



**INDEPENDENT VERIFICATION PROTOCOL FOR DEFORESTATION-
FREE AND PEAT CONVERSION-FREE PALM OIL
GUIDANCE FOR UNILEVER'S PALM OIL SUPPLIERS AND
VERIFICATION BODIES**

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ABBREVIATIONS

AHP	Analytic Hierarchy Process
CPO	Crude Palm Oil
FFB	Fresh Fruit Bunches
GIS	Geographic Information System
GPS	Global Positioning System
HCS	High Carbon Stock
HCV	High Conservation Value
HCVRN ALS	High Conservation Value Resource Network Assessor Licensing Scheme
IP	Identity Preserved
ISCC	International Sustainability and Carbon Certification
MB	Mass Balance
NC	Non-compliance
NDPE	No Deforestation, No Peat, and No Exploitation
NDPE IRF	No Deforestation, No Peat, and No Exploitation Implementation Reporting Framework
PFAD	Palm Fatty Acid Distillate
PKO	Palm Kernel Oil
PoS	Point of Segregation
QMS	Quality Management System
RSPO	Roundtable on Sustainable Palm Oil
SG	Segregated
SOP	Standard Operating Procedure
TTP	Traceability to Plantation
VDF	Verified Deforestation Free

DEFINITIONS

Definitions	
Agreed mill list	List of palm oil mills where Unilever suppliers source volume from. This list is contractually documented with Unilever.
Chain of custody¹	Process by which inputs and outputs and associated information are transferred, monitored and controlled as they move through each step in the relevant supply chain.
Conversion²	A change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function. » deforestation is one form of conversion (conversion of natural forests). » conversion includes severe degradation and the introduction of management practices that result in substantial and sustained change in the ecosystem’s former species composition, structure, or function. Severe degradation may be considered conversion if it: (a) is large-scale and progressive or enduring; (b) alters ecosystem composition, structure and function to the extent that regeneration to a previous state is unlikely; or (c) leads to a change in land use (e.g. to agriculture or other use that is not a natural forest or other natural ecosystem). » a change to natural ecosystems that meets this definition of conversion is considered to be conversion, regardless of whether or not it is legal in nature.
Cut-off dates³	Unilever applies a cut-off date for its commitment to no deforestation or conversion of natural ecosystems related to its supply chain as being no later than 31 December 2015.
Deforestation²	Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.
Degradation²	Changes within a natural ecosystem that significantly and negatively affect its species composition, structure and/or function, and reduce the ecosystem’s capacity to supply products, support biodiversity, and/or deliver ecosystem services.
Directly managed mill	Mill that is owned and/or managed by the supplier that is being verified.
Direct supplier²	Suppliers paid by a Unilever Group company to supply in-scope materials to Unilever, or that make Unilever-directed sales of in-scope materials to Unilever’s third-party manufacturers or that are third-party

¹ Definition adapted from [Chain of custody — General terminology and models](#)

² Definition from Unilever’s [People & Nature Policy Guidelines](#)

³ Definition adapted from Unilever’s [People & Nature Policy Guidelines](#)

	manufacturers of products supplied to Unilever containing in-scope materials.
Independent verification² (assessment)	Assessment and validation of compliance, performance, and/ or actions relative to a stated commitment, standard, or target. Verification signifies that information is validated by persons other than those involved in the operation or entity being assessed. Independent verification (also called third-party verification) is conducted by an independent entity that does not provide other services to the company.
Indirect supplier	Organization in the supply chain from which Unilever purchases in-scope materials other than the direct supplier or estate/farmer.
Management system²	A set of policies, processes, procedures and resources used by an organization to ensure it can fulfil the tasks required to achieve its objectives.
Mass balance	A system for administratively monitoring the inputs and outputs of certified/verified material/product throughout the supply chain. It allows for the mixing of these materials/products at any stage in the supply chain.
Natural forest⁴	<p>A forest that is a natural ecosystem.</p> <p>Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include:</p> <ol style="list-style-type: none"> a) <u>Primary forests</u> that have not been subject to major human impacts in recent history. b) <u>Regenerated (second-growth) forests</u> that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure, and ecological function of prior or other contemporary natural ecosystems. c) <u>Managed natural forests</u> where much of the ecosystem’s composition, structure, and ecological function exist in the presence of activities such as: <ul style="list-style-type: none"> • Harvesting of timber or other forest products, including management to promote high-value species • Low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.

⁴ Definition from [Accountability Framework](#)

	<p>d) <u>Forests that have been partially degraded by anthropogenic or natural causes</u> (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.</p> <p>The categories “natural forest” and “tree plantation” are mutually exclusive, though in some cases the distinction may be nuanced. Please see the Operational Guidance on Applying the Definitions Related to Deforestation, Conversion, and Protection of Ecosystems for further discussion of boundary cases.</p>
Non-compliance (NC)⁴	The state of not complying with or fulfilling (or only partially complying with or fulfilling) a given law, standard, commitment, or target.
Non-directly managed mill	Mill that is not owned or managed by the supplier that is being verified.
Non-VDF volume	Volume from a Unilever supply chain actor that is not within the validity of the verification statement and not accompanied by a VDF % claim or by a valid certification claim that is considered to provide sufficient assurance of a deforestation-free and/or conversion-free origin since 31 December 2015, as specified in the commodity-specific protocols.
Palm oil⁵	Includes: Crude Palm Oil (CPO); Palm Kernel Oil (PKO); PFAD; fatty alcohols.
Peat conversion⁶	Loss of peat soil as a result of: i) conversion to agriculture; ii) conversion to a tree plantation; or iii) severe and sustained degradation.
Peat soils²	Histosols (organic soils) are soils with cumulative organic layer(s) where more than half of the upper 80cm or 100cm of the soil surface contains 35% or more of organic matter (35% or more Loss on Ignition) or 18% or more organic carbon (FAO 1998, 2006/7; USDA 2014; IUSS 1930). This definition was adopted by RSPO Peatlands Working Group 2 (PLWG-2) effective November 2018.
Point of Segregation (PoS)	A dedicated tank, a storage, a refinery, or an oleochemical plant where VDF volumes are physically segregated from non-VDF volumes.

⁵ Definition adapted from Unilever Scheme Rules

⁶ Definition adapted from Accountability Framework: [Operational Guidance on Applying the Definitions Related to Deforestation, Conversion, and Protection of Ecosystems](#)

Reviewer	Verification body competent person, appointed to review the verification report and assessment findings. Also responsible for assessing evidence of NCs.
Self-assessment	Assessment to be filled in by a direct supplier to determine the readiness of the supplier to undergo initial independent verification.
Smallholder farmer or smallerholder²	A person who farms a plot of land to support his or her own household. A plot of land is a smallholding up to 25 acres (10.12 hectares) of land or is defined to be a smallholder farm by the national government or partnership organization in the country from which Unilever sources In-Scope Materials.
Supply base	The portion of Unilever’s palm oil supply network that is actively managed by a specific palm oil supplier.
Supply chain actor	All organizations (producing entity, indirect supplier, direct supplier) in the supply chain from which Unilever purchases in-scope commodities.
Traceability²	The ability to follow a material or product or its components through each of the stages of the supply chain (e.g. production, processing, manufacturing, and distribution).
VDF % claim	Claim only valid to Unilever, calculated by the supplier for the volume bought and communicated to Unilever. It ranges from 1% to 100% and demonstrates that X% (e.g. VDF 80%) of the volume bought/sold can be proven deforestation-free and/or conversion-free through demonstrating compliance with the commodity-specific verification protocol.
VDF volume	Volume from a Unilever supply chain actor that is within the validity of the verification statement, accompanied by a VDF % claim or by a valid certification claim that is considered to provide sufficient assurance of a deforestation-free and/or conversion-free origin since 31 December 2015 as specified in the commodity-specific protocols.
Verification body	An independent body selected by Unilever to perform the independent verification assessment.
Verification protocol	Commodity-specific protocol that sets out requirements for Unilever supply chain actors to reach Unilever’s commitment to ensuring that its supply chain is not associated with the further deforestation or conversion of natural ecosystems.
Verification statement	Written statement issued to the verified supplier (Type 1 or Type 2 supplier) after the verification body has verified the supplier against the applicable protocol requirements and no major NCs are open. The

	statement confirms that the supplier is independently verified and that the supplier complies with the requirements of the commodity-specific protocol.
Verifier	Verification body competent person, appointed to conduct the independent verification assessment by collecting evidence and composing a verification report. Also responsible for assessing evidence of NCs.

SUMMARY OF SUPPLIER REQUIREMENTS AND EVIDENCE REQUIRED

Supplier Type	RSPO Supply Chain Model	Overview of the Verification Protocol for Deforestation-free and Peat Conversion-free Palm Oil Requirements:	Evidence
Type 1: supplier managing a PoS	n/a	<ul style="list-style-type: none"> • Commitment to source deforestation-free and peat conversion-free (cut-off date: 31 December 2015); • Management systems and processes; • Definition of roles and responsibilities; • Supply chain management; • Evidence of certification (if the product is certified); • Volume sourcing from the agreed list of mills; • Physical segregation of VDF volume until PoS; • TTP; • Land monitoring; • Volume reconciliation of VDF volume including conversion factors and record keeping; • Declaration of VDF % claim to Unilever; • Identification of outputs. 	<ul style="list-style-type: none"> • Documentation and awareness of commitment and/or policy to sourcing deforestation-free and peat conversion-free; • Documented procedures and protocols (e.g. non-compliance protocol); • Communication and/or training of responsible personnel; • Documentation on defining roles and responsibilities in the supply chain; • Documentation and records of supply chain; • Physical segregation measures; • TTP data (i.a. location data of each FFB source); • Evidence of the integrity of the traceability system (i.a. SOP on the collection of traceability); • Land monitoring system to monitor deforestation and peat conversion since 31 December 2015; • Material accounting system and volume summary; • VDF % claim calculation resulting in VDF % claim; • VDF supplier declaration including VDF % claim; • Transaction document.
Type 2(a): directed supplier purchasing after a PoS	n/a	<ul style="list-style-type: none"> • Management systems and processes; • Definition of roles and responsibilities; • Supply chain management; • Evidence of certification (if the product is certified); 	<ul style="list-style-type: none"> • Documented procedures and protocols (e.g. non-compliance protocol) • Communication and/or training of responsible personnel; • Documentation on defining roles and responsibilities in the supply chain;

		<ul style="list-style-type: none"> • Volume reconciliation including conversion factors and record keeping; • Mass balance accounting; • Identification of outputs. 	<ul style="list-style-type: none"> • Documentation and records of supply chain; • Material accounting system and volume summary; • Mass balance accounting system; • Transaction document.
<p>Type 2(b): non-directed supplier purchasing after a PoS</p>		<ul style="list-style-type: none"> • Commitment to source deforestation-free and peat conversion-free (cut-off date: 31 December 2015); • Management systems and processes; • Definition of roles and responsibilities; • Supply chain management; • Evidence of certification (if the product is certified); • Volume sourcing from the agreed list of mills; • Physical segregation of VDF volume until PoS; • TTP; • Land monitoring; • Volume reconciliation of VDF volume including conversion factors and record keeping; • Mass balance accounting; • Declaration of VDF % claim to Unilever; • Identification of outputs. 	<ul style="list-style-type: none"> • Documentation and awareness of commitment and/or policy to sourcing source deforestation-free and peat conversion-free; • Documented procedures and protocols (e.g. non-compliance protocol); • Communication and/or training of responsible personnel; • Documentation on defining roles and responsibilities in the supply chain; • Documentation and records of supply chain • Physical segregation measures; • TTP data (i.a. location data of each FFB source); • Evidence of the integrity of the traceability system (i.a. SOP on the collection of traceability); • Land monitoring system to monitor deforestation and peat conversion since 31 December 2015; • Material accounting system and volume summary • Mass balance accounting system; • VDF % claim calculation resulting in VDF % claim; • VDF supplier declaration including VDF % claim; • Transaction document.

PURPOSE OF THIS VERIFICATION PROTOCOL

Unilever has committed to protecting natural ecosystems from deforestation and conversion as published in the People and Nature Policy (December 2020). To reach its commitment, Unilever requires supply chain actors to comply with a set of requirements and measures the percentage of deforestation-free and peat conversion-free volumes in its palm oil supply chain. Supplier performance and compliance with the requirements are assessed through independent verification assessments performed by a third-party verification body.

This protocol builds on Unilever's commitment to protecting natural ecosystems from deforestation and conversion and has the following purpose:

- 1) Describe Unilever's requirements for all suppliers to demonstrate and verify deforestation-free and peat conversion-free claims for palm oil volumes supplied to Unilever.
- 2) Guide independent verification bodies in conducting the verification process.

Unilever's Verification Protocol for Deforestation-free and Peat Conversion-free Palm Oil (hereinafter the VDF palm oil protocol) is specifically focusing on setting standards for ensuring that its supply chain is not associated with deforestation and peat conversion. The VDF volume and the VDF % claim specified in this protocol refer to the definition of **deforestation** and **peat conversion** (see Definitions).

GUIDE TO USING THE VERIFICATION PROTOCOL

Part I of this protocol is designed for all of Unilever's direct and indirect supply chain actors, for any company that produces, manufactures, trades, or distributes palm oil (CPO, PKO, PFAD, fatty alcohols) within the Unilever supply chain.

Part II of this protocol is designed for verification bodies.

Structure of the Protocol

Responsibilities: the protocol requirements differ depending on whether a company supplying products to Unilever is or is not managing a PoS, or is supplying through an RSPO-segregated supply chain. Each sub-chapter of Part I of the protocol defines the applicability of the requirements (responsibilities) per supplier type (see example below).

