

# Welcome to your CDP Forests Questionnaire 2020

## F0. Introduction

### F0.1

**(F0.1) Give a general description of and introduction to your organization.**

#### **BACKGROUND**

Unilever makes & sells around 400 products in more than 190 countries which are used by some 2.5bn consumers worldwide every day. Brands include Lipton, Knorr, Dove, Rexona, Hellmann's & Omo. Our business is organised across 3 geographies: the Americas; Europe; & emerging markets. Total turnover in 2019 was €51.9bn, with 60% of growth from emerging markets.

#### **OUR PURPOSE**

Unilever's purpose is to make sustainable living commonplace which we believe is the best way to deliver long-term sustainable growth. We put sustainable living at the heart of everything we do, including our brands & products, our standards of behaviour & our partnerships which drive transformational change across our value chain. We have 2 main reporting channels: The Annual Report & Accounts (ARA), & the online Sustainable Living Report (SLR).

#### **DISCLOSURE**

For a number of years we have included environmental & social performance alongside financial performance in our ARA. The SLR is our means of reporting performance against the targets we set out in the Unilever Sustainable Living Plan (USLP). The USLP, launched in November 2010, sets out how we will achieve Our Vision. It covers our entire portfolio of brands & countries & has 3 time-bound Big Goals:

- To help more than a billion people take action to improve their health & well-being by 2020
- To Halve the environmental footprint of the making & use of our products as we grow our business\* (\*Our environmental targets are expressed on a 'per consumer use' basis) by 2030
- To enhance the livelihoods of millions of people as we grow our business by 2020.

Underpinning these goals are 9 commitments & a series of time-bound targets spanning our social, economic & environmental performance across the value chain. Unilever's environmental focus is on GHG, water, waste & sustainable agricultural raw material sourcing (as many of the raw materials we use for our products come from agriculture & forestry). By combining our actions with advocacy on public policy & working with partners, we are seeking to create fundamental change to whole systems & not just incremental improvements. These areas are 1) Taking action on climate change & forests 2) Championing sustainable agriculture, focused land use & livelihoods 3) Improving health & wellbeing & 4) Improving livelihoods & empowering women. We also provide a progress summary annually on our website for stakeholders to view. Further to that, we also communicate externally progress every year via local country websites.



In June 2020, we released new commitments to fight climate change and protect nature as part of our new integrated business strategy, the Compass which follows on from the USLP, coming to an end in 2020.

- Net zero emissions for all our products by 2039.
- A deforestation-free supply chain by 2023.
- Empowering a new generation of farmers and smallholders to protect and regenerate their environment.
- A new Regenerative Agriculture Code for all our suppliers.
- Water stewardship programmes to 100 locations in water-stressed areas by 2030.
- Investing €1 billion in a new Climate & Nature Fund, which will be used by Unilever’s brands over the next ten years to take meaningful and decisive action

**ASSURANCE**

PricewaterhouseCoopers LLP (PwC) scope for their assurance work on selected USLP & Environmental & Occupational Safety performance indicators can be found in the PwC Basis of Preparation 2019 document in the Independent Assurance & metrics section on our website, alongside their findings in the PwC Limited Assurance Statement for 2019 document.

**DISCLAIMER**

This CDP submission may contain forward-looking statements, including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as ‘will’, ‘aim’, ‘expects’, ‘anticipates’, ‘intends’, ‘looks’, ‘believes’, ‘vision’, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (the ‘Group’). They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

**F0.2**

**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	January 1, 2019	December 31, 2019

**F0.3**

**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

EUR

## F0.4

**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on. For each forest risk commodity selected, identify the stages of the supply chain which best represents your organization's area of operation.**

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Manufacturing	
Palm oil	Disclosing	Manufacturing	
Cattle products	Not disclosing	Manufacturing	<p>We are continuing to see a stronger preference for meat-free products and have been reflecting this in our portfolio. In December 2018 we finalised our purchase of the Vegetarian Butcher and in 2019, we have been expanding our range of vegan and vegetarian options through brands like Sir Kensington's, Ben &amp; Jerry's and Hellmann's. We have also recently built a 3-year partnership with the World Wildlife Fund (WWF) to promote 50 plant-based foods through our Knorr brand. We did not submit a response for Cattle products in our CDP submission for 2019 and are continuing with this approach for 2020. In previous years we overstated our dependency on cattle products for CDP Forests, due to difficulties in separating it out by brand across our portfolios. Previously, we had calculated revenue dependency across our whole Foods &amp; Refreshment portfolio which was not reflective of its use. Last year, we assessed the proportion of meat products in our portfolio and then assessed their dependency on cattle product specifically. In doing so, we found that in 2018, beef byproduct accounted for around 0.18% of our procurement volumes and was responsible for less than 0.5% of our total turnover. This amount of cattle byproduct (rather than product) in our portfolio is isolated to our Savoury portfolio. We also assessed our footprint relative to the total production of cattle in Brazil and estimate that our footprint equated to less than 0.01% of total cattle production from Brazil. Given our footprint and our sourcing of beef byproducts compared with fresh beef cuts, our impact and influence on the supply chain is limited. Although we are not a significant buyer of cattle products, traceability of our supply chain is of great importance to us, as it is across all of the ingredients</p>

			we source. Our Brazilian suppliers source from vertically integrated farms and therefore we know the region, slaughterhouse and farm where the cattle were raised. This allows Unilever to have assurance that the beef byproduct it sources from Brazil is not connected to deforestation. This therefore enables us to focus our attention on driving change at scale in the supply chains where we can be the most influential – soy, palm and timber. In the future, we anticipate sourcing even less beef byproduct due to trends and meeting the preferences of our consumers.
Soy	Disclosing	Manufacturing	
Other - Rubber	This commodity is not produced, sourced or used by our organization		
Other - Cocoa	Disclosing	Manufacturing	
Other - Coffee	Not disclosing	Manufacturing	98% of Unilever's forest-risk commodity exposure comes from Timber, Soy and Palm oil. Unilever sources a very small quantity of coffee for use in one market. Its use is limited to the Refreshment portfolio of our Foods & Refreshment division and accounts for 0.4% of our total procurement volume.

## F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

## F1. Current state

### F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

#### Timber products

---

##### Activity

Using as input into product manufacturing

Buying manufactured products  
Distributing/packaging

**Form of commodity**

Paper  
Boards, plywood, engineered wood  
Primary packaging  
Secondary packaging  
Tertiary packaging

**Source**

Trader/broker/commodity market  
Contracted suppliers (processors)  
Contracted suppliers (manufacturers)

**Country/Area of origin**

Argentina  
Australia  
Bolivia (Plurinational State of)  
Brazil  
Colombia  
Congo  
Côte d'Ivoire  
Ecuador  
Guatemala  
Honduras  
India  
Indonesia  
Kenya  
Malaysia  
Mexico  
Myanmar  
Nigeria  
Philippines  
Thailand  
Viet Nam

**% of procurement spend**

1-5%

**Comment**

Unilever purchases virgin paper and recycled fibre for use in in our paper and board packaging. Unilever uses virgin fibre when safety regulations demand it, otherwise we select the best quality material for the application for use in our food, home and personal care brands. For distributing/packaging, we source packaging from contracted suppliers (both processors and manufacturers), globally.

**Palm oil**

---

**Activity**

Exporting/trading  
Using as input into product manufacturing

**Form of commodity**

Crude palm oil (CPO)  
Crude palm kernel oil (CPKO)  
Palm oil derivatives  
Palm kernel oil derivatives

**Source**

Smallholders  
Single contracted producer  
Multiple contracted producers  
Trader/broker/commodity market  
Contracted suppliers (processors)

**Country/Area of origin**

Brazil  
Colombia  
Côte d'Ivoire  
Ecuador  
Ghana  
Guatemala  
Honduras  
Indonesia  
Malaysia  
Mexico  
Papua New Guinea  
Thailand

**% of procurement spend**

1-5%

**Comment**

Unilever purchases palm oil, palm kernel oil and palm fractions and derivatives for use in our food, home and personal care brands. We source palm oil from 20 countries of origin, and 95.08% of our core volume was physically certified in 2019 (RSPO Mass Balance, Segregated, or equivalent standard). We establish the origin of our materials, to the location of the palm oil mill, through a supplier declaration, which is required under our Sustainable Palm Oil Sourcing Policy. Our suppliers have declared a list of over 1600 mills to which we trace our palm oil materials in 2019 that is publicly available on our website.

Unilever Oleochemical Indonesia (UOI) facility in North Sumatra produces oleochemicals that we use in our own personal care products, and of which a small volume gets sold externally.

## Soy

---

### Activity

Using as input into product manufacturing

### Form of commodity

Soy bean oil

### Source

Trader/broker/commodity market

### Country/Area of origin

Argentina  
Bolivia (Plurinational State of)  
Brazil

### % of procurement spend

1-5%

### Comment

Unilever purchases soy oil mainly for our dressings business for brands such as Hellmann's and Sir Kensington's, which are part of our Foods & Refreshment division. In 2018, we sold our spreads business and in 2016, we sold our AdeS soy beverage in Latin America. Since then, we have stopped sourcing soy beans formerly used for the AdeS brand, though at the time of the sale, 100% of our soy bean sourcing met RTRS standards. We now mainly source soy oil for our dressings businesses.

## Other - Cocoa

---

### Activity

Using as input into product manufacturing

### Form of commodity

Other, please specify  
Cocoa

### Source

Trader/broker/commodity market  
Contracted suppliers (processors)  
Contracted suppliers (manufacturers)

### Country/Area of origin

Côte d'Ivoire  
Ghana  
Indonesia

### % of procurement spend

1-5%

### Comment

Unilever purchases cocoa mainly for our ice cream business for brands such as Magnum, Wall's and Ben & Jerry's

## F1.2

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	<b>% of revenue dependent on commodity</b>	<b>Comment</b>
Timber products	91-99%	The % of revenue dependent on each commodity is an approximation based on annual turnover for our Beauty & Personal Care, Food & Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources. Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use paper and board. Paper and board is widely used across all categories in some form ie box packaging, so we have selected >90% of revenue.
Palm oil	51-60%	The % of revenue dependent on each commodity is an approximation based on annual turnover for our Beauty & Personal Care, Food & Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources. Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use palm oil. Palm oil is used in Beauty & Personal Care, Home Care and Food & Refreshments. Based on this estimation, palm oil accounts for about 51-60% of revenue.
Soy	11-20%	The % of revenue dependent on each commodity is an approximation based on annual turnover for our Beauty & Personal Care, Foods & Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources. Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use it. Soy is only used in only a small amount of our Food & Refreshments portfolio, so the revenue is calculated as 11-20% of the total.
Other - Cocoa	11-20%	The % of revenue dependent on each commodity is an approximation based on annual turnover for our Beauty & Personal Care, Foods & Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources. Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use it. Cocoa is used



		by our Ice Cream portfolio and to a lesser extent in savoury products, so the revenue is calculated as 11-20% of the total.
--	--	---

## F1.5

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Cocoa	Consumption data available, disclosing

## F1.5a

**(F1.5a) Disclose your production and/or consumption data.**

---

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Volume**

0.85

**Metric**

Other, please specify  
million tonnes

**Data coverage**

Full commodity production/consumption

**Please explain**

---

**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Volume**

876,264

**Metric**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Please explain**

Full data: Figure covers all branded food and home and personal care product usage. Unilever consumes 876,264 metric tons for core volumes. Core volumes includes all volumes of palm oil and palm kernel oil, but excludes derivatives of palm fatty acid distillates, which are by-products of the refining process, and tail ingredients. Tail ingredients represent very small volumes in our products. We also exclude materials processed by third-party manufacturers. The volume excluded is around 17% of the total volume we purchase annually.

---

**Forest risk commodity**

Soy

**Data type**

Consumption data

**Volume**

0.28

**Metric**

Other, please specify  
tons soy oil (=\*5 tons soy beans)

**Data coverage**

Full commodity production/consumption

**Please explain**

---

**Forest risk commodity**

Other - Cocoa

**Data type**

Consumption data

**Volume**

72,600

**Metric**

Metric tons

**Data coverage**

Full commodity production/consumption

**Please explain**

**F1.5b**

**(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Timber products

**Country/Area of origin**

Argentina

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Misiones, Entre Rios, Corrientes

**% of total production/consumption volume**

2

**Please explain**

86% of our packaging carries an FSC or PEFC certification, with the balance primarily recycled. Municipality level information can be known by auditing chain of custody links to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this. Fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken & audited chain of invoices bearing the FSC/PEFC seals. While we cannot confirm the exact fiber source of an incoming shipment as fibers are mixed at various stages of processing, our paper & pulp sustainability team has the expertise & knowledge of important forestry regions in source countries (e.g. Misiones, Argentina) & can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states & municipalities & cross reference with commodity risk & supplier engagements. We are aware of municipalities (i.e. 2nd order administrative divisions) that pose an acute deforestation risk via our use of global land cover change detection alerting system, we cannot however directly compare these to our actual fiber sourcing with this level of spatial resolution. Unilever's focus is on ensuring that all suppliers are providing packaging with a full chain of custody by 2019, either through FSC or PEFC certification. On a quarterly basis, through the Global Traceability System, we contact our ~320 suppliers with a questionnaire to collect information on volumes, sustainability status and traceability to the country level. Our suppliers do not systematically provide us with information beyond country-level, so we do not have state or region information currently. That said, in 2019 we initiated a Tier 2+ supply chain mapping exercise with SGS to survey all suppliers with greater than 1k tons of virgin fiber delivered to Unilever. For virgin products, Chain of Custody certification (see further information) provides a mechanism for tracking certified material from the forest to the final product. It means we can be sure that the wood fibre

contained in the product can be traced back to certified forests. A forest certification provides reassurance of sustainable forest management at site. The requirement for certified Chain of Custody covers the complete supply chain: each stage of manufacturing from wood supply until finished product must be certified.

### **Forest risk commodity**

Timber products

### **Country/Area of origin**

Brazil

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Parana, Sao Paulo, Minas Gerais

### **% of total production/consumption volume**

8

### **Please explain**

86% of our packaging carries an FSC or PEFC certification, with the balance primarily recycled. Municipality level information can be known by auditing chain of custody links to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this. Fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken & audited chain of invoices bearing the FSC/PEFC seals. While we cannot confirm the exact fiber source of an incoming shipment as fibers are mixed at various stages of processing, our paper & pulp sustainability team has the expertise & knowledge of important forestry regions in source countries (e.g. Parana, Brazil) & can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states & municipalities & cross reference with commodity risk & supplier engagements. We are aware of municipalities (i.e. 2nd order administrative divisions) that pose an acute deforestation risk via our use of global land cover change detection alerting system, we cannot however directly compare these to our actual fiber sourcing with this level of spatial resolution. Unilever's focus is on ensuring that all suppliers are providing packaging with a full chain of custody by 2019, either through FSC or PEFC certification. On a quarterly basis, through the Global Traceability System, we contact our ~320 suppliers with a questionnaire to collect information on volumes, sustainability status and traceability to the country level. Our suppliers do not systematically provide us with information beyond country-level, so we do not have state or region information currently. That said, in 2019 we initiated a Tier 2+ supply chain mapping exercise with SGS to survey all suppliers with greater than 1k tons of virgin fiber delivered to Unilever. For virgin products, Chain of Custody certification (see further information) provides a mechanism for tracking certified material from the forest to the final product. It means we can be sure that the wood fibre contained in the product can be traced back to certified forests. A forest certification provides reassurance of sustainable forest management at site. The requirement for certified Chain of Custody covers the complete supply chain: each stage of manufacturing from wood supply until finished product must be certified.

---

**Forest risk commodity**

Timber products

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

0.6

**Please explain**

86% of our packaging carries an FSC or PEFC certification, with the balance primarily recycled. Municipality level information can be known by auditing chain of custody links to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this. Fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken & audited chain of invoices bearing the FSC/PEFC seals. While we cannot confirm the exact fiber source of an incoming shipment as fibers are mixed at various stages of processing, our paper & pulp sustainability team has the expertise & knowledge of important forestry regions in source countries & can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states & municipalities & cross reference with commodity risk & supplier engagements. We are aware of municipalities (i.e. 2nd order administrative divisions) that pose an acute deforestation risk via our use of global land cover change detection alerting system, we cannot however directly compare these to our actual fiber sourcing with this level of spatial resolution. Unilever's focus is on ensuring that all suppliers are providing packaging with a full chain of custody by 2019, either through FSC or PEFC certification. On a quarterly basis, through the Global Traceability System, we contact our ~320 suppliers with a questionnaire to collect information on volumes, sustainability status and traceability to the country level. Our suppliers do not systematically provide us with information beyond country-level, so we do not have state or region information currently. That said, in 2019 we initiated a Tier 2+ supply chain mapping exercise with SGS to survey all suppliers with greater than 1k tons of virgin fiber delivered to Unilever. For virgin products, Chain of Custody certification (see further information) provides a mechanism for tracking certified material from the forest to the final product. It means we can be sure that the wood fibre contained in the product can be traced back to certified forests. A forest certification provides reassurance of sustainable forest management at site. The requirement for certified Chain of Custody covers the complete supply chain: each stage of manufacturing from wood supply until finished product must be certified.

---

**Forest risk commodity**

Timber products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction****% of total production/consumption volume**

89.4

**Please explain**

86% of our packaging carries an FSC or PEFC certification, with the balance primarily recycled. Municipality level information can be known by auditing chain of custody links to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this. Fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken & audited chain of invoices bearing the FSC/PEFC seals. While we cannot confirm the exact fiber source of an incoming shipment as fibers are mixed at various stages of processing, our paper & pulp sustainability team has the expertise & knowledge of important forestry regions in source countries & can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states & municipalities & cross reference with commodity risk & supplier engagements. We are aware of municipalities (i.e. 2nd order administrative divisions) that pose an acute deforestation risk via our use of global land cover change detection alerting system, we cannot however directly compare these to our actual fiber sourcing with this level of spatial resolution. Unilever's focus is on ensuring that all suppliers are providing packaging with a full chain of custody by 2019, either through FSC or PEFC certification. On a quarterly basis, through the Global Traceability System, we contact our ~320 suppliers with a questionnaire to collect information on volumes, sustainability status and traceability to the country level. Our suppliers do not systematically provide us with information beyond country-level, so we do not have state or region information currently. That said, in 2019 we initiated a Tier 2+ supply chain mapping exercise with SGS to survey all suppliers with greater than 1k tons of virgin fiber delivered to Unilever. For virgin products, Chain of Custody certification (see further information) provides a mechanism for tracking certified material from the forest to the final product. It means we can be sure that the wood fibre contained in the product can be traced back to certified forests. A forest certification provides reassurance of sustainable forest management at site. The requirement for certified Chain of Custody covers the complete supply chain: each stage of manufacturing from wood supply until finished product must be certified.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Para - Acara, Tailandia

**% of total production/consumption volume**

1.08

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Brazil, we source from Para region alone.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Meta - Aracias, Barranca de Upia, Cabuyaro, Cumaral, Fuente de Oro, Mapiripan, Puerto Gaitan, Puerto Rico, San Carlos de Guaroa, San Martin, Villavicencio

**% of total production/consumption volume**

1.4

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website In Colombia, we source from Antioquia, Bolivar, Casanare,

Cesar, Cundinamar, Magdalena, Meta, Narino, Norte de Santander, Santander, Valle de Cauca – majority of these mills sits in Meta (34%), Cesar (15%), Santander (12%).

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Côte d'Ivoire

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Bas-Sassandra - San-Pedro

**% of total production/consumption volume**

0.11

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Cote d'Ivoire, we source from regions Bas-Sassandra and Comoe - 57% of these mills sit in Bas-Sassandra and 43% sits in Comoe.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Ecuador

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Esmeraldas - Esmeraldas, Quinde

**% of total production/consumption volume**

0.03

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO



PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Ecuador, we source from regions Esmeraldas and Santo Domingo de los Tsachilas - 67% of these mills sit in Esmeraldas and 33% sits in Santo Domingo de los Tsachilas

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Guatemala

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
 Peten - Las pozas, Sayaxche

### **% of total production/consumption volume**

2.95

### **Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Guatemala, we source from Alta Verapaz, Escuintla, Izabal, Petén, Quezaltenango - majority of these mills sit in Alta Verapaz (21%), Escuintla, Izabal (28%) and Petén (35%).

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Honduras

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Colon - Bonito Oriental, Saba, Tocoa, Trujillo

**% of total production/consumption volume**

0.14

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Honduras, we source from regions Atlántida, Colón, Cortés, Yoro - majority of these mills sit in Colón (50%), Atlántida (25%), and Yoro (17%).

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Aceh - Aceh Barat, Aceh Jaya, Aceh Singkil, Aceh Tamiang, Aceh Timur, Aceh Utara, Bireuen, Nagan Raya, Subulussalam

**% of total production/consumption volume**

1.88

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all

the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. 4% of the Indonesian mills we source from sit in Aceh.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity. Aceh is one of our priority landscapes where we signed an Memorandum of Understanding (MoU) with IDH Sustainable Trade Initiative in 2019 to implement a jurisdictional programme.

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Indonesia

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Kalimantan Tengah - Barito Timur, Barito Utara, Gunung Mas, Kapuas, Katingan, Kotawaringin Barat, Kotawaringin Oriental, Kotawaringin Timur, Lamandau, Seruyan, Sukamara

### **% of total production/consumption volume**

10.2

### **Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. 10% of the Indonesian mills we source from sit in Central Kalimantan.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing

commodity. Kalimantan Tengah (Central Kalimantan) is one of our priority landscapes where we work with Yayasan Penelitian Inovasi Bumi (INOBU) to implement a jurisdictional programme from 2019-2021.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Riau - Bengkalis, Dumai, Indragiri Hilir, Indragiri Hulu, Kampar, Kuantan Singingi, Pekanbaru, Pelalawan, Rokan Hilir, Rokan Hulu, Siak

**% of total production/consumption volume**

10.05

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. 21% of the Indonesian mills we source from sit in Riau.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity. Riau is one of Unilever's landscape of interest where we are keen to implement programmes from a jurisdictional approach.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Sumatra Utara - Asahan, Batu Bara, Deli serdang, Karo, Labuhanbatu, Langkat, Mandailing Natal, Padang Lawas, Padang Lawas Utara, Serdang Bedagai, simalungun, Tapanuli Selatan, Tapanuli Tengah

**% of total production/consumption volume**

18.07

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. 18% of the Indonesian mills we source from sit in North Sumatra.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity. Sumatera Utara (North Sumatra) is one of our priority landscapes where we work with Conservation International to implement a jurisdictional programme from 2019-2022.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Banagka Belitung - Bangka, Bangka Barat, Bangka Selatan, Bangka Tengah, Belitung, Belitung Timur

**% of total production/consumption volume**

0.58

### Please explain

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity

### Forest risk commodity

Palm oil

### Country/Area of origin

Indonesia

### State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Bengkulu - Bengkulu Selatan, Bengkulu Tengah, Bengkulu Utara, Kaur, Mukomuko, Seluma

### % of total production/consumption volume

1.73

### Please explain

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly

available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Indonesia

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Jambi - Batang Hari, Bungo, Marangin, Muaro Jambi, Sarolangun, Tanjung Jabung, Tebo

### **% of total production/consumption volume**

3.28

### **Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

### **Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Kalimantan Barat - Bengkayang, Kapuas Hulu, Kayong Utara, Ketapang, Kubu Raya, Landak, Melawi, Pontianak, Sambas, Sanggau, Sekadau, Sintang

**% of total production/consumption volume**

2.96

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Kalimantan Selatan - Banjar, Barito Kuala, Hulu Sungai Selatan, Kota Baru, Tabalong, Tanah Bumbu, Tanah Laut, Tapin

**% of total production/consumption volume**

1.82



### Please explain

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

### Forest risk commodity

Palm oil

### Country/Area of origin

Indonesia

### State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kalimantan Timur - Berau, Bulungan, Kutai Barat, Kutai Timur, Nunukan, Paser, Penajam Paser Utara, Tana Tidung

### % of total production/consumption volume

5.98

### Please explain

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly

available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Indonesia

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Lampung - Lampung Tengah, Lampung Utara, Mesuji, Metro, Tulang Bawang Bara, Way Kanan

### **% of total production/consumption volume**

0.1

### **Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

### **Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Sulawesi Barat - Mamuju, Mamuju Utara

**% of total production/consumption volume**

0.13

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Sulawesi Tengah - Banggai Buol, Donggala, Morowali

**% of total production/consumption volume**

0.23

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

For our Unilever Oleochemicals Indonesia (UOI) fractionation plant in Sei Mangkei, North Sumatra, Indonesia, we source palm oil from all over Indonesia for use in activities that include 1) refining & fractionation, 2) using as input into product manufacturing, and 3) retailing/onward sale of commodity or product containing commodity.

