether your compliance with relevant legal waste permits and regulatory requirements is audited.

- Consider whether you investigate all waste storage, handling and disposal incidents in order to prevent recurrence.

- Consider whether you have risk assessments in place to determine any adverse environmental effects arising from the storage, handling and disposal of your waste.

- For suppliers using plastic in their production processes, consider whether you have environmental risk assessments in place (associated with plastic production, usage, reduction, collection and end-of-life management) appropriate to your operations and activities. Do you implement appropriate procedures and controls to minimise the identified risks?

- Determine whether relevant waste policies and procedures are widely communicated throughout your organisation, with appropriate training provided.

- Consider whether you provide training to all relevant workers to ensure their knowledge of and compliance with all necessary legal permits with respect to waste.

- Consider whether you require information from suppliers on waste management and their implementation of the waste hierarchy.

- Consider whether you conduct due diligence and environmental screening on waste management contractors.

Implementing the Mandatory Requirements
Fundamental Principle 17 – Waste-free World

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Spotlight: Potential legal requirements and permits with respect to waste

Laws and permits relating to the storage, handling and disposal of waste vary significantly by region and country. Businesses may need a permit if they use, recycle, treat, store or dispose of waste. However, consider that the legal requirements and permits below may be applicable.

Note: This is not an exhaustive list, and is purely illustrative of the types of legislation and regulation that may be applicable to you. It is recommended that you familiarise yourself with the types of legal requirement you may be subject to and ensure that you are compliant.

Type of requirement or permit	Description	Examples
Hazardous waste regulations	Regulations covering the transport, storage and management of hazardous waste may be applicable. These regulations will ensure that the environment and health & safety are protected.	• Australia's **Hazardous Waste (Regulation of Exports and Imports) Act 1989.** • **EU Waste Framework Directive**, which sets out the concepts for waste management, including hazardous waste. • Indonesia's **Act on Environment** defines waste, hazardous and toxic material, and hazardous and toxic waste. • Malaysia's **Solid Waste and Public Cleansing Management Act 2007** and Environment Quality Regulations 2005 act as waste management regulations and define types of waste such as solid waste, household waste and hazardous waste.
Environmental permits for landfills, waste disposal, recycling and other waste recovery activities	Environmental permits may be required for the use, treatment, storage and disposal of waste. You may need to apply for an environmental permit if your organisation uses, recycles, treats, stores or disposes of waste.	• UK's **Environmental permits for waste**. • EU **Landfill Directive**, which sets out requirements for landfill sites.

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Type of requirement or permit	Description	Examples
Recycling regulation	You may need to comply with recycling regulations if your organisation recycles waste in any form.	• The EU have three Directives – the WEEE **Directive**, the Packaging Directive and the Batteries Directive – for major recycling requirements faced by manufacturers and producers selling products in Europe.
Food waste/organic waste regulation	Food waste is a large issue for many countries and some jurisdictions have laws in place to reduce and manage food waste.	• France made it illegal for retailers to throw away food – see **Zero Waste Europe Fact Sheet on France's Law.** • Italy has a law that enables retailers to donate food waste to food banks and charities. See **Zero Waste Europe Factsheet on Italy's Law** • The USA has six states that prohibit sending food waste to landfill.
Packaging regulation	Most packaging regulations are related to end-to-end elements such as packaging specifications, attributes of packaging, expected primary use of packaging and packaging chains from raw material sourcing to disposal. Packaging regulation is evolving and packaging companies should ensure that they comply and stay abreast of developments.	• The UK's **Plastic Packaging Tax** Regulations have introduced a plastic packaging tax for manufacturers. • France has multiple packaging design and safety **regulatory measures**. For example, incentives (such as indirect premiums, subsidies and funding) are used to encourage more sustainable packaging.

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Fundamental Principle 17 – Waste-free World

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Type of requirement or permit	Description	Examples
Single-use plastics regulations	Several countries have implemented bans and levies on single-use plastic waste. This can include plastic taxes, or the ban of items such as plastic bottles and carrier bags, as well as labelling requirements for some plastic products.	• EU **Single-Use Plastic Directive** – a legislative measure that aims to reduce the use of single-use plastics in the European Union and increase the use of recycled plastics. It includes provisions for the reduction of the use of certain single-use plastic products, such as plastic straws, cutlery, and cotton buds. • The United States' **Save Our Seas Act** aims to reduce marine plastic pollution by supporting research and development of technologies to prevent and remove plastic pollution, as well as by promoting the use of alternatives to single-use plastics. • **The Plastics Landscape** reported that: ➢ Costa Rica committed to eliminate single-use plastics by 2021 (see page 11). ➢ Single-use items including cutlery, straws, cups and balloons were banned in Mexico by 2021 (see page 11). ➢ India's Plastic Waste (Management and Handling) Rules 2011 aim to phase out the manufacturing and use of non-recyclable plastics (see page 8). • Denmark has a ban on the use of perfluoroalkyl and polyfluoroalkyl substances (PFAS) within paper and cardboard food packaging, as reported by the **Food Packaging Forum**.