Responsibilities

Type 1: supplier managing a PoS

Type 2(a): directed supplier purchasing after a PoS

Type 2(b): non-directed directed supplier purchasing after a PoS.

Guidance: clarification in the form of guidance is provided throughout the protocol. Guidance is not a requirement but provides an additional explanation or examples of how requirements have to be understood (see example below).

Guidance

Clarification in the form of guidance is provided throughout the protocol.

All requirements in the protocol applicable to a supplier type are *mandatory*.

Wording:

- *Shall:* mandatory to meet the VDF palm oil protocol requirements.
- *Should:* suggest being the desirable option, other options may be explored.

Supplier Type

Type 1 Supplier

Unilever's procurement strategy requires some suppliers to implement a PoS. Suppliers managing a PoS, are referred to throughout the protocol as "Type 1: supplier managing a PoS". The Type 1 supplier's main responsibilities are to ensure TTP data, land monitoring, volume reconciliation, and communication of the VDF supplier declaration to Unilever. A Type 1 supplier in Unilever's palm oil supply chain has to take into consideration the following:

- Unilever and the Type 1 supplier agree on a mill list (hereinafter the agreed mill list), which is contractually documented.
- Unilever and the Type 1 supplier also agree to a PoS (or more than one), which is contractually documented. A PoS may be a dedicated tank, a storage, a refinery, or an oleochemical plant.
- From the plantation up to the PoS, VDF volume is physically segregated from non-VDF volume.
- The Type 1 supplier calculates the VDF % claim and communicates this claim to Unilever, through a VDF supplier declaration.
- The RSPO segregated supply chain standard⁷ requirements apply to suppliers supplying RSPO segregated volume (IP or SG). For a volume that is sold through an RSPO-segregated supply chain, the product segregation from VDF volume and non-VDF volume is maintained through the entire supply chain up to the Unilever premises.

Strategic and Independent Processor

There may be cases, where a Type 1 supplier (a strategic and independent processor like mills, kernel crushing plants, or refineries) supplying directly or indirectly to Unilever factories is exempt from having to demonstrate compliance with the complete set of VDF palm oil protocol requirements. In this case, there are arrangements in which Unilever collects TTP data and is responsible for land monitoring.

⁷ [RSPO Supply Chain Certification Standard](#)

Because of this split in responsibilities, Annex V clarifies how compliance with the Unilever VDF palm oil protocol requirements can be demonstrated by these suppliers.

Type 2 Supplier

A Type 2 supplier is a Unilever direct supplier that is either directed or not directed by Unilever to buy from a supply chain including a Type 1 supplier.

Unilever recognizes two types of type 2 suppliers:

- *Type 2(a): directed supplier purchasing after a PoS* (herein after Type 2(a) directed supplier): this supplier is directed by Unilever to buy from a supply chain including a Unilever recognized Type 1 supplier. The main responsibility of a Type 2(a) directed supplier is to ensure that the volume is administratively tracked.
- *Type 2(b): non-directed supplier purchasing after a PoS* (herein after Type 2(b) non-directed supplier): this supplier is not directed by Unilever to buy from a supply chain including a Unilever recognized Type 1 supplier. The Type 2(b) non-directed supplier may buy from a supply chain including a Type 1 supplier or buy from another supply chain that incorporates a supplier managing a PoS that is not recognized by Unilever. In the case of the Type 2(b) non-directed supplier buying from a supply chain including a Unilever recognized Type 1 supplier, the main responsibilities of the Type 2(b) non-directed supplier are to ensure that the volume is administratively tracked and the VDF % claim is communicated to Unilever. In the case of the Type 2(b) non-directed supplier buying from a supply chain, not including a Unilever recognized Type 1 supplier, the Type 2(b) non-directed supplier's main responsibilities are to ensure TTP data, land monitoring, volume reconciliation, and communication of the supplier declaration to Unilever. In this case, the Type 2(b) non-directed supplier has to manage the data of the PoS in the supply chain and has to demonstrate evidence of compliance with the applicable requirements of a Type 1: supplier managing a PoS.

RSPO Certified IP/SG Supplier

Unilever is leveraging certification as an important mechanism to achieve its commitment to deforestation-free and conversion-free supply chains. For palm oil, the RSPO standard^{7, 8} is benchmarked against Unilever's deforestation-free and peat conversion-free objectives. As a result, RSPO certified suppliers with a valid certificate that supply RSPO IP or SG volume in Unilever's supply chain are considered mostly in compliance with the Unilever protocol requirements. Therefore, Type 2 suppliers that are RSPO certified and manage an RSPO IP or SG supply chain model (hereinafter RSPO certified IP/SG suppliers) do not have to undergo the complete independent verification process. The requirements for RSPO certified IP/SG suppliers are provided in Annex IV. The benchmarking process is summarized and concluded below.

Deforestation-free and Peat Conversion-free: RSPO certification covers deforestation-free and peat conversion-free requirements since 15 November 2018 and these requirements are independently

⁸ [RSPO Principles & Criteria Certification](#)

verified through a third-party audit process. However, from 31 December 2015 to 15 November 2018 deforestation-free and peat conversion-free requirements are not covered under RSPO certification. Therefore, land monitoring from 31 December 2015 till 15 November 2018 has to be performed to cover Unilever's deforestation-free and peat conversion-free objectives.

RSPO IP Supply Chain Model: the RSPO IP supply chain model covers traceability to a single certified mill and segregation of RSPO volume. Because of the annual RSPO independent audit, no additional verification of traceability and segregation for RSPO certified IP suppliers is required.

RSPO SG Supply Chain Model: the RSPO SG supply chain model does not cover traceability information to individual RSPO certified mills and their supply base. It does cover that the material is only derived from RSPO IP mills. Therefore, the RSPO certified SG supplier has to obtain the list of RSPO IP mills it sources from and share this information with Unilever and the third-party verifier through an annually updated mill list declaration, no additional verification of traceability for RSPO certified SG suppliers is required.

The RSPO SG supply chain model covers the segregation of RSPO volume. Because of the annual RSPO independent audit, no additional verification of segregation for RSPO certified IS suppliers is required.

RSPO MB Supply Chain Model: the RSPO MB supply chain model is not sufficiently rigid and does not cover the Unilever deforestation-free and peat conversion-free traceability and segregation requirements.

PART I: REQUIREMENTS FOR UNILEVER'S PALM OIL SUPPLIERS

The suppliers that fall under the specified supplier types within this VDF palm oil protocol have to ensure to comply with the requirements as detailed in this protocol and only source from origins and/or other suppliers that meet the VDF palm oil protocol requirements.

While the applicable requirements of the VDF palm oil protocol depend on the supplier type, the following is required to supply VDF volume and communicate a VDF % claim:

- A **VDF supplier declaration** for the derived palm oil volume corresponding with the volume supplied to Unilever. For the palm oil (CPO and PKO) to be declared VDF the equivalent volume purchased by Unilever has to be sourced from an origin that is not now and has not been, associated with deforestation and peat conversion that occurred after 31 December 2015.
- A **chain of custody** from the origin of the palm oil to Unilever is in place, where (1) the volume of CPO and PKO exiting a mill can be reconciled to the volume entering the PoS or entering the Unilever premises and (2) the appropriate conversion factor is applied; the raw material (CPO, PKO) volume is converted to finished goods purchased by Unilever.
- **Supplier management systems and processes** that are sufficiently robust and it is verified that Unilever's Type 1 and Type 2 suppliers manage their:
 - quality management system;
 - suppliers and supply chain;
 - chain of custody (volume reconciliation);
 - traceability to plantation (*where applicable*);
 - land monitoring system (*where applicable*).

1 QUALITY MANAGEMENT SYSTEM

1.1 Commitment

Responsibilities

Applicable for Type 1: supplier managing a PoS and Type 2(b): non-directed supplier purchasing after a PoS.

- 1.1.1 The supplier shall have a documented policy or commitment to not source from deforested and peat-converted land after 31 December 2015.

Guidance

For example, the supplier may sign and commit to the Unilever People & Nature policy.

1.2 Management System

Responsibilities

Applicable for Type 1: supplier managing a PoS, Type 2(a): directed supplier purchasing after a PoS, and Type 2(b): non-directed supplier purchasing after a PoS.

- 1.2.1 Complete and up-to-date procedures shall be available covering the implementation of the applicable requirements of the VDF palm oil protocol.
- 1.2.2 The supplier shall demonstrate how roles and responsibilities for compliance with the VDF palm oil protocol are established within the Unilever supply chain. This shall specifically include:
- a) the agreed PoS (*not applicable for Type 2(a) directed supplier*);
 - b) the agreed mill list and/or supplier list;
 - c) collection of TTP data (*not applicable for Type 2(a) directed supplier*);
 - d) implementation of a land monitoring system, ensuring that the supply bases are monitored on deforestation and peat conversion from 31 December 2015 (*not applicable for Type 2(a) directed supplier*);
 - e) calculation and communication of the VDF % claim (*not applicable for Type 2(a) directed supplier*).
- 1.2.3 The supplier shall have identified person(s)/position having overall responsibility for and authority over the implementation and compliance with all applicable VDF palm oil protocol requirements and/or has identified in documented procedures the different responsibilities within the organization to ensure compliance with the requirements.
- 1.2.4 The supplier shall implement a training plan according to the qualifications and/or training measures defined for each procedure. At a minimum, the supplier shall communicate the organization's procedures for the implementation of the applicable VDF palm oil protocol requirements to the responsible personnel.

- 1.2.5 The responsible personnel shall demonstrate awareness of the organization's procedures for the implementation of the VDF palm oil protocol requirements.
- 1.2.6 The supplier shall have a protocol for the identification of non-compliance (including externally raised grievances) related to deforestation-free and peat conversion-free supply chains or agree to the Unilever palm oil grievance and non-compliance process. In the case of non-compliance, the supplier shall make sure that the non-compliance is appropriately followed-up.

2 SUPPLY CHAIN MANAGEMENT

2.1 Supplier Management

Responsibilities

Applicable for Type 1: supplier managing a PoS, Type 2(a): directed supplier purchasing after a PoS, and Type 2(b): non-directed supplier purchasing after a PoS.

- 2.1.1 The supplier shall have due diligence processes in place for the selection of direct and indirect suppliers.
- 2.1.2 The supplier shall establish and maintain up-to-date records of all its direct suppliers supplying the Unilever palm oil supply chain. This shall specifically include:
 - a) identification of the supplier (e.g. name, address, other relevant information);
 - b) if applicable, the supplier's certificate number and supply chain model (RSPO, ISCC).
- 2.1.3 The *Type 2(b) non-directed supplier* shall establish and maintain up-to-date records of all suppliers in the Unilever palm oil supply chain ranging from FFB sources up to Unilever. This shall specifically include:
 - a) identification of the supplier (e.g. name, address, other relevant information);
 - b) if applicable, the supplier's certificate number and supply chain model (RSPO, ISCC).
- 2.1.4 The supplier shall establish a mill list (agreed mill list) (*not applicable for Type 2(a) directed supplier*).
- 2.1.5 The agreed mill list shall be contractually documented with Unilever (*not applicable for Type 2 (a) directed and Type 2 (b) non-directed supplier*).
- 2.1.6 The supplier shall have documentation available demonstrating that communication and transparency are maintained between the supplier, its suppliers, and other stakeholders. For the *Type 2(b) non-directed supplier* such documentation shall be available for all suppliers in the Unilever palm oil supply chain ranging from FFB source up to the Type 2(b) non-directed supplier.

2.2 Certification

Responsibilities

Applicable for Type 1: supplier managing a PoS, Type 2(a): directed supplier purchasing after a PoS, and Type 2(b): non-directed supplier purchasing after a PoS.

- 2.2.1 A supplier that is certified against another certification scheme shall demonstrate that volume is not inappropriately counted multiple times.
- 2.2.2 Where the material is sold to Unilever as RSPO certified, the supplier shall have evidence (in line with the RSPO Sustainable Palm Oil Supply Chain Certification Standard requirements⁹) that any certification claim made is valid and complies with the certification program requirements.

3 SEGREGATION REQUIREMENTS

3.1 Product Segregation

Responsibilities

Applicable for Type 1: supplier managing a PoS and Type 2(b): non-directed supplier purchasing after a PoS.

Guidance

Type 1 and Type 2(b) non-directed suppliers are required to implement a PoS. A PoS may be a dedicated tank, a storage, a refinery, or an oleochemical plant. From the plantation up to the PoS, the Unilever verified volumes are physically segregated from unverified volumes. After the PoS, physical mixing of the Unilever verified volumes with unverified volumes is allowed.

- 3.1.1 The supplier shall have complete and up-to-date records available that demonstrate compliance with the VDF palm oil protocol Product Segregation requirements.
- 3.1.2 The supplier shall implement the VDF palm oil protocol Product Segregation requirements at the level of a single physical site for all processes up to and including the PoS.
- 3.1.3 The supplier shall identify one or more PoS where all VDF volume is physically stored.
- 3.1.4 The supplier shall contractually document the identified PoS with Unilever.
- 3.1.5 The supplier shall ensure and verify physical segregation by keeping clear procedures and records at the PoS, and from the plantation up to the PoS and shall strive for 100% physical segregation of VDF volume from non-VDF volume.
- 3.1.6 The supplier shall have a system in place that is designed to ensure no intermixing occurs between volume from the agreed mill list and volume from other mills up until the PoS.
- 3.1.7 The supplier shall identify and record all critical control points where there is a risk of uncontrolled mixing or substitution between palm oil volume from the agreed mill list and that of other mills, including outsourced activities (e.g. subcontracts for storage, transport, or other).