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Malaysia

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Sabah - Beaufort, Beluran, Keningau, Kinabatangan, Kota Marudu, Kunak, Lahad Datu, Pitas, Renau, Sandakan, Semporna, Tawau, Tenom, Tongod

### **% of total production/consumption volume**

20.13

### **Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

In Malaysia, we source from the regions Johor, Kedah, Kelantan, Melacca, Negeri Sembilan, Pahang, Penang, Perak, Sabah, Sarawak, Selangor, Trengganu. Majority of these Malaysian mills sit in Sabah (29%), Pahang (15%), Johor (15%) and Sarawak (16%). Sabah is one of our priority landscape where we work with WWF on jurisdictional programme from 2019-2023.

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Mexico

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Chiapas - Acapetahua, Ocosingo, Palenque, Villa Comaltitlan

### **% of total production/consumption volume**

0.37

### **Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Mexico, we source from regions Campeche, Chiapas, Tabasco, Veracruz - 67% of these mills sit in Chiapas.

### **Forest risk commodity**

Palm oil

### **Country/Area of origin**

Papua New Guinea

### **State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

West New Britain - Talasea

**% of total production/consumption volume**

3.78

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Papua New Guinea, we source from the regions Milne Bay, Morobe, New Ireland, Oro and West New Britain - 54% of these mills sit in West New Britain

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Thailand

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Surat Thani - Ban Na Doem, Chaiburi, Kanchanadit, Phanom, Phunphin, Prasaeng,  
Tha Chana, Tha Chang

**% of total production/consumption volume**

0.52

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance(RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website. In Thailand, we source from regions Phang Nga, Chumphon, Kanchanaburi, Krabi, Nakhon Si Thammarat, Pattani, Prachuap Khiri Khan, Surat Thani,

Trang, Trat – majority of these mills sit in Surat Thani (36%), Krabi (25%), Chumphon (14%).

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

**% of total production/consumption volume**

8.59

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance (RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

**Forest risk commodity**

Soy

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Araguari, Canápolis, Coromandel, Estrela do Sul, Perdizes, Prata, Presidente Olegário, Tupaciguara, Uberaba, Varjão de Minas, Uberlândia, Varjão de Minas

**% of total production/consumption volume**

8

**Please explain**

Working with our NGO partner Alianca da Terra, we have identified the soy origins for part of our Brazilian Supply chain and it originates in Minas Gerais. Last year, as part of our commitment to gain further visibility into our soy SC globally, we engaged all

soybean oil suppliers in a mapping initiative. The insights from this have helped us identify our forest-risk exposure and in 2020, we have been working with our suppliers to reduce this risk.

---

**Forest risk commodity**

Soy

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

**% of total production/consumption volume**

60

**Please explain**

Working with our partner Practical Farmers of Iowa, we have identified the soy origins for part of our US supply chain, and this originates from various counties in Iowa. Note that this % of volume consumption on applies to that originating from one supplier. It does not include volume coming from other low-risk countries.

---

**Forest risk commodity**

Other - Cocoa

**Country/Area of origin**

Côte d'Ivoire

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

79

**Please explain**

We buy around 1.5% of the global production of cocoa, mainly sourced from Côte d'Ivoire and Ghana. This is a relatively small proportion of the global production of cocoa, which means we cannot change these supply chains just by acting on our own. Partnerships and collaborations are an essential part of our approach. In particular, we work with suppliers through long-standing certification schemes, like Rainforest Alliance, Fairtrade and UTZ, to help manage risk and to audit our suppliers to monitor compliance. In addition, Unilever has partnered with 34 other companies as part of the Cocoa & Forest Initiative, to end deforestation and restore forest areas. To build on this commitment, we have already mapped 92% of our direct cocoa supply chain, together with our suppliers, to improve traceability and better understand where our cocoa comes from. This mapping will enable us to better define deforestation risk, and to identify issues on the ground that require remediation.



---

**Forest risk commodity**

Other - Cocoa

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

5

**Please explain**

We buy around 1.5% of the global production of cocoa, with a small percentage of this originating in Indonesia. This is a relatively small proportion of the global production of cocoa, which means we cannot change these supply chains just by acting on our own. Partnerships and collaborations are an essential part of our approach. In particular, we work with suppliers through long-standing certification schemes, like Rainforest Alliance, Fairtrade and UTZ, to help manage risk and to audit our suppliers to monitor compliance.

---

**Forest risk commodity**

Other - Cocoa

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

**% of total production/consumption volume**

16

**Please explain**

We buy around 15% of our cocoa from Ghana and a further 1% from other countries/areas.

---

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Sumatera Barat - Agam, Dharmasraya, Pasaman Barat, Pesisir Selatan, Sijunjung, Solok Selatan

**% of total production/consumption volume**

2.26

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance (RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Sumatera Selatan - Banyu Asin, Lahat, Muara Enim, Musi Banyuasin, Musi Rawas, Ogan Ilir, Ogan Komering Ilir, Ogan Komering Ulu, Ogan Komering Ulu Timu

**% of total production/consumption volume**

1.63

**Please explain**

Our suppliers have declared that the origin of our palm oil comes from 20 countries, 101 regions, and 339 districts/municipalities. Rainforest Alliance (RA-UTZ), using the RSPO PalmTrace system and undertakes traceability surveys on behalf of Unilever twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. Palm oil mills serve as a good proxy of the Fresh Fruit Bunch (FFB) supply shed. We are also compiling plantation/estate database associated to these mills which currently covers more than 15 million hectares of oil palm concession areas in these districts / municipalities. Our suppliers provide traceability information on RSPO certified volumes and non-certified volumes. This allows us to have visibility of all the mills in our supply chain to be able to assess and manage risk. Our lists of ~1,650 mills and ~130 refineries / oleochemical plants / kernel crushing plants is publicly available on our website.

---

**Forest risk commodity**

Soy

**Country/Area of origin**

Unknown origin

**State or equivalent jurisdiction**

**% of total production/consumption volume**

32

**Please explain**

Some of our suppliers have reported sourcing volume for their refining processes from multiple countries but were not able to provide us with these allocations. We are therefore unable to accurately allocate these volumes at the country/jurisdiction level.

## F1.6

**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

## F2. Procedures

### F2.1

**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

### F2.1a

**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Timber products**

---

**Value chain stage**

Direct operations  
Supply chain

**Coverage**

Full

**Risk assessment procedure**

Assessed as part of other company-wide risk assessment system

**Frequency of assessment**

More than once a year

### How far into the future are risks considered?

> 6 years

### Tools and methods used

Internal company methods

Global Forest Watch Pro

Other, please specify

Global Traceability Systems, (GTS), Google Earth Engine (technology pilot),

Transparency One

### Please explain

We have an integrated, company-wide risk assessment process across our direct operations & supply chain. We take an embedded approach with risk & opportunity assessment at the core of the leadership team agenda. We use our internal annual materiality assessment to identify sustainability issues & inform strategy. Sustainable sourcing is part of Reducing environmental impact big goal. As timber is a key commodity, we conduct regular risk assessments using questionnaires. These are managed by GTS to determine wood fibre sourced & sustainability status. The questionnaire covers chain of custody of fibre to country, declaration if materials are FSC/PEFC certified or recycled & includes verification by suppliers on sustainability. We use data from GFW to assess risk in regions we know supply global markets with fiber. This allows us to monitor conditions at the local level & share data through a centralized system. GFW alerts are often obscured by clouds so we are supporting the development of radar-based alerts that can penetrate cloud cover, resulting in faster detection & remediation of forest risks. We produce our questionnaire quarterly & report USLP performance (sustainable p&b) annually. This is assured by a 3rd party & we also have an internal assurance process for robustness. We monitor & assess change in sustainability status at a regional, national & supplier level. For suppliers with non-compliance issues, we use GTS to assess performance over time & guide action plans. GTS gives oversight of our supply chain, enabling us to track production & monitor safety & quality. Situation: Despite past efforts, gaps in visibility remained. Task: Develop methods to increase supply chain visibility. Action: In 2019 we initiated a supply chain mapping with SGS & Transparency One & began piloting the Google Earth Engine platform for global scale risk analysis for adoption in 2020. Result: This process discovered 125 Tier 2 suppliers & 405 upstream processing facilities, highlighting regions requiring attention. It also gave UL the tool to understand landcover dynamics. We are incorporating non-responses into the GTS tool in 2020 to collect additional origin info focused on suppliers handling "controlled wood" that previously resisted disclosure. We will also integrate origin disclosure into commercial contracts on a rolling basis as contracts are renegotiated.

## Palm oil

---

### Value chain stage

Direct operations

Supply chain

## Coverage

Full

## Risk assessment procedure

Assessed as part of other company-wide risk assessment system

## Frequency of assessment

More than once a year

## How far into the future are risks considered?

> 6 years

## Tools and methods used

Internal company methods  
External consultants  
Global Forest Watch Pro  
Jurisdictional/landscape assessment  
Other, please specify  
Rainforest Alliance for traceability

## Please explain

We have an integrated, company-wide risk assessment process covering our entire value chain, including our direct operations & supply chain. We take an embedded approach which puts risk & opportunity assessment at the core of the leadership team agenda. We use our internal annual materiality assessment to identify sustainability issues & inform the development of multi-year priorities & commitments such as our Unilever Sustainable Living Plan (USLP). Sustainable sourcing is part of Reducing environmental impact. Situation: As a key commodity, we conduct regular risk assessments on palm oil to a) secure supplies by reducing risk & volatility & b) Improve livelihoods & yields of smallholder farmers. Task: Due to the complexity & lack of visibility within the palm supply chain, we collaborate with established external consultants & use several tools to identify, assess & manage risk on an ongoing basis. We report our USLP performance (sustainable palm oil metric) annually. This is assured by a 3rd party & we also have an internal assurance process.

Action: We work with the World Resources Institute (WRI) & use GFW Pro to conduct risk assessments at mill level. GFW Pro provides geospatial analysis enabling monitoring of areas prone to deforestation & identifies mills located there. We engage Rainforest Alliance (RA)-UTZ to capture traceability information from suppliers & their suppliers, using PalmTrace & questionnaires. In H1 2019, we were 97% traceable to mill, with our mill list publicly published. This contributes to the public Universal Mill List, improving the reliability of mill data management & reporting within the industry. We are developing a NDPE assurance mechanism with AidEnvironment to assess & monitor progress on the implementation & compliance of our policy within our supply chain, including direct suppliers & their extended supply chain (mills). We also began piloting the Google Earth Engine platform for global scale risk analysis for full adoption in 2020. Result: We analysed these data with our external consultants Daemeter & Proforest & identified 50% of the mills in our supply chain to have low deforestation risk. We also identified Riau, Aceh, N. Sumatra, Central Kalimantan & Sabah as priority landscapes

due to high palm oil output volumes & proximity to critical ecosystems.

## Soy

---

### Value chain stage

Direct operations  
Supply chain

### Coverage

Full

### Risk assessment procedure

Assessed as part of other company-wide risk assessment system

### Frequency of assessment

More than once a year

### How far into the future are risks considered?

> 6 years

### Tools and methods used

Internal company methods  
External consultants  
National specific tools and databases  
Other, please specify  
Certifications (RTRS), Proterra

### Please explain

We have an integrated, company-wide risk assessment process across our direct operations & supply chain. We take an embedded approach, putting risk & opportunity at the core of the leadership team agenda. We use our annual materiality assessment to identify sustainability issues & inform development of the USLP. Sustainable sourcing is part of this. Our Sustainable Agriculture Code (SAC) & its implementation guidelines provides processes & rules guiding our risk assessments. Suppliers must conduct a risk-assessment to identify issues affecting farmers or supply chains as the 1st step of SAC. We also have an internal assurance process & conduct a corporate risk assessment for all soybean oil suppliers. This includes checks on supplier's soybean oil origins, no deforestation policies & programs in place to mitigate deforestation risk. We use specific tools & standards like RTRS & Proterra, to inform assessments in key soybean oil origins (US & Brazil). In the US, we use the FieldPrint Calculator at farm level. In Brazil, we use Trase. We also support & implement the RTRS standard & have since 2015. Certified farmers produced roughly 281,049t of deforestation-free soybean in 2019 in S Cerrado. The diagnostic tool helps farmers see forest risks in their land & together with ADT, create a plan to address them. This tool & program have contributed to protecting 28,000 ha of native vegetation in the Brazilian Cerrado Biome.

Situation: Several soy producing countries are experiencing deforestation & habitat conversion. In Brazil, forests are cleared for cattle use or soy production. Task: In 2019, we commissioned a global assessment of our exposure to deforestation risk through

Proforest & Sourcemap. Action: This followed a 3-step process; (1) designing & implementing a supplier survey to gather data on beans the supply chain; (2) categorizing, scoring & visualising info in dashboards & maps; & (3) engaging suppliers to identify & agree approaches to facilitate the delivery of deforestation-free beans to Unilever.

Response: 74% percent of our suppliers know the country of origin of the soybeans sourced for Unilever, attributed to 93% of 2019 volumes. Since this assessment we have been working with suppliers on solutions including moving sourcing from high to low risk origins in long supply chains & sourcing segregated certified volume from high risk origins.

## Other - Cocoa

---

### Value chain stage

Direct operations  
 Supply chain

### Coverage

Full

### Risk assessment procedure

Assessed as part of other company-wide risk assessment system

### Frequency of assessment

More than once a year

### How far into the future are risks considered?

> 6 years

### Tools and methods used

Internal company methods  
 Other, please specify  
 Rainforest Alliance, UTZ, FairTrade, IFOAM Organic Standards

### Please explain

We have an integrated, company-wide risk assessment process across our direct operations & supply chain. We take an embedded approach, putting risk & opportunity at the core of the leadership team agenda. We use our internal annual materiality assessment to identify sustainability issues & inform development of the USLP. Sustainable sourcing is part of this. Our Sustainable Agriculture Code (SAC) & its implementation guidelines provides processes & rules guiding our risk assessment for sourcing. Suppliers must conduct a full risk-assessment to identify issues affecting farmers or supply chains as the 1st step to implementing the SAC. For cocoa sourcing, Unilever sources certified Rainforest Alliance, UTZ, FairTrade & IFOAM Organic, all of which are deemed fully equivalent to the SAC.

Situation: Cocoa production provides income for millions but is also associated with deforestation, water impacts & human rights risks. Task: We buy a small proportion of the global production of cocoa which partnerships & collaborations are an essential part of our approach to drive change. Action: For years Unilever has worked with suppliers

to source certified cocoa & Ben & Jerry's worked with suppliers to achieve Fairtrade Certification for all its cocoa by 2014. Result: By 2019, 99% of the cocoa we needed for Magnum was from Rainforest Alliance Certified farms, & 89% of our cocoa overall was sustainably sourced.

In 2018, we became a signatory of the Cocoa & Forests Initiative (CFI) & have been working with suppliers to design & develop long-term landscape programs beyond certification. We aim to enhance the livelihoods of cocoa farmers while finding solutions to eradicate forest conversion. Each signatory company must publicly disclose an action plan with actions it will take to deliver the commitments set out in the Framework, including indicative technical & financial support. Each signatory will decide how best to support the achievement of the Framework commitments, based on their role in the supply chain, their corporate priorities, & their cocoa sustainability goals. Company action plans must include evidence such as high resolution satellite imagery to detect changes in near-realtime, high level & verified land use, environmental, & socio-economic KPIs; & annual publicly disclosed reporting on progress & outcomes related to the specific actions in the Frameworks.

## F2.1b

**(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?**

### Availability of forest risk commodities

---

#### Relevance & inclusion

Relevant, always included

#### Please explain

Changes in availability impact our ability to source sufficient materials for our products & their packaging, limiting fulfilment & future growth ambitions. For example, there may be only one supplier who met p&b packaging specifications set out by Unilever. We use p&b across all divisions therefore this could have a substantial impact on our operations. To manage the quantity of forest risk commodities, we drive transformational change so entire markets are sustainable & future demand is secured.

Tools: We invest in increasing the supply of sustainable commodities & monitor the impact of deforestation-risk commodities using a variety of risk-management & monitoring tools. These tools allows us to monitor conditions at the local level & share data through a centralized system, helping us understand where in our supply chain we are likely to experience availability risk.

How we use the information: Information related to limited availability would trigger internal decision-making such as forward buying of traded commodities & other hedging mechanisms to actively manage commodity price risk. Hedging of traded commodities allows us to buffer against fluctuations in commodity prices & seeking alternative raw materials & suppliers reduces our dependence on any single crop &/or supplier. This minimizes the disruptions to our business, keeping our products affordable to consumers due to cost savings in the long run. We also have contingency plans designed to secure alternative key material supplies where there are shortages.

Situation: For example, Unilever look at alternative oils for shortages to mitigate risk



from not having access to the volumes of sustainable palm kernel oil (PKO) derivatives. Task: Similarity in chemical composition of PKO & coconut oil (CNO) allows us to interchange the feedstock oil in some of the derivatives used for our Home care & Beauty & Personal care products. Action: Unilever are currently running R&D projects to enable flexible formulations of our products with CNO derivatives. Suppliers are vetted through the 'positive materials list' process which considers ability to meet sustainability policy requirements, performance against commitments over time & the product specifications. Results: If a supplier cannot be positively vetted, then alternative sources are explored/developed to mitigate against the risk of a single supplier.

## Quality of forest risk commodities

---

### Relevance & inclusion

Relevant, always included

### Please explain

Changes in availability of quality ingredients impacts our ability to source sufficient materials for our products & can also impact the cost of sourcing. For Paper & Board packaging for example, there may be only 1 supplier able to meet our specifications. A shortage in physically certified supply of suitable quality will mean challenges in meeting required volumes by our brands & therefore meeting our sustainable sourcing commitments.

Tools: Quality of our sourced commodities is checked by our R&D team before we proceed with supplier contracts. Our key suppliers are externally certified against our Responsible Sourcing Policy & the quality of material received is regularly monitored. We also invest in increasing the supply of sustainable commodities & monitor the impact of deforestation-risk on commodities using tools such as the GFW tool. Purchasing ingredients that are certified under schemes such as FSC, PEFC, RSPO, or RTRS also assures the quality of sourced ingredients, alongside mitigating forest risk in our supply chain. These volumes have been subject to production in compliance with sustainability criteria. Additionally, we monitor weather trends & potential fluctuations in commodity prices due to shortages/excess in supply. This is an on-going process monitored daily at the market level.

How we use the information: Information on limited availability would trigger internal decision making on the need for alternative sources or the use of alternative suppliers. It is also important to increase the number of approved suppliers to diversify risk & ensure business continuity. Shortening the supply chain & being closer to suppliers is one way we can better control the quality of inputs into our products.

Situation/Task/Action: To shorten the supply chain, & ensure we had access to quality, sustainable & traceable palm oil & its derivatives, in 2017 we commissioned our own oleochemicals plant, Unilever Oleochemical Indonesia, to source directly from smallholder farmers & independent mills, & fractionate our own ingredients for our Home care & Beauty & Personal care products. Results: By the end of 2018, the factory had been certified for GMP+B2 (the first among Unilever factories) & had increased its capacity from 165,000mt p.a. to 180,000mt – ensuring the quality of the sustainable ingredients we needed were available to us for our products.

## Impact of activity on the status of ecosystems and habitats

---

### Relevance & inclusion

Relevant, always included

### Please explain

Conserving diverse ecosystems is essential to us: 1) it strengthens supply of ingredients & 2) it supports societies & economies. The loss of biodiversity carries risks by compromising nutritional security & reducing crop resilience. Unilever also relies on ecosystems & habitats for agricultural raw materials for our products. Sustainable sourcing is one of our Reducing environmental impact pillars.

Tools: All key raw agricultural materials are assessed against our Sustainable Agriculture Code (SAC) annually. Protecting biodiversity is key to our Sustainable Agriculture Programme. The 3rd-party sustainability certification schemes we use, including RA, RSPO, RTRS, FSC & PEFC, share these aims too. The SAC & certification schemes are also supplemented with GFW information.

One of the principles in our Programme is 'Ensuring adverse effects on biodiversity from agricultural activities are minimised & positive contributions are made where possible'.

Biodiversity is also 1/11 core indicators we use to measure sustainable farming practices & our SAC has a chapter devoted to biodiversity. It covers both ecosystem services & protection of rare & vulnerable species & ecosystems on/around farms.

How we use the information: Together with the tools such as GFW, we identify suppliers in high-risk areas prone to deforestation & negative environmental impact & work with them to develop management & operational practices. We also use the information to source preferentially from suppliers & jurisdictions that show effort & commitments in sustainable development e.g. Central Kalimantan for palm. Knowledge related to supplier-associated risks aids supplier selection.

Situation: We set sustainable sourcing targets under the Unilever Sustainable Living Plan (USLP) back in 2010. Task: Having such targets in place means there is tracking & progress reported against the SAC. Each sourcing target has a Basis of Preparation outlining the calculation methodology for assessing progress i.e. scope, exclusions etc.

Action: Each year, our sourced volumes are assessed against the criteria set out in the SAC to ensure compliance. Results: In 2019, timber, palm, soy & cocoa each achieved 80% or more sustainably sourced volumes, meaning they were sourced from suppliers certified to be sustainable & not degrading ecosystems & habitats (according to the SAC).

## Regulation

---

### Relevance & inclusion

Relevant, always included

### Please explain

Unilever are subject to national & regional laws & regulations in diverse areas i.e. product safety & the environment. Governments may act to reduce climate change through carbon taxes or zero net deforestation policies for example. In 2019, 3% of Unilever's taxes paid were sustainability taxes (e.g. packaging, energy). Failure to

comply with laws & regulations could expose us to damages, fines & criminal sanctions. Regulation also impacts supply & demand of our products containing these commodities & also the price.

Tools: Regulatory & legal risks (current & emerging), are identified & evaluated via an annual viability assessment across our operations & supply chains. As part of our Risk & Control Framework, we track current & emerging climate legislation & reflect on whether the risk remains relevant, & the controls in place remain effective. We report findings in our Annual Report. The assessment identifies material risks to our business & its performance so we can take action - these are our principal risks & are those which could impact us within the next 2 yrs (i.e. short-term, under 3 yrs), or over the next 3-10 yrs (i.e. medium-term risks).