Implementing the Mandatory Requirements
Fundamental Principle 17 – Waste-free World

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Type of requirement or permit	Description	Examples
Deposit return schemes	Deposit return schemes entail a surcharge on the product at point of purchase. The surcharge is refunded when the buyer returns the empty packaging to a collection point. If the empty container is not returned, the deposit is forfeited.	• Certain Australian States and Territories and Canadian provinces have **deposit return schemes**.
Extended producer responsibility regulations	Governments use extended producer responsibility schemes (EPR) as regulatory incentives to make companies who manufacture products packaged in plastic reduce plastic packaging and use more recycled content. They do this by charging the companies to collect and process packaging. EPR legislation holds the producers of products responsible for any negative environmental impacts and associated costs. It incentivises the manufacturers of products to embed resource-efficiency into design and to create low-impact products, thereby facilitating effective end-of-life collection and treatment for reuse and recycling.	Many countries have some form of EPR schemes, for example: • In Europe, several countries operate **EPR schemes** and the Waste Framework Directive improves the implementation of such schemes. • In North America, the USA and Canada run varied EPR schemes depending on the State or Province. For example, in the USA, more than half of the 50 States have enacted some form of EPR regulation. • In South America, countries including Chile and Colombia have implemented **EPR**. • In Africa, **EPR** is mandatory for packaging companies in South Africa. • In Asia, many countries, including South Korea and China, have implemented **EPR**. • Australia and New Zealand also both have some form of **EPR** scheme.

Implementing the Mandatory Requirements
Fundamental Principle 17 – Waste-free World

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There are several global treaties and guiding principles relating to waste that you may consider familiarising yourself with:

- **The Stockholm Convention on Persistent Organic Pollutants**: This treaty was adopted in 2001 and has been ratified by over 180 countries. It aims to protect human health and the environment from the adverse effects of persistent organic pollutants (POPs). POPs are chemicals that are resistant to degradation and can accumulate in the environment, thus posing a risk to human health and the environment. The Stockholm Convention requires the elimination or restriction of the production, use, and release of POPs.

- The **UN Globally Harmonized System of Classification and Labelling of Chemicals (GHS)**: This international system aims to standardise the classification and labelling of chemicals, including those used in the production of plastic products. It includes provisions for the classification of chemicals based on their potential to cause harm to human health and the environment. It protects workers from chemical hazards through its systems of labels and safety data sheets, which outline the prevention, response, storage and disposal of the hazardous chemicals.

- **The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal**: This treaty was adopted in 1989 and has been ratified by over 190 countries. It aims to protect human health and the environment from the adverse effects of hazardous waste. It establishes a system for the control of transboundary movements of hazardous waste, including the prohibition of trade in certain types of hazardous waste. Participating counties are required to minimise their hazardous waste generation, ensure disposal facilities are available and adequate, control and reduce international transportation of hazardous waste, and ensure that waste is managed in an environmentally sound way.

- **UNEP Plastic Pollution Resolution**: In March 2022, the United Nations Environment Assembly made a historic decision to begin negotiating a UN Treaty on Plastic Pollution. Governments are meeting every six months at Intergovernmental Negotiating Committees to agree on a legally binding treaty by mid-2025 that covers the full lifecycle of plastic.

Spotlight: **Unilever PCR plastic products**

In 2021 Hellmann's launched 100% recycled packaging in two-thirds of its markets, Knorr launched 100% recycled plastic bouillon tubs and lids in Europe, and Swedish Glace's plant-based ice cream comes in recycled plastic tubs. Our Dove beauty brand uses 100% recycled plastic bottles in Europe and North America (where technically feasible), and 98% of its new refillable deodorant packaging in the US is made from recycled plastic. Our Love Beauty and Planet hair and skin care brand is also working to incorporate recycled plastic in bottle caps and pumps.