⁹ [RSPO Supply Chain Certification Standard](#)

4 TRACEABILITY TO PLANTATION REQUIREMENTS

4.1 Traceability To Plantation

Responsibilities

Applicable for Type 1: supplier managing a PoS and Type 2(b): non-directed supplier purchasing after a PoS.

Guidance

For verification assessments executed in 2023, Unilever accepts suppliers that have robust due diligence systems for the collection of TTP information. From 2024 robust due diligence systems for the collection and validation of TTP information have to be in place. This guidance concerns requirement 4.1.1, 4.1.5, 4.1.6, and 4.1.7).

- 4.1.1 The supplier shall have a robust due diligence system in place for the collection and validation of TTP information obtained from the mills included in the agreed mill list. This information shall demonstrate that the mills' supply bases are deforestation-free and peat conversion-free since 31 December 2015.

Guidance

Robust processes for the collection and validation of traceability data include:

- *SOP for engaging and disseminating knowledge on how to collect traceability data to new and existing cooperatives or other parties responsible for data collection.*
- *Systems in place for collecting, storing, and validating traceability evidence e.g. polygon maps, volumes delivered, etc.*
- *Collaboration with external local partners for collection, validation, and analysis of traceability data. Descriptions of the process followed by these external parties have to be made available on request.*
- *Risk assessments and/or non-compliance procedures for mills not submitting the requested information.*
- *Documented improvement plans with mills lagging in the submission of data and validation.*

Progress reports and quarterly summaries of traceability processes across the supply base are updated and available.

- 4.1.2 The supplier shall obtain, for each FFB source, the name of the estate/farm and applied certification system (if any).

Guidance

Personal data relating to independent smallholders have to be appropriately protected, in line with the prevailing national data privacy laws.

The reporting of names of independent smallholders or out-growers supplying to the mill is not necessary. Furthermore, in the case of smallholders or out-growers selling via a third-party (e.g. a dealer), the village name or area, together with its GPS points can be reported instead.

In the case of unknown suppliers, the supplier can be indicated as unknown. Unknown sources cannot be included in the land monitoring system and therefore have to be reported with a VDF 0% claim.

4.1.3 The supplier shall obtain, for each FFB source, the following location data:

- polygon maps of any estates in the form of shapefiles [.shp]; or
- 2x2 kilometers (or smaller) grid cells that overlay concession boundaries of the supplying estate or aggregated smallholder farms (grid cells should be obtained following Unilever's approved methodology); or
- GPS points (latitude, longitude).

Guidance

Unilever's approved grid cells methodology can be requested from Unilever.

The preferred data collection method is through polygon maps or 2x2 kilometers (or smaller) grid cells. If for any reason it is not possible for the supplier to obtain polygon maps or 2x2 kilometers grid cells the collection of GPS data is provided as a method.

For smallholders, village-based traceability is recognized, in which case, location data has to be made available at the village level (see Annex III for more information about using the low deforestation and peat conversion village methodology).

4.1.4 The supplier shall obtain, for each FFB source, the following information about the supplied volumes:

- a) FFB volumes or % volume sold to the mill;
- b) total area of the FFB source (e.g. area of the estate);
- c) equivalent CPO and PKO being produced by the mill;
- d) the corresponding proportion of the total mill production.

Guidance

If the information is not available for each FFB source, the supplier can request the mill to submit aggregated data at the mill level, indicating the total FFB (%) volume for the mill and specifying the FFB sources. However, in that case, the supplier has to have a monitoring system in place guaranteeing the accuracy of the self-reported TTP information by the mills.

- 4.1.5 An SOP shall be in place for the collection and validation of TTP information received from the mills.
- 4.1.6 In the cases where an external party collects or validates TTP data, the external party's processes for the collection and/or validation of TTP information, summary reports, and/or other outputs delivered shall be made available during the verification assessment.
- 4.1.7 In the case a supplier runs data validation processes and selects a sample of their third-party mills to verify the mill's self-reported data, the supplier shall justify the approach undertaken for the mill sampling approach. The approach shall consist of a clear risk assessment and/or selection process enabling prioritization of certain third-party mills over others.
- 4.1.8 In the case the supplier or a third party performs field visits to verify traceability information, evidence of field visits shall be recorded.
- 4.1.9 In the case the *Type 2(b) non-directed supplier* buys volume from a supply chain including a Unilever recognized Type 1 supplier, the Type 2(b) non-directed supplier does not have to demonstrate compliance with the VDF palm oil protocol Traceability To Plantation requirements for the volume sourced from a supply chain including the Unilever recognized Type 1 supplier, provided that the following information shall be available:
 - a) a copy of a valid verification statement of the Type 1 supplier;
 - b) evidence of the proportion of the overall agreed mill list production that the volume corresponds to;
 - c) corresponding VDF % claim.

5 DEFORESTATION AND PEAT CONVERSION LAND MONITORING

5.1 Land Monitoring System

Responsibilities

Applicable for Type 1: supplier managing a PoS and Type 2(b): non-directed supplier purchasing after a PoS.

Guidance

The requirements in this chapter apply to the supplier that monitors deforestation and peat conversion. In all supply chains, a party is required to monitor deforestation and peat conversion, this may be an actor other than the Type 1 or Type 2(b) non-directed supplier. It is however the responsibility of the supplier to identify the actor that is responsible for land monitoring (see requirement 1.2.2). The identified actor has to demonstrate compliance with the VDF palm oil protocol Land Monitoring System requirements.

The Type 1 or Type 2(b) non-directed supplier may agree to Unilever carrying out the land monitoring. In that case, the supplier has the responsibility to provide Unilever with plantation location data that Unilever needs for land monitoring.

As the NDPE IRF¹⁰ used by industry actors to report on palm supply chain NDPE performance is not mandatorily asking to report detailed land monitoring data, the NDPE IRF alone cannot be used to demonstrate compliance. If the supplier uses NDPE IRF deforestation and peat conversion profiles to demonstrate NDPE progress and calculate the VDF % claim, the Annex of additional requirements to the standard NDPE IRF verification process has to be requested from Unilever.

- 5.1.1 The land monitoring system shall cover all FFB sources from the mills included in the agreed mill list, both from the supplier's operations and third-party sources.
- 5.1.2 The land monitoring system shall provide regular monitoring reports (weekly and no less regularly than quarterly).

Guidance

Land monitoring shall be performed regularly as it concerns a continuous process that also aims to identify and respond to any potential new deforestation or peat conversion in the sourcing area.

- 5.1.3 The land monitoring system shall be accompanied by a clear process for verifying incoming alerts on deforestation or peat conversion.
- 5.1.4 In the case of incoming alerts from supplier directly managed mills, the incoming alerts process shall include at a minimum on-the-ground observation and response to clearing or fires in the areas managed.
- 5.1.5 In the case of incoming alerts from third-party mills, the incoming alerts process shall include at a minimum on-the-ground observation and geospatial monitoring.
- 5.1.6 The land monitoring system shall cover monitoring from 31 December 2015 to the present.

¹⁰ [NDPE IRF Data Verification Protocol](#)

5.1.7 The supplier shall indicate the type of land monitoring system used. The type of monitoring shall be specified and should include: (1) geospatial monitoring, and/or (2) field visits.

- Land monitoring may be performed using a geospatial monitoring system. For geospatial monitoring one or more data sets (for example, but not limited to Sentinel, Nasa's Landsat, National Satellite Monitoring Systems) with high-resolution images (at least 1.5-meter resolutions) shall be used and, where a supplier has this information available, should include base layers of HCS and HCV areas.
- Land monitoring may be performed via the implementation of regular field visits to the FFB sources. In that case, the supplier shall demonstrate having conducted field visits since the cut-off date of 31 December 2015, or other evidence demonstrating that no deforestation or peat conversion occurred since the cut-off date.

Guidance

Land Use Change Analysis assessments or any other satellite verification to verify no deforestation and peat conversion since the cut-off date, supported by regular site visits can be an example of demonstrating monitoring of no deforestation and peat conversion.

5.1.8 The supplier shall have a system in place for gathering demonstrable evidence that supplying farmers or supplying estates did not perform any plantings on peat or conversion of peat regardless of depth following 31 December 2015 and that there is a best management practice for existing plantations on peat.

5.1.9 The supplier should demonstrate evidence for smallholder FFB suppliers that no deforestation and peat conversion occurred after 31 December 2015 within the village jurisdictional boundary and a risk assessment should be in place demonstrating a low-risk of third-party sourcing from non-compliant smallholders.

Guidance

The supplier may report smallholder FFB suppliers deforestation-free and peat conversion-free if the specific village/area is found in the deforestation-free and peat conversion-free category or low-risk category (see Annex III for more information about using the methodology).

5.1.10 For any estate/farm planted on peat, mills shall have a time-bound peat management plan which follows RSPO best management practices¹¹ (including water level management and measurement requirements). This management plan should be implemented, monitored, recorded, and evaluated by trained personnel or other external stakeholders.

¹¹ RSPO Manual on BMPs for Management & Rehabilitation of Peatlands. Available on www.rspo.org

- 5.1.11 In the case the *Type 2(b) non-directed supplier* buys volume from a supply chain including a Unilever recognized Type 1 supplier, the Type 2(b) non-directed supplier does not have to demonstrate compliance with the VDF palm oil protocol Land Monitoring System requirements for the volume sourced from a supply chain including the recognized Type 1 supplier, provided that the following information shall be available:
- a) a copy of a valid verification statement of the Type 1 supplier;
 - b) evidence of the proportion of the overall agreed mill list production that the volume corresponds to;
 - c) corresponding VDF % claim.

6 RECORD KEEPING AND VOLUME RECONCILIATION

6.1 Volume Recording

Responsibilities

Applicable for Type 1: supplier managing a PoS, Type 2(a): directed supplier purchasing after a PoS, and Type 2(b): non-directed supplier purchasing after a PoS.

- 6.1.1 The supplier shall identify and document the main processing steps involving a change of material volume or weight and specify the conversion factor(s) for each processing step. Where measuring at each processing step is not feasible, the conversion factor for the total processing steps should be used.
- 6.1.2 The supplier shall specify and document the methodology for calculating the conversion factor(s) and ensure that conversion factors are updated when there are changes to the production process and at least once a year.

Guidance

The supplier can use Annex I, RSPO SG conversion factors⁷, or its own conversion factors (provided that evidence is demonstrated of the calculation method) to record incoming palm oil products, and outgoing refined products sold to Unilever or the next actor in the supply chain.

- 6.1.3 The supplier shall maintain up-to-date volume summaries (at least quarterly updated) demonstrating that the output quantities are compatible with the input quantities, the VDF % claim (*VDF % claim is not applicable for Type 2(a) directed supplier*), and the conversion factors.

6.2 Mass Balance Accounting

Responsibilities

Applicable for Type 2(a): directed supplier purchasing after a PoS and Type 2(b): non-directed supplier purchasing after a PoS.

Guidance

Type 2 suppliers have to maintain at a minimum a chain of custody process based on the mass balance of incoming and outgoing palm oil volume. Therefore, commingling of non-VDF volume is possible. There is the option to choose a stricter supply chain model (e.g. segregation).

Regarding 6.2.1 a) and c): the Type 2(a) directed supplier does not have to keep material accounting records of CPO and PKO material and may use records of refined incoming material and outgoing material. The conversion factor of the refined incoming material and outgoing material may also be used.

- 6.2.1 The supplier shall operate a material accounting system to record palm oil material data, including input quantities received and refined palm oil material output quantities supplied to Unilever. At a minimum this shall include the following information:
- inputs: product description and quantities of CPO or PKO (by volume or weight);
 - outputs: product description and quantities of refined palm oil and/or material (by volume or weight);
 - conversion factor from input CPO or PKO to output.

7 VDF % CLAIM CALCULATION METHOD AND CLAIM TRANSFER

7.1 VDF % Claim of the FFB Source

Responsibilities

Applicable for Type 1: supplier managing a PoS and Type 2(b): non-directed supplier purchasing after a PoS.

Guidance

The VDF % claim has to be calculated over the CPO and PKO input and output material (differentiated between CPO and PKO) of the combined PoS of a Type 1 supplier or Type 2(b) non-directed supplier per PoS managing supplier.

The VDF % claim has to be communicated to Unilever. The claim is only a valid claim for Unilever and cannot be used as input for any other deforestation-free and/or conversion-free claim.

- 7.1.1 The supplier shall calculate the VDF % claim for all of the supply bases of a mill (per FFB source) included in the agreed mill list.

Guidance

The VDF % claim is 100% when:

- a) there is no observed deforestation and peat conversion since 31 December 2015 at the FFB source OR, there has been verified remediation of deforestation or peat conversion post 31 December 2015; and*
- b) there is 100% traceability to the FFB source.*

If either a or b cannot be evidenced, a VDF 0% claim is awarded for the specific FFB source.

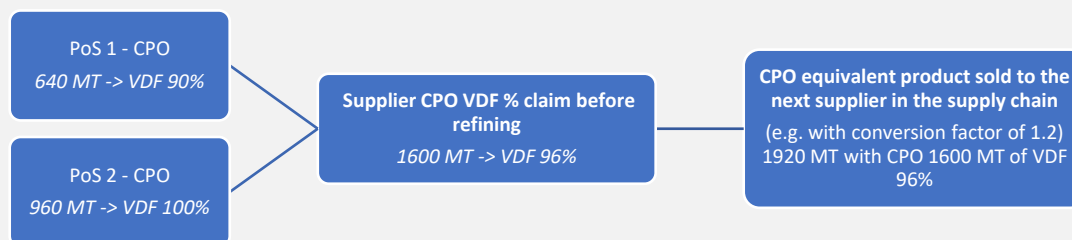
If for each FFB source the necessary information to calculate the VDF % claim is not available, the supplier can request the mill to calculate an aggregated VDF % claim on the mill level, indicating the total FFB volume and VDF % claim for the mill and specifying the FFB sources used.