We have legal & regulatory specialists who monitor & review our practices to ensure we remain aware of, & in line with, all relevant legal obligations. For any issues, our Global Issues Management team works with the internal stakeholder to assess & implement the correct course of action. Procedures are in place to manage threats & opportunities in the areas of public policy, regulation & reputation management. For example, the EU Timber Regulation, which is being linked to the Forest Law Enforcement, Governance & Trade Action Plan (FLEGT), asks importers to prove the legality of the timber & timber products entering the EU. 98.4% of the 195k tons of fiber in the EU market comes with 3rd party certification & full chain of custody.

Situation: In 2019, Unilever took the decision to apply for the use of EU Ecolabel on product packaging for some homecare products. Task: According to Regulation (EC) No 66/2010, it is compulsory for palm derivatives used in the products to be RSPO certified, in order to be permitted the use of Ecolabel. Response: Our Homecare & Procurement teams ensured that palm materials were sourced sustainably & therefore compliant.

## Climate change

---

### Relevance & inclusion

Relevant, always included

### Please explain

Climate change may impact us through 1) Water shortages, reducing demand for our products, 2) increases in raw material & packaging prices or reduced availability, 3) government actions to reduce climate change such as the introduction of carbon taxes, increasing costs or reduced flexibility of operations, 4) Increased frequency of extreme weather (storms & floods) could increase incidences of disruption to our logistics.

Tools: Each year, we run our viability assessment & disclose impact to the business. Findings are reported in our Annual Report. Climate change risk continues to be identified as a principal risk to Unilever with physical & transition risk related to the sourcing of our forest-related commodities.

Situation: We know from our initial 2°C & 4°C degrees scenario analysis the most significant impacts of both would be in our supply chain so in 2018, we assessed the impact of climate change on soybean oil. Task: We selected soy based on its importance to Unilever (large purchased volume), it being a high-profile crop in the countries it is grown & the availability of good historical price data & suitable climate models. Action: Three modelling steps were performed: 1) We analysed multiple crop & climate models to provide a forecast expected yields in key regions 2) An econometric

model was developed, based on the soybean oil market & historical trends, to estimate climate-induced yield changes on future prices. This model considered the importance of co-products e.g. soybean meal, as well as the impact of yield on price. 3) Future yields & price impacts were then translated into an estimated financial exposure from climate change for our business, using our forecast procurement volumes. Results: Our analysis showed soybean yields may increase 2030-2050 time horizon & lower prices may lead to potential reductions in our procurement spend. While the results indicate low financial risk to our business, we need to consider a wider range of factors when determining our response. Indirect risks from climate change, such as extreme weather events or external policy response & adaptation could also have an impact but were not included in our modelling. Furthermore, these pilot results are specific to soy.

## Impact on water security

---

### Relevance & inclusion

Relevant, always included

### Please explain

Our commodity suppliers are factored into water risk assessments because their business is integral to our business.

Tools: We are engaging with our suppliers across our supply chain through the Unilever Sustainable Agriculture Code (SAC) and equivalent sustainability standards like RSPO, FSC and RTRS. Using resources from Water Footprint Network (WFN) & the Life Cycle Analysis (LCA) community, Unilever have also mapped water suppliers used to produce our agricultural & non-renewable materials, to understand key materials & locations of greatest risk.

The standards set out requirements for water use, irrigation management & catchment-level water conservation as well as provision for drinking water and sanitation for employees. Situation: Unilever suppliers & third parties are required to meet our SAC or equivalent standards, as well as our Responsible Sourcing Policy. Task: Our water risk assessments, conducted by growers using the SAC, factor in water management, including assessments of current water use, sustainable abstraction & use of surface & /ground water, water rights & permits. Results: In 2019, >3,000 water management plans were implemented by farmers using the SAC, which includes continuous improvement activities. Action: We are also working with our farmers to increase yields through using best-in-class varieties, or better soil & nutrient management, to reduce the water use per tonne of product produced.

## Tariffs or price increases

---

### Relevance & inclusion

Relevant, always included

### Please explain

The cost of the underlying commodities & materials can significantly affect the manufacturing costs of our products. Tariffs or price increases would affect our ability to source materials for our products, particularly certified materials which already have a premium. Government actions such as foreign exchange or price controls can impact on

the growth & profitability of our local operations. As an Anglo-Dutch company, Unilever could see an impact from Brexit & US trade negotiations, resulting in changes to tariffs & import costs in the coming years. Price increases over the long term may result in decisions to reformulate certain products for a substitute i.e. oils or, carry the increased cost on to the consumer, making it hard to stay competitive.

We need to balance sustainability commitments & business growth when price fluctuations cause significant increases in our operational costs.

Tools: Monitoring & modelling allows us to adapt our portfolio & respond quickly with new offerings suiting consumers changing needs. Risks are identified & evaluated via an annual viability assessment across our operations & supply chains. We use this to provide the estimated impact to the business. Findings are reported in our Annual Report. Supply chain risk continues to be identified as a principal risk to Unilever and a big part of that is the impact physical and transition risk related to the sourcing of our forest-related commodities.

How we use the information; We regularly update our forecast of business results & cash flows &, where necessary, rebalance investment priorities. Commodity price risk is actively managed through forward buying of traded commodities and other hedging mechanisms.

Situation: In 2019 India increased import tariffs on crude and refined palm oil (PO) to 40% and 50% respectively. Task: This makes it prohibitively expensive to import PO for manufacturing soap bars in our Indian factories, even after accounting for export levies from Indonesia and Malaysia. This, in addition to the premium we pay for certified materials, brings up our manufacturing costs significantly so we needed to find a way to manage the financial implications. Action/Response: To manage these cost increases, we have reformulated and switched manufacturing inputs from PO to alternative key materials e.g. importing palm derivatives or increasing local sourcing.

## Loss of markets

---

### Relevance & inclusion

Relevant, always included

### Please explain

Market is included under both the Brand Preference Principal Risk & Portfolio Management Principal Risk to Unilever. Our growth & profitability are determined by our portfolio of categories, geographies & channels & how these evolve over time. If Unilever does not make optimal strategic investment decisions taking supply chain risks & opportunities into account, then opportunities for growth & improved margin could be missed.

Tools: We systematically identify market-related risks & assess their materiality to our business through our viability assessment. We consider the impact of temperature increase, extreme weather events, & water scarcity for example on economic activity, GDP growth & sales. We monitor trends in raw material availability & pricing, & proactively reformulate our products where appropriate. We monitor governmental developments around actions to combat deforestation & act to minimise the impact on our operations.

Globally we have 30 People Data Centres focused on trends & local sentiment. These

insights drive innovation & marketing of our 400+ brands, enabling us to determine the type of products appealing to consumers & gauge the success of launches. By monitoring external market trends & consumer, customer & shopper insights, we are innovating existing brands, developing new brands & sometimes adding to our portfolio through acquisitions.

Situation: Consumer pressure related to the negative impacts of deforestation may result in loss of markets, impacting our ability to access our target consumers. This is current & an emerging issue for our business & its growth. Task: Concurrently, we notice an opportunity in plant-based products as consumers increasingly demand natural products.

Action: In 2019, we stepped up availability of our plant-based products including Hellmann's Vegan Mayonnaise & Sir Kensington's Vegan range. Response: The Hellmann's vegan mayonnaise variant is now on shelves in 20+ countries while Sir Kensington's ranges of mayonnaise & dressings grew strongly in the US, with the brand now double in size since it's acquisition. The Vegetarian Butcher entered a partnership with Burger King® to offer the Rebel Whopper® across 25 countries in Europe. Laundry brand Seventh Generation, based on renewable plant-based ingredients, grew strongly.

## Brand damage related to forest risk commodities

---

### Relevance & inclusion

Relevant, always included

### Please explain

Acting in an ethical manner, consistent with the expectations of customers, consumers & other stakeholders is essential for the reputation of Unilever & its brands.

Deforestation & human rights allegations related to forest-risk commodities can cause brand damage, so being aware of activities within our supply chain & any campaigns or negative media coverage is vital. Damage to our corporate & brands reputation may come through our sometimes complex supply chain for purchased commodities.

We monitor media & campaigns related to allegations against suppliers. Factoring this into our risk assessments across commodities ensures we can take appropriate actions, including directly engaging suppliers who breach our policies to ensure remedial action plans are in place.

Tools: We use multiple tools & information sources to monitor areas of high deforestation risks, including AidEnvironment, GFW Pro, WRI RADD Alerts & ongoing engagement with NGOs who have a strong field presence in at-risk landscapes. Our Issues Management Team use a number of tools such as SIGWATCH to monitor controversies daily, & respond where deemed appropriate (i.e. confirmed cases). All key raw agricultural materials we purchase are assessed & monitored across the value chain. Risks are associated with the way commodities are grown, produced & traded.

Situation: Significant data relating to breaches is reviewed by the Unilever Leadership Executive (ULE) & by relevant Board Committees, helping determine allocation of resources for future policy development, process improvement, training & awareness initiatives. Task: For our forestry commodities, we are driving transparency in the supply chains to better manage & mitigate environmental & social risks that impact our brands.

Action: For palm oil, we monitor allegations against our suppliers & report through our public Grievance Tracker. Response: Unilever remains one of the top scorers in various

industrial scorecards and ratings such as Oxfam's Behind the Brands, Gartner Supply Chain Top 25, WWF palm and soy scorecards. We were also ranked top global corporate sustainability leader in all geographical regions in 2019 GlobalScan-SustainAbility Leaders Survey, with the highest number of mentions from 47% of industry experts.

## Corruption

---

### Relevance & inclusion

Relevant, always included

### Please explain

Corruption is not necessarily specific to the sourcing of forest risk commodities, however if we do not protect our business from corruption, we cannot ensure compliance with laws & regulations, protect our brands & reputation, & prevent harm to people or the environment. Knowing our risk allows us to prioritize lower-risk suppliers & countries from which to focus our sourcing efforts.

Tools: Through our Responsible Sourcing (RS) program, applicable to all forest-risk commodities, suppliers based in high risk countries as per the external Verisk Maplecroft Risk assessment, are required to undergo independent 3rd-party audits against our RS Policy (RSP). Our Code of Business Principles & Code Policies outline how to conduct business & countering corruption is firmly incorporated. Our RSP is also aligned with our Code of Business Principles. Suppliers conforming to 2017 Sustainable Agriculture Code (SAC), which is our current version, are considered compliant with RSP. Suppliers in the highest risk segment undergo independent 3rd-party audits. Raw material or finished goods suppliers undergo on-site audits, while service suppliers undergo a remote audit. A supplier must provide a time-bound corrective action plan to address non-conformances & the auditor must confirm remediation has been effective in a follow-up audit within a 90-day period for the supplier to be RSP compliant. Back in 2018 we implemented a policy of "No RSP, no Purchase Orders" to emphasize the importance of compliance with RSP principles.

Situation: In 2016, we made the decision to disengage with a supplier due to them being in breach of our Sustainable Palm Oil Policy. Task: This indicated to us they posed a direct related risk to Unilever and it's reputation. Following the lift of the RSPO suspension on this same supplier, Unilever resumed sourcing from them in 2017 but closely monitored progress. Action: To counter the significant risk that non-compliance by third parties can pose, particularly in the context of increasing regulation around the world, we showed public support of section 54 of the Modern Slavery Act & the UN Guiding Principles on Business & Human Rights & their requirement for companies to 'know & show' how they are working with respect to human rights. Response: We publish a statement in response to the UK Modern Slavery Act on our website annually.

## Social impacts

---

### Relevance & inclusion

Relevant, always included

### Please explain

We know human rights abuses exist in the sectors & markets in which we operate. We're committed to respecting human rights, which means we need to understand what issues we face & where. We want to move away from a traditional 'compliance' to 'social sustainability'. We have developed a risk-based approach which we believe allows us to have the greatest impact in preventing & remediating human rights & labour issues in our supply chain.

Tools: Our Responsible Sourcing Policy (RSP) is based on 12 fundamental principles. We have a "No RSP, No PO" campaign in Unilever - all suppliers must complete a self-declaration regarding their compliance to the Mandatory Requirements of the RSP. We use externally available information from expert sources, such as SEDEX SMETA 6.0 (4 Pillar) & EcoVadis CSR to assess the level of supplier risk. Those in the highest segment are required to undergo independent 3rd-party audits. Raw material or finished goods suppliers undergo on-site audits, via our Understanding Responsible Sourcing Audit (URSA) or SEDEX SMETA 6.0 (4 Pillar). During the course of an audit, all non-conformances are recorded to indicate where a supplier does not align with our RSP. A supplier must provide a time-bound corrective action plan to address & remediate non-conformances & the auditor must confirm this has been carried out in a follow-up within 90 days.

Situation: In 2019, Unilever spent around €34 billion on goods & services. Our supply chain includes around 60,000 suppliers & plays a vital role in delivering our Unilever Sustainable Living Plan (USLP) ambitions. Task: Whilst this gives us a unique opportunity to champion ethical business practices, it also opens us up to substantial social supply chain risks i.e. corruption, child labour etc. It also means effective means of assessing & monitoring these risks can be costly & time consuming. Action: To ensure minimization of audit fatigue whilst carrying out due diligence, Unilever has been working with SEDEX over the last few years on the development of SMETA 6.0 (4 Pillar) to close gaps between previous versions of SMETA which were not accepted by us. Result: Sedex's updates to SMETA have included key elements of Unilever's RSP & URSA audit protocol, sharing best practice aspects of responsible business across the 150 countries covered by Sedex members. This is now one of Unilever's audit methods.

### Other, please specify

---

#### Relevance & inclusion

Not relevant, explanation provided

#### Please explain

All key issues are considered in the fields provided.

## F2.1c

**(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?**

### Customers

---

#### Relevance & inclusion

Relevant, always included



### Please explain

For the sake of CDP, our consumers are our customers. Situation: Our customers are one of our key stakeholders for whom we create value, so ensuring we are considering them in our forest-related risk assessments is imperative. We reach 2.5b consumers daily. Task: We reach them through our 3 categories – Beauty & Personal Care, Home Care & Food & Refreshments. Unilever puts sustainable living at the heart of its brands to inspire customers, grow sales & deliver on making sustainable living commonplace. Customers are more aware of the positive difference brands can make to social & environmental issues, & also the difference they themselves can make through their everyday shopping choices. This includes the preference for products containing (or excluding) certain forest-related ingredients, such as palm oil or soy. These preferences impact what products our retailers then choose to stock.

Action: Through our 30 people data centres, we analyse millions of enquiries through our Consumer Carelines each year. In 2019, we had over 3 million interactions with customers through calls, emails, letters, social media & webchats. We also consulted almost 2 million through our regular surveys using partners like Kantar, Nielsen & Ipsos. Result: The insights we get drive the innovation & marketing of our 400+ brands & help us give people the products they want. Our Marketing teams use this information to collaborate with R&D informing product development & strategy decisions. Unilever also engage customers through a number of channels & campaigns such as “Every U Does Good”. Our consumers can interact with our Sustainable Living brands & discover how their conscious consumption is supporting programmes implemented under Unilever Sustainable Living Plan (USLP). Customers are also encouraged to build positive habits around the use of our products & reduce the environmental footprint in their daily lives, for example by purchasing products with sustainability labelling such as FSC or PEFC. Action: We used insights to gauge the introduction of meat-free Knorr to support a shift towards plant-based lifestyles. Result: This allowed us to capture a segment of customers that had been excluded by meat-based sauces. The development of meat-free options, & our acquisition of the Vegetarian Butcher for example, reduce dependency on the need for cattle products as a commodity.

## Employees

---

### Relevance & inclusion

Relevant, always included

### Please explain

Our employees are one of our key stakeholders for whom we create value so ensuring we are considering them in our forest-related risk assessments is imperative. Our employees are the ones leading the sustainable sourcing agenda & know it best. Situation: Research shows millennials want to work for companies with a purpose beyond products & profits. Our activities have the potential to impact the livelihoods of millions who are involved in our value chain –notably smallholder farmers (SHF) & small-scale retailers. Task: Attracting & retaining talent is vital to Unilever’s value creation & our Purpose. The Unilever Sustainable Living Plan (USLP) is a key driver of trust among employees & potential recruits. Business growth ambitions will lead to increased raw materials consumed & in order to keep supply chain risk exposure low, our employees need to understand our sustainable sourcing policies & commitments,

translating them into actionable plans. Action: One of our USLP big goals is to enhance the livelihoods of millions of people as we grow our business by the end of 2020. Within the big goal sit our targets on Fairness in the Workplace, Opportunities for Women & Inclusive Business. We are currently coming to the end of the Plan but are setting out our new strategy, the Compass, launching late 2020. We currently have sustainability professionals embedded in the divisions, our Corporate centre & through sustainable sourcing & procurement who put the actionable plans into place, monitoring & tracking progress. Our Issues Management specialists also monitor external campaigns & activity to spot any forest-related risks to us. We create a culture where our employees are empowered to act like entrepreneurs & business owners, taking more ownership through collaboration, clarity of purpose, more test & learn approaches & embracing failure to gain insights. Results: 77% of Unilever employees believe sustainability is one of our strengths as a business which confirms our strategy is the right one. Action: In 2019, we enabled access to initiatives aiming to improve agricultural practices or increase incomes for 793,000 smallholder farmers and 1.8m small-scale retailers. Our annual programme, Unilever Heroes recognizes & celebrates employees who make effort to live by our values, making sustainable living commonplace, & embody the meaning of being part of Unilever.

## Investors

---

### Relevance & inclusion

Relevant, always included

### Please explain

Our shareholders are one of our key stakeholders for whom we create value so ensuring we are considering them in our forest-related risk assessments is imperative. Situation: By better understanding & responding to our supply chain risks across our value chain, we are making our business fit for the future & in turn impact share price & future growth. Task: Investors want information on how companies are addressing risks & opportunities & Unilever recognises the importance of disclosing this information, including that linked to the sourcing of our key commodities. Action: Unilever adopts the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations to enable market forces to drive efficient allocation of capital & support a smooth transition to a low-carbon economy. We have been implementing the recommendations in our Annual Report & in 2019, we piloted soy & black tea's inclusion in our scenario analysis. Our Unilever Sustainable Living Plan (USLP) delivers lower costs through waste, energy & packaging targets & lowers risk in our supply chain by securing sustainable supplies of critical materials i.e. palm oil. Delivering on all the above results in more trust from consumers & a stronger business for shareholders with lower risks & consistent, competitive & profitable long-term growth.

Banks now link ESG performance with interest rates, offering preferable rates to companies actively identifying & managing ESG risks. By submitting responses through tools such as CDP & Sustainalytics, we provide direct access to our sustainable sourcing information so they can accurately judge us against KPI's which are financially material to investors. Our performance in specific ratings & rankings is so important to our shareholders & our reputation, we tie our Management Co-Incentive Plan (MCIP) to our performance. We therefore monitor performance & annually reassess the ratings &

rankings landscape as part of our ESG strategy to assess whether we are contributing to the right ones for our investors. Results: In 2019, we were one of a handful of companies who achieved a triple A rating in CDP. We are also leader of the Personal Products sector in the annual DJSI assessment which comes with inclusion in a whole host of Indexes our investors invest in.

## Local communities

---

### Relevance & inclusion

Relevant, always included

### Please explain

Society (communities) are one of our key stakeholders for whom we create value so ensuring we are considering them in our forest-related risk assessments is imperative. Situation: Our supply chain gives us the opportunity to make a positive difference to the lives of many hundreds of thousands of people & to contribute to the SDGs. It also provides a lasting foundation for our growth. Task: The rights & titles to property & land of the individual, indigenous people & local communities need to be respected & we need to manage the way this is done through who we source from. As a company operating in 190+ countries, with tens of thousands of suppliers & communities all over the world touched by our value chain, we have a responsibility to advance human rights & build trust vital to our business success. Action: A pre-requisite of doing business with Unilever is to satisfy the mandatory requirements of our Responsible Sourcing Policy (RSP) & 'Land rights of communities, including indigenous people, will be protected & promoted' is Principle 11 of our Fundamental Principles. All negotiations with regard to property or land, including the use of & transfers of it, adhere to the principles of FPIC. By the end of 2016, around 5,500 suppliers had made a commitment to the RSP –& they represented about 2/3s of our procurement spend. In 2017 we therefore extended the RSP programme, bringing into scope all our production item suppliers & all our indirect procurement suppliers. At the same time, we started to improve & simplify our processes for registration, including our self-assessment questionnaire. We refined our risk evaluation & increased due diligence by providing new tools & guidance for our teams on how to identify & mitigate instances of possible bribery & corruption. Finally, we strengthened our approach to how we calculate & report compliance. In 2018 we introduced new verification & audit protocols for suppliers identified as representing a higher risk & in 2019, we began to align our spend & compliance systems to assess how suppliers are performing, both at the outset & in our ongoing relationships. Results: In 2019, 70% of our procurement spend was through suppliers meeting the Mandatory Requirements of our RSP. This gives us the confidence that they are also taking responsibility in aiming to ensure our supply chain risks are minimized.

## NGOs

---

### Relevance & inclusion

Relevant, always included

### Please explain

Stakeholder engagement & partnership is essential to grow our business & reach the targets set out in the Unilever Sustainable Living Plan (USLP). Situation: To tackle the climate crisis, we must protect high carbon ecosystems, like forests, peatlands & tropical rainforests, which are essential to meet the targets of the Paris Agreement. Task: We partner with NGOs to protect important landscapes under threat. NGOs are equipped with local knowledge & expertise, providing extended resources to have a bigger impact in the supply chain. We engage with NGOs 1) to ensure we focus on the issues that matter to society, 2) to ensure a lack of action on NGO concerns does not negatively affect our reputation, 3) to draw attention to key issues such as deforestation, & 4) as key partners in the implementation of our landscape restoration & smallholder projects. Action: Our partnerships are often led by our Global Partnerships & Advocacy team. We refresh our materiality analysis annually, ensuring we address evolving stakeholder concerns, including those of the NGO community. We also analyse NGO campaigns via SIGWATCH to spot any emerging forest-related risks i.e. human rights abuses. Our leadership engage NGOs & policymakers via our Advocacy team & directly to drive system change. Our ULE members, including those on the Board, each own relationships & advocacy themes. Our Chief Supply Chain Officer is part of the WEF community focused on supply chains for example. Result: In 2019, we teamed up with Conservation International (CI) to advance sustainable palm oil production through the Coalition for Sustainable Livelihoods (CSL), as well as through setting up direct projects for smallholder farmers in our supply chain. The CSL supports economic development, poverty reduction & natural resource management in the Indonesian provinces of N Sumatra & Aceh. With funding from us, CI is supporting local government in strengthening forest governance & restoration. According to the CSL's 2019 Workshop Report, the initial workshop brought 130 people together to discuss & agree shared objectives & activities for the coalition producing 2 significant outcomes- 1) strengthening CSL's role in bringing stakeholders together to support development & implementation of jurisdictional plans & 2) it solidified CSL's purpose as a platform driving collective action to advance shared goals.

### Other forest risk commodity users/producers at a local level

---

#### Relevance & inclusion

Relevant, always included

#### Please explain

Human rights abuses related to local producers can impact our direct supply chain which is why they are considered in our risk assessments.

Situation: Local growers & smallholder farmers can help us realise our growth ambitions by helping address unmet challenges while alleviating major social & environmental issues, such as deforestation, creating more opportunities for women & enhancing livelihoods & championing sustainable agriculture, focused land use & food security.