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Fundamental Principle 17 – Waste-free World

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Spotlight: Circularity measures

Circular economy principles and developing approaches to building circular business models would be considered leading practice. Circularity measures are measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented.

The **Ellen Macarthur Foundation** has united more than 500 organisations behind a common vision for a circular economy for plastics.

Spotlight: Future mandatory requirements and leading practice for suppliers of plastic packaging

A reminder:

- Suppliers of plastic packaging will be required to only supply plastic that is designed to be fully reusable, recyclable or compostable. This is a future mandatory requirement.

- Suppliers will also be required to develop and disclose a plastics inventory to support the transparency and traceability efforts (related to plastics) of Unilever or other downstream parties. This includes relevant data such as virgin fossil-based content, post-consumer recycled content and detail on the ability of the plastic to be reused, recycled or composted. This is a future mandatory requirement.

- Where suppliers halve the amount of virgin plastic used and optimise the amount of recycled plastic, this would be considered leading practice.

Remediation

- Consider whether you have procedures in place to remediate any negative **environmental impacts** related to your activities.

- Consider whether you have procedures in place to remediate any negative **social impacts** related to your activities, particularly impacts on those most at risk, such as children, women, migrant workers and Indigenous peoples.

- If remediation is required, determine whether you have informed Unilever of the corrective action, implementation plans and timeline to effectively and promptly address any negative impacts.

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Supporting tools

Unilever policies and guidelines

Tackling manufacturing waste | Unilever

Our goal to reduce plastic packaging | Unilever

Other supporting tools:

ISO - 13.030 - Wastes

This is an internationally recognised standard for waste management systems. It sets out the standard for waste management in general; recycling solid wastes, liquid waste, and hazardous waste such as electronic waste.

Resource productivity and waste - OECD

The Organisation for Economic Co-operation and Development has resources, publications and working papers on resource productivity and waste.

Business and the circular economy (ellenmacarthurfoundation.org)

Ellen MacArthur Foundation: Plastics in a circular economy

The Ellen MacArthur Foundation is a charity committed to advancing the circular economy. It has resources and materials available for companies wishing to build circular business models.

The plastics landscape: regulations, policies and influencers | Engagement guide | PRI (unpri.org)

Principles for Responsible Investment (PRI) have a report on the plastic-related regulations and policies at different stages of the value chain.

Search for a Licence/Permit | Environmental Protection Agency (epa.ie)

This is a resource to search for environmental licences and permits in the USA as granted by the Environmental Protection Agency (EPA), the authority for granting and enforcing environmental licences, including waste licences, for industrial and agriculture activities.

Commission adopts new rules to enhance safety of recycled plastics used in contact of food (europa.eu)

The European Commission's new health and safety rules for recycled plastics used in contact with food.

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OECD Guidelines for Multinational Enterprises

These guidelines from the Organisation for Economic Co-operation and Development are the most comprehensive international standard on responsible business conduct. The OECD Guidelines reflect the expectation from governments to businesses on how to act responsibly. They cover all key areas of business responsibility, including human rights, labour rights, environment, bribery and consumer interests, as well as information disclosure, science and technology, competition, and taxation.

OECD Due Diligence Guidance for Responsible Business Conduct

This guidance provides practical support to enterprises on the implementation of the OECD Guidelines for Multinational Enterprises by providing plain-language explanations of its due diligence recommendations and associated provisions. The guidance includes additional explanations, tips and illustrative examples of due diligence.

Focus on Fundamental Principles 4 - 13

Shift, "Human Rights Due Diligence in High Risk Circumstances: Practical Strategies for Businesses," New York, 2015

This report is authored by Shift and draws on discussions with the companies that participate in Shift's Business Learning Programme. It presents learning and insights from business practitioners regarding the strategies and practices they have found most effective when conducting human rights due diligence in high risk circumstances. The Annex contains an example of a practical tool to identify high-risk circumstances.

Better Work Programme

The ILO and the IFC started the Better Work Programme as a joint initiative to improve working conditions in garment manufacturing factories. It currently works in 1,700 factories employing more than 2.4 million workers in nine countries, which supply many different clothing and apparel brands globally. Among other efforts designed to reduce the risks of forced labour and improve wages and working conditions, the Better Work Programme runs on-site training programmes for factory workers designed to increase their understanding of their rights and responsibilities at work and factory related life skills.