- 7.1.2 The supplier shall calculate the VDF % claim for each palm oil product (CPO and PKO) that is supplied to the next supply chain actor in the supply chain.

Guidance

In the case of multiple PoS, the weighted percentage average between the different PoS should be calculated to identify the VDF % claim. Figure 1 demonstrates the calculation process in the case of multiple PoS.

Figure 1. Calculation Process of for Multiple PoS Including Conversion Factor.



When purchasing from multiple mills, it has to be ensured that the correct methodology for the calculation of the final VDF % claim after products have been mixed is applied. A similar calculation process as the diagram for multiple PoS can be used.

- 7.1.3 The supplier shall have complete and up-to-date records available that demonstrate how the VDF % claim is calculated for the input and output volume.

7.2 Transfer of the VDF % Claim

Responsibilities

Applicable for Type 1: supplier managing a PoS and Type 2(b): non-directed supplier purchasing after a PoS.

Guidance

The Type 1 and Type 2(b) non-directed supplier have to communicate the VDF % claim every quarter by sharing a VDF supplier declaration with Unilever.

For Unilever's directed supply chain (including a Type 1 supplier and a Type 2(a) directed supplier), Unilever calculates the VDF % claim over the final output by using data from its directed supply chain. The Type 2(b) non-directed supplier has to include the conversion factor in the VDF supplier declaration so the VDF % claim can be calculated over the final output.

- 7.2.1 The supplier shall share a VDF supplier declaration with Unilever, at least every quarter. The VDF supplier declaration shall include the following information per delivery supplied in the Unilever supply chain or to Unilever covering the applicable period:
- identification of the supplier (e.g. name, address, other relevant information);
 - identification of the buyer (e.g. name, address, other relevant information);
 - the period the VDF supplier declaration covers;
 - product name and description;
 - product quantity CPO or PKO;
 - product output quantity;
 - VDF % claim corresponding to the supplied volume per buyer;
 - conversion factor from CPO or PKO to output product (*only applicable for Type 2(b) non-directed supplier*);
 - information sufficient to link the transaction document (e.g. invoice) to the VDF supplier declaration.

8 IDENTIFICATION OF OUTPUTS

8.1 Transaction Document

Responsibilities

Applicable for Type 1: supplier managing a PoS, Type 2(a): directed supplier purchasing after a PoS, and Type 2(b): non-directed supplier purchasing after a PoS.

- 8.1.1 The supplier shall ensure that there is a transaction document (e.g. invoice) available for outputs supplied in the Unilever supply chain, including the following information:
- a) identification of the supplier (e.g. name, address, other relevant information);
 - b) identification of the buyer (e.g. name, address, other relevant information);
 - c) the date the document was issued;
 - d) product description;
 - e) product quantity;
 - f) if separate transport documents are issued, information sufficient to link the transaction document and related transport documentation to one another.

PART II: UNILEVER INDEPENDENT THIRD-PARTY VERIFICATION GUIDANCE

Purpose and Scope

To ensure the communication of accurate and reliable data, Unilever requires all supplier types to undergo an annual verification assessment against the supplier-specific requirements in this VDF palm oil protocol. This verification assessment is executed by a third-party verification body.

All Unilever Type 1 and Type 2 suppliers are subject to verification. Other suppliers in the supply chain may be subject to verification.

The purpose of this guidance is to:

- a) Ensure the implementation of a robust and objective system for the verification of the VDF palm oil protocol requirements.
- b) Set out the verification requirements and step-by-step process for verification bodies.
- c) Illustrate the verification process to suppliers undergoing the verification assessment.

Summary of the Verification Process

The verification process starts with identifying a verification strategy and verification planning based on pre-information gathered by the verification body. Subsequently, the verification assessment is conducted at the selected facilities. The verification body then compiles a detailed report and if required, identifies any minor or major NCs that emerged during the verification assessment. Once major NCs are closed (within the deadline) and the verification report is complete, the verification body issues a verification statement confirming that the supplier has been independently verified and that a chain of custody is in place demonstrating traceability to a deforestation-free and peat conversion-free origin of the palm oil supplied to Unilever.

1 VERIFICATION STRATEGY AND IMPLEMENTATION

1.1 Frequency of Verification Assessment

- 1.1.1 The verification body shall issue or re-issue a verification statement annually based on the independent verification assessment.
- 1.1.2 The verification body shall conduct an independent verification assessment at least annually and not later than 15 months after the previous verification assessment.
- 1.1.3 If the verification body finds (a significant number of) major NCs or the verification body has other concerns, more frequent verification should be conducted.

1.2 Scope of Supplier Verification

- 1.2.1 The verification body shall verify against all applicable requirements of the VDF palm oil protocol requirements and any additional documentation.
- 1.2.2 The verification body shall annually verify all Unilever Type 1 and Type 2 suppliers. Depending on the risk and type, a supply chain actor further upstream of the supply chain may also be selected for verification.

1.3 Verification Strategy

- 1.3.1 Before the start of the verification assessment, the verification body shall gather information to identify an appropriate verification strategy. The verification strategy shall be tailored to the type of supplier and its sourcing approach.
- 1.3.2 Independent of the type of supplier verified, the verification body shall:
 - a) Request procedures or other documentation the supplier has in place to ensure the chain of custody of the Unilever/VDF volume.
 - b) Request an overview of the incoming/outgoing transactions of Unilever/VDF volume and any conversion factors, applied.
 - c) In the case the supplier has multiple sites from which it handles Unilever/VDF volume, the verifier should understand how the data is handled, and whether there is a central location that can be verified.
- 1.3.3 In addition to the above-mentioned, for Type 1 and Type 2(b) non-directed suppliers the verification body shall, before the start of the verification assessment:
 - a) Identify the agreed PoS between Unilever and the supplier. In the case of multiple PoS, the verifier should understand where these are located, and whether the VDF % claim calculation data of the PoS are managed centrally or by different locations.
 - b) Request the agreed mill list to understand how many mills supply the tanks and request the volume supplied per mill.
 - c) Understand the segregation process that is applied.
 - d) Understand whether there are any mills reported in the supply base for which one or more of their FFB sources has received a deforestation alert. The alert might have originated from either the supplier or parent company satellite system or Unilever's monitoring system. In

the latter case, Unilever has to communicate to the verification body whether there are any mills with such alerts.

- 1.3.4 In addition to the above-mentioned, for Type 1 and Type 2(b) non-directed suppliers the verification body shall, before the start of the verification assessment request the VDF % claim calculation to identify the VDF % claim at the PoS. The verifier should at a minimum understand:
- if the calculation is completed in full or if any information is missing;
 - if the supplier has all the mill information to complete the VDF % claim calculation or had to request aggregated FFB data from the mill.

- 1.3.5 The verification body shall verify the VDF % claim calculation information of Type 1 and Type 2(b) non-directed suppliers on four levels:

- ***Verification of the final VDF % claim across different PoS, including applied conversion rates***

The methodology described in Part I of the protocol should be applied to confirm that the VDF % claim for a given quarter/year across all the PoS is calculated correctly. The verification body should review the volumes used by the supplier to compute the final VDF % claim, including the application of any conversion rates.

- ***Verification of the volumes supplied from the mill to the PoS***

The volume for the selected mills shall be reviewed to verify that the reported total from a mill is correct. Given that a mill may deliver multiple times in a year to a PoS, the verification body should select a sample of the total number of deliveries and associated documentation to perform this verification (see Annex II).

- ***Verification of the volume supplied from the mill suppliers to the mill (if these are available)***

If the supplier cannot demonstrate complete evidence of mill information (traceability information, volumes, VDF % claim calculation) under each mill, the verification body should perform a sample of the total number of deliveries and associated documentation to perform this review. The same sampling approach may be applied when performing a volume check during a mill verification (see Annex II).

- ***Verification of the VDF % claim attributed to the FFB***

The verification body shall understand which actor is responsible for the land monitoring. The verification body shall verify that all mills and FFB sources are included in the scope of the land monitoring. The verification body shall understand the type of land monitoring performed and the outcome of the land monitoring (e.g. review of satellite reports or field reports).

Guidance

If the Type 1 or Type 2(b) non-directed supplier had to request aggregated FFB data from the mill there might be a risk in the accuracy of the data provided.

1.4 Sampling Methodology

Sampling of Multiple PoS for Type 1 and Type 2(b) Non-directed Supplier

- 1.4.1 In the case of multiple PoS the verification body should use the following sampling methodology: rounded-up square root ($\sqrt{}$) of the total number of PoS (e.g. 5 PoS makes $\sqrt{5} = 2,24$ so 3 PoS have to be verified).
- 1.4.2 For the initial verification assessment, priority can be given to the PoS with the highest volume received. The verification body should make sure that all the PoS are verified throughout the following years when conducting surveillance verification assessments.

Sampling of Mills for Type 1 and Type 2(b) Non-directed Supplier

- 1.4.3 The sampling of mills is based on a risk assessment (see table 1). The verification body shall use the below calculation to determine the minimum number of mills that should be verified. The sample has to be taken over the total number of mills delivering to the PoS that is within the sample of the associated verification assessment (e.g. 3 out of 5 PoS should be verified, the 3 PoS buy from 20 mills total, the risk determined from the risk assessment is 0.8 then $0.8 \times \sqrt{20} = 3.13$ so 4 mills should be verified).

The following formula should be used:

m = R \sqrt{x} , where:

m = mills to be verified

R = risk based on risk assessment

x = total number of mills per PoS included in the sample

Table 1. Risk Assessment Matrix for the Determination of the Number of Mills Applicable for Verification.

Risk factor		Score	Score given
Management system	The supplier has a robust management system	0.1	
	Only minor NC(s) on management system or it concerns initial verification	0.2	
	1 Or more major NCs on management system	0.3	
TTP information	The supplier has a robust due diligence system for collecting and/or validating TTP information	0.1	
	Only minor NC(s) on TTP information collection/validation or it concerns initial verification	0.2	
	1 Or more major NCs on TTP information collection/validation	0.3	
VDF % claim calculation	The supplier has a robust VDF % claim calculation method	0.1	
	Only minor NC(s) on VDF % claim calculation or it concerns initial verification	0.2	
	1 Or more major NCs on VDF % claim calculation	0.3	
RSPO certification	All mills are delivering RSPO IP or SG volume	0.1	
	Some mills are delivering RSPO IP or SG volume	0.2	
	Mills are not delivering RSPO IP or SG or don't know	0.3	
Deforestation alerts	No received deforestation alerts of mill FFB sources	0.1	
	One or more mill FFB sources have received a deforestation alert or don't know	0.3	
Total risk score			
Total number of mills			
Outcome verification sample ($m = R \sqrt{x}$)			

- 1.4.4 The verification body shall select a sample that is representative of the Type 1 and Type 2(b) non-directed supplier. The following should be taken into consideration:
- received deforestation alerts or grievances (if there are any, the applicable mill should be included in the sample);
 - volume sold to the supplier (prioritize the largest volume supplying mills);
 - RSPO IP and SG volume sold to the supplier (prioritize mills supplying uncertified volume);
 - previously verified by the verification body (prioritize mills not previously verified);
 - other criteria selected by the verification body.
- 1.4.5 In the case that TTP information, volumes, and VDF % claim calculations cannot be completely verified at the selected mill level the verification body should use the following sampling methodology: rounded-up square root (\sqrt{x}) of the total number of mill suppliers per mill for which data is incomplete (e.g. 5 mill suppliers for which data is incomplete makes $\sqrt{5} = 2,24$ which means that 3 mill suppliers have to be verified).

1.5 Verification Type

Desk and/or On-site Verification of the Type 1 and Type 2(b) Non-directed Supplier

- 1.5.1 The verification body should conduct desk verification of the supplier central office. On-site verification can be conducted if a specific risk is determined by the verification body.
- 1.5.2 The verification body should clearly state the rationale for demanding on-site verification of the central office in the verification report.
- 1.5.3 The verification body shall verify all PoS within the sample of the verification assessment on-site to verify the segregation process.
- 1.5.4 The verification body should determine the number of mills to be verified based on the risk assessment for the Type 1 and Type 2(b) non-directed suppliers.
- 1.5.5 Based on the following factors, the verification body may decide to conduct on-site or desk verification of the mills that are within the verification sample:
 - a) mills are delivering self-reported TTP data;
 - b) incomplete TTP information (e.g. TTP information does not cover the entire supply base);
 - c) self-reported TTP information is not covered by a supplier risk assessment or approach to understanding the likelihood of the information supplied is correct;
 - d) mills are not RSPO certified;
 - e) there is a deforestation alert for which follow-up evidence has not been provided.
- 1.5.6 The verification body should clearly state the rationale for demanding on-site verification of the mill in the verification report.
- 1.5.7 The verification body should conduct desk verification of the mill supplier. On-site verification can be conducted if a specific risk is determined by the verification body.
- 1.5.8 The verification body should clearly state the rationale for demanding on-site verification of the mill supplier in the verification report.

Desk and/or On-site Verification of the Type 2(a) Directed Supplier

- 1.5.9 The verification body should conduct desk verification of the supplier. On-site verification can be conducted if a specific risk is determined by the verification body.
- 1.5.10 The verification body should clearly state the rationale for demanding on-site verification in the verification report.

Verification of the Mills of Type 1 and Type 2(b) Non-directed Supplier

The purpose of verifying mills is to confirm the VDF volume information provided to the supplier that is being verified. The focus of the verification body should be on understanding how the mill is monitoring incoming FFB volume (see Annex II for guidance on sampling transactions).