Task: Unilever relies on smallholders for a number of our key ingredients, such as palm oil. Smallholder integration into sustainable supply chains is a significant challenge, particularly for independent growers. Factors that prevent farmer inclusion are a lack of farmer aggregation, a lack of adequate support and incentives for certification, unclear land rights and a lack of replanting support.

Action: We decided to build stronger, closer connections to the smallholder farmers who

supply us, supporting & incentivizing the adoption of sustainable management & agricultural practices. Across all our smallholder programmes, we've helped more than 793,000 smallholder farmers access initiatives aiming to improve agricultural practices. In Palm, smallholders account for 40% of land under cultivation in Indonesia but contribute 30% to total palm oil. Over 60% of our palm materials are sourced from Indonesia so our project efforts are focused on Indonesian smallholders for maximum impact. One such project is with Yayasan Penelitian Inovasi Bumi (INOBU) to support the provincial government of Central Kalimantan, the district governments of Kotawaringin Barat and Seruyan through a jurisdictional approach to sourcing sustainable palm oil. The project includes restoring a riparian area with local communities. Our ground-level programs unite traditional extension approaches and digital technology.

Results: In 2017, the first 190 independent smallholder farmers in Kalimantan became RSPO and ISPO certified through this project. By end of 2019, over 1,000 farmers were certified. In the next phase from 2019-2021, INOBU will certify an additional 2,500 farmers on more than 5,000 hectares, with Unilever's support. "Production and protection" model can help prevent encroachment into the protected area and enable sustainable economic development for communities and businesses.

## Regulators

---

### Relevance & inclusion

Relevant, always included

### Please explain

We consider regulators in our forest-related risk assessments as they may take action to reduce climate change through the introduction of a carbon taxes or zero net deforestation requirements for example, impacting our business through higher costs or reduced flexibility of operations.

Situation: Compliance with laws and regulations is an essential part of Unilever's business operations. Unilever is subject to national and regional laws and regulations. We co-operate with & engage with governments, regulators & legislators, both directly & through trade associations, in the development of proposed legislation & regulation which may affect our business interests.

Task: Failure to comply with laws and regulations could expose Unilever to civil and/or criminal actions leading to damages, fines and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation. Regulators can also help drive our sustainable sourcing agenda by implementing changes to local laws and regulations i.e. jurisdictional approaches.

Action: Business integrity risks are included as part of our ethical and legal and regulatory principal risks. Our participation in policy discussions is varied, covering macro topics like deforestation and human rights, through to detailed product safety standards. We work in partnership with governments & other organisations to drive transformational change across society with initiatives to help realise the SDGs.

Together with EU's commitment to use 100% sustainable palm oil in food ingredients by 2020, we committed to source 100% sustainable palm oil for core volumes by the end of 2019.

Results: We fell just short of our target, achieving 95% sustainably sourced palm volumes. We also purchased 40,000 tonnes of RSPO independent smallholder credits from 30 smallholder groups.

## Suppliers

---

### Relevance & inclusion

Relevant, always included

### Please explain

Suppliers are part of our Societal (community) stakeholder group & our People stakeholder group, both of whom we create value for so ensuring we are considering them in our forest-related risk assessments is imperative. Suppliers are key to delivering Unilever's Vision of growing our business, whilst decoupling our environmental footprint from our growth & increasing our positive social impact.

Situation: Unilever work with thousands of suppliers & spend approximately €13b on ingredients & raw materials. Manufacturing operations across more than 300 factories & around 700 3rd-party manufacturers turn these materials into products. Task: Every day, we work with thousands of suppliers who are helping us achieve success in the countries where our products are sold. Our suppliers help us innovate, create value, capacity and capability, deliver quality and service and drive market transformation with responsible and sustainable living.

Action: Our Responsible Sourcing Policy (RSP) is a pre-requisite for doing business with Unilever. It is also at the center of our ambition to source 100% of procurement spend responsibly and through suppliers that meet our RSP requirements. In 2017, we relaunched our RSP programme to strengthen our approach and to drive an increase in the number of suppliers committing to the programme. The relaunch includes improved verification and remediation requirements, and antibribery and corruption compliance processes. We are focusing on addressing high risk issues in our supply chain and building capacity for our procurement function and our suppliers.

At the heart of our sustainable agriculture programme is our Sustainable Agriculture Code. We developed the Code to give us, and our farmers and suppliers, a set of rigorous standards which would spur on improvements across our supply chain. The revised SAC incorporates standards on Climate Smart Agriculture. Further risk assessment on individual crops and countries of origin will allow us to focus efforts on implementation of Climate Smart Agriculture. We are also committed to eliminating the deforestation associated with commodity supply chains, with a particular focus on sustainable palm oil production.

Results: In 2019, 70% of procurement spend was through suppliers who were assessed as meeting the mandatory requirements of the RSP. This increased from 61% in 2018.

## Other stakeholders, please specify

---

### Relevance & inclusion

Not relevant, explanation provided

### Please explain

All key stakeholders are reported in the selections made in this question.

## F3. Risks and opportunities

### F3.1

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Risk identified?
Timber products	Yes
Palm oil	Yes
Soy	Yes
Other - Cocoa	Yes

### F3.1a

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

**Determination:** We use our principal risks (all 14 included in pages 35-39 of our Annual Report and Accounts 2019) to identify scenarios which could force Unilever to cease being viable over a three-year period. Each year, we assess the cash flow impact a particular risk/mix of risks could have to the business based on the amount of cash held, our operating cash flows and the credit facilities available & their ability to affect the business operating & meeting its liabilities. Our time horizons are aligned with our forward-looking planning, set out in our three-year strategic plans and annual forecasts & our Boards assume overall accountability for the management of risk & reviewing the effectiveness of Unilever's risk management & internal control systems.

**Threshold:** In assessing viability, 'severe but plausible' scenarios based on our principal risks are considered and the definition we work with is 1% of our Group Turnover which was equal to €519m of turnover in 2019. We identify substantive financial impact in 2 ways:

- 1) assessing scenarios for each individual principal risk, for example the termination of our relationships with the three largest global customers; the loss of all material litigation cases; a major IT data breach or reputational damage from not progressing against our plastic packaging commitments, and the lost cost and growth opportunities from not keeping up with technological changes
- 2) assessing scenarios that involve more than one principal risk, for example a major global incident affecting one or more of Unilever's key locations resulting in an outage for a year in a key sourcing unit & significant water shortages in our key developing markets. All the principal risks could impact our business within the next two years (ie short-term risks), or could impact our business over the next 3-10 years (ie medium-term risks).

## F3.1b

**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

---

### Forest risk commodity

Timber products

### Type of risk

Regulatory

### Geographical scale

Global

### Where in your value chain does the risk driver occur?

Supply chain

### Primary risk driver

Regulatory uncertainty

### Primary potential impact

Increased production costs

### Company-specific description

Regulatory uncertainty and policy changes impact material availability and cost. For example, in the recycled packaging market in 2017, the supply of certified recycled materials in China changed dramatically as the Chinese government altered its policy regarding the import of recycled paper-based materials. Shortages of raw materials can increase the cost of sourcing packaging, which can be significant given the volumes Unilever buy, and can directly impact operations by forcing local procurement teams to switch suppliers or for R&D teams to quickly change packaging specifications based on different fiber sources, or engineering teams to modify packaging lines in factories. In 2019, we sourced 830K tonnes of paper and board for our products. Not being able to source the required recycled content would result in us having to buy non-sustainable supplies, resulting in reputational risks such as consumer market campaigns and supplier behaviour can also impact our brands and the demand for them. Physical risks such as changes in precipitation, forest fires, rising temperatures, and extreme weather events can affect forest growth and impact the availability of certified sources for our products in certain markets.

### Timeframe

1-3 years

### Magnitude of potential impact

Medium-low



**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact (currency)**

5,000,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial**

Our financial impact figure is based on the assumption that our annual cost of packaging spend is €0.1 billion. We assumed an increase of 5% spend based on the current premium of certified materials which could materialize based on the factors mentioned above. This impact could occur within a 1-3-year period, should Unilever make no attempt to manage it.

**Primary response to risk**

Engagement with suppliers

**Description of response**

By setting up our procurement teams to buy sustainable paper and board in the volumes we need, we ready ourselves for changes in regulation. Paper and board procurement teams have conducted gap analyses of our key suppliers in our key markets to understand where there are gaps in certification. These gaps were concentrated in markets in East Africa, Middle Americas, South Asia and South East Asia, where uncertified recycled material remained a high percentage of total volume. We then arranged subsequent calls to discuss strategies with the suppliers in these markets in order to close the gap on any uncertified supplies so we can ensure as much of our supplies as possible are sustainable. So far this approach has been successful, with % of uncertified recycled content decreasing to 7.5% in 2019, dropping from 14% in 2018. Our time frame for the response strategy to be fully implemented is from 2015 to 2022 however, it is projected that the % of uncertified recycled content will continue to decline reaching below 5% by 2020, meaning we may be able to close the gap ahead of 2022.

**Cost of response**

1,400,000

**Explanation of cost of response**

100% of this cost represents an annual recurring cost for the certified FSC or PEFC wood fibres in certain origins for which these materials carry a premium of up to 30 euro /ton due to their short supply vs uncertified materials. This figure excludes time and internal staffing resources used in supplier engagement and development of new and/or expanded sustainable sources with 3rd party certification

---

**Forest risk commodity**

Palm oil

**Type of risk**

Reputational and markets

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Negative media coverage

**Primary potential impact**

Brand damage

**Company-specific description**

Palm is one of our key agricultural raw materials and is present in many of our products because of its versatility. We consume around 0.8 million tonnes of palm and palm kernel oil and derivatives every year, predominantly in Home Care and Personal Care categories. NGO campaigns that link deforestation and palm oil cultivation to Unilever, our suppliers and our brands may lead to consumer boycotts of products containing palm oil, which will affect the sales of our products, damage brand value and impact shareholder value. We expect campaigns and boycott would have an impact on a relatively small part of our consumer base, mainly consumers who care about sustainability in developed markets. We estimate the financial impact on our business would be contained. To address negative campaigns, which occur with some frequency, we invest on an ongoing basis in program to source RSPO certified products and to increase the supply of certified sustainable palm oil, support the strengthening of the RSPO as an organization, investing in supply chain traceability and monitoring. We consider our company-wide approach to sustainability and our palm program to be effective responses in managing these reputation risks.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

**Potential financial impact figure - minimum (currency)**

99,000,000

**Potential financial impact figure - maximum (currency)**

165,000,000

**Explanation of financial**

We calculated the financial risk to the business from the boycott of palm should Unilever not respond to the risk. The following scenario has been used: 1) We assumed that 33% of consumers are buying products with sustainability in mind which is a statistic from our Making Purpose Pay study in 2015. We then used our estimated underlying sales growth (between 3-5%) which was the same for 2018 and for 2019 to determine the impact of that 33% on growth based on where consumer awareness is the highest (Europe and North America). 2) We then used turnover from Home Care and Personal Care (which are the 2 biggest palm using categories) as the denominator. The lower range we have provided is based on the impact on 3% of growth and the upper range is based on the impact on 5% of growth. This estimate is based on annual growth lost so over a prolonged period, we could see a potential impact of €165,000,000+.

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

In our Sustainable Palm Oil Sourcing Policy, we committed to achieve 100% sustainably sourced palm oil for our core volumes by end 2019. We have been increasing increasing purchased volumes of certified materials from all suppliers, including integrated suppliers, smallholder farmers (SHF) & state-owned palm enterprise PTPN. In 2019, we sourced 95% physically certified palm materials through a combination of segregated & mass balance supply, an increase from 67% achieved in 2018. We also purchased 40,000t of RSPO independent smallholder credits from 30 smallholder groups—representing at least 6,900 independent SHF across Indonesia, Malaysia & Thailand. This is an increase from 6,000t of credits in 2018. Overall, we achieved 99.6% sustainably sourced for our core volumes in 2019. With only 19% of global palm oil supply RSPO-certified, we invest to increase the availability of certified materials within the industry & secure continued supply post 2019. We invest in smallholders' certification & purchase independent smallholder credits to incentivize SHF to continue sustainable practices. We recognise that our response does not fully mitigate the deforestation risk from our supply chain and we are convinced that multi-stakeholder initiatives that drive transparency and traceability are essential to address the deforestation risk in oil palm. We are actively engaged in RSPO, HCSA and with NGOs and other stakeholders to find an industry-wide solution to deforestation.

**Cost of response**

60,000,000

**Explanation of cost of response**

This annual cost represents (A) the cost of supporting and purchasing RSPO physically certified materials through the Mass Balance or Segregated programs, (B) the support for smallholders through procurement and contracting of independent smallholders

RSPO credits, investments in multiple impact programs at landscape and jurisdictional level, smallholder impact programs, investments in monitoring and new technology to drive traceability and transparency in commodity supply chains (C) Investments in funds, such as the &Green fund to drive no deforestation and transformation in broader commodity supply chains beyond our own.

The breakdown of the investment into each of the areas, while not static and subject to changes with market conditions is as follows: (A) between 75% - 80%, driven principally by the higher costs faced by Unilever in securing RSPO certified palm kernel oils and complex derivatives. Unilever with this investment has played a leading role in the industry to drive conversion to sustainable sourcing in palm kernel oils and derivatives. (B) Approximately 10 - 15% is invested in smallholders, landscapes, impact programs, monitoring and technology. (C) approximately 5% is invested in other funds and programs to drive a multiplicative investment in the broader industry.

### **Forest risk commodity**

Soy

### **Type of risk**

Reputational and markets

### **Geographical scale**

Global

### **Where in your value chain does the risk driver occur?**

Supply chain

### **Primary risk driver**

Negative media coverage

### **Primary potential impact**

Brand damage

### **Company-specific description**

Increasing consumer awareness of the impact of commodity supply chains on forests could cause a boycott of products containing soy. A 2019 survey commissioned by the Environmental Investigation Agency, found 87% of EU consumers are demanding deforestation-free products. Also according to Sigwatch, food industry & supply chain responsibility was the 3rd highest issue campaigned on in 2019. Although only some campaigns are consumer-facing & a portion may not achieve significant momentum, supply chain traceability & exposure to deforestation are important risks to both consumers & NGOs.

Both consumer boycotts & NGO campaigns could cause reputational damage to Unilever brands with a potential impact on shareholder value. Soy is a key ingredient for Hellmann's, one of our €1b brands. We expect a boycott could impact a small part of our consumer base, mainly those who care about sustainability in developed markets. However, sustainability lies at the center of our strategy so every supply chain risk is

important to manage. We work closely with our soy suppliers to achieve our commitment through the Consumer Goods Forum to source 100% deforestation-free soybean oil by the end of 2023. Over half of the soybean oil we purchase is produced in the US, which is low risk for deforestation. Where we source from high risk countries like Brazil, we work to ensure volumes are via deforestation-free standards like RTRS. We estimate the financial impact on our business would be limited.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**
**Potential financial impact figure - minimum (currency)**

20,000,000

**Potential financial impact figure - maximum (currency)**

30,000,000

**Explanation of financial**

We calculated the financial risk to the business from the boycott of soy using the following scenario: 1) We assumed that 33% of consumers are buying products with sustainability in mind which is a statistic from our Making Purpose Pay study in 2015. We used our estimated underlying sales growth (between 3-5%) for both 2018 and 2019 to determine the impact of that 33% on growth. 2) We then used turnover from our Dressings business (which is the biggest soy using category) in those markets where consumer awareness of sustainability is the highest (Europe and North America). This estimate is based on annual growth lost so over a prolonged period, we could see a potential impact of €30,000,000+.

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

Our primary response to address deforestation risk in our Soy Supply Chain is to engage suppliers on solutions to eliminate deforestation from their supply to Unilever. We have proposed several approaches that include moving supply from high to low risk origins where exported & buying segregated volume certified against a no deforestation standard like Proterra. We have supported 43 farmers in achieving RTRS certification covering 150k ha in S Cerrado, Brazil. We have also developed an impact program to drive sustainable farming practices in the US Mid-West, our largest sourcing area for

soybean oil globally. In 2019, we sourced 80% of soybean oil sustainably. Our goal for 2020 is to source 100% of materials sustainably. We plan to achieve this by sourcing sustainable materials from our own programs, supporting demand for certified materials via the purchase of certified materials (via segregated, mass balance & certificates). We are optimistic that multi-stakeholder initiatives driving transparency & traceability will unlock opportunities to help address deforestation risk in Soy. We are actively engaged in SoS Cerrado Manifesto Group, Soy Buyers Coalition & RTRS, to find an industry-wide solution to forest issues in the Brazilian Cerrado. In addition, we have sought greater traceability in our soy SC & in 2018 we disclosed our direct soybean oil suppliers list externally. We hope this create more transparency & better understanding around exposure to deforestation risk.

### **Cost of response**

2,500,000

### **Explanation of cost of response**

The cost represents our investments in sustainable sourcing of soy. This includes our investment in incentives for farmers participating in our US Mid-West program (\$10/acre of cover crops planted). It also covers programme costs like that of our Brazil programme supporting farmers to achieve compliance with RTRS (programme cost of €11.8 per tonne of purchased certified volume), and payment for RTRS certificates.

### **Forest risk commodity**

Other - Cocoa

### **Type of risk**

Reputational and markets

### **Geographical scale**

Global

### **Where in your value chain does the risk driver occur?**

Supply chain

### **Primary risk driver**

Negative media coverage

### **Primary potential impact**

Brand damage

### **Company-specific description**

Increasing consumer awareness of the impact of commodity supply chains on forests could cause a boycott of products containing soy. According to Sigwatch, food industry & supply chain responsibility was the 3rd highest issue campaigned on in 2019. Although only some campaigns are consumer-facing, supply chain traceability & exposure to deforestation are important risks to both consumers & NGOs. Both boycotts & campaigns could cause reputational damage to Unilever brands with a potential impact on shareholder value. Cocoa is a key ingredient for Magnum & other ice cream

brands. We would expect such a boycott would have an impact on a relatively small consumer base, mainly consumers who care about sustainability in developed markets. However, sustainability lies at the center of our strategy so every supply chain risk is important. We work closely with our cocoa suppliers to achieve our CGF commitment to source 100% deforestation-free cocoa by end of 2023. Over 94% of the cocoa we purchase is produced in Côte d'Ivoire & Ghana, both considered of high risk. We have therefore been sourcing certified cocoa products against zero-deforestation or conversion requirements. Our brand Ben & Jerry's achieved FairTrade certification for all its cocoa in 2014. Since, Magnum committed to sourcing 100% RA certified cocoa, achieving 99% in 2019. As a group, Unilever sustainably sourced 89% of cocoa volumes in 2019. Based on these efforts, we estimate the financial impact would be limited.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**
**Potential financial impact figure - minimum (currency)**

42,000,000

**Potential financial impact figure - maximum (currency)**

69,000,000

**Explanation of financial**

We calculated the financial risk to the business from the boycott of cocoa using the following scenario: 1) We assumed that 33% of consumers are buying products with sustainability in mind which is a statistic from our Making Purpose Pay study in 2015. We used our estimated underlying sales growth (between 3-5%) for both 2018 and 2019 to determine the impact of that 33% on growth. 2) We then used turnover from our Ice Cream business (which is the biggest cocoa using category) in those markets where consumer awareness of sustainability is the highest (Europe and North America). This estimate is based on annual growth lost so over a prolonged period, we could see a potential impact of €69,000,000+.

**Primary response to risk**

Engagement with suppliers

**Description of response**

Unilever is committed to sourcing 100% of our cocoa sustainably by 2020 as a key ingredient in our ice cream business. 89% of our cocoa overall was sourced sustainably in 2019 & set ourselves the goal of going further with programmes that work with certification & bring us closer to our growers.

In 2018, Unilever became a signatory of the Cocoa & Forests Initiative organized by World Cocoa Foundation, IDH - the Sustainable Trade Initiative, & The Prince of Wales’s International Sustainability Unit. Many of the 35 signatories are our cocoa suppliers & the cocoa & chocolate industry has been strongly committed to accelerating economic, social & environmental sustainability in the cocoa sector. We focus on deforestation with smallholder cocoa farmers & many companies have been working with farmers on-ground to strengthen sustainable land use in cocoa production. We are building on the lessons learned & good practices from other commodities & sectors, where high-level, time-bound pledges have proven difficult to implement on the ground. For cocoa, our approach is to develop a concrete, time-bound, joint action plan in partnership with suppliers and governments that spell out the critical actions and realistic timeframe to end deforestation for a specific country and landscape. We are optimistic that multi-stakeholder initiatives like CFI will improve transparency & traceability in the industry and unlock opportunities to help address deforestation risks in cocoa.

**Cost of response**

16,000,000

**Explanation of cost of response**

This represents the cost of programs to ensure that we are buying sustainably certified cocoa products. Additionally we have committed to further impact programs such as remediation programs, over the next 4 years, that is launching in 2020.

**F3.2**

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Soy	Yes
Other - Cocoa	Yes

**F3.2a**

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

.....



**Forest risk commodity**

Timber products

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Supply chain

Other parts of the value chain

**Primary forests-related opportunity**

Increased demand for certified materials

**Company-specific description & strategy to realize opportunity**

Unilever are ahead of our sustainable sourcing targets for paper & board, so to continue this momentum, we set new targets to source recycled fibre from suppliers with 3rd-party certification. Driving certification of recycled materials is an opportunity because it supports a market for certified recycled materials, & equally provides reassurance for our business. We have progressively been purchasing more of our materials with certification & a full chain of custody to drive greater performance against our sustainable sourcing targets & secure supplies for our 400+ brands' we make & sell. To do this, we have worked with suppliers over several years to communicate our policy, provide information & training. This progressive approach has enabled suppliers to implement the required changes. In addition, savings can be realised by expanding opportunities with vertically integrated feedstock suppliers. Opportunities exist in branding as there is an increasing interest from brands in on-pack promotion of packaging sustainability claims: Over the last few years Ben & Jerry's, Lipton, Fruttare, and Talenti Gelato & Sorbetto, have begun promoting that certified packaging materials have been used on their packs. Our Fruttare frozen fruit bar brand has an on-pack statement that the cartons are 100% recyclable and certified by the Program for Endorsement of Forest Certification (PEFC). We continue to look for ways in which we can simplify data collection processes to reduce the burden on suppliers and improve the accuracy of the sustainability data received.

Situation: We lacked a method to easily collect upstream supply chain data. Task: Upgrade our GTS survey capability as an interim solution while we conduct market scan, contracting and user acceptance testing with a supplier of appropriate technology for a cross commodity upstream data collection tool. Action: GTS Upgrades were rolled out in 2019, including capabilities related to supplier disclosure and origin surveys. Digital team engaged with strategic technology partners to develop longer term solution. Result: GTS upgrade collected the information required from suppliers to disclose Unilever Tier 1 suppliers which we believe continued to build consumer trust in our products that use fiber based packaging. We are also on track to roll out new surveying capabilities in 2020 for further consumer engagement.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential impact**

Medium-low

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

20,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Since all (99%) of our fiber based packaging in developed markets that are most likely to have product boycotts is already from sustainably managed forests or certified recycled, there is little additional value to brands in certifying the balance of uncertified recycled that is concentrated in developing and emerging economies. The opportunity described above enables Unilever Group to make corporate sustainability claims that may translate into buying preferences from sustainability minded consumers. Using a rather coarse methodology, we estimate that this corporate sustainability claim could contribute an additional €20M in value by looking at group turnover of products with prominent customer facing cartons or other paper bearing packaging in developed markets that are likeliest to respond to such claims with a likelihood that the portion of consumers that identify as “sustainability minded” receive and act on this corporate global packaging sustainability claim.