Examples of technologies for enhanced due diligence

DiginexLUMEN

DiginexLUMEN is a tool which helps to better understand any gaps in approach and process to help identify key risk areas. The platform uses cascading invitations to help connect efficiently with upstream suppliers beyond tier 1, including recruitment and labour providers, and includes tailored due diligence questionnaires, based on international standards set by the ILO. The tool also has an integrated worker-voice tool called diginexAPPRISE. The voice-activated survey, translated into local languages for accessibility, allows workers to capture their experiences. Results from self-assessment questionnaires, labour providers and worker surveys are then triangulated in the diginex platform, which flags any inconsistencies and allows for easier analysis of data.

Note: Unilever has a licence and can invite any partners to the Diginex platform to access the dashboards and data. You may invite your own partners to the platform to complete questionnaires for free. Please let Unilever know if you would like to be invited.

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Quizrr

Quizrr's digital training platform supports management and workers in building knowledge and awareness of their rights in the workplace in order to drive behavioural change. The training is based on short film dramas, followed by quiz questions. The films cover real-life situations in factories, always in the local language and setting. Issues vary from ethical recruitment and gender equality to understanding digital wages.

CONTACT US

To give feedback on this implementation guidance document, or to let us know if you need further guidance, please contact: Responsible.Business@Unilever.com

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This part of the Implementation Guidance provides support for Unilever business partners who deliver goods or supply services to our business units in Germany or who otherwise do business with Unilever in Germany.

What does this mean?

Those Unilever business partners who deliver goods or supply services to Unilever business units in Germany or otherwise do business with Unilever in Germany must meet specific mandatory requirements specified in the Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG) ("German DD Act").

The table on following pages demonstrates that where business partners can confirm that they have put policies and practices in place to meet the Mandatory Requirements of the RPP, that this will also satisfy the requirements of the German DD Act.

All Mandatory Requirements of the Unilever Responsible Partner Policy must be adhered to in order to satisfy the human rights-related and environment-related expectations set out in the German DD Act (Sec. 2 par. 2 and 3).

See additional guidance on following pages.

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Human rights	
Fundamental Principle 8 Appropriate Age: Mandatory Requirement 8.1	the prohibition of the employment of a child under the age at which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2 (4) and Articles 4 to 8 of Convention No. 138 of the International Labour Organization of 26 June 1973 concerning Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202);
Fundamental Principle 7 Work is Voluntary: Mandatory Requirement 7.1 **Fundamental Principle 8 Appropriate Age:** Mandatory Requirements 8.3 and 8.4	the prohibition of the worst forms of child labour for children under 18 years of age; in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) this includes: a) all forms of slavery or practices similar to slavery, such as the sale trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts, b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances, c) the use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs, d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children;

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 4 Freely Agreed Terms of Employment: Mandatory Requirement 4.1 **Fundamental Principle 7 Work is Voluntary:** Mandatory Requirement 7.1	the prohibition of the employment of persons in forced labour; this includes any work or service that is required of a person under threat of punishment and for which he or she has not made himself or herself available voluntarily, for example as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2 (2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 (3) (b) and (c) of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534);
Fundamental Principle 5 Free from Discrimination: Mandatory Requirement 5.2 **Fundamental Principle 6 Free from Harassment:** Mandatory Requirement 6.1 **Fundamental Principle 7 Work is Voluntary:** Mandatory Requirement 7.1 **Fundamental Principle 9: Fair Wages:** Mandatory Requirement 9.1	the prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workspace, such as extreme economic or sexual exploitation and humiliation;

Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 10 Reasonable Working Hours: Mandatory Requirements 10.1, 10.3 and 10.4 **Fundamental Principle 12 Health & Safety:** Mandatory Requirements 12.1, 12.2 and 12.3	the prohibition of disregarding the occupational safety and health obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards, in particular due to: a) obviously insufficient safety standards in the provision and maintenance of the workplace, workstation and work equipment; b) the absence of appropriate protective measures to avoid exposure to chemical, physical or biological substances; c) the lack of measures to prevent excessive physical and mental fatigue, in particular through inappropriate work organisation in terms of working hours and rest breaks; or d) the inadequate training and instruction of employees;
Fundamental Principle 11 Freedom of Association: Mandatory Requirements 11.1, 11.2 and 11.4	the prohibition of disregarding the freedom of association, according to which a) employees are free to form or join trade unions, b) the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation, c) trade unions are free to operate in accordance with applicable law of the place of employment, which includes the right to strike and the right to collective bargaining;