- 1.5.11 The verification body shall at a minimum verify the following at the mill level:
 - a) The mills shall have processes in place to verify and document the tonnage and sources of FFB received, either certified or uncertified. Information such as name, address of buyers and sellers, loading/shipments, delivery dates, transport documents, volumes received,

- Standard Assessment Procedure records, and unique identification numbers should be collected and recorded.
- b) The mills shall demonstrate production records, including extraction rates collected by the mill. The mill shall also have procedures and responsible personnel in place for the collection and communication of traceability information.
 - c) In the case the mill collects TTP information, the verification body shall understand the mill processes to collect and verify this information (see Part 1, chapter 4).
 - d) In the case the mill performs land monitoring, the mills shall produce evidence of no deforestation and peat conversion occurring on any of the FFB sources from the mills after 31 December 2015 (see Part 1, chapter 5).
 - e) In the case the supplier relies on the mill to report a VDF % claim together with TTP information, the mill shall calculate the VDF % claim and have a system in place to communicate the VDF % claim and TTP data to the supplier.

Verification of Mill Suppliers of Type 1 and Type 2(b) Non-directed Supplier

- 1.5.12 The verification body should conduct verification of estates or smallholders supplying to the mill in the case the mill (or Unilever supplier purchasing from the mill) was found to have weak control points to ensure the origin of the FFB, any traceability information collected (e.g. polygons, grid cells, GPS points) but also in the case of unverified deforestation or peat conversion alerts recorded by the mill or their parent company, or the supplier.
- 1.5.13 The verification body should obtain evidence of the estates/independent smallholders' sales to the mill, such as invoices, sales receipts, or other confirmations of sales to the mill.
- 1.5.14 The verification body should conduct verification of dealers or villages supplying to the mill in the case the mill (or Unilever supplier purchasing from the mill) was found to have weak control points to ensure the origin of the FFB from the dealer/village, any traceability information collected (e.g. polygons, grid cells, GPS points) but also in the case of unverified deforestation and peat conversion alerts recorded by the mill or their parent company.
- 1.5.15 The verification body should conduct desk verification unless the verification body identifies specific points of concern whereby on-site verification of a sample of the smallholders should be performed (e.g. no control points at the dealer of incoming FFB purchased, location of smallholders in high-risk areas of deforestation¹², etc.).

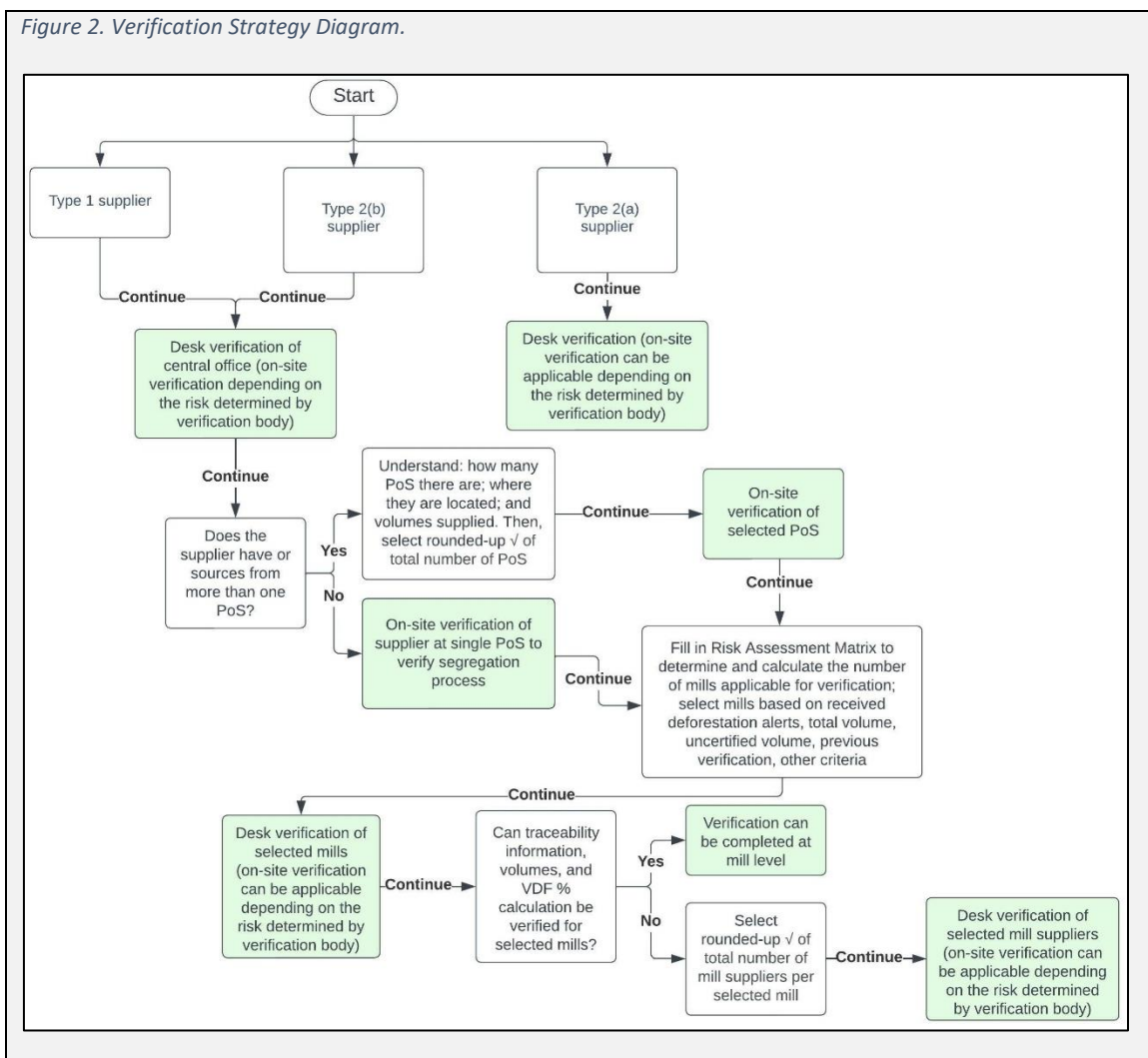
Verification Assessment Guidance

Guidance

Figure 2 summarizes the information provided in Part II chapter 1 and guides the verification body in determining the verification strategy.

¹² For determination of risk see Annex III.

Figure 2. Verification Strategy Diagram.



1.6 Annual Verification

Self-assessment

- 1.6.1 The verification body should evaluate the self-assessment, after the Type 1 or Type 2 supplier has completed the self-assessment.
- 1.6.2 The verification body should decide if a Type 1 or Type 2 supplier is sufficiently prepared to undergo the verification assessment.
- 1.6.3 When the supplier is considered to be sufficiently prepared, the verification body should arrange a date for the initial verification assessment.

Initial Verification

- 1.6.4 The verification body shall issue a verification statement, after the initial verification and if no major NCs are open.

Surveillance Verification

- 1.6.5 Following initial verification, the verification body shall undertake annual surveillance verification assessments, not later than 15 months after the previous verification.
- 1.6.6 The verification body shall re-issue the verification statement to the verified direct supplier, after the surveillance verification and if no major NCs are open.

2 VERIFICATION PLAN

- 2.1.1 Once the verification body has identified a verification strategy and selected the mills to be included in the verification assessment, the verification body should compile and share an assessment plan with the supplier being verified before the assessment.
- 2.1.2 The assessment plan should include the following information:
 - a) date and time of the verification assessment;
 - b) location(s) of the verification assessment;
 - c) documents to be reviewed;
 - d) PoS, mills, and mill suppliers to be verified (based on sampling methodology) (*where applicable*);
 - e) people to be interviewed during the verification assessment;
 - f) scope of the verification assessment;
 - g) version number of VDF palm oil protocol;
 - h) estimated duration for each part of the verification assessment, confidentiality, and information security.

3 VERIFICATION REPORT

- 3.1.1 Upon finalization of the verification assessment, the verification body shall complete a verification report.
- 3.1.2 The verification report shall present the findings of the verification assessment, with a detailed description of any NCs identified.
- 3.1.3 The verification report shall include, at a minimum:
 - a) date and time of the assessment;
 - b) name of the verifier, reviewer, and verification body;
 - c) evaluation type (initial verification, surveillance verification);
 - d) scope of the verification assessment (product, facilities within the scope, version number of VDF palm oil protocol);
 - e) verified sites via on-site or desk verification;
 - f) verification strategy and sampling methodology adopted;
 - g) description of the facility/facilities verified;
 - h) changes in the scope of the certificate (e.g. facilities within the scope) (*where applicable*);

- i) a brief description of the QMS implemented (as far as it concerns the VDF palm oil protocol requirements), describing the processes for handling traceability incoming and outgoing data;
- j) a brief description of the supply chain and monitoring system;
- k) description and review of any deforestation alerts;
- l) description of the review of (closed) NCs of previous verification assessments and missing evidence if any (including NC status e.g. open/closed);
- m) overview of the findings including NCs;
- n) final statement on the outcome of the assessment;
- o) annexes may be included demonstrating additional information such as photos or copies of documentation.

3.1.4 The verification report shall be shared with the verified supplier.

4 NON-COMPLIANCES (NCs)

4.1 Major and Minor Non-Compliances (NCs)

- 4.1.1 The verification body shall classify any identified NC into minor NC or major NC depending on the NC's impact.
- 4.1.2 The verification body shall upgrade a minor NC to a major NC if the minor NC is not resolved before the next verification assessment.
- 4.1.3 The verification body shall inform Unilever of any detection of deforestation or peat conversion during the verification assessment so Unilever can include it in its grievance process.

Guidance

NCs represent failures in the management system of the supplier to demonstrate compliance with one or more of the VDF palm oil protocol requirements.

The impact of a minor NC is limited and does not result in systemic failure of the supplier management system preventing it to deliver on Unilever's no deforestation and no peat conversion commitments. Minor NCs have to be corrected by the following verification assessment latest. Examples of minor NCs are:

- *The supplier made unsystematic mistakes in the calculation of the VDF % claim under a PoS.*
- *The supplier made unsystematic mistakes in the reporting of VDF % claim calculation information (e.g. name of FFB sources, volumes reported, etc.).*

The impact of a major NC is considered critical, either in isolation or in combination with other NCs, and results in or is likely to result in the fundamental failure of the supplier's management system preventing it to deliver on Unilever's no deforestation and no peat

conversion commitments, or has not been sufficiently addressed once identified. Major NCs shall be corrected within 42 calendar days of the closing meeting. Examples of major NCs are:

- *The supplier does not have a system to validate TTP information and verification of the sampled mills confirms incorrect data communication.*
- *The supplier does not have a system to verify no deforestation or no peat conversion for the mills and their FFB sources, and the supplier does not provide, collect and/or communicate TTP information (e.g. FFB sources and corresponding polygons, grid cells, GPS points).*
- *Deforestation or peat conversion is detected on the mill-owned plantations, independent plantations, estates, or smallholders.*
- *The occurrence of peat conversion is confirmed via unresolved satellite monitoring alerts, field inspection during verification, or Unilever satellite monitoring.*

4.1.4 The verification body shall evaluate the available evidence from the supplier to close the NC, based on:

- a) NC root cause analysis;
- b) NC impact analysis;
- c) evidence of implementation of corrective and preventive actions.

4.1.5 The verification body shall decide to close the NC if it is deemed that sufficient action by the supplier is taken to correct and prevent the reoccurrence of the NC.

Guidance

The extent of action required to close an NC may vary depending on whether it is a major or minor NC, the root cause, the impact, or the risk. In most cases, the verification body can evaluate whether sufficient actions to correct and prevent the NC have been taken through a desk evaluation (documents or photographs submitted by the supplier). In some cases, the verification body may need to (re)visit the supplier or other supply chain actor to ensure that the NC has been corrected.

4.1.6 In the case the verification body decides to (re)visit a location (e.g. direct supplier, other suppliers, PoS, estate) the verification body should plan a visit as soon as possible within the deadline of the NC.

4.2 Remediation Plans

4.2.1 The verification body shall verify if a supplier has put in place a restoration and remediation plan after the confirmed conversion of natural forest or peatlands and wishes to report the corresponding area within Unilever's supply base.

4.2.2 The verification body shall verify that the restoration and remediation plan complies with the following minimum requirements:

- a) the restoration and remediation plan has been carried out by competent personnel;
- b) the restoration and remediation plan has been performed in compliance with best practice standards such as:
 - [NEPCon Forest Ecosystem Restoration – Field Verification Standard](#);
 - [AFi Operational Guidance on Environmental Restoration and Compensation](#);
 - RSPO RaCP: [RSPO Remediation and Compensation Procedure | RSPO - Roundtable on Sustainable Palm Oil](#);
 - WRI [Global Restoration Initiative](#);
- c) the restoration and remediation plan has undergone an independent verification assessment confirming performance according to best practice standards.

5 VERIFICATION DECISION

- 5.1.1 The verification body shall take a verification decision after finalizing the verification report or in the case of major NCs after sufficient evidence has been presented to close the NC.
- 5.1.2 The verification body shall consider a verified supplier *in conformance* and delivering in compliance with the VDF palm oil protocol requirements when the independent verification assessment has been conducted completely and there are no outstanding major NCs.
- 5.1.3 The verification body shall consider a verified supplier *not in conformance* if 1 or more major NCs have been identified.
- 5.1.4 The verification body shall not (re-)issue a verification statement until the verification body has determined that there is sufficient additional evidence to close all major NCs before the deadline.
- 5.1.5 If the major NC is not closed in due time, the verification body shall not issue or re-issue a verification statement. If a supplier has a current valid verification statement, the verification body shall discontinue the current valid verification statement until the verification body has assessed and determined that there is sufficient additional evidence to close the major NC. If the verification statement is discontinued, the direct supplier is not allowed to deliver VDF volume.
- 5.1.6 The verification body shall issue a verification statement to the verified supplier after the verification assessment is completed and all the identified major NCs have been closed.
- 5.1.7 The verification statement shall confirm that the supplier has been independently verified and that the supplier complies with the requirements of the VDF palm oil protocol.