---

**Forest risk commodity**

Palm oil

**Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

- Direct operation
- Supply chain
- Other parts of the value chain

**Primary forests-related opportunity**

Increased brand value

**Company-specific description & strategy to realize opportunity**

Increasing consumer awareness of sustainability issues and engaging consumers in sustainable living via brands is a core pillar of the Unilever Sustainable Living Plan. We saw an opportunity to source sustainable palm oil that we can process into certified sustainable fractions for use in our own products which led us to establish Unilever

Oleochemicals Indonesia (UOI). UOI produces a range of products such as fatty acids and blends important for making products such as soap, shampoo and detergent. Shortening our supply chain & getting closer to source, gives us an opportunity to improve traceability, reduce cost, and better integrate smallholder farmers (SHFs). We see corresponding opportunity for our brands to be positively associated with extensive sustainability initiatives of the palm transformation program and for these initiatives to provide positive stories for brands and consumers.

### **Estimated timeframe for realization**

Current - up to 1 year

### **Magnitude of potential impact**

Medium

### **Likelihood**

More likely than not

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

#### **Potential financial impact figure – minimum (currency)**

99,000,000

#### **Potential financial impact figure – maximum (currency)**

160,000,000

### **Explanation of financial impact figure**

We calculated the financial opportunity to the business from the preference for products using sustainably sourced palm oil using the following scenario: 1) We assumed that 33% of consumers are buying products with sustainability in mind which is a statistic from our Making Purpose Pay study in 2015. We then used our estimated underlying sales growth (between 3-5%) (for both 2018 and 2019) to determine the impact of that 33% on growth based on where consumer awareness is the highest (Europe and North America). 2) We then used turnover from our Home care and Personal Care business (which are the 2 biggest palm using category) as the denominator. The lower range we have provided is based on the impact on 3% of growth and the upper range is based on the impact on 5% of growth. Increased brand value via consumer preference for sustainably produced products is already apparent and the opportunities are being realised. In 2019, our Sustainable Living brands grew by 3.0% and accounted for 78% of Unilever's underlying growth.

---

### **Forest risk commodity**

Soy

### **Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

Supply chain

Other parts of the value chain

**Primary forests-related opportunity**

Increased brand value

**Company-specific description & strategy to realize opportunity**

Situation: Increasing consumer awareness of sustainability issues and engaging consumers in sustainable living via brands is a core pillar of the Unilever Sustainable Living Plan.

Task: The potential market opportunity is to leverage sustainably produced ingredients, including soy, in dressings and other food products.

Action: In 2017, Unilever relaunched the Hellmann's brand with strengthened naturalness claims in 28 markets, as well as the roll-out of Hellmann's organic variants in both Europe and North America. 80% of our soy was sustainably sourced via mass-balance or RTRS certificates in 2019 and we expect to reach 100% by 2020.

Result: Hellmann's remains the number one mayonnaise brand in the world by sales.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

20,000,000

**Potential financial impact figure – maximum (currency)**

30,000,000

**Explanation of financial impact figure**

We calculated the financial opportunity to the business from the preference for products using sustainably sourced soy using the following scenario: 1) We assumed that 33% of

consumers are buying products with sustainability in mind which is a statistic from our Making Purpose Pay study in 2015. We used our estimated underlying sales growth (between 3-5%) (for both 2018 and 2019) to determine the impact of that 33% on growth. 2) We then used turnover from our Dressings business (which is the biggest soy using category) in those markets where consumer awareness of sustainability is the highest (Europe and North America ). The lower range we have provided is based on the impact on 3% of growth and the upper range is based on the impact on 5% of growth. Increased brand value via consumer preference for sustainably produced products is already apparent and the opportunities are being realised. In 2019, our Sustainable Living brands grew by 3.0% and accounted for 78% of Unilever's underlying growth.

### **Forest risk commodity**

Other - Cocoa

### **Type of opportunity**

Products & services

### **Where in your value chain does the opportunity occur?**

Supply chain  
Other parts of the value chain

### **Primary forests-related opportunity**

Increased brand value

### **Company-specific description & strategy to realize opportunity**

Situation: Increasing consumer awareness of sustainability issues and engaging consumers in sustainable living via brands is a core pillar of the Unilever Sustainable Living Plan.

Task: The potential market opportunity is to leverage sustainably produced ingredients, including cocoa, in ice cream and other food products, for product differentiation.

Action: In 2012, Magnum made a public commitment to source 100% of its cocoa beans sustainably, through Rainforest Alliance.

Result: By 2019, 98% of Magnum's global volumes were sustainably sourced.

### **Estimated timeframe for realization**

1-3 years

### **Magnitude of potential impact**

Medium-low

### **Likelihood**

More likely than not

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

42,000,000

**Potential financial impact figure – maximum (currency)**

69,000,000

**Explanation of financial impact figure**

We calculated the financial opportunity to the business from the preference for products using sustainably sourced soy using the following scenario: 1) We assumed that 33% of consumers are buying products with sustainability in mind which is a statistic from our Making Purpose Pay study in 2015. We used our estimated underlying sales growth (between 3-5%) (for both 2018 and 2019) to determine the impact of that 33% on growth. 2) We then used turnover from our Ice Cream business (which is the biggest cocoa using category) in those markets where consumer awareness of sustainability is the highest (Europe and North America). The lower range we have provided is based on the impact on 3% of growth and the upper range is based on the impact on 5% of growth. Increased brand value via consumer preference for sustainably produced products is already apparent and the opportunities are being realised. In 2019, our Sustainable Living brands grew by 3.0% and accounted for 78% of Unilever’s underlying growth.

## F4. Governance

### F4.1

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

### F4.1a

**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual	Please explain
Chief Executive Officer (CEO)	The Boards delegate the running of Unilever Group to the CEO, with the exception of some strategic matters (i.e. dividends). He is responsible for the oversight of our climate-change agenda, including deforestation. Our Boards take accountability for the management of all risks & opportunities, including Supply chain. The CEO can delegate powers to the Unilever Leadership Executive (ULE). The ULE is comprised of the CEO, CFO & other senior execs. All ULE members report to the CEO but are not part of the Boards’ decision-making process, reserved for the CEO & CFO only (2 exec Board members). During 2019, there were Board agenda

--	--

## F4.1b

**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

	Frequency that forests related issues are a scheduled agenda item	Governance mechanisms into which forests related issues are integrated	Please explain
Row 1	Scheduled - some meetings		<p>Unilever (UL) has a dual headed structure with one-tier Boards. The Boards are responsible for reviewing, monitoring &amp; guiding the UL strategy. In 2019, they held 6 planned meetings &amp; 2 ad-hoc meetings. The Boards take accountability for the management &amp; guidance of risks &amp; opportunities, inc climate change &amp; supply chain, with support from the Unilever Leadership Executive (ULE) &amp; the Board-delegated Corporate Responsibility Committee (CRC).</p> <p>The CRC tracks progress &amp; potential risks associated with the business &amp; Unilever Sustainable Living Plan (USLP) &amp; feed into the Board on major plans of action. There are sustainable sourcing targets for soy, palm, p&amp;b &amp; cocoa in the USLP. The CRC report findings to the Boards regularly to fulfil their oversight responsibilities. In 2019 the CRC &amp; Compensation Committee evaluated performance against the Sustainability Progress Index to agree employee rewards for our Management Co-Investment Plan. One of the progress KPIs was sustainable palm oil &amp; another was our Responsible Sourcing Policy (RSP).</p> <p>For the 3rd year, UL applied the TCFD recommendations in the Annual Report. As part of sign-off, the Board &amp; Audit Committee approve the Report, which includes the TCFD statement. In 2019, we included our analysis of the direct risks from climate change on the price of soybean oil &amp; the Audit Committee also continued its oversight of the assurance work performed on selected USLP metrics i.e. % raw materials sustainably sourced.</p>

## F4.2

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests related issues	Please explain
Unilever Leadership Executive (ULE) sits	Both assessing and managing forests-related risks and opportunities	Quarterly	<p>The ULE are our highest operational leadership group. They support the CEO &amp; Boards in their oversight responsibilities. The ULE is CEO led, with each member reporting directly to him. The ULE meet monthly &amp; attend Board meetings where relevant. In 2019, there were discussions on our current climate &amp; sustainable sourcing targets &amp; continued ambition in the new business strategy, The Compass. The Chief Supply Chain Officer is one of our ULE &amp; was a part of the previous Unilever Sustainable Living Plan (USLP) Steering Team, feeding in on key sourcing matters. e.g. environmental regulation within manufacturing &amp; oversight of the sustainable sourcing of agricultural ingredients. This includes the current sustainable sourcing targets for palm, soy, p&amp;b &amp; cocoa &amp; progress. The ULE &amp; other specialists in their teams sometimes attend CRC &amp; Audit Committee meetings on the risks &amp; opportunities arising from the USLP. At each Board meeting the Committees report findings to the Boards enabling them to stay abreast of current &amp; emerging trends &amp; potential risks arising from sustainability issues. One example is how we manage commodity price risk. Commodity derivative contracts are done in line</p>



			with approvals from the Global Commodity Executive which is chaired by our Unilever Chief Supply Chain Officer (CSCO) or the Global Commodity Operating Team which is chaired by the Chief Procurement Officer as they have direct oversight of commodity-related risks & opportunities.
--	--	--	--

### F4.3

#### (F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests related issues	Comment
Row 1	Yes	<p>We provide an incentive for company performance against a sustainability index. Our Incentive applies to all C-Suite officers at Unilever (our Unilever Leadership Executive (ULE)) This includes the Chief Financial Officer, Chief Digital &amp; Marketing Officer, Chief R&amp;D Officer, Chief Supply Chain Officer, President, North America, President, Foods &amp; Refreshment, President, Beauty &amp; Personal Care, President, South Asia and Chair and Managing Director of Hindustan Unilever, Chief HR Officer, Chief Operating Officer, President, Home Care, and the Chief Legal Officer &amp; Group Secretary. One element of our Remuneration Policy is a share matching scheme based on company performance called the Management Co-Investment Plan (MCIP). ULE must continuously invest their annual bonus in Unilever shares through MCIP to maintain current levels of pay. This further strengthens long term executive commitment and continues to drive our executives to apply an owner's mindset in everything they do. 25% of the total MCIP award is assessed on sustainability considerations through the Sustainability Progress Index (SPI), a joint assessment made by the Board-delegated Corporate Responsibility &amp; Compensation Committees. Taking into account Unilever's wider progress on sustainability ratings and rankings together with our publicly reported USLP targets, the Committees determine a rating from 0% to 200% each year. For MCIP, annual ratings are then tallied as an average index for each four-year MCIP performance period, enabling the Compensation Committee to determine the level of matched shares. Our C-suite executives play a significant role in reviewing our key ratings and rankings submissions annually, including our CDP and DJSI responses. Employees from Work Level 2 (the first rung of management) to ULE level are eligible to join MCIP. From</p>

	2018, Executive Directors (CEO & CFO) were required to invest at least 33% of their annual bonus in MCIP.
--	---

## F4.3a

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**


	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Other C-suite Officer	Achievement of commitments and targets	25% of the total Management Co-Investment Plan (MCIP) award for the CEO is based on progress against the targets in the Unilever Sustainable Living Plan (USLP) –including our target on sustainable palm oil. The CEO leads the Unilever Leadership Executive who all play a significant role in driving progress towards our USLP targets, including our wider sustainable sourcing ones. The Compensation Committee assesses progress against the USLP targets annually with a numerical rating representing the Sustainability Progress Index (SPI) from 0% to 200%, based on the achievement of targets which are assessed as on plan, off plan, achieved or target missed. Annual ratings are tallied as an average index for each four-year MCIP performance period. The SPI represents 25% of the MCIP performance measures.
Non-monetary reward	Board/Executive board Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Procurement Officer (CPO) Chief Risk Officer (CRO)	Other, please specify Reputation	Whilst performance in key sustainability ratings and rankings such as CDP and DJSI fall in to the SPI (as above), there are also huge reputational benefits to Unilever for performing well. Often we are selected to participate in pilot rankings (such as S&P's ESG rating in 2018/19) and knowledge sharing/working groups where we can really drive change within our industry and outside it. Being able to use third parties to judge whether we are a leader in sustainable business (our Vision) helps cement our Vision, rather than it just being something aim for. It's something we can be judged against. Unilever were again ranked number 1 in the 2019 Globescan Sustainable Leaders Report - as mentioned by 800 experts representing business, government, NGOs and academia across 78 countries.

	Chief Sustainability Officer (CSO) Other C-suite Officer Other, please specify All employees		
--	---	--	--

## F4.4

### (F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

 Unilever Annual Report and Accounts 2019.pdf

## F4.5

### (F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

## F4.5a

### (F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency	Unilever (UL) use palm oil, soy, p&b & cocoa in sizeable quantities. UL has an Eliminate Deforestation (ED) position which covers all Global biomes, focusing on conservation of HCV, HCS & tropical forests. We recognise the importance of, for example, the Cerrado Biome & publicly support the objectives of the Cerrado Manifesto. We commit to achieving zero net deforestation in our ED which is reviewed every 3 yrs. We recognize our zero-net deforestation 2020 target involves not only protecting HCV, HCS & tropical forests, but also ensuring net quantity, quality & carbon density of forests is maintained with land use change in the wider landscapes in which our suppliers operate. From 2020+ we are aligning our policies closely with the the core principles of the Accountability Framework Initiative which includes a commitment to eliminate conversion of natural ecosystems, however, we cannot make this selection for 2019. We recognize our dependency on forests & their

		<p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural habitats</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>importance to us (from a wider climate change perspective &amp; from an internal sourcing perspective). We also recognize our impacts on them, given the scale of our supplies. Our ED states 'we will also implement the Responsible Sourcing Policy (RSP) in our supply chains, which requires FPIC for developments involving indigenous people &amp; small-scale farmers dependent on forest resources.' It also states how we will achieve our commitments, inc initiatives such as The Sustainable Trade Initiative &amp; Global Forest Watch, &amp; our partnerships to ensure progress such as the Consumer Goods Forum &amp; the Tropical Forest Alliance. We also state we are aligning business action with public policy like the alignment of our USLP with SDGs 13, 15 &amp; 17. Whilst our ED expresses our position on deforestation, our USLP is our overarching policy, covering forest-related targets &amp; performance annually. This is to achieve transparency &amp; deliver awareness to our key stakeholders. Our USLP describes how we address forest-related issues, with our key means of mitigation being through our Sustainable Agriculture Code (SAC) &amp; SAC Scheme Rules. The SAC was developed to give us, our farmers &amp; suppliers, a set of standards to drive improvements across our supply chain. In 2017, SAC was updated to emphasize 5 key areas: no deforestation, human rights (FPIC), legal compliance, migrant labor &amp; grievance processes for workers.</p>
--	--	--	--

### F4.5b

**(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.**

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems	Over half of the world's deforestation is linked to land conversion to produce only 4 raw materials – palm oil, beef, soy, paper & pulp. We have defined paper and board (P&B) as priority raw materials for our business as we

		<p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related</p>	<p>use it across all 3 of our categories. Unilever has a Sustainable P&amp;B Packaging Policy which supports the Sustainable sourcing commitments of our Unilever Sustainable Living Plan (USLP), which is our overarching policy. It is reviewed quarterly, with the most recent refresh published on our website in November 2018. By extension, our policy covers all relevant biomes and ecoregions associated closely to the P&amp;B industry. Our policy commits us to 1) halt deforestation 2) promote best practices in sustainable forest and pulp plantation management &amp; 3) drive positive economic &amp; social impact on people &amp; communities. It commits us to transparency in reporting around assessments, progress towards our timebound targets &amp; how we are working with our suppliers. It also includes a comprehensive list of applicable standards on pg 3 &amp; confirms the scope for our P&amp;B commitments across our value chain, stating our commitment is for 'all P&amp;B packaging we buy'. This includes folding cartons, customer packaging, aseptics, &amp; ice cream sticks. We commit to only using FSC &amp; PEFC third party certification scheme products, Unilever further requires that all recycled products are fully chain of custody certified. We also commit to working with all suppliers to make timebound commitments for their production to be certified by a Unilever-recognised third-party certification scheme. Unilever's agricultural raw materials are covered by our commitment to 100% sustainable sourcing, reflected in our Sustainable</p>
--	--	--	---

			<p>performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p> <p>Other, please specify</p> <p>Commitment on transparency through measurement and reporting.</p>	<p>Agriculture Code (SAC) &amp; Scheme Rules. Because addressing environmental impact is embedded in our USLP, our robust sustainable sourcing commitments apply across all our renewable materials so that we do not need commodity specific policies for all commodities. In addition, all suppliers must comply with Unilever’s Responsible Sourcing Policy, which is anchored in internationally recognized standards. The business dependency on forests &amp; the recognition of the potential impacts from the business on forests are included in our Eliminating Deforestation (ED) position statement in ‘Context’.</p>
Palm oil	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of</p>	<p>Over half of the world’s deforestation is linked to land conversion to produce only 4 raw materials – palm oil, beef, soy, paper &amp; pulp. We buy around 1 million tonnes of crude palm oil and palm kernel oil &amp; palm derivatives every year. Unilever has a Sustainable Palm Oil Sourcing Policy which supports the sustainable sourcing commitments of our Unilever Sustainable Living Plan (USLP), which is our overarching policy. Updated in 2016, our policy drives our efforts to achieve 100% physically certified palm oil for our core volumes as part of our vision of going beyond regulatory compliance &amp; transforming the palm oil industry. At the heart of our Policy is our commitment to 'No deforestation, No development on peat, No exploitation of people &amp; communities' or 'NDPE'. Additionally, Unilever also commits to ensure the palm oil in our supply</p>

			<p>forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>chain is traceable to known origins that are compliant with our Policy. Our policy is updated periodically, with the last update in 2017 to reflect the HCSA Approach Toolkit 2.0. Our policy 'applies to all the palm oil Unilever buys' across all our operations &amp; commits us to public reporting on timebound targets &amp; progress annually via our USLP. By extension, our policy covers all relevant biomes &amp; ecoregions associated closely to the palm industry – in Indonesia, our key landscapes includes Aceh where Leuser ecosystem is found, &amp; Riau where Tesso Nilo National Park is located. We also state that we 'build upon the RSPO Principles &amp; Criteria &amp; New Planting Procedure, as well as adhering to all relevant national &amp; international laws &amp; conventions.'</p> <p>Within our policy, we identify the degree to which we impact the palm oil industry on p1 &amp; the dependency we have on it as a company. We are working towards our end 2019 target; engaging our direct suppliers; improving traceability &amp; transparency to manage risk; &amp; bringing more smallholder farmers into our supply chain. Our commitments on Sustainable sourcing in our USLP are aligned with SDGs 13, 15 &amp; 17. Unilever's agricultural raw materials are covered by our commitment to 100% sustainable sourcing, reflected in our Sustainable Agriculture Code (SAC) &amp; Scheme Rules. Because addressing environmental impact is embedded in our USLP, our robust sustainable sourcing commitments apply across all our renewable materials.</p>
--	--	--	---	---

Soy	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p>	<p>Oils from soy &amp; rapeseed are crucial ingredients in our brands, i.e. Hellmann's mayonnaise, one of our €1 billion or above brands.</p> <p>Unilever's Eliminating Deforestation (ED) Policy supports Unilever Sustainable Living Plan (USLP) which is embedded within our business &amp; is our overarching policy to address forest-related issues. By extension, our policy covers all relevant biomes &amp; ecoregions associated closely to the soy industry. Unilever is a signatory of the Cerrado Manifesto, calling for the halt of deforestation &amp; conversion of natural ecosystems in the Cerrado Biome. All our agricultural raw materials are covered by our commitment to 100% sustainable sourcing, reflected in our Sustainable Agriculture Code (SAC) &amp; Scheme Rules, including soy. Because addressing environmental impact is embedded in our USLP, our sustainable sourcing commitments apply across all our renewable materials so we do not need a soy-specific policy. We review &amp; update our policies periodically, with our SAC last updated in 2017. We started rolling out SAC 2017 to suppliers in 2018 &amp; we're moving towards more 3rd-party certification to provide greater trust &amp; transparency &amp; ensure more accurate reporting. The SAC continues to recognise external certification such as RTRS that meets or exceeds our own standards. We also require our suppliers to comply with our Responsible Sourcing Policy (RSP), which is cascaded to farms through chapter 12 of the SAC. The SAC</p>
-----	-----	--------------	--	--



			<p>List of timebound commitments and targets</p> <p>Other, please specify</p> <p>Commitment to Good Agricultural Practices</p>	<p>includes requirements addressing land use change &amp; deforestation, specific areas of health &amp; safety, sustainable production of livestock feed, &amp; land rights protection. As per our ED position, our highest priority will be to ensure the conservation of HCV, HCS &amp; tropical forests &amp; not converted to farmland or destroyed by other activities in our supply chains. We also recognize Unilever's zero net deforestation 2020 target involves not only protecting forests, but also ensuring net quantity, quality &amp; carbon density of forests is maintained when land use changes in the wider landscapes in which our suppliers operate. Most of the soy oil we buy comes from soy beans grown in the US &amp; Brazil. In Brazil specifically, we work with farmers, NGOs, our suppliers, &amp; other agri-businesses to support deforestation free soy via the RTRS Certification.</p>
Other - Cocoa	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p>	<p>Cocoa is a vital ingredient in our ice cream brands i.e. Magnum &amp; Ben &amp; Jerry's. Unilever (UL)'s Eliminating Deforestation (ED) Policy supports the Unilever Sustainable Living Plan (USLP) which is our overarching policy to address forest-related issues. By extension, our policy covers all relevant biomes &amp; ecoregions associated closely to the cocoa industry. In 2018, UL became a signatory of a partnership called the Cocoa &amp; Forest Initiative (CFI), convened by the World Cocoa Foundation, IDH &amp; The Prince of Wales's International Sustainability Unit. The priorities under the Framework of Action form the basis of our CFI action plan &amp; include protection a&amp; restoration of degraded forests, sustainable</p>

			<p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>agricultural production &amp; increased farmer incomes &amp; strong community engagement &amp; social inclusion. All our agricultural raw materials are covered by our commitment to 100% sustainable sourcing, reflected in our Sustainable Agriculture Code (SAC) &amp; Scheme Rules, including cocoa. We review &amp; update our policies periodically, with our SAC last updated in 2017. We started rolling out our SAC 2017 to suppliers in 2018 &amp; we're moving towards more 3rd-party certification to provide greater trust &amp; transparency &amp; ensure more accurate reporting. The SAC continues to recognise external certification such as Rainforest Alliance &amp; Fairtrade that meet or exceeds our own standards. We also require our suppliers to comply with our Responsible Sourcing Policy (RSP), which is cascaded to farms through chapter 12 of the SAC. The SAC also includes requirements addressing land use change &amp; deforestation, specific areas of health &amp; safety, sustainable production of livestock feed, &amp; land rights protection. As per our ED position, our highest priority will be to ensure the conservation of HCV, HCS &amp; tropical forests &amp; not converted to farmland or destroyed by other activities in our supply chains. We also recognize Unilever's zero net deforestation 2020 target involves not only protecting forests, but also ensuring net quantity, quality &amp; carbon density of forests is maintained when land use changes in the wider landscapes in which our suppliers operate. We buy cocoa mainly from Côte d'Ivoire &amp; Ghana. In Côte</p>
--	--	--	---	---

				d'Ivoire we work with farmers, NGOs, suppliers, & other agri-businesses to support deforestation free cocoa via certification (Rainforest Alliance & Fairtrade).
--	--	--	--	--

## F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Yes

### F4.6a

**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

- New York Declaration on Forests
- Tropical Forest Alliance 2020
- We Mean Business
- Cerrado Manifesto

### F4.6b

**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

---

#### **Forest risk commodity**

Timber products

#### **Criteria**

- No conversion of natural ecosystems
- Zero net deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Promotion of gender equality and women's empowerment
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Other, please specify

Achieving 100% sustainably sourcing as per our Unilever Sustainable Living Plan (USLP); Compliance with Unilever's Responsible Sourcing Plan (RSP)

### **Operational coverage**

Direct operations and supply chain

### **% of total production/ consumption covered by commitment**

100%

### **Cutoff date**

1993-1997

### **Commitment target date**

2020

### **Please explain**

Unilever (UL) policy specifies FSC as an accepted sustainability standard. FSC uses a 1994 cutoff date for converting natural forests to plantations or other land uses. As FSC comprises the majority of our volume, our defacto forest conversion cut-off date is 1994. We commit to 100% sustainably sourced agricultural raw materials by 2020, including P&B. By sourcing against third-party standards & programmes which are equivalent to the principles & practices of our Sustainable Agriculture Code, we can address a variety of topics, including land use change, with some prohibiting the conversion of natural ecosystems. We ask all direct suppliers to commit to the Responsible Sourcing Policy (RSP) which requires FPIC for developments involving indigenous people & smallscale farmers'. We include guidelines on how to implement requirements ie training on FPIC to all relevant staff. Our zero net deforestation 2020 target involves protecting HCV, HCS & tropical forests & ensuring net quantity & quality of forests is maintained when land use changes. UL is on the exec committee of the HCS Approach & committed to Toolkit 2.0 which was released in May 2017. We request suppliers to implement HCS as defined in the Toolkit. P&B are priority raw materials & we reached 97% sustainably sourced in 2019. Of this, 90% had a 3rd-party certification claim & full chain of custody to demonstrate it came from sustainably managed forests or recycled material. The remaining 10% came from recycled material. Asking suppliers to certify recycled materials offers reassurance & helps build the market. In line with the UN Guiding Principles on Business & Human Rights (2011), we base our human rights commitment & policy on the International Bill of Human Rights (consisting, in addition to the Universal Declaration of Human Rights, of the International Covenant on Civil & Political Rights & the International Covenant on Economic, Social & Cultural Rights) & the principles concerning fundamental rights set out in ILO Declaration on Fundamental Principles & Rights at Work. We also support the OECD Guidelines for Multinational Enterprises.