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 10 Reasonable Working Hours: Mandatory Requirements 10.1, 10.3 and 10.4 **Fundamental Principle 12 Health & Safety:** Mandatory Requirements 12.1, 12.2 and 12.3	the prohibition of disregarding the occupational safety and health obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards, in particular due to: a) obviously insufficient safety standards in the provision and maintenance of the workplace, workstation and work equipment; b) the absence of appropriate protective measures to avoid exposure to chemical, physical or biological substances; c) the lack of measures to prevent excessive physical and mental fatigue, in particular through inappropriate work organisation in terms of working hours and rest breaks; or d) the inadequate training and instruction of employees;
Fundamental Principle 11 Freedom of Association: Mandatory Requirements 11.1, 11.2 and 11.4	the prohibition of disregarding the freedom of association, according to which a) employees are free to form or join trade unions, b) the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation, c) trade unions are free to operate in accordance with applicable law of the place of employment, which includes the right to strike and the right to collective bargaining;

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 5 Free from Discrimination: Mandatory Requirements 5.1 and 5.2	the prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;
Fundamental Principle 9 Fair Wages: Mandatory Requirement 9.1 Future Mandatory Requirement 9.12	the prohibition of withholding an adequate living wage; the adequate living wage amounts to at least the minimum wage as laid down by the applicable law and, apart from that, is determined in accordance with the regulations of the place of employment;
Fundamental Principle 12 Health & Safety: Mandatory Requirements 12.4 and 12.5 **Fundamental Principle 15 Protect and Regenerate Nature:** Mandatory Requirements 15.1 and 15.2	the prohibition of causing any harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that a) significantly impairs the natural bases for the preservation and production of food, b) denies a person access to safe and clean drinking water, c) makes it difficult for a person to access sanitary facilities or destroys them or d) harms the health of a person;

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 14 Land Rights: Mandatory Requirements 14.1, 14.2 and 14.6	the prohibition of unlawful eviction and the prohibition of unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person;
Fundamental Principle 6 Free from Harassment: Mandatory Requirements 6.1 – 6.4 inclusive	the prohibition of the hiring or use of private or public security forces for the protection of the enterprise's project if, due to a lack of instruction or control on the part of the enterprise, the use of security forces a) is in violation of the prohibition of torture and cruel, inhumane or degrading treatment, b) damages life or limb or c) impairs the right to organise and the freedom of association;
Fundamental Principle 1 Legal Compliance and Countering Corruption: Mandatory Requirement 1.1	the prohibition of an act or omission in breach of a duty to act that goes beyond nos. 1 to 11, which is directly capable of impairing a protected legal position in a particularly serious manner, and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question.

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Environment	
Fundamental Principle 1 Legal Compliance and Countering Corruption: Future Mandatory Requirement 1.17 Our risk assessment has determined that Unilever does not have mercury in its supply chain. If you are aware of otherwise you must inform Unilever immediately.	the prohibition of the manufacture of mercury-added products pursuant to Article 4 (1) and Annex A Part I of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention);
Fundamental Principle 1 Legal Compliance and Countering Corruption: Future Mandatory Requirement 1.17 Our risk assessment has determined that Unilever does not have mercury in its supply chain. If you are aware of otherwise you must inform Unilever immediately.	the prohibition of the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5 (2) and Annex B Part I of the Minamata Convention from the phase-out date specified in the Convention for the respective products and processes;

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 1 Legal Compliance and Countering Corruption: Future Mandatory Requirement 1.17 Our risk assessment has determined that Unilever does not have mercury in its supply chain. If you are aware of otherwise you must inform Unilever immediately.	the prohibition of the treatment of mercury waste contrary to the provisions of Article 11 (3) of the Minamata Convention;
Fundamental Principle 1 Legal Compliance and Countering Corruption: Future Mandatory Requirement 1.17	the prohibition of the production and use of chemicals pursuant to Article 3 (1) (a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of May 2019 pp. 45-77), as last amended by Commission Delegated Regulation (EU) 2021/277 of 16 December 2020 (OJ L 62 of 23 February pp. 1-3);
Fundamental Principle 17 Waste-free World: Mandatory Requirements 17.1 and 17.2	the prohibition of the handling, collection, storage and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force in the applicable jurisdiction under the provisions of Article 6 (1) (d) (i) and (ii) of the POPs Convention;