Guidance

The wording of the verification statement could be as follows:

“The supply chain management systems and processes in place by supplier X are verified against the VDF palm oil protocol version X. A chain of custody is in place demonstrating traceability to a deforestation-free and peat conversion-free origin of the VDF palm oil volume supplied to Unilever.”

- 5.1.8 The verification statement shall contain the following information, at a minimum:
- a) legal name and address of the supplier;
 - b) name and address of the verification body;
 - c) scope of the verification assessment conducted (including VDF palm oil protocol version, products covered);
 - d) facilities included in the scope;
 - e) issue date and validity period of the statement;
 - f) statement as the example above;
 - g) a disclaimer that the verification statement is only valid to Unilever and that the statement alone does not constitute evidence that material within the scope of the statement is VDF volume;
 - h) authorization of verification body (name, function, signature).
- 5.1.9 The verification statement shall have a validity of a maximum of 15 months from the date of issuance.
- 5.1.10 In the case of conversion of natural forest or peatlands, the verification body cannot confirm that the supplier complies with these requirements until a remediation plan is fully implemented that is mutually agreed upon between the supplier and Unilever.

Guidance

Table 2 provides an overview of the steps in the verification cycle.

Table 2. Summary of Steps in the Verification Cycle.

Step no.	Activity	Timeline
1	The direct supplier completes the self-assessment and submits it to the verification body.	Once the direct supplier is ready.
2	The verification body verifies the self-assessment.	Within 14 calendar days of the completion of step 1.
3	The verification body conducts the verification assessment in line with the commodity-specific protocol.	Once the self-assessment reveals a satisfactory level of compliance. Planning by the verification body is based upon Unilever's request.
4	The verifier informs the verified direct supplier of any NCs.	At the closing meeting (verbally) and within 7 calendar days of the finalization of the verification assessment (in writing).
5	The verifier composes a draft verification report ready for review.	Within 14 calendar days after the closing meeting.
6	The verifier and reviewer finalize the verification report.	Within 21 calendar days after the closing meeting.
(7)	The verified supplier provides evidence to close major NC to the verification body.	Within a maximum of 42 calendar days after the closing meeting.
(8)	The verification body evaluates available evidence for any major NC (<i>if applicable</i>), and if sufficient takes a positive decision.	Within 14 calendar days after the direct supplier presents evidence.
9	The verification body takes a verification decision and issues a verification statement following a positive decision.	Within 7 calendar days after the finalization of the verification report (in case of no major NC) or 7 calendar days after the verification body evaluated evidence to close major NC(s) (in case of major NCs)
(10)	The verified supplier provides evidence to close any minor NC to the verification body.	Before the completion of the following verification assessment.
11	For the surveillance verification assessment, the verification cycle starts from step 3. The surveillance verification includes the evaluation of any identified minor NCs.	Within 12-15 months after the verification statement issuance date.

6 VERIFICATION BODY QUALIFICATION

- 6.1.1 The independent verification assessments shall be conducted by an approved verification body.
- 6.1.2 The verification body shall comply with the following requirements:
- a) The verification body is recognized by a national authority or an accreditation body that is a member of the International Accreditation Forum.
 - b) The verification body conducts verification assessments in conformity with ISO 19011 Guidelines for quality and/or environmental management systems verification.
 - c) The workflow of the verification process complies with the requirements of ISO/CE 17065:2012.
- 6.1.3 The verification body shall apply a four-eyes principle. This means that the work of the *verifier* conducting the verification assessment should be reviewed by an appointed *reviewer* who reviews the verification assessment findings and the report of the verifier.
- 6.1.4 The verifier of the approved verification body shall comply with the following minimum requirements:
- a) Demonstrable experience with RSPO P&C certification or demonstrable field experience in the palm oil sector and familiarity with field-level initiatives in the palm oil sector.
 - b) Knowledge and understanding of satellite monitoring techniques and how to verify its accuracy.
 - c) Successful completion of an ISO 19011, 9001, or 14001 auditor course.
- 6.1.5 The verifier of the approved verification body shall comply with the following minimum requirements:
- a) Comparable experience as verifiers.

Guidance

Third-party organizations that comply with these requirements and are willing to be approved can send a request to Unilever.

ANNEX I: CONVERSION FACTORS

Table 3. Conversion Factors to Convert the Material Into Oil Equivalents.

Material	Base Oil	Conversion Factor (multiply)
Palm Kernel Oil	PKO	1.00
Palm Kernel Olein	PKO	1.33
Fatty Acid C12	PKO	2.13
Fatty Acid C14	PKO	3.70
Fatty Alcohol C1214	PKO	1.88
Fatty Alcohol C1618	PKO	4.20
Alcohol ethoxylate 1EO	PKO	1.54
Alcohol ethoxylate 3EO	PKO	1.13
Alcohol ethoxylate 7EO	PKO	0.75
SLES 1EO	PKO	0.80
SLES 3EO	PKO	0.59
Crude Palm Oil	CPO	1.00
RBD Palm Oil	CPO	1.11
Palm Olein	CPO	1.33
Palm Stearin	CPO	5.00
PFAD	PFAD	1.00

ANNEX II: SAMPLING APPROACH FOR MILL VOLUMES

The independent verification assessment includes verification of the declared volumes of the mill.

Delivery of CPO or PKO product from the mills to the PoS/refinery/oleochemical plant usually occurs in tracks, meaning that for a given month, the plant may receive more than one delivery from the same mill. This implies that there might be hundreds of small delivery receipts available at the refinery for a given reporting period. To maximize efficiency, the verifier should select a sample of the receipts to verify that the supplier has a solid system in place to record and report incoming volumes in the VDF % claim calculation.

For example, a supplier has compiled a VDF % claim calculation with 10 mills supplying to a PoS for the reporting year January-December 2021. A mill was selected for verification. This mill delivered between 6 and 10 times to the next supplier in the supply chain. This means there may be between 72 and 120 delivery receipts available confirming the amounts delivered (depending on the mill and refinery system, this could also include weighbridge confirmation outgoing from the mill and weighbridge incoming at the refinery, therefore, 2 receipts for each track delivery).

In this case, the verifier should select a sample of one month during which the mill delivered in the reporting period and review all the deliveries in that month. The same approach can be applied to other mills. This would confirm the robustness of the data recording system.

ANNEX III: LOW DEFORESTATION AND PEAT CONVERSION VILLAGE METHODOLOGY

This Annex describes the methodology currently employed in identifying deforestation-free, peat conversion-free, low-deforestation risk, and low-peat-conversion risk villages (desas). It ascribes villages with measurable deforestation and peat conversion to ordinal categories based on perceived risk to NDPE sustainable sourcing targets. The supplier may use the Unilever deforestation-free and peat conversion-free village or deforestation-risk and peat conversion-risk village categorization or apply a similar methodology when calculating VDF % claims for sourcing of FFBs from independent smallholder farmers/dealers.

Village-level risk is determined through a geospatial (geographic, or spatially explicit) analytical workflow (the “risk model”) that seeks to:

- a) encompass the general strategies and focal areas employed in comparable risk assessment tools put forth by relevant NGOs; and
- b) embrace the direct integration of expert judgment from a diverse group of stakeholders.

The risk model capitalizes on state-of-the-art geospatial technologies and machine learning algorithms to provide a robust, yet dynamic, tool for characterizing landscapes of any size. Satellite remote sensing data products and distributed computing enable a fine-grained, expansive look at deforestation, peat conversion, and oil palm development, and provide Unilever with a unique view of its palm oil sourcing domain. The risk model has been designed to accommodate changing support and will be updated on a quarterly, semi-annual, or annual basis in response to new insights and/or core development in Unilever’s digital technology deployment.

At the present time, the risk model capitalizes on high-resolution geospatial data products and expert judgment to capture risk associated with three periods of interest:

1. Historical risk
2. Present-potential risk
3. Future risk

Historical risk is captured by the installation of oil palm following Unilever’s 31 December 2015 benchmark (the “benchmark date”). This includes oil palm installed on formerly forested and peat land (land cover and land use conversion), with consideration for whether or not that land harbors ecologically sensitive peat-laden soils (histosols).

Present-potential risk is captured by undesignated forest and peatland loss following Unilever’s benchmark date. This includes deforestation and peat conversion that has yet to become a new crop, and which may reflect either active oil palm installation or the potential for oil palm installation in the

near future. Present-potential risk takes into consideration whether or not the land of interest harbors peat-laden soils.

Future risk draws on historical land cover and land use trends to capture deforestation, peat conversion, and oil palm development in future time periods using statistical projections. Future risk reflects landscape conditions at future dates in the absence of ameliorating or remediating efforts but is inclusive and responsive to data up through the present time.

At the present time, risk is only assessed within administrative units that contain palm as of January 1, 2021. High-resolution geospatial data products covering these three periods are analytically integrated using a multidimensional distance-based index, described below, and a multi-criteria decision-making tool commonly employed in mixed-method research domains: Analytic Hierarchy Process (AHP, [Saaty, 1980, Saaty, 1990, Saaty, 2008]). In practice, AHP provides a mechanism for Unilever stakeholders to issue expert judgments on the relative importance of the risk factors utilized in the risk model. These judgments are analytically synthesized using linear algebra, producing risk model weights. The AHP workflow supports a dynamic number of respondents, and the derived weights reflect communal sentiment about the relative importance of each risk factor. The AHP ensures that domain expertise held internally by Unilever staff, and externally by partners, is incorporated directly into the risk model. The AHP-derived weights are dynamically updated as stakeholders participate or update their previous judgments.

To avoid scale- and locational dependence, risk is computed from raster-based geospatial model inputs by subjecting them to moving window analyses, in which a computational window is passed across every two-dimensional model input. In this process, every location on the landscape is treated as a hypothetical palm-derivative mill from which Unilever might source. A hypothetical sourcing region surrounding each hypothetical mill (the window) is used to compute metrics from the model inputs (e.g., the proportion of historical deforestation on peat soils). In that oil palm sourcing is not limited to the confines of any administrative geography, this approach ensures that differences in the size of administrative units do not play a defining role in designating risk.

From the derivatives of these moving window analyses, a risk index is computed using the “ideal point” decision rule [Nyerges and Jankowski, 2010], which computes a normalized index from the multidimensional distance between each location on the landscape, and the idealized positive and negative alternatives presented by the risk factors. These normalized risk index values exist as a continuous spatial process, with a risk value associated with every location on the landscape. In the case of village-level analysis, these values are aggregated to obtain an average risk or risk per unit area, for each administrative unit.

Finally, in post-processing, administrative units are categorized as follows:

- Any administrative unit containing zero deforestation and peat conversion, as captured using multiple reference datasets, multiple forest (and peat) cover datasets, and multiple real-time alerting systems, is assigned to a no deforestation and peat conversion category.
- The remaining administrative units are then ordered according to aggregate risk and divided using terciles. The least risky tercile is assigned to a low-risk category, the middle tercile is assigned to a moderate-risk category, and the riskiest tercile is assigned to a high-risk category.

The framework present here seeks a balance between data-driven risk assessment and ease of interpretation. Percentages are relative to the distribution of risk values contained in the administrative units with potential deforestation and peat conversion risk.

Table 4. Classification of Administrative Risk Into Discrete Risk Levels.

Computed Risk	Risk Category
0 Deforestation and peat conversion	Deforestation-free and peat conversion-free
0 < g ≤ 33.33%	Low-risk
33.33% < g ≤ 66.66%	Moderate-risk
66.66% < g ≤ 100.00%	High-risk

References

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ANNEX IV: RSPO CERTIFIED IP/SG SUPPLIER

This Annex is applicable for Type 2 suppliers that are RSPO certified and manage an RSPO IP or SG supply chain model (RSPO certified IP/SG supplier).

1. CERTIFICATION

- 1.1.1 The RSPO certified IP/SG supplier shall have evidence (in line with the RSPO Sustainable Palm Oil Supply Chain Certification Standard requirements⁹⁾) that any certification claim made is valid and complies with the certification program requirements.
- 1.1.2 The RSPO certified IP/SG supplier shall share an annually updated mill list declaration with Unilever before the annual independent verification assessment. The mill list declaration shall specifically state:
- a) the list of mills that the RSPO certified IP/SG supplier sources from;
 - b) the list of FFB sources the mills source from;
 - c) in the case new mills or FFB sources are included, explicitly stating which new mills/FFB sources are incorporated;
 - d) in the case the RSPO certified IP/SG supplier or a supplier third-party performs land monitoring, a confirmation that the FFB sources are deforestation-free and peat conversion-free since 31 December 2015;
 - e) in the case Unilever performs land monitoring, a confirmation that any changes in the mill list or FFB sources are communicated to Unilever.

2. LAND MONITORING

Guidance

The RSPO certified IP/SG supplier may agree to Unilever carrying out the land monitoring. In that case, the supplier has the responsibility to provide Unilever with plantation location data that Unilever needs for land monitoring.

The RSPO certified IP/SG supplier has to demonstrate land monitoring from 31 December 2015 through 15 November 2018 for its FFB sources as the RSPO cut-off date is 15 November 2018 and the annual RSPO third-party audit sufficiently covers the Unilever's Deforestation and Peat Conversion land Monitoring requirements.