---

### **Forest risk commodity**

Palm oil

## Criteria

- No conversion of natural ecosystems
- Zero net deforestation
- No new development on peat regardless of depth
- Best management practices for existing cultivation on peat
- Restoration and compensation to address past deforestation and conversion
- Avoidance of negative impacts on threatened and protected species and habitats
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Promotion of gender equality and women's empowerment
- Remediate any adverse impacts on indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
- Recognition of legal and customary land tenure rights
- Other, please specify
  - Achieving 100% sustainably sourcing as per our Unilever Sustainable Living Plan (USLP); Compliance with Unilever's Responsible Sourcing Plan (RSP)

## Operational coverage

Direct operations and supply chain

## % of total production/ consumption covered by commitment

100%

## Cutoff date

2005

## Commitment target date

2020

## Please explain

As part of Unilever's (UL) Sustainable Living Plan (USLP), we target 100% sustainably sourced agricultural raw materials by 2020 & targeted 100% physically certified palm oil for core volumes by YE 2019, achieving 95% . 3rd-party standards & programmes which are equivalent to our Sustainable Agriculture Code, help address topics such as land use change, with some prohibiting conversion of natural ecosystems. RSPO certification requires growers to demonstrate: (1) land intended for palm cultivation has undergone FPIC process & Environmental Impact Assessment (EIA) to determine areas of conservation & restoration vs cultivation; (2) Good Agricultural Practices (GAP)

minimizing environmental impact on soil quality & surrounding ecosystems; (3) land identified for replanting has to be reported publicly. In our Policy we commit to 'No deforestation, No development on peat, No exploitation of people & communities' (NDPE). In our Eliminate Deforestation (ED) position, we recognize UL's zero net deforestation target involves protecting high conservation value (HCV), high carbon stock (HCS) & tropical forests & ensuring net quantity, quality & carbon density of forests is maintained when land use changes. All direct suppliers must commit to our Responsible Sourcing Policy (RSP), which mandates FPIC & we include guidelines for mandatory requirements such as training. We updated our Sustainable Palm Oil Sourcing Policy (SPOSP) in 2017 to reflect the HCSA Toolkit 2.0 agreed between HCSA & High Carbon Stock Study (HCS+). We encourage all growers & users of palm oil to adopt & implement HSCA. Both our SPOSP & RSP include criteria to address human rights issues. In line with the UN Guiding Principles on Business & Human Rights (2011), we base our human rights commitment & policy on the International Bill of Human Rights (consisting, in addition to Universal Declaration of Human Rights, of the International Covenant on Civil & Political Rights & the International Covenant on Economic, Social & Cultural Rights) & the principles concerning fundamental rights set out in the ILO Declaration on Fundamental Principles & Rights at Work. We also support the OECD Guidelines. All direct suppliers are required to comply with our RSP & acknowledge our SPOSP before any transaction occurs. We have a grievance procedure to handle non-compliance.

---

## Forest risk commodity

Soy

### Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- Zero net deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- No trade of CITES listed species
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
- Remediate any adverse impacts on indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Recognition of legal and customary land tenure rights

Other, please specify

Achieving 100% sustainably sourcing as per our Unilever Sustainable Living Plan (USLP); Compliance with Unilever's Responsible Sourcing Plan (RSP)

### **Operational coverage**

Supply chain

### **% of total production/ consumption covered by commitment**

100%

### **Cutoff date**

2009

### **Commitment target date**

2020

### **Please explain**

As part of the Unilever (UL) Sustainable Living Plan, we target 100% sustainably sourced agricultural raw materials, including soy oil, by 2020, & are also implementing the UL Responsible Sourcing Policy (RSP) in our supply chains, which requires FPIC for developments involving indigenous people & smallscale farmers' dependent on forest resources. FPIC is a mandatory requirement for doing business with UL. Within our RSP, we include guidelines on how to implement our mandatory requirements such as training on FPIC. Our RSP was updated in 2017 to reinforce our commitment of working together with our suppliers towards a long-term, sustainable & successful future. The UL Sustainable Agriculture Code (SAC) includes criteria for the protection of forests. Requirement F56 states ideally, no land shall be converted from forest to agriculture. As part of this, biodiversity & natural habitats are to be conserved & progress is measured against the 'Protect and improve habitats for biodiversity' metric. If forest has been destroyed ie for road building, the loss shall be compensated for. In 2017, we updated our SAC to raise standards further by emphasising 5 key areas: no deforestation, human rights (including FPIC), legal compliance, migrant labour & grievance processes for workers. The revision to include these new areas responds to the issues underlying unsustainable farming & reflects commitments made by UL over the past years. We're also moving the programme from self-assessment to 3rd-party certification, to provide greater robustness & more accurate reporting. The SAC continues to recognise external certification (ie Rainforest Alliance) that meets/exceeds our standards. In line with the UN Guiding Principles on Business & Human Rights (2011), we base our human rights commitment & policy on the International Bill of Human Rights (consisting, in addition to the Universal Declaration of Human Rights, of the International Covenant on Civil & Political Rights & the International Covenant on Economic, Social & Cultural Rights) & the principles concerning fundamental rights set out in the ILO Declaration on Fundamental Principles & Rights at Work. We also support the OECD Guidelines. In 2018 UL supported RTRS certification of 43 farmers in Southern Cerrado (Brazil) to

produce deforestation-free soy, contributing to zero-net deforestation in our supply chain.

---

**Forest risk commodity**

Other - Cocoa

**Criteria**

No conversion of natural ecosystems  
Zero net deforestation  
No new development on peat regardless of depth  
Avoidance of negative impacts on threatened and protected species and habitats  
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities  
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples  
Adoption of the UN International Labour Organization principles  
Resolution of complaints and conflicts through an open, transparent and consultative process  
Facilitate the inclusion of smallholders into the supply chain  
No sourcing of illegally produced and/or traded forest risk commodities  
No sourcing of forest risk commodities from unknown/controversial sources  
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources  
Recognition of legal and customary land tenure rights  
Other, please specify  
Achieving 100% sustainably sourcing as per our Unilever Sustainable Living Plan (USLP); Compliance with Unilever's Responsible Sourcing Plan (RSP)

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

100%

**Cutoff date**

2014

**Commitment target date**

2020

**Please explain**

We target 100% sustainably sourced agricultural raw materials, including cocoa, by 2020, & are also implementing the UL Responsible Sourcing Policy (RSP) in our supply chains, which requires FPIC for developments involving indigenous people & smallscale farmers' dependent on forest resources. FPIC is a mandatory requirement for doing business with UL. In 2018, Unilever became a signatory of the Cocoa & Forests Initiative (CFI), defining our core commitments & action plan for a deforestation-free



supply chain. FPIC is a mandatory requirement for doing business with UL. Within our RSP, we include guidelines on how to implement our mandatory requirements such as training on FPIC. Our RSP was updated in 2017 to reinforce our commitment of working together with our suppliers towards a long-term, sustainable & successful future. The UL Sustainable Agriculture Code (SAC) includes criteria for the protection of forests. Requirement F56 states ideally, no land shall be converted from forest to agriculture. As part of this, biodiversity & natural habitats are to be conserved & progress is measured against the 'Protect and improve habitats for biodiversity' metric. If forest has been destroyed ie for road building, the loss shall be compensated for. In 2017, we updated our SAC to raise standards further by emphasising 5 key areas: no deforestation, human rights (including FPIC), legal compliance, migrant labour & grievance processes for workers. The revision to include these new areas responds to the issues underlying unsustainable farming & reflects commitments made by UL over the past years. We're also moving the programme from self-assessment to 3rd-party certification, to provide greater robustness & more accurate reporting. The SAC continues to recognise external certification (ie Rainforest Alliance) that meets/exceeds our standards. In line with the UN Guiding Principles on Business & Human Rights (2011), we base our human rights commitment & policy on the International Bill of Human Rights (consisting, in addition to the Universal Declaration of Human Rights, of the International Covenant on Civil & Political Rights & the International Covenant on Economic, Social & Cultural Rights) & the principles concerning fundamental rights set out in the ILO Declaration on Fundamental Principles & Rights at Work. We also support the OECD Guidelines.

## F5. Business strategy

### F5.1

**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests related issues integrated?	Long term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Our current Unilever Sustainable Living Plan (USLP), launched in 2010, is at the heart of our business model & Vision to grow our business, whilst decoupling our environmental footprint from our growth & increasing positive social impact. The USLP is comprised of 3 big goals, with Sustainable sourcing being integrated in our 'Reducing environmental impact' commitment. We target sourcing 100% sustainably certified agricultural raw materials by 2020 & have a range of targets in the plan covering individual ingredients inc palm oil, p&b & soy. In 2010, together with other organisations in our industry, Unilever committed to achieving zero net deforestation

			<p>associated with four commodities palm oil, soy, beef &amp; p&amp;b by 2020.</p> <p>Our business focuses on long-term growth, so we have come up with the Compass, which bears multi-year priorities (MYP) continuing the good work started by USLP post 2020. Addressing forest-related issues through sustainable sourcing supports our long-term compounding growth model by creating growth opportunities, lowering costs, managing risk &amp; building trust amongst stakeholders.</p> <p>Sustainable sourcing &amp; eliminating deforestation helps mitigate impacts of climate change, reducing risk &amp; volatility in our supply chains &amp; with our suppliers &amp; also secures our current &amp; future supplies for our growth ambitions (3-5% annually). Through sustainable sourcing, we access opportunities for innovation, build stronger brands by focusing on people's sustainable living needs &amp; consumer preferences. For example, palm oil is the most land-efficient vegetable oil available. Oil palms produce more oil per hectare of land than any other oil-producing crop. To get the same amount of oil from soybeans, you would need 7x more land. That means more agricultural land devoted to non-food crops, as well as more forests coming under threat, especially with a rise in plant-based lifestyles. Unilever alone buys 785k tonnes of crude palm oil &amp; around 450k tonnes of kernel oil &amp; derivatives pa.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>Addressing forest-related issues supports Unilever (UL)'s long-term growth model.</p> <p>In 2010, we set our target to source 100% of agricultural raw materials sustainably, with individual targets for palm oil, soy, p&amp;b &amp; cocoa to secure supply while managing our environmental footprint &amp; reducing market volatility. We concentrate efforts on a priority set of crops &amp; commodities crucial to our brands, where we have most impact (ie sourcing volumes). These key crops &amp; commodities make up 2/3 of total volume &amp; 88% of these were sustainably sourced in 2019. All materials purchased are sourced inline with our Responsible Sourcing Policy (RSP) -70% of our procurement spend in 2019 was through suppliers compliant with RSP. We recognise the interdependency of climate &amp; forests &amp; helped lead the CGF towards a zero-deforestation commitment. In effort to eliminate deforestation &amp; ensure affordable access to sustainably produced ingredients we are taking 3 main steps:1. Transforming our supply</p>

			<p>chain, 2. Encouraging the industry, 3. Working with partners.</p> <p>We are investing up to \$25m between 2018 &amp; 2022 for sustainable commodity projects e.g. securing sustainable palm via smallholder (SHF)s in Indonesia. We are currently running SHF training projects in GAP, compliance with NDPE &amp; helping SHF attain industry (RSPO) &amp; national (Indonesian Sustainable Palm Oil/ Malaysian Sustainable Palm Oil) certification . Raising standards of cultivation &amp; production helps increase sustainable supplies long-term, lowering material costs &amp; making sustainable supply the norm. Climate change is a principal risk to Unilever &amp; given climate change &amp; deforestation are linked we performed a high-level assessment of the impact of 2°C &amp; 4°C scenarios to further understand the impact on our business &amp; commodities. We have a target to reduce GHG impact of our products across the lifecycle by 50% by 2030 vs our 2010 baseline (per consumer use). To achieve this, we need to reduce the GHG emissions impact coming from crops with the highest deforestation risk . We are for instance analysing our GHG footprint from palm oil to inform decisions about sourcing &amp; addressing impacts on deforestation &amp; peat. This long-term objective ensures forest-related issues are at the core of the Unilever Sustainable Living Plan &amp; company goals to achieve its targets.</p>
Financial planning	Yes, forests-related issues are integrated	5-10	<p>Our vision of inclusive growth which delivers value, is encapsulated in the Unilever Sustainable Living Plan (USLP). One of the USLP big goals is reducing environment impact. This goal is supported by a transformational change agenda &amp; incorporates sustainable sourcing targets for our key ingredients inc soy, p&amp;b, palm oil, cocoa. We combine direct actions through the initiatives linked to our targets with our partnership approach to advocacy. This aims to create change on a systemic scale which contributes to the SDGs which are fundamental to future economic &amp; business growth for us. The Business &amp; Sustainable Development Commission, co-founded by Unilever, concluded that successful delivery of the SDGs will create market opportunities of at least \$12 trillion a year. We are working to make progress across many SDGs through the USLP. To further understand the financial impact climate change could have on our commodities in the long term (2030), we used our high-level assessment</p>

			<p>of the of 2°C &amp; 4°C global warming scenarios. We selected soy for our pilot analysis to anticipate how change in yield &amp; in supply can impact procurement costs helping us price in any mitigation measures to account for, such as forward buying or even reformulating over the long-term. Soy is important to Unilever because of large purchased volume, a high-profile crop in the countries where it is grown &amp; has good availability of historical price data &amp; suitable climate models. We are actively investing in growing the numbers of farmers trained in good agricultural practices, through direct programs. This increases farmers' productivity and resilience to climatic and economic conditions. The cost of these initiatives is included in our material costs forecast. In the short-term, commodity price risk is managed through forward buying of traded commodities &amp; other hedging mechanisms. Trends, including weather patterns, are monitored &amp; modelled regularly &amp; integrated into our forecasting process. We invested in Unilever Oleochemical Indonesia (UOI) to source directly from palm oil suppliers &amp; make our own raw materials for our products, shortening our supply chain, cutting out intermediary roles like traders. By practicing financial prudence, we manage commodity price fluctuations &amp; have better control over production costs. This enables us to keep our products affordable &amp; accessible.</p>
--	--	--	---

## F6. Implementation

### F6.1

**(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

Yes

### F6.1a

**(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.**

---

Target reference number

Target 1

**Forest risk commodity**

Timber products

**Type of target**

Third-party certification

**Description of target**

Unilever continue to aim for 100% third party certification of all agriculture and forestry related materials, including wood fiber used in in scope materials. We continue to drive this, reaching 89% for FY 2019 and 91% by Q4 2019 alone. We will continue to drive more difficult markets (e.g. Africa, South Asia) where uncertified recycled is sourced to 3rd party certified recycled under either FSC or PEFC standards.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

**Third-party certification scheme**

FSC Forest Management certification  
FSC Chain of Custody  
FSC Controlled Wood  
FSC Recycled  
PEFC Chain of Custody

**Start year**

2010

**Target year**

2020

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

98

**Please explain**

As part of our Unilever Sustainable Living Plan (USLP), launched in 2010, we have a commitment to source all our agricultural raw materials sustainably by 2020. In order to reach this target we put together a Sustainable Paper and Board Packaging Policy

which is designed to support market transformation by working with key suppliers and the industry to halt deforestation, promote best practices in sustainable forest and pulp plantation management, and drive positive economic and social impact on people and communities. We've also signed up to the Consumer Goods Forum commitment to achieving zero net deforestation associated with four commodities – palm oil, soy, paper and board, and beef – no later than 2020. We aim to buy paper packaging that comes either from well-managed forests certified as FSC or PEFC or from recycled material. Sometimes we need to source virgin paper and board – for example because of safety regulations – and when we do, we buy from certified sources with a full 'chain of custody'. In 2019, 98% of the directly-purchased paper and board packaging materials we used were made from recycled fibre or came from certified sustainably managed forests. We also decreased the amount of recycled fiber without chain of custody from 21% to 16% advancing 89.94% total chain of custody against our commitment to reach 100% coverage by 2020. In the USLP, our target was set at 100% sustainably sourced by 2020 and we reached 99% sustainably sourced in 2016. In 2016 we set a new target to source all recycled fibre from suppliers with third-party certification by end 2019. UL Sustainable Sourcing Assurance team conducted a rigorous benchmarking of fiber standards to the companies Sustainable Agriculture Scheme rules. UL Assurance also has written an internal report comparing FSC and PEFC to illustrate key similarities and differences to internal procurement stakeholders. Based on these reviews, and UL support for the two standards' goals of increasing responsibly sourced timber, the company chose the above 3rd party certification standards. Effectively 0% as the launch of the Unilever Sustainable Living Plan entailed tracking of sustainable %'s prior to which sustainable volume was not intentionally tracked and could be placed at 0 as it was effectively unknown in 2010.

---

### **Target reference number**

Target 2

### **Forest risk commodity**

Timber products

### **Type of target**

Traceability

### **Description of target**

Unilever continue to aim for 100% traceability of paper and board products via third party certification of all agriculture and forestry related materials, including wood fiber used in in scope materials.

We continue to drive this, reaching 89% for FY 2019 and 91% by Q4 2019 alone. We will continue to drive more difficult markets (e.g. Africa, South Asia) where uncertified recycled is sourced to 3rd party certified recycled under either FSC or PEFC standards. In July 2019, we published details of our direct paper and board suppliers, counting for in excess of 99.5% of the wood fibre-based materials we purchased in 2018 under our

Sustainable Paper and Board Packaging Policy. This includes all folding cartons, customer packaging, aseptics and ice cream sticks.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

Country

**Third-party certification scheme**

**Start year**

2010

**Target year**

2020

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

89

**Please explain**

Certified volumes possess a 3rd party certified and audited chain of custody from the forest origin to Unilever. Every time that logs, pulp and fiber, paper stock and finished packaging change hands, the buying and selling parties to the transaction must increment and deduct the respective volume from their inventories of segregated FSC/PEFC certified materials. This makes it so that certified volumes are traceable to forest and waste collection origins, though in practice no individual entity has visibility to the full chain of transactions.

---

**Target reference number**

Target 3

**Forest risk commodity**

Timber products

**Type of target**

Assess and/or verify compliance

**Description of target**

Unilever continue to aim for 100% third party certification of all agriculture & forestry related materials, including wood fiber. We assess & verify the fiber composition of our products annually to ensure the recycled % is on track with our target.

There are 2 parts to our main Pa&P sourcing target. Part of our target is to source our packaging from certified sustainably managed forests, & part is to source from recycled material, both by the end of 2020. Target 3 for Timber is focused on our target to increase % of certified recycled materials purchased. We only accept recycled fibre products when they come from certified sources (with full chain of custody).

When supplying products under a recycled claim, the supplier must report the fibre composition in terms of (a) recycled fibres, (b) certified virgin fibres and (c) virgin fibres, giving each as a percentage of the total content

- The percentage of product content is calculated on a six-monthly rolling average.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

**Third-party certification scheme**

**Start year**

2010

**Target year**

2020

**Quantitative metric**

**Target (number)**

**Target (%)**

75

**% of target achieved**

80

**Please explain**

For recycled products, Chain of Custody certification is a mechanism for ensuring that the initial feedstock in the product is recovered material, and that this fibre is tracked through the supply chain to the final product.

---

**Target reference number**

Target 4



**Forest risk commodity**

Palm oil

**Type of target**

Third-party certification

**Description of target**

In 2010, we launched our Unilever Sustainable Living Plan (USLP), committing to source all our agricultural raw materials sustainably by 2020. For palm, we brought the target forward to 2019, with the goal being 100% physically certified core volumes (palm oil and palm kernel oil) . The 2019 target was also captured in our Sustainable Palm Oil Sourcing Policy, reflecting our ambition to drive transformational change in the industry.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

**Third-party certification scheme**

RSPO Segregated  
RSPO Mass Balance  
RSPO Book and Claim  
RA Sustainable Agriculture Network (SAN) standard

**Start year**

2009

**Target year**

2019

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

100

**Please explain**

Unilever is one of the largest end users of physically certified CPO and PKO in the consumer goods industry & therefore has a responsibility to source palm volumes sustainably. We believe sustainable palm is possible through implementation of credible global sustainability standards & engagement of stakeholders. We were a founding member of RSPO in 2004, as well as part of the executive committee. Various supply chain models such as RSPO Mass Balance (MB), Segregated (SG) etc were created to

accommodate supply chain complexities & availability of certified materials. 3rd-party certification schemes provide a definition of sustainable agriculture & we envision sustainable palm materials as the norm in the future. We have been purchasing RSPO & RA SAN certified materials since 2009. In 2019, 95.08%, or 833,128 metric tonnes, of our core volumes of CPO and CPKO were physically certified - 93% MB and 2% SG. We sourced another 4.48% of our volumes through independent smallholder credits, reaching a total of 99.6% sustainably sourced overall. This 448% of our volumes is equivalent to 39,237 tons of Independent Smallholder CSPO and CSPKO from 30 Independent Smallholder Farmer Groups – representing at least 6,900 independent smallholder farmers across Indonesia, Malaysia and Thailand. Since 2015, we have purchased 100% RSPO SG PO materials for Europe & Australia for our foods businesses & are sourcing RSPO certified MB volumes for our global markets. We also target traceability & are working with UTZ (Rainforest Alliance) using the PalmTrace platform to capture mill information from suppliers. In 2018, we established strategic partnerships to implement jurisdictional sustainability & remediation programmes in landscapes of concern. Areas of partnerships include North Sumatra, Riau, Aceh, Central Kalimantan & Sabah. We collaborate with the relevant stakeholders to train smallholders and help them achieve certification which improves the amount of certified materials available to our direct suppliers in program regions and our own refining facility in North Sumatra (Unilever Oleochemicals Indonesia), allowing us to grow sustainably.