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 1 Legal Compliance and Countering Corruption: Mandatory Requirement 1.1 **Fundamental Principle 3 Sourcing and Manufacturing Products:** Mandatory Requirement 3.2 **Fundamental Principle 15 Protect & Regenerate Nature:** Mandatory Requirement 15.1 Mandatory Management System 15.7 **Fundamental Principle 17 Waste Free World:** Mandatory Requirements 17.1 and 17.2	the prohibition of exports of hazardous waste within the meaning of Article 1 (1) and other wastes within the meaning of Article 1 (2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal of 22 March 1989 (Federal Law Gazette II pp. 306, 307), and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (OJ L 190 of 12 July 2006 pp. 1-98) (Regulation (EC) No 1013/2006), as last amended by Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 (OJ L 433 of 22 December 2020 pp. 11-19) a) to a party that has prohibited the import of such hazardous and other wastes (Article 4 (1) (b) of the Basel Convention), b) to a state of import as defined in Article 2 no. 11 of the Basel Convention that does not consent in writing to the specific import, in the case where that state of import has not prohibited the import of such hazardous wastes (Article 4 (1) (c) of the Basel Convention), c) to a non-party to the Basel Convention (Article 4 (5) of the Basel Convention), d) to a state of import if such hazardous wastes or other wastes are not managed in an environmentally sound manner in that state or elsewhere (Article 4 (8) sentence 1 of the Basel Convention);

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Fundamental Principle 1 Legal Compliance and Countering Corruption: Mandatory Requirement 1.1 **Fundamental Principle 3 Sourcing and Manufacturing Products:** Mandatory Requirement 3.2 **Fundamental Principle 15 Protect & Regenerate Nature:** Mandatory Requirement 15.1 Mandatory Management System 15.7 **Fundamental Principle 17 Waste Free World:** Mandatory Requirement 17.1 and 17.2	the prohibition of the export of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006),
Fundamental Principle 1 Legal Compliance and Countering Corruption: Mandatory Requirement 1.1 **Fundamental Principle 3 Sourcing and Manufacturing Products:** Mandatory Requirement 3.2 **Fundamental Principle 15 Protect & Regenerate Nature:** Mandatory Requirement 15.1 Mandatory Management System 15.7 **Fundamental Principle 17 Waste Free World:** Mandatory Requirements 17.1 and 17.2	the prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Article 4 (5) of the Basel Convention).

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Mandatory Requirement of the Unilever Responsible Partner Policy	The German DD Act expectations for implementation
Preventative measures	
Fundamental Principle 3 Sourcing and Manufacturing Products: Mandatory Requirement 3.7	Training is in place that enables the business to meet the human rights-related and environment-related expectations set out in the German DD Act.
Fundamental Principle 3 Sourcing and Manufacturing Products: Mandatory Requirement 3.8	Requirements on business partners that ensure meeting the human rights-related and environment-related expectations set out in the German DD Act are contractually addressed along the supply chain.

Guidance continues on next page.

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In accordance with how Unilever conducts due diligence and how we verify alignment with our RPP (see RPP page 7) and as per the table above, we will have verified alignment to the German DD Act:

- Unilever will verify alignment with requirements through the use of self-declaration, due diligence scanning, online assessments and, if required, through independent verification through third-party audits encompassing methods suitable to the type and size of your business, as well as the goods and/or services you provide.

- Any failure to meet the requirements of which the business partner is aware and which is not rectified in a reasonable timeframe should be reported to Unilever as soon as possible. Failure to do so will be a breach of our RPP.

How to implement

In accordance with the Mandatory Requirements and Mandatory Management Systems of the RPP:

Policy

- You must ensure that comparable human rights-related and environment-related expectations are part of your business's codes, responsible sourcing policies, guidelines and other policies.

- We expect that your codes, responsible sourcing policies, guidelines and other policies will create a framework that addresses the German DD Act requirements.

Embedding measures

We expect that your processes, procedures, and training for your workers, your management and your suppliers will enable effective implementation of the German DD Act requirements.

Due diligence

- According to Mandatory Requirement 15.8: All required data is shared with Unilever where needed to allow Unilever to use that data (on an anonymised basis, where the reporting or requirements allow anonymity) to comply with the reporting and disclosure requirements of all relevant human rights, environmental protection and supply chain due diligence laws.

Remediation

- As per Fundamental Principle 13, your grievance procedures will allow access to grievance mechanisms and remedies inclusive of those relating to the German DD Act.

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Please note that Unilever reserves the right to make changes to this list in the event of changes to the German law related to Corporate Due Diligence Obligations in Supply Chains. Regardless of the updating of the list, any changes to the law in this respect shall become applicable between Unilever and you as a supplier, in due course.