- 2.1.1 The land monitoring system shall cover all FFB sources from the mills included in the mill list declaration, both from the RSPO certified IP/SG supplier's operations and third-party sources.
- 2.1.2 The land monitoring system shall cover monitoring from 31 December 2015 through 15 November 2018.

- 2.1.3 The RSPO certified IP/SG supplier shall indicate the type of land monitoring system used. The type of monitoring shall be specified and should include: (1) geospatial monitoring, and/or (2) field visits.
- Land monitoring may be performed using a geospatial monitoring system. For geospatial monitoring one or more data sets (for example, but not limited to Sentinel, Nasa's Landsat, National Satellite Monitoring Systems) with high-resolution images (at least 1.5-meter resolutions) shall be used and, where a supplier has this information available, should include base layers of HCS and HCV areas.
 - Land monitoring may be performed via the implementation of regular field visits to the FFB sources. In that case, the RSPO certified IP/SG supplier shall demonstrate having conducted field visits since the cut-off date of 31 December 2015, or other evidence demonstrating that no deforestation or peat conversion occurred since the cut-off date.
- 2.1.4 The RSPO certified IP/SG supplier shall have a system in place for gathering demonstrable evidence that supplying farmers or supplying estates did not perform any plantings on peat or conversion of peat regardless of depth from 31 December 2015 through 15 November 2018.
- 2.1.5 The RSPO certified IP/SG supplier should demonstrate evidence for smallholder FFB suppliers that no deforestation and peat conversion occurred from 31 December 2015 through 15 November 2018 within the village jurisdictional boundary and a risk assessment should be in place demonstrating a low-risk of third-party sourcing from non-compliant smallholders.

Guidance

The supplier may report smallholder FFB suppliers deforestation-free and peat conversion-free if the specific village/area is found in the deforestation-free and peat conversion-free category or low-risk category (see Annex III for more information about using the methodology).

3. ADDITIONAL VERIFICATION REQUIREMENTS FOR VERIFICATION BODIES

- 3.1.1 The verification body should conduct desk verification of the RSPO certified IP/SG supplier. On-site verification can be conducted if a specific risk is determined by the verification body.
- 3.1.2 The verification body should clearly state the rationale for demanding on-site verification in the verification report.

ANNEX V: STRATEGIC AND INDEPENDENT PROCESSORS

This Annex is applicable for Type 1 suppliers that are independent processors (including mills, kernel crushing plants, or refineries) for which Unilever is collecting TTP data and is responsible for the monitoring of no deforestation and peat conversion since the cut-off date. Because of this split in responsibilities, the Annex clarifies how compliance with the Unilever VDF palm oil protocol requirements can be demonstrated.

Topic	Requirements	How to Fulfil
1) QUALITY MANAGEMENT SYSTEM		
1.1) Commitment	1.1.1) The supplier shall have a documented policy or commitment to not source from deforested and peat-converted land after 31 December 2015.	<p>The supplier shall have a documented policy or commitment in place that complies with this requirement (e.g. signing the Unilever P&N policy).</p> <p>The documented policy or commitment does not specifically have to mention the Unilever requirements, as long as it complies with the intent of the requirements.</p>
1.2) Management System	1.2.1) Complete and up-to-date procedures shall be available covering the implementation of the applicable requirements of the VDF palm oil protocol.	The supplier shall have complete and up-to-date procedures available covering the applicable requirements set out in this Annex. The procedures shall also explicitly specify how the relevant information will be accessible for the independent verification assessment.
	1.2.2) The supplier shall demonstrate how roles and responsibilities for compliance with the VDF palm oil protocol are established within the Unilever supply chain. This shall specifically include: <ul style="list-style-type: none"> a) the agreed PoS (<i>not applicable for Type 2(a) directed supplier</i>); 	The supplier shall demonstrate the division of roles and responsibilities between the supplier and Unilever and this shall be documented in an agreement or contract between the supplier and Unilever.

<ul style="list-style-type: none"> b) the agreed mill list and/or supplier list; c) collection of TTP data <i>(not applicable for Type 2(a) directed supplier)</i>; d) implementation of a land monitoring system, ensuring that the supply bases are monitored on deforestation and peat conversion from 31 December 2015 <i>(not applicable for Type 2(a) directed supplier)</i>; e) calculation and communication of the VDF % claim <i>(not applicable for Type 2(a) directed supplier)</i>. 	
<p>1.2.3) The supplier shall have identified person(s)/position having overall responsibility for and authority over the implementation and compliance with all applicable VDF palm oil protocol requirements and/or has identified in documented procedures the different responsibilities within the organization to ensure compliance with the requirements.</p>	<p>The supplier shall have documentation demonstrating who is responsible for compliance with the requirements in this Annex. The procedures can mention either names or positions, as long as it is clear who is responsible and that this person has the authority to ensure compliance with the requirements.</p>
<p>1.2.4) The supplier shall implement a training plan according to the qualifications and/or training measures defined for each procedure. At a minimum, the supplier shall communicate the organization’s procedures for the implementation of the applicable VDF palm oil protocol requirements to the responsible personnel.</p>	<p>The supplier shall at a minimum communicate the organization’s procedures for the implementation of the applicable requirements in in this Annex.</p>
<p>1.2.5) The responsible personnel shall demonstrate awareness of the organization’s procedures for the implementation of the VDF palm oil protocol requirements.</p>	<p>Responsible personnel shall demonstrate awareness of the procedures applicable to their responsibilities in respect of the applicable requirements in this Annex.</p>
<p>1.2.6) The supplier shall have a protocol for the identification of non-compliance (including externally</p>	<p>The supplier shall have a documented protocol for handling non-compliances related to deforestation-free and peat</p>

	raised grievances) related to deforestation-free and peat conversion-free supply chains or agree to the Unilever palm oil grievance and non-compliance process. In the case of non-compliance, the supplier shall make sure that the non-compliance is appropriately followed-up.	conversion-free supply chains as well as for any non-compliances raised by Unilever. In the case of non-compliance shall make sure that the non-compliance is appropriately followed-up.
2) SUPPLY CHAIN MANAGEMENT		
2.1) Supplier Management	2.1.1) The supplier shall have due diligence processes in place for the selection of direct and indirect suppliers.	The supplier shall maintain a list of approved suppliers. Due diligence processes are maintained by Unilever.
	2.1.2) The supplier shall establish and maintain up-to-date records of all its direct suppliers supplying the Unilever palm oil supply chain. This shall specifically include: a) identification of the supplier (e.g. name, address, other relevant information); b) if applicable, the supplier's certificate number and supply chain model (RSPO, ISCC).	The supplier shall demonstrate compliance with this requirement.
	2.1.3)	N.A.
	2.1.4) The supplier shall establish a mill list (agreed mill list) <i>(not applicable for Type 2(a) directed supplier)</i> .	The supplier is required to maintain an agreed mill list.
	2.1.5) The agreed mill list shall be contractually documented with Unilever <i>(not applicable for Type 2(a) directed and Type 2(b) non-directed supplier)</i> .	The supplier shall demonstrate compliance with this requirement.
	2.1.6) the supplier shall have documentation available demonstrating that communication and transparency are maintained between the supplier, its suppliers, and other stakeholders. For the <i>Type 2(b) non-directed supplier</i> such	The supplier shall demonstrate compliance with this requirement.

	documentation shall be available for all suppliers in the Unilever palm oil supply chain ranging from FFB source up to the Type 2(b) non-directed supplier.	
2.2) Certification	2.2.1) A supplier that is certified against another certification scheme shall demonstrate that volume is not inappropriately counted multiple times.	The supplier shall demonstrate compliance with this requirement.
	2.2.2) Where the material is sold to Unilever as RSPO certified, the supplier shall have evidence (in line with the RSPO Sustainable Palm Oil Supply Chain Certification Standard requirements) that any certification claim made is valid and complies with the certification program requirements.	It is recommended that the supplier delivers palm oil products as RSPO certified. When the palm oil is supplied as RSPO certified, the supplier shall demonstrate that the organization has a valid RSPO certificate, identifies RSPO certified products as such on the sales documentation, and has addressed RSPO audit findings where necessary.
3) SEGREGATION REQUIREMENTS		
3.1) Product Segregation	3.1.1) The supplier shall have complete and up-to-date records available that demonstrate compliance with the VDF palm oil protocol Product Segregation requirements.	The supplier shall demonstrate compliance with this requirement. If the supplier only delivers VDF 100% palm oil, compliance can be demonstrated with evidence that no non-VDF palm oil products have been received. Unilever will calculate the VDF % claim.
	3.1.2) The supplier shall implement the VDF palm oil protocol Product Segregation requirements at the level of a single physical site for all processes up to and including the PoS.	The supplier shall demonstrate compliance with this requirement.
	3.1.3) The supplier shall identify one or more PoS where all VDF volume is physically stored.	The supplier shall identify one or more PoS and physically store all volume from the agreed mill list here.

	3.1.4) The supplier shall contractually document the identified PoS with Unilever.	The supplier shall demonstrate compliance with this requirement.
	3.1.5)	N.A.
	3.1.6) The supplier shall have a system in place that is designed to ensure no intermixing occurs between volume from the agreed mill list and volume from other mills up until the PoS.	The supplier shall demonstrate compliance with this requirement.
	3.1.7) The supplier shall identify and record all critical control points where there is a risk of uncontrolled mixing or substitution between palm oil volume from the agreed mill list and that of other mills, including outsourced activities (e.g. subcontracts for storage, transport, or others).	The supplier shall demonstrate compliance with this requirement.
4) TRACEABILITY TO PLANTATION REQUIREMENTS		
4.1) Traceability To Plantation	4.1.1) Up to 4.1.9).	Compliance with this chapter shall be ensured by Unilever. The supplier shall collaborate with Unilever to achieve compliance and shall have access to the results during the verification assessment.
5) DEFORESTATION AND PEAT CONVERSION LAND MONITORING		
5.1) Land Monitoring System	5.1.1) Up to 5.1.11).	Compliance with this chapter shall be ensured by Unilever. The supplier shall collaborate with Unilever to achieve compliance and shall have access to the results during the verification assessment.
6) RECORD KEEPING AND VOLUME RECONCILIATION		

6.1) Volume Recording	6.1.1) The supplier shall identify and document the main processing steps involving a change of material volume or weight and specify the conversion factor(s) for each processing step. Where measuring at each processing step is not feasible, the conversion factor for the total processing steps should be used.	The supplier shall demonstrate compliance with this requirement.
	6.1.2) The supplier shall specify and document the methodology for calculating the conversion factor(s) and ensure that conversion factors are updated when there are changes to the production process and at least once a year.	The supplier shall demonstrate compliance with this requirement.
	6.1.3) The supplier shall maintain up-to-date volume summaries (at least quarterly updated) demonstrating that the output quantities are compatible with the input quantities, the VDF % claim (<i>VDF % claim is not applicable for Type 2(a) directed supplier</i>), and the conversion factors.	The supplier shall maintain a volume summary (at least quarterly updated) demonstrating that the output quantities are compatible with the input quantities and the conversion factors. The VDF % claim is calculated by Unilever.
6.2) Mass Balance Accounting	6.2.1)	N.A.
7) VDF % CLAIM CALCULATION METHOD AND CLAIM TRANSFER		
7.1) VDF % Claim of the FFB Sources	7.1.1) Up to 7.1.3).	N.A.
7.2) Transfer of the VDF % Claim	7.2.1) The supplier shall share a VDF supplier declaration with Unilever, at least every quarter. The VDF supplier declaration shall include the following information per	The supplier has to share a volume declaration with Unilever, at least every quarter. The volume declaration has to include the following information per mill input and supplier output in the Unilever supply chain covering the applicable period:

	<p>delivery supplied in the Unilever supply chain or to Unilever covering the applicable period:</p> <ul style="list-style-type: none"> a) identification of the supplier (e.g. name, address, other relevant information); b) identification of the buyer (e.g. name, address, other relevant information); c) the period the VDF supplier declaration covers; d) product name and description; e) product quantity CPO or PKO; f) product output quantity; g) VDF % claim corresponding to the supplied volume per buyer; h) conversion factor from CPO or PKO to output product (<i>only applicable for Type 2(b) non-directed supplier</i>); i) information sufficient to link the transaction document (e.g. invoice) to the VDF supplier declaration. 	<ul style="list-style-type: none"> a) identification of the mill (e.g. name, address, other relevant information); b) identification of the buyer (e.g. name, address, other relevant information); c) the period the volume declaration covers; d) product name and description per input/output; e) product quantity CPO or PKO per mill input; f) product output quantity per buyer output; g) information sufficient to link the transaction document (e.g. invoice) to the volume declaration. <p>The VDF % claim is calculated by Unilever based on the provided data.</p>
8) IDENTIFICATION OF OUTPUTS		
<p>8.1) Transaction Documentation</p>	<p>8.1.1) The supplier shall ensure that there is a transaction document (e.g. invoice) available for outputs supplied in the Unilever supply chain, including the following information:</p> <ul style="list-style-type: none"> a) identification of the supplier (e.g. name, address, other relevant information) 	<p>The supplier shall demonstrate compliance with this requirement.</p>

	<ul style="list-style-type: none">b) identification of the buyer (e.g. name, address, other relevant information)c) the date the document was issued;d) product description;e) product quantity;f) if separate transport documents are issued, information sufficient to link the transaction document and related transport documentation to one another.	
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ANNEX VI: INDEPENDENT VERIFICATION ASSESSMENT CHECKLIST