### **Target reference number**

Target 5

### **Forest risk commodity**

Palm oil

### **Type of target**

Traceability

### **Description of target**

We are investing in satellite, geolocation, blockchain and AI, working with major tech firms and innovative start-ups to build new approaches to monitoring and traceability, extending from mill to plantation or crop source. Visibility of the supply chain through to the smallest supplier will radically improve our knowledge of what is happening on the ground. We can then monitor land use, manage risks and direct investment into sustainability activities. Satellite and radar technology is already being deployed to give us early warning of deforestation.

### **Linked commitment**

Zero net/gross deforestation

### **Traceability point**

Mill

**Third-party certification scheme****Start year**

2013

**Target year**

2020

**Quantitative metric****Target (number)****Target (%)**

100

**% of target achieved**

97

**Please explain**

Since 2016, we have been working closely with RA-UTZ using PalmTrace to capture traceability information from our suppliers. All suppliers are required to provide traceability information to mills which includes both RSPO certified and non-RSPO certified volumes. The information includes mill names and GPS coordinates. Mill locations reveal useful information regarding plantations that fall within its sourcing area, including third party plantations, associated and independent smallholders. This gives visibility to all the mills in our supply chain to further identify risk. In H1 2019, we achieved 97% traceability to mill and have visibility of more than 1600 mills in our extended supply chain, including direct and indirect suppliers. We were the first major consumer goods company to disclose our mill data and supplier list publicly in Feb 2018. Our list of 1655 mills in our supply chain contributes to the Universal Mill List developed by WRI, RA, Proforest and Daemeter, to help improve the ease and accuracy of reporting, with a single, harmonized set of publicly available information for palm oil mill locations. We also made significant progress in mill segmentation to ensure our direct suppliers are clear as to which mills are no longer accepted in our supply chain. In 2019, we joined the consortia supporting the work of Satelligence, in partnership with WRI, to develop a publicly available radar-based forest monitoring system, known as 'Radar Alerts for Detecting Deforestation'. With this tool, we are able to see near real-time prioritised and accurate deforestation alerts which enable better and faster supplychain management. In addition, through our partnership with Aidenvironment, we're monitor oil palm concessions in our supply chain through a regular 'Deforestation and Burnt Area Monitoring Report'. This mapping system enables us to better understand where our palm oil originates from and how those companies comply with our NDPE procurement policy. We are also working to evolve this existing mapping platform which pinpoints exactly where palm oil companies are operating back to the plantations.

---

**Target reference number**

Target 6

**Forest risk commodity**

Palm oil

**Type of target**

Engagement with smallholders

**Description of target**

Number of smallholder farmers in our supply network who we have enabled access to initiatives aimed at improving their agricultural practices for the period of 2011 to 2019. Within this broader goal we also have the ambition to make sustainable palm oil commonplace which means working with partners to support programmes that enable small-scale farmers to thrive. The objective of our smallholder programmes is to increase profitability for farmers by improving the sustainability of farming practices, professionalising smallholder farming business and promoting RSPO certification. We interact with smallholders through ground-level projects supported by Unilever and implemented by partners. We also purchase RSPO Smallholder credits, creating a market for smallholder-grown palm.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

**Third-party certification scheme**

**Start year**

2011

**Target year**

2019

**Quantitative metric**

**Target (number)**

500,000

**Target (%)**

**% of target achieved**

100

### Please explain

Through our enhancing livelihoods program Unilever has reached 793,000 farmers across various commodities and landscapes. Within this overarching target over 150,00 smallholders in palm oil have been reached in 2019 alone.

We are actively investing in growing the number of certified farmers, farmer groups and the volume of certified oil palm fruit in the global market. Our field programmes unite traditional extension approaches and digital technology to monitor, analyse and change farming practices for improved sustainability and profitability. These programmes include elements of training in Good Agricultural Practices (GAP) and NDPE principles, mapping, facilitation of access to goods and services (e.g. inputs, seedling, land titling, financial and technical support) and certification. We have seven programmes with various partners such as Conservation International, Daemeter and INOBU, involving with 8995 smallholders across Indonesia and Malaysia. We will continue to invest in partnerships that enable us to increase the scale of our projects with farmers and to provide training on good agricultural practices and NDPE, thus creating avenues for increased RSPO certification. Since 2014, Unilever has consistently been one of the largest buyers of independent smallholder RSPO credits. We believe that the purchasing of RSPO Independent Smallholder credits can directly incentivise and support the livelihoods of independent smallholders. In 2019, we purchased 40,000 tons of Independent Smallholder CSPO and CSPKO from 30 Independent Smallholder Farmer Groups – representing at least 6,900 independent smallholder farmers across Indonesia, Malaysia and Thailand. Since 2017, Unilever has consistently been one of the largest buyers of independent smallholder RSPO credits. We are actively investing in growing the number of certified farmers, farmer groups and the volume of certified oil palm fruit in the global market. Our field programmes unite traditional extension approaches and digital technology to monitor, analyse and change farming practices for improved sustainability and profitability.

---

#### Target reference number

Target 7

#### Forest risk commodity

Soy

#### Type of target

Third-party certification

#### Description of target

In 2010, we launched our Unilever Sustainable Living Plan (USLP), committing to source all our agricultural raw materials sustainably by 2020. For soy, we have the goal of sourcing 100% of soybean volumes sustainably by 2020, through SAC or an equivalent certification standard or sustainability programs.

#### Linked commitment

Zero net/gross deforestation

**Traceability point****Third-party certification scheme**

RTRS (any type)  
ProTerra certification  
Other, please specify  
Unilever Sustainable Agriculture Code(SAC)

**Start year**

2011

**Target year**

2020

**Quantitative metric****Target (number)****Target (%)**

100

**% of target achieved**

80

**Please explain**

In 2010, we set a goal to source all our agricultural raw materials sustainably by 2020. Our Sustainable Agriculture Code (SAC) defines our requirements for sustainably sourced materials. It covers the requirement for no conversion & no deforestation, among other environmental, social & economic criteria. We are committed to working with the industry to drive change, so we benchmark the SAC against recognized certifications used by the industry to define which 3rd party certifications are equivalent. Industry standards considered equivalent to the SAC may have a global scope or regional scope, depending on the specific challenges the standards aim to address, but they all require that soybean production is deforestation or conversion-free. Origins of our soybean oil in 2019 were Argentina, Bolivia, Brazil, China, Ukraine and the US. For US soy, we recognize the US Soybean Sustainable Protocol (US SSAP) in combination with the Field to Market Fieldprint calculator (FtM FPC) and other programs as equivalent to our SAC. The key challenges identified in the US Mid-West are not deforestation & conversion but soil health & water quality due to unsustainable farming practices such as heavy use of agricultural inputs. To address this, we developed an impact program promoting the use of cover crops to improve soil health & water quality. The combination of US SSAP, FtM & the impact approach allows us to ensure farmers in our program comply with our SAC & agriculture regenerates nature. For Brazilian soy, RTRS is our key standard to ensure deforestation & conversion-free soy for GMO soy & Pro-Terra for non-GMO soy. We have set up an RTRS certification program in the

Brazilian Cerrado with a group of 43 farmers producing enough responsible soy to cover UL footprint for the local market. By having the possibility of using different regional standards, we ensure rigorous compliance to our ULSP/ UL SAC, while still providing suppliers with flexibility to meet these standards & support sustainable sourcing initiatives. In 2019, 80% of our soy oil was sourced sustainably via RTRS Certification, Pro-Terra Certification & US SSAP with FtM FPC plus an impact program. We plan to meet our target of 100% sustainable soy by 2020 by growing our program in the USA & by increasing certified RTRS soy via MB & certificates.

**Target reference number**

Target 8

**Forest risk commodity**

Soy

**Type of target**

Traceability

**Description of target**

Unilever aims for 100% traceability for soy oil products via third party certification of all agriculture and forestry related materials.

In 2019, we continued to drive this, by surveying our soy oil suppliers to gain visibility on the origin of soybeans in the supply chain. As a result, 93% of Unilever's volumes are traceable to country of origin and 68% is traceable to state or equivalent level.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

Country

**Third-party certification scheme**
**Start year**

2010

**Target year**

2020

**Quantitative metric**
**Target (number)**
**Target (%)**

100

**% of target achieved**

93

**Please explain**

Situation: Several soy producing countries are experiencing rampant deforestation and habitat conversion. In Brazil, forests are cleared for the raising of cattle or for soy production. Land conversion rates vary by municipality and are not isolated to a specific region of the country. For this reason, it is essential to gain transparency of where suppliers are sourcing soybeans from, to adequately assess risk exposure and take actions.

Task: In 2019, we commissioned a global assessment of Unilever's exposure to deforestation risk, appointing Proforest and Sourcemap to produce traceability and supply chain maps. Action: This project followed a three-step process, of (1) designing and implementing survey with suppliers to gather data on the flow of beans through each supply chain; (2) categorizing, scoring and visualising information in dashboards and maps; and (3) engaging suppliers to identify and agree to approaches to facilitate the delivery of deforestation-free beans to Unilever. (this final step is being undertaken in 2020).

Response: A key finding of this assessment is that 93% of Unilever's volumes are traceable to country of origin and 68% is traceable to state or equivalent level. Since this assessment, we have moved swiftly to address forest-risk exposure. In 2020, we are working with suppliers on a range of solutions that include moving sourcing from high to low risk origins in long supply chains & sourcing segregated certified volume from high risk origins.

**Target reference number**

Target 9

**Forest risk commodity**

Soy

**Type of target**

Third-party certification

**Description of target**

In 2010, we launched our Unilever Sustainable Living Plan (USLP), committing to source all our agricultural raw materials sustainably by 2020. For soy, we have the goal of sourcing 100% of soybean volumes sustainably by 2020, through SAC or an equivalent certification standard or sustainability programs.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**



**Third-party certification scheme**

RTRS (any type)

ProTerra certification

Other, please specify

Unilever Sustainable Agriculture Code (SAC)

**Start year**

2011

**Target year**

2020

**Quantitative metric****Target (number)****Target (%)**

100

**% of target achieved**

80

**Please explain**

In 2010, we set a goal to source all our agricultural raw materials sustainably by 2020. Our Sustainable Agriculture Code (SAC) defines our requirements for sustainably sourced materials. It covers the requirement for no conversion & no deforestation, among other environmental, social & economic criteria. We are committed to working with the industry to drive change, so we benchmark the SAC against recognized certifications used by the industry to define which 3rd party certifications are equivalent. Industry standards considered equivalent to the SAC may have a global scope or regional scope, depending on the specific challenges the standards aim to address, but they all require that soybean production is deforestation or conversion-free. Origins of our soybean oil in 2019 were Argentina, Bolivia, Brazil, China, Ukraine and the US. For US soy, we recognize the US Soybean Sustainable Protocol (US SSAP) in combination with the Field to Market Fieldprint calculator (FtM FPC) and other programs as equivalent to our SAC. The key challenges identified in the US Mid-West are not deforestation & conversion but soil health & water quality due to unsustainable farming practices such as heavy use of agricultural inputs. To address this, we developed an impact program promoting the use of cover crops to improve soil health & water quality. The combination of US SSAP, FtM & the impact approach allows us to ensure farmers in our program comply with our SAC & agriculture regenerates nature. For Brazilian soy, RTRS is our key standard to ensure deforestation & conversion-free soy for GMO soy & Pro-Terra for non-GMO soy. We have set up an RTRS certification program in the Brazilian Cerrado with a group of 43 farmers producing enough responsible soy to cover UL footprint for the local market. By having the possibility of using different regional

standards, we ensure rigorous compliance to our ULSP/ UL SAC, while still providing suppliers with flexibility to meet these standards & support sustainable sourcing initiatives. In 2019, 80% of our soy oil was sourced sustainably via RTRS Certification, Pro-Terra Certification & US SSAP with FtM FPC plus an impact program. We plan to meet our target of 100% sustainable soy by 2020 by growing our program in the USA & by increasing certified RTRS soy via MB & certificates.

---

**Target reference number**

Target 10

**Forest risk commodity**

Other - Cocoa

**Type of target**

Third-party certification

**Description of target**

In 2010, we launched our Unilever Sustainable Living Plan (USLP), committing to source all our agricultural raw materials sustainably by 2020. For cocoa, we have the goal of sourcing 100% of our cocoa volumes sustainably by 2020, through SAC or an equivalent certification standard or sustainability programmes.

**Linked commitment**

Zero net/gross deforestation

**Traceability point****Third-party certification scheme**

Other, please specify

Rainforest Alliance Sustainable Agriculture Standard, UTZ, Fairtrade

**Start year**

2010

**Target year**

2020

**Quantitative metric****Target (number)****Target (%)**

100

**% of target achieved**

89

**Please explain**

**Situation:** Cocoa is one of our priority crops and it's essential to Magnum, our biggest ice cream brand which is on sale in 52 countries. We buy certified materials in accordance with recognized sustainability standards that are equivalent or exceed the requirements of Unilever Sustainable Agriculture Code, namely Rainforest Alliance Sustainable Agriculture Standard (SAS) and Fairtrade.

**Task:** These independently verified standards provide reasonable assurance that the volumes we purchase are sourced in accordance with our no deforestation commitments. SAS and Fairtrade promotes ecosystem conservation, worker rights (including the prohibition of child labour), safety and wildlife protection. It also covers topics such as water and soil conservation, agrochemical reduction, decent housing, legal wages and contracts for workers. These standards help improve smallholder farm practices, ensuring that sustainable cocoa farming supports farmers and their communities.

**Action:** We work with suppliers through long-standing certification schemes. These have helped drive standards across these sectors, and are a powerful tool when it comes to monitoring sustainable agricultural practices. Preparation for certification can play an important role in capacity-building for cocoa farmers – but we also deliver impact programmes that specifically aim to lift farmers out of poverty.

**Response:** Ben & Jerry's worked with suppliers to achieve Fairtrade Certification for all its cocoa by 2014. By 2019, over 99% of the cocoa we needed for Magnum was from Rainforest Alliance Certified™ farms, and 89% of our cocoa overall was sustainably sourced.

**Target reference number**

Target 11

**Forest risk commodity**

Other - Cocoa

**Type of target**

Traceability

**Description of target**

We are committed to strengthening supply chain mapping, with the end goal of effective and cost-efficient traceability at the farm-level. Unilever needs to be able to monitor the origin of the cocoa that we buy in order to comply with our commitment to not source any cocoa that is grown illegally – and we are working with the industry to develop the framework and tools to make this happen. It is important to ensure a uniform approach that applies equally to international and national traders, particularly in Côte d'Ivoire

where the local traders (traitants and pisteurs) have been identified as the primary direct buyers of cocoa from protected areas.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

Farm

**Third-party certification scheme**

**Start year**

2018

**Target year**

2023

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

92

**Please explain**

Situation: To ensure effective implementation and monitoring of these commitments, companies have pledged to develop verifiable monitoring systems for traceability from farm to the first purchase point for their own purchases of cocoa, and to work with Industry/Government to ensure an effective national framework for traceability encompassing all traders in the supply chain.

Task: The top priority is the protection and restoration of forests that have been degraded. To this end, the government and companies have pledged no further conversion of forest land for cocoa production. We have committed to the phased elimination of illegal cocoa production and sourcing in protected areas. Up-to-date maps on forest cover and land-use, socio-economic data on cocoa farmers, and detailed operational guidelines covering forest management and land-use are being developed and will be publicly disclosed.

Action:

Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas). Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries polygon data to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests

Response: We've been mapping our direct cocoa supply chain to improve traceability and in March 2020 published a full list of our Tier 1 and 2 direct cocoa suppliers on our website. Over 92% of our direct cocoa supply chain has been mapped to date via our suppliers, to improve traceability and better understand where our cocoa comes from. This mapping will enable us to better define deforestation risk, and to identify issues on the ground that require remediation. With a transparent and traceable supply chain, evidence-based decision-making and data sharing on forests, forest loss and degradation, and patterns of land use in cocoa-growing communities, will help better design remediation and impact programmes.

---

**Target reference number**

Target 12

**Forest risk commodity**

Other - Cocoa

**Type of target**

Other, please specify

Redmediation with smallholders

**Description of target**

We work with smallholders to help them build their resilience to market shocks and fluctuations by helping them sustainably increase their yields and find additional sources of income. For many cocoa farmers, lack of access to training and other services results in poor yields, which in turn can lead to farmers switching crops or leaving farming and moving to urban centres in search of better jobs. Building resilience among smallholder farmers extends beyond supporting improvements in their agricultural practices. A holistic approach that aims to address the wider challenges they face is essential – and will play a crucial part in securing our supplies for the future.

**Linked commitment**

Zero net/gross deforestation

**Traceability point****Third-party certification scheme****Start year**

2018

**Target year**

2025

**Quantitative metric**

Absolute number

**Target (number)**

6,000

**Target (%)****% of target achieved**

48

**Please explain**

Sustainable agricultural production and increased farmer incomes are essential prerequisites for reducing pressure for agricultural encroachment into forests, and strengthening the resilience of cocoa farmers to climate change. Farmers who currently grow cocoa in protected areas will need viable alternative sources of income to ensure restoration of their standard of living. Key actions include: provision of improved planting materials when legally allowed, training in good agricultural practices, soil fertility, land tenure reform, and capacity building of farmers' organizations. Sustainable livelihoods and income diversification for cocoa farmers will be accelerated through food crop diversification, agricultural inter-cropping, and development of mixed agro-forestry systems and shade-grown cocoa.

Case study: Our pilot project DiRev (Projet de Diversification du Revenu du Planteur) worked with 448 smallholder cocoa farmers in southern Côte d'Ivoire from 2018 to 2019, using a range of approaches to help them grow maize as well as cocoa. It aimed to make smallholders more resilient by diversifying their household incomes, and had a particular focus on including women farmers. Despite severe droughts during the project, yields of maize on DiRev fields were higher than on 'control' fields – and 79% of the farmers reported that they were positive about their maize harvest. While the farmers involved will continue to see cocoa as their main source of income, 90% of women farmers and 95% of men said they would continue to grow maize. A single intervention like this cannot solve smallholder poverty on its own. But it does highlight the potential for crop diversification, as well as the need to look beyond the fields – at market access and business skills training, for instance, which are now being considered by the DiRev partners as we look to scale the project up.

**F6.2****(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	To monitor the origin of our paper and board,	Other, please specify The purchase of wood fibre that is not	The purchase of wood fibre that is not a part of

	<p>Unilever has implemented a Global Traceability System (GTS) to report on our paper and board (P&amp;B) volumes and sustainability claims. GTS is used to trace our P&amp;B materials to the direct supplier's country of fibre origin. Currently, we do not have region information from our suppliers. All certified materials are required to show proof with FSC or PEFC chain of custody certification. This information is verified annually through third-party verification. In 2019, we sourced approximately 0.85 million tonnes of paper and board globally, of which 98% came from certified sustainably managed forests or from recycled material — 89.94% certified against FSC, PEFC or both &amp; with full chain of custody, &amp; 7.5% from recycled materials. We calculate the % of total volume traceable as 89.94%, which is the percentage of paper and board packaging that is certified as FSC and PEFC with full chain of custody. To overcome the limitations of status quo chain of custody, we are investing in satellite data, geolocation, blockchain and AI, working with major tech firms and innovative</p>	<p>a part of our paper and board packaging portfolio is not yet included in scope.</p>	<p>our paper and board packaging portfolio is not included in scope. The policy covers the paper and board packaging Unilever purchases directly. This includes folding cartons, customer packaging, aseptics, and ice cream sticks, but does not include flexibles, labels or tea bags.</p>
--	---	--	--

		start-ups to build new approaches to monitoring and traceability, extending from mill to plantation or crop source.		
Palm oil	Yes	<p>We are investing in satellite, geolocation, blockchain and AI, working with major tech firms and innovative start-ups to build new approaches to monitoring and traceability, extending from mill to plantation or crop source. Since 2016, we have been working closely with RA-UTZ using PalmTrace to capture traceability information from our suppliers. All suppliers are required to provide traceability information to mills which includes both RSPO certified and non-RSPO certified volumes. The information includes mill names and GPS coordinates. As a highly perishable fruit, palm fruits must be processed within 24 hours of harvest, which limits plantation sourcing to a 50 km radius from the mill. Mill locations reveal useful information regarding plantations that fall within its sourcing area, including third party plantations, associated and independent smallholders. This gives visibility to all the mills in our supply chain to further identify risk. In H1 2019, we achieved 97%</p>	Other, please specify non-core volumes of palm oil	<p>Non-core volumes of palm oil are derivatives of palm fatty acid distillates, which are by-products of the refining process, and tail ingredients. These represent very small volumes in our products. We also exclude materials processed by third-party manufacturers. The volume excluded is around 17% of the total volume we purchase annually.</p>



	<p>traceability to mill and have visibility of more than 1600 mills in our extended supply chain, including direct and indirect suppliers. We were the first major consumer goods company to disclose our mill data and supplier list publicly in Feb 2018. Our list of over 1600 mills in our supply chain contributes to the Universal Mill List developed by WRI, RA, Proforest and Daemeter, to help improve the ease and accuracy of reporting, with a single, harmonized set of publicly available information for palm oil mill locations. In 2019, we joined the consortia supporting the work of Satelligence, in partnership with WRI, to develop a publicly available radar-based forest monitoring system, known as 'Radar Alerts for Detecting Deforestation'. With this tool, we are able to see near real-time prioritised and accurate deforestation alerts which enable better and faster supplychain management. In addition, through our partnership with Aidenvironment, we're monitor oil palm concessions in our supply chain through a regular 'Deforestation and Burnt Area Monitoring Report'. This mapping system</p>		
--	---	--	--

		enables us to better understand where our palm oil originates from and how those companies comply with our NDPE procurement policy. We are also working to evolve this existing mapping platform which pinpoints exactly where palm oil companies are operating back to the plantations.		
Soy	Yes	We have engaged our suppliers to map our soy supply chain and have identified the countries of origin & crushing and refinery facilities for approximately 74% of our soybean oil. We have significantly deeper levels of traceability within certain countries. 100% of our US soy supply (which represents approximately 60% of global volume) is traceable to the crushing facility. Its origins are in Iowa and we consider this a low risk origin. We are also able to trace 50% of the Brazilian soy used for the local market to the municipality and farm (which represents approximately 3% of the global volume). Through a supply chain mapping initiative in 2019, we have traceability to country or a more granular level for an additional 27% of our soy, and are now working with suppliers to reduce our forest-risk exposure. The basis of our traceability	Other, please specify Third-party manufacturers	We exclude materials processed by third-party manufacturers.