VERIFICATION ASSESSMENT DETAILS			
Verified supplier		Verification assessment date	
Role in the supply chain		Verifier / verification body	
Address / location			

Topic	Requirements	Compliance (Y/N/NA)	Findings and evidence
1) QUALITY MANAGEMENT SYSTEM			
1.1) Commitment	1.1.1) The supplier shall have a documented policy or commitment to not source from deforested and peat-converted land after 31 December 2015.		
1.2) Management System	1.2.1) Complete and up-to-date procedures shall be available covering the implementation of the applicable requirements of the VDF palm oil protocol.		
	1.2.2) The supplier shall demonstrate how roles and responsibilities for compliance with the VDF palm oil protocol are established within the Unilever supply chain. This shall specifically include: a) the agreed PoS (<i>not applicable for Type 2(a) directed supplier</i>); b) the agreed mill list and/or supplier list; c) collection of TTP data (<i>not applicable for Type 2(a) directed supplier</i>);		

	<p>d) implementation of a land monitoring system, ensuring that the supply bases are monitored on deforestation and peat conversion from 31 December 2015 (<i>not applicable for Type 2(a) directed supplier</i>);</p> <p>e) calculation and communication of the VDF % claim (<i>not applicable for Type 2(a) directed supplier</i>).</p>		
	<p>1.2.3) The supplier shall have identified person(s)/position having overall responsibility for and authority over the implementation and compliance with all applicable VDF palm oil protocol requirements and/or has identified in documented procedures the different responsibilities within the organization to ensure compliance with the requirements.</p>		
	<p>1.2.4) The supplier shall implement a training plan according to the qualifications and/or training measures defined for each procedure. At a minimum, the supplier shall communicate the organization's procedures for the implementation of the applicable VDF palm oil protocol requirements to the responsible personnel.</p>		
	<p>1.2.5) The responsible personnel shall demonstrate awareness of the organization's procedures for the implementation of the VDF palm oil protocol requirements.</p>		
	<p>1.2.6) The supplier shall have a protocol for the identification of non-compliance (including externally raised grievances) related to deforestation-free and peat conversion-free supply chains or agree to the Unilever palm oil grievance and non-compliance process. In the case of non-compliance, the supplier shall make sure that the non-compliance is appropriately followed-up.</p>		

2) SUPPLY CHAIN MANAGEMENT			
2.1) Supplier Management	2.1.1) The supplier shall have due diligence processes in place for the selection of direct and indirect suppliers.		
	2.1.2) The supplier shall establish and maintain up-to-date records of all its direct suppliers supplying the Unilever palm oil supply chain. This shall specifically include: a) identification of the supplier (e.g. name, address, other relevant information); b) if applicable, the supplier's certificate number and supply chain model (RSPO, ISCC).		
	2.1.3) The <i>Type 2(b) non-directed supplier</i> shall establish and maintain up-to-date records of all suppliers in the Unilever palm oil supply chain ranging from FFB sources up to Unilever. This shall specifically include: a) identification of the supplier (e.g. name, address, other relevant information); b) if applicable, the supplier's certificate number and supply chain model (RSPO, ISCC).		
	2.1.4) The supplier shall establish a mill list (agreed mill list) <i>(not applicable for Type 2(a) directed supplier)</i> .		
	2.1.5) The agreed mill list shall be contractually documented with Unilever <i>(not applicable for Type 2 supplier)</i> .		
	2.1.6) The supplier shall have documentation available demonstrating that communication and transparency are maintained between the supplier, its suppliers, and other stakeholders. For the <i>Type 2(b) non-directed supplier</i> such documentation shall be available for all suppliers in the		

	Unilever palm oil supply chain ranging from FFB source up to the Type 2(b) non-directed supplier.		
2.2) Certification	2.2.1) A supplier that is certified against another certification scheme shall demonstrate that volume is not inappropriately counted multiple times.		
	2.2.2) Where the material is sold to Unilever as RSPO certified, the supplier shall have evidence (in line with the RSPO Sustainable Palm Oil Supply Chain Certification Standard requirements) that any certification claim made is valid and complies with the certification program requirements.		
3) SEGREGATION REQUIREMENTS			
3.1) Product Segregation	3.1.1) The supplier shall have complete and up-to-date records available that demonstrate compliance with the VDF palm oil protocol Product Segregation requirements.		
	3.1.2) The supplier shall implement the VDF palm oil protocol Product Segregation requirements at the level of a single physical site for all processes up to and including the PoS.		
	3.1.3) The supplier shall identify one or more PoS where all VDF volume is physically stored.		
	3.1.4) The supplier shall contractually document the identified PoS with Unilever.		
	3.1.5) The supplier shall ensure and verify physical segregation by keeping clear procedures and records at the PoS, and from the plantation up to the PoS and shall strive		

	for 100% physical segregation of VDF volume from non-VDF volume.		
	3.1.6) The supplier shall have a system in place that is designed to ensure no intermixing occurs between volume from the agreed mill list and volume from other mills up until the PoS.		
	3.1.7) The supplier shall identify and record all critical control points where there is a risk of uncontrolled mixing or substitution between palm oil volume from the agreed mill list and that of other mills, including outsourced activities (e.g. subcontracts for storage, transport, or others).		
4) TRACEABILITY TO PLANTATION REQUIREMENTS			
4.1) Traceability To Plantation	4.1.1) The supplier shall have a robust due diligence system in place for the collection and validation of TTP information obtained from the mills included in the agreed mill list. This information shall demonstrate that the mills' supply bases are deforestation-free and peat conversion-free since 31 December 2015.		
	4.1.2) The supplier shall obtain, for each FFB source, the name of the estate/farm and applied certification system (if any).		
	4.1.3) The supplier shall obtain, for each FFB source, the following location data: <ul style="list-style-type: none"> • polygon maps of any estates in the form of shapefiles [.shp]; or • 2x2 kilometers (or smaller) grid cells that overlay concession boundaries of the supplying estate or 		

	<p>aggregated smallholder farms (grid cells should be obtained following Unilever's approved methodology); or</p> <ul style="list-style-type: none"> • GPS points (latitude, longitude). 		
	<p>4.1.4) The supplier shall obtain, for each FFB source, the following information about the supplied volumes:</p> <ol style="list-style-type: none"> FFB volumes or % volumes sold to the mill; total area of the FFB source (e.g. area of the estate); equivalent CPO and PKO being produced by the mill; the corresponding proportion of the total mill production. 		
	<p>4.1.5) An SOP shall be in place for the collection validation of TTP information received from the mills.</p>		
	<p>4.1.6) In the cases where an external party collects TTP data, the external party's processes for the collection and/or validation of TTP information, summary reports, and/or other outputs delivered shall be made available during the verification assessment.</p>		
	<p>4.1.7) In the case a supplier runs data validation processes and selects a sample of their third-party mills to verify the mill's self-reported data, the supplier shall justify the approach undertaken for the mill sampling approach. The approach shall consist of a clear risk assessment and/or selection process enabling prioritization of certain third-party mills over others.</p>		
	<p>4.1.8) In the case the supplier or a third party performs field visits to verify traceability information, evidence of field visits shall be recorded.</p>		

	<p>4.1.9) In the case the <i>Type 2(b) non-directed supplier</i> buys volume from a supply chain including a Unilever recognized Type 1 supplier, the Type 2(b) non-directed supplier does not have to demonstrate compliance with the VDF palm oil protocol Traceability To Plantation requirements for the volume sourced from a supply chain including the Unilever recognized Type 1 supplier, provided that the following information shall be available:</p> <ul style="list-style-type: none"> a) a copy of a valid verification statement of the Type 1 supplier; b) evidence of the proportion of the overall agreed mill list production that the volume corresponds to; c) corresponding VDF % claim. 		
5) DEFORESTATION AND PEAT CONVERSION LAND MONITORING			
5.1) Land Monitoring System	5.1.1) The land monitoring system shall cover all FFB sources from the mills included in the agreed mill list, both from the supplier’s operations and third-party sources.		
	5.1.2) The land monitoring system shall provide regular monitoring reports (weekly and no less regularly than quarterly).		
	5.1.3) The land monitoring system shall be accompanied by a clear process for verifying incoming alerts on deforestation or peat conversion.		
	5.1.4) In the case of incoming alerts from supplier directly managed mills, the incoming alerts process shall include at a minimum on-the-ground observation and response to clearing or fires in the areas managed.		

	<p>5.1.5) In the case of incoming alerts from third-party mills, the incoming alerts process shall include at a minimum on-the-ground observation and geospatial monitoring.</p>		
	<p>5.1.6) The land monitoring system shall cover monitoring from 31 December 2015 to the present.</p>		
	<p>5.1.7) The supplier shall indicate the type of land monitoring system used. The type of monitoring shall be specified and should include: (1) geospatial monitoring, and/or (2) field visits.</p> <ul style="list-style-type: none"> • Land monitoring may be performed using a geospatial monitoring system. For geospatial monitoring one or more data sets (for example, but not limited to Sentinel, Nasa’s Landsat, National Satellite Monitoring Systems) with high-resolution images (at least 1.5-meter resolutions) shall be used and, where a supplier has this information available, should include base layers of HCS and HCV areas. • Land monitoring may be performed via the implementation of regular field visits to the FFB sources. In that case, the supplier shall demonstrate having conducted field visits since the cut-off date of 31 December 2015, or other evidence demonstrating that no deforestation or peat conversion occurred since the cut-off date. 		
	<p>5.1.8) The supplier shall have a system in place for gathering demonstrable evidence that supplying farmers or supplying estates did not perform any plantings on peat or conversion of peat regardless of depth following 31</p>		

	<p>December 2015 and that there is a best management practice for existing plantations on peat.</p>		
	<p>5.1.9) The supplier should demonstrate evidence for smallholder FFB suppliers that no deforestation and peat conversion occurred after 31 December 2015 within the village jurisdictional boundary and a risk assessment should be in place demonstrating a low-risk of third-party sourcing from non-compliant smallholders.</p>		
	<p>5.1.10) For any estate/farm planted on peat, mills shall have a time-bound peat management plan which follows RSPO best management practices (including water level management and measurement requirements). This management plan should be implemented, monitored, recorded, and evaluated by trained personnel or other external stakeholders.</p>		
	<p>5.1.11) In the case the <i>Type 2(b) non-directed supplier</i> buys volume from a supply chain including a Unilever recognized Type 1 supplier, the Type 2(b) non-directed supplier does not have to demonstrate compliance with the VDF palm oil protocol Land Monitoring System requirements for the volume sourced from a supply chain including the recognized Type 1 supplier, provided that the following information shall be available:</p> <ul style="list-style-type: none"> a) a copy of a valid verification statement of the Type 1 supplier; b) evidence of the proportion of the overall agreed mill list production that the volume corresponds to; c) corresponding VDF % claim. 		

6) RECORD KEEPING AND VOLUME RECONCILIATION			
6.1) Volume Recording	6.1.1) The supplier shall identify and document the main processing steps involving a change of material volume or weight and specify the conversion factor(s) for each processing step. Where measuring at each processing step is not feasible, the conversion factor for the total processing steps should be used.		
	6.1.2) The supplier shall specify and document the methodology for calculating the conversion factor(s) and ensure that conversion factors are updated when there are changes to the production process and at least once a year.		
	6.1.3) The supplier shall specify and document the methodology for calculating the conversion factor(s) and ensure that conversion factors are updated when there are changes to the production process and at least once a year.		
6.2) Mass Balance Accounting	6.2.1) The supplier shall operate a material accounting system to record palm oil material data, including input quantities received and refined palm oil material output quantities supplied to Unilever. At a minimum this shall include the following information: a) inputs: product description and quantities of CPO or PKO (by volume or weight); b) outputs: product description and quantities of refined palm oil and/or material (by volume or weight); c) conversion factor from input (as CPO or PKO) to output.		
7) VDF % CLAIM CALCULATION METHOD AND CLAIM TRANSFER			

7.1) VDF % Claim of the FFB Sources	7.1.1) The supplier shall calculate the VDF % claim for all of the supply bases of a mill (per FFB source) included in the agreed mill list.		
	7.1.2) The supplier shall calculate the VDF % claim for each palm oil product (CPO and PKO) that is supplied to the next supply chain actor in the supply chain.		
	7.1.3) The supplier shall have complete and up-to-date records available that demonstrate how the VDF % claim is calculated for the input and output volume.		
7.2) Transfer of the VDF % Claim	<p>7.2.1) The supplier shall share a VDF supplier declaration with Unilever, at least every quarter. The VDF supplier declaration shall include the following information per delivery supplied in the Unilever supply chain or to Unilever covering the applicable period:</p> <ul style="list-style-type: none"> a) identification of the supplier (e.g. name, address, other relevant information); b) identification of the buyer (e.g. name, address, other relevant information); c) the period the VDF supplier declaration covers; d) product name and description; e) product quantity CPO or PKO; f) product output quantity; g) VDF % claim corresponding to the supplied volume per buyer; h) conversion factor from CPO or PKO to output product (<i>only applicable for Type 2(b) non-directed supplier</i>); i) information sufficient to link the transaction document (e.g. invoice) to the VDF supplier declaration. 		
8) IDENTIFICATION OF OUTPUTS			

<p>8.1) Transaction Documentation</p>	<p>8.1.1) The supplier shall ensure that there is a transaction document (e.g. invoice) available for outputs supplied in the Unilever supply chain, including the following information:</p> <ul style="list-style-type: none"> a) identification of the supplier (e.g. name, address, other relevant information) b) identification of the buyer (e.g. name, address, other relevant information) c) the date the document was issued; d) product description; e) product quantity; f) if separate transport documents are issued, information sufficient to link the transaction document and related transport documentation to one another. 		
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