		<p>system is the SuSo System, which provides data on suppliers, volumes and sustainability status. We complement this by frequent engagements with our suppliers to assess their soy origins and risks and to jointly define the best approach. Case study: We have set up an RTRS certification program in Southern Cerrado in 2015 &amp; the farmers who are part of the program produce enough soybeans to cover our local soybean oil demand. We request our supplier to source soybean from this program, so we are able to link part of our soybean oil to the farmers in our program via a mass-balance mechanism. This allows us to have traceability beyond the crushing plant, to the municipality and farm level for approximately 25% of the Brazilian soy for the local market.</p>		
Other - Cocoa	Yes	<p>We are committed to strengthening cost-effective supply chain traceability at the farm-level including endorsement of a strong national traceability system in origin countries.. As industry we aim to be able to monitor the origin of the cocoa that we buy in order to comply with our</p>	Country/geographical area	Direct sourcing (CDI only)

		<p>commitment to not source any cocoa that is grown illegally – and we are working through our Cocoa Forest Initiative Action Plan to make this happen. It is important to ensure a uniform approach that applies equally to international and national traders, particularly in Côte d’Ivoire where the local traders (traitants and pisteurs) have been identified as the primary direct buyers of cocoa from protected areas. We conducted farm mapping via Tier 1 supply chain partners to identify cocoa farm boundaries polygon data to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests. We also conducted deforestation risk assessments in all direct sourcing areas. Most of our directly sourced volumes are already segregated. However, we are also investigating implementation of First mile Traceability tools/technology with our suppliers, to ensure that no cocoa purchases originate from National Parks or Reserves (all forest areas). Over 92% of our direct cocoa supply chain has been mapped,</p>		
--	--	--	--	--

		via our suppliers, to improve traceability and better understand where our cocoa comes from. This mapping will enable us to better define deforestation risk, and to identify issues on the ground that require remediation.		
--	--	--	--	--

## F6.2a

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	90
Palm oil	Mill	97
Soy	State or equivalent	80
Other - Cocoa	Farm	92

## F6.3

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption.**

**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC (any type)

**Certification coverage**

Consumption volume

**% of total production/consumption volume certified**

90

**Form of commodity**

Pulp

Paper

Boards, plywood, engineered wood

Primary packaging  
Secondary packaging  
Tertiary packaging

**Volume of production/ consumption certified**

830,000

**Metric**

Metric tons

**Please explain**

Includes multiple certification schemes: FSC Chain of Custody, FSC Recycled, PEFC Chain of Custody, FSC 100%, FSC Mis, PEFC Virgin, PEFC Recycled

Since 2015, we have aimed for all paper & board packaging to be sourced sustainably (recycled, or certified virgin) & by end of 2019 we will accept recycled fiber products only when they come from certified sources (with full chain of custody). We recognize 2 certification schemes under our policy: PEFC & FSC. In 2019, we sourced approximately 0.83 million tonnes of paper & board globally, of which 90% was certified against FSC or PEFC with full chain of custody. Situation: In 2016, we committed to accelerate the volume of certified recycled products we purchase & to source all recycled fiber from suppliers with 3rd-party certification by end of 2019. Task: Drive certification in markets where uncertified materials are the dominant packaging material e.g. East Africa, South Asia. Action: In 2019, we continued to work closely with suppliers to ensure implementation & uptake of certification, including scheduling calls between suppliers and Unilever global, local markets, and sustainable sourcing teams to identify gaps and arrange supplier commitment to strategy to close the gaps. Result: Between 2016 & 2017, the certified volume that we purchase has grown from 59% to 79% of our total volume, and due to continued drive further increased this figure from 84% to 90% in 2019. This indicates Unilever's commitment to certification standards. In 2019, of the remaining 10.1% of volume, 7.5% was from recycled materials without certification. For recycled material we accept pre-consumer waste (clippings) that have been diverted from the waste stream during the manufacturing process and post-consumer waste that has been used for its intended purpose and has been reclaimed from the waste stream. Unilever does not consider mill broke from virgin fibers as recycled material. For all materials, we collect data through our Global Traceability System (GTS) on a quarterly basis.

---

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO (any type)

**Certification coverage**

Consumption volume

**% of total production/consumption volume certified**

95

**Form of commodity**

Crude palm oil (CPO)  
 Crude palm kernel oil (CPKO)  
 Palm oil derivatives  
 Palm kernel oil derivatives

**Volume of production/ consumption certified**

833,128

**Metric**

Metric tons

**Please explain**

Third-party certification schemes are a key part of our approach. Many of our raw materials are certified to sustainability standards which meet or exceed our SAC, such as those of the Rainforest Alliance and Roundtable on Sustainable Palm Oil (RSPO). These certification platforms help suppliers by providing a common definition of sustainable agriculture, which makes their products more marketable to us and others. In 2019, 95.08%, or 833,128 metric tonnes, of our core volumes of CPO and CPKO were physically certified - 93% MB and 2% SG. We sourced another 4.48% of our volumes through independent smallholder credits, reaching a total of 99.6% sustainably sourced overall. This 4.48% of our volumes is equivalent to 39,237 tons of Independent Smallholder CSPO and CSPKO from 30 Independent Smallholder Farmer Groups – representing at least 6,900 independent smallholder farmers across Indonesia, Malaysia and Thailand. Unilever is committed to improving the livelihoods and incomes of smallholder farmers. We work with partners on projects that support RSPO certification of independent smallholders and the volume of certified oil palm fruit in the global market. Nearly 9000 smallholders are participating in our programs in 2019 and they are working toward RSPO certification. Unilever aims to support and empower 25,000 SHF in various priority landscapes by 2030.

**Forest risk commodity**

Soy

**Third-party certification scheme**

RTRS (any type)

**Certification coverage**

Consumption volume

**% of total production/consumption volume certified**

80

**Form of commodity**

Soy bean oil

**Volume of production/ consumption certified**

226,000

**Metric**

Metric tons

**Please explain**

Strategic partnerships and third-party certification schemes are a key part of our approach. Many of our raw materials are certified to sustainability standards which meet or exceed our SAC, such as the Round Table on Responsible Soy. 72% of our global soy oil volume was sourced sustainably, achieved through a mix of 3rd party certifications and our own Sustainable Agriculture Code program (SAC). 80% of our soybean oil was certified via 3rd party certification schemes or equivalent in 2019. We sourced RTRS certified soybean oil (mass balance and credits) for GMO soy and Por-Terra certified soybean oil for non-GMO soy. An example of how we support third-party certification schemes is our engagement with RTRS. In 2015, we set up a program to support the RTRS certification of 43 farmers located in Cerrado Biome, from whom we indirectly sourced our certified physical soybean oil and RTRS credits. In 2019, the farmers successfully certified their harvest for the fourth year. Unilever is responsible for funding the technical assistance provided to farmers by Aliance da Terra and the certification audit costs. Unilever is also committed to sourcing 100% of the certified soy produced by the program either via mass-balance or certificates.

**Forest risk commodity**

Other - Cocoa

**Third-party certification scheme**

Other, please specify

Rainforest Alliance, UTZ, Fairtrade, Suppliers' code (e.g. Mondelez Cocoa Life)

**Certification coverage**

Consumption volume

**% of total production/consumption volume certified**

89

**Form of commodity**

Other, please specify

Cocoa beans

**Volume of production/ consumption certified**

72,600

**Metric**

Metric tons

**Please explain**



Strategic partnerships and third-party certification schemes are a key part of our approach. Most of our cocoa derivatives tonnage is already certified to sustainability standards which meet or exceed our SAC, such as Rainforest Alliance (RA) Sustainable Agriculture Standard and Fairtrade. In 2019, 89% of our overall cocoa volume was sourced sustainably, through RA and Fairtrade certified materials. We're determined to source 100% of our cocoa sustainably – but we've set ourselves the goal of going further, through impact programmes that complement the work of certification programmes and bring us closer to the people who grow our ingredients.

## F6.4

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments
Soy	Yes, we have a system in place for our no conversion and/or deforestation commitments
Other - Cocoa	Yes, we have a system in place for our no conversion and/or deforestation commitments

### F6.4a

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

#### Forest risk commodity

Timber products

#### Operational coverage

Direct operations

Supply chain

#### Description of control systems

We buy materials in accordance with recognized standards equivalent/exceeding the Unilever Sustainable Agriculture Code e.g. FSC & PEFC. These standards require segregation from uncertified fiber, but allow mass balance mixing with wood/fiber from controlled sources which are certified & have a no conversion principle suppliers must meet. These independently verified standards provide some assurance purchased volumes are in accordance with our no deforestation commitments. For volumes sourced as FSC 100% or PEFC 100%, we are assured come from non-deforestation

sources. We ask suppliers to acknowledge & comply with our P&P Policy, which includes requirements for no deforestation. Through 2019 & 2020, we are working with suppliers to ensure strict compliance on no-deforestation volumes, inc checks on controlled source fiber suppliers that their suppliers have 3rd party certified due diligence systems in place aligned with identification & mitigation measures set out by FSC & PEFC.

### **Monitoring and verification approach**

Geospatial monitoring tool  
Third-party verification

### **% of total volume in compliance**

91-99%

### **% of total suppliers in compliance**

81-90%

### **Response to supplier non-compliance**

Suspend & engage  
Exclude

### **Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
Providing information on appropriate actions that can be taken to address non-compliance  
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics  
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

### **Please explain**

For suppliers with “controlled sources” from medium to high risk origins, as designated by FSC/PEFC, we will require that suppliers disclose and attest that they check the DDS’s of their suppliers at least annually to ensure that the controlled wood did meet criteria 4 of the FSC Controlled Wood Standard and the equivalent PEFC regulation. We will audit suppliers for evidence that they checked the DDS of their suppliers. Where suppliers have been found to be non-compliant, we will adjust our volume to reflect this non-compliance and will also enter supplier into corrective action to ensure vigilance of their suppliers’ DDS’s or develop an exit strategy for that supplier’s supplier materials. We are also using geospatial and satellite data to advance our understanding of deforestation risk in addition to following the guidance of FSC/PEFC and risk measurement organizations like Maplecroft.

---

### **Forest risk commodity**

Palm oil

### **Operational coverage**

Direct operations

Supply chain

### **Description of control systems**

We buy materials in accordance with recognized standards equivalent/exceeding the Unilever Sustainable Agriculture Code e.g. RSPO & Rainforest Alliance's SAN. Independently verified standards, such as MB, provide some assurance purchased volumes are sourced in accordance with our no deforestation commitments. RSPO SG volumes come from sources not associated with deforestation. Direct suppliers disclose mills where their palm oil originates & we can trace 97% of core volumes via approx 1,655 mills.

AidEnvironment undertake geospatial monitoring of our direct & 3rd party suppliers, covering 80-90% of volume. AidEnvironment provide us with reports on 200 direct & indirect suppliers. AidEnvironment monitors & identify non-compliance & can establish links using our traceability data.

### **Monitoring and verification approach**

Geospatial monitoring tool  
Ground-based monitoring system  
Third-party verification

### **% of total volume in compliance**

71-80%

### **% of total suppliers in compliance**

51-60%

### **Response to supplier non-compliance**

Suspend & engage  
Exclude

### **Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

### **Please explain**

Our public Grievance Procedure for Sustainable Palm Oil is a framework for handling, investigating & resolving both social & environmental issues within our supply chain.

When a grievance is raised we conduct a preliminary review to determine whether it is within our direct or indirect supply chain. After we will then work with the supplier & an independent organisation to develop a time-bound action & remediation plan. We monitor actions to resolve the issue & also the outcomes. These are verified at regular intervals with the supplier. Monitoring is done throughout the year. This enables us to proactively implement our Sustainable Palm Oil Sourcing Policy.

We expect immediate action from Tier 1 suppliers to address allegations, & for the most

serious issues, such as a threat to life, there will be immediate escalation. For allegations against 3rd-parties, we work with Tier 1 suppliers to ensure remedial steps & develop a time-bound action plan. We have a suspend & engage protocol outlining our actions taken against suppliers who do not remediate or disengage in the process. Based on our re-engagement protocol, these suppliers need to fulfil requirements & show compliance with our NDPE policy in order to be reinstated. If a supplier refuses to cooperate we may suspend purchasing. For example, we stopped issuing new POs for a supplier using Felda (3rd party) between 2018-2019. Since 2017, we have suspended 6 direct suppliers.

### **Forest risk commodity**

Soy

### **Operational coverage**

Supply chain

### **Description of control systems**

Geospatial evidence indicates the US is not a forest-risk country. In Brazil, We buy materials in accordance with recognized standards equivalent/exceeding the Unilever Sustainable Agriculture Code e.g. RTRS & Proterra. When we source using MB models, these independently verified standards provide some assurance the purchased volumes are sourced in accordance with our no deforestation commitments. For RTRS & Proterra, we are assured the volumes come from sources which are not associated with deforestation. In 2019, we ran a traceability assessment with suppliers. This showed us where volume from longer supply chains originated. We are working with suppliers to find solutions to reduce exposure to forest-related risks. This includes shifting sourcing from high risk countries to low risk countries. We rely on the standards certification process & auditors to monitor compliance. Non-compliance results in corrective action processes as laid out in the scheme rules.

### **Monitoring and verification approach**

Geospatial monitoring tool

Third-party verification

### **% of total volume in compliance**

71-80%

### **% of total suppliers in compliance**

41-50%

### **Response to supplier non-compliance**

Suspend & engage

Exclude

### **Procedures to address and resolve non-compliance with suppliers**

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

### **Please explain**

In the United States, our suppliers are compliant with and audited annually against the Sustainable Soy Assurance Protocol (SSAP), which has a requirement for no conversion. We do not consider the United States to be a forest-risk country, in line with CDP's guidance of forest-risk countries.

We buy certified materials from two suppliers in Brazil. Volume compliant to RTRS is bought from farmers we engage directly through our local partner, Alliance de Terra. These farmers are subject to full audits every 5 years and a sample undergo annual surveillance audits. If a farmer is found to be in non-compliance with no deforestation or no habitat conversion control points of the RTRS standard, their volume is not counted as RTRS compliant and our supplier will therefore not sell this to us as certified volume. Alliance de Terra will then engage this non-compliant farmer, to review and remediate audit failures through an agreed action plan. Since our partner's role has been to educate and build capacity among these farmers to comply with the RTRS standard, there have been no cases of non-compliance on these issues.

We also buy Proterra segregated certified volume, which guarantees no deforestation in the volumes we buy. Farmers undergo annual compliance audits. If non-compliant deforestation or conversion of habitat were to be found, the affected farmer's volume would be excluded from the supply chain. In this instance, we wouldn't engage in any monitoring of non-compliance.

### **Forest risk commodity**

Other - Cocoa

### **Operational coverage**

Supply chain

### **Description of control systems**

We buy materials in accordance with recognized standards equivalent/exceeding the Unilever Sustainable Agriculture Code e.g. Rainforest Alliance Sustainable Agriculture Standard (SAS) & Fairtrade (FT). These independently verified standards provide some assurance that purchased volumes are sourced in accordance with our no deforestation commitments. SAS & FT promote ecosystem conservation. We rely on the certification process adopted by standards & implemented by auditors to monitor compliance. This identifies non-compliance & triggers corrective action. Certification standards are a powerful tool across the sector when it comes to monitoring sustainable practices. Preparation for certification can play an important role in capacity-building for cocoa farmers.

### **Monitoring and verification approach**

Third-party verification

### **% of total volume in compliance**

81-90%

### **% of total suppliers in compliance**

51-60%

### Response to supplier non-compliance

Suspend & engage

Exclude

### Procedures to address and resolve non-compliance with suppliers

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

### Please explain

Cocoa is one of our priority crops and it's essential to Magnum, our biggest ice cream brand which is on sale in 52 countries. We buy certified materials in accordance with recognized sustainability standards that are equivalent or exceed the requirements of Unilever Sustainable Agriculture Code, namely Rainforest Alliance Sustainable Agriculture Standard (SAS) and Fairtrade.

By 2019, over 99% of the cocoa we needed for Magnum was from Rainforest Alliance Certified TM farms, and 89% of our cocoa overall was sustainably sourced.

## F6.6

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations
Timber products	Yes, from suppliers
Palm oil	Yes, from suppliers
Soy	Yes, from suppliers
Other - Cocoa	Yes, from suppliers

## F6.6a

**(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

### Timber products

#### Procedure to ensure legal compliance

Unilever is a signatory of the Cerrado Manifesto, which calls for a halt to deforestation and native vegetation loss in Brazil's Cerrado. The Cerrado Manifesto supports the Brazilian Forest Code, and through the Manifesto the signatory companies commit to working in collaboration with local and international stakeholders towards environmental protection and good governance. Our Sustainable Agriculture Code (SAC), goes beyond compliance with the BFC.

The first requirement for any FSC forest management certificate is compliance with relevant national and international laws, including that downstream FSC certificate

holders have procedures in place to ensure that the commercialization of FSC certified products comply with all applicable trade and custom laws. This ensures compliance with both diverse local laws in countries of production, as well as destination market regulations such as the USA Lacey Act and the EU Timber Regulation that are considered trade and custom laws. By auditing the certification status of packaging suppliers, Unilever can ensure legal compliance of our supply chain.

Given that legality is a minimum criteria relevant to even the 'Controlled Sources' that are part of certification schemes, we rely on the auditing and verification of harvest and chain of custody to ensure that fiber supplies reaching Unilever are compliant with forest regulations. We ensure this via our annual verification audit which is in addition to the auditing regime implemented by Certification Bodies that grant the FSC/PEFC accreditations.

### **Country/Area of origin**

Argentina  
Australia  
Bolivia (Plurinational State of)  
Brazil  
Cambodia  
Congo  
Côte d'Ivoire  
Ecuador  
Guatemala  
Kenya  
Malaysia  
Mexico  
Myanmar  
Nigeria  
Philippines  
Thailand  
Viet Nam

### **Law and/or mandatory standard(s)**

General assessment of legal compliance  
Australia Illegal Logging Prohibition Act  
Forest Law - Argentina  
Brazilian Forest Code  
EU Timber Regulation  
USA Lacey Act  
Japanese Clean Wood Act  
CITES

### **Comment**

No comment necessary

### **Palm oil**

---

### **Procedure to ensure legal compliance**

Unilever is a signatory of the Cerrado Manifesto, which calls for a halt to deforestation and native vegetation loss in Brazil's Cerrado. The Cerrado Manifesto supports the Brazilian Forest Code, and through the Manifesto the signatory companies commit to working in collaboration with local and international stakeholders towards environmental protection and good governance. Our Sustainable Agriculture Code (SAC), goes beyond compliance with the BFC. As part of our SAC, we require our Palm Oil suppliers to demonstrate certification with RSPO and RA, which require suppliers to be compliant with local laws and regulations, and therefore in compliance with BFC. In 2019, we source from 3 mills in Para, Brazil, and 3.4% of the total volumes consumed by our operations in Brazil is RSPO certified. RSPO certification requires that palm oil produced in and purchased from Brazil needs to be in compliance with local laws and regulations. We do not own/manage any land for the production of palm oil in Brazil

### Country/Area of origin

Brazil  
 Colombia  
 Côte d'Ivoire  
 Ecuador  
 Guatemala  
 Honduras  
 Indonesia  
 Malaysia  
 Mexico  
 Papua New Guinea  
 Thailand

### Law and/or mandatory standard(s)

General assessment of legal compliance  
 ISPO  
 MSPO

### Comment

No comment necessary

## Soy

---

### Procedure to ensure legal compliance

Unilever is a signatory of the Cerrado Manifesto, which calls for a halt to deforestation and native vegetation loss in Brazil's Cerrado. The Cerrado Manifesto supports the Brazilian Forest Code, and through the Manifesto the signatory companies commit to working in collaboration with local and international stakeholders towards environmental protection and good governance. Our Sustainable Agriculture Code (SAC), goes beyond compliance with the BFC. As part of our SAC, we require our soy suppliers to demonstrate certification with RTRS and Proterra, which require suppliers to be compliant with local laws and regulations, and therefore in compliance with BFC. In 2019, we source from three suppliers Brazil, and 50% of the total volumes consumed by our operations in Brazil is RTRS and Proterra certified.

### Country/Area of origin



Argentina  
 Bolivia (Plurinational State of)  
 Brazil

**Law and/or mandatory standard(s)**

Brazilian Forest Code

**Comment**

No comment necessary.

**Other - Cocoa**

**Procedure to ensure legal compliance**

Unilever assesses legal compliance of our suppliers for the volume that is certified by way of certification standards equivalent to the Unilever Sustainable Agriculture Code (SAC). Unilever buys Rainforest Alliance and Fairtrade certified volumes from our cocoa suppliers, of which both standards contain requirements to comply with local laws and regulations. By virtue of this, volumes in compliance with these certification standards are produced by farmers assessed and found to be comply with forest regulations and any other mandatory standards in that jurisdiction.

**Country/Area of origin**

Côte d'Ivoire  
 Indonesia

**Law and/or mandatory standard(s)**

General assessment of legal compliance  
 Other, please specify  
 Cote D'Ivoire Forestry Code, Ghana Forest and Wildlife Policy, Indonesian forest laws and regulations

**Comment**

No comment necessary

**F6.7**

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable				There are no smallholders in Unilever's paper and board supply chain due to the fact that the paper and board industry is not supported

					by smallholders. If smallholders are identified in the supply chain, Unilever will develop plans to engage them in programs focused on best management practices.
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Developing or distributing supply chain mapping tool Supplier audits Offering on-site technical assistance and extension services Disseminating technical materials Organizing capacity building events Investing in pilot projects Supporting smallholders to clarify and secure land tenure Prioritizing support for smallholders in high-risk deforestation regions Financial incentives for certified products Purchase guarantee linked to best	15,895	<p>We support smallholder farmer (SHF) programs with the objective of increasing profitability for them, through improving the sustainability of farming practices, professionalising the SHF farming business and promoting RSPO certification.</p> <p>Program elements include: capacity building and training on Good Agricultural Practices, No Deforestation principles and RSPO certification standard; mapping of land and securing land permits. We have seven programs, involving with 8995 smallholders across Indonesia and Malaysia.</p> <p>We investing in growing the number of certified SHFs, SHF groups and the volume of certified produce in the global market.</p> <p>Additionally, we purchase RSPO Independent Smallholder credits to directly support the livelihoods of independent SHFs,</p>

			agricultural practices		<p>creating a market for sustainably-grown smallholder palm.</p> <p>In 2019, we purchased almost 40,000 tons of Independent Smallholder CSPO and CSPKO from 30 independent SHF Groups, representing at least 6900 independent SHFs across Indonesia, Malaysia and Thailand. Since 2017, Unilever has consistently been one of the largest buyers of independent smallholder RSPO credits.</p>
Soy	Not applicable				<p>There are no smallholders in Unilever's soy supply chain in USA or LATAM where we source most of our soy or in other origins due to the fact that the soy industry is made up of large farms and is not supported by smallholders.</p>
Other - Cocoa	Yes, working with smallholders	Capacity building Financial and commercial incentives	Organizing capacity building events Investing in pilot projects Prioritizing support for smallholders in high-risk deforestation regions Financial incentives for certified products	448	<p>We work with smallholders to help them build their resilience to market shocks and fluctuations by helping them sustainably increase their yields and find additional sources of income. For many cocoa farmers, lack of access to training and other services results in poor yields, which in turn can lead to farmers switching crops or leaving farming and moving to urban centres in search of better jobs. Building resilience</p>

					<p>among smallholder farmers extends beyond supporting improvements in their agricultural practices. A holistic approach that aims to address the wider challenges they face is essential – and will play a crucial part in securing our supplies for the future. For many cocoa farmers, lack of access to training and other services results in poor yields, which in turn can lead to farmers switching crops or leaving farming and moving to urban centres in search of better jobs.</p> <p>Case study: Our pilot project DiRev (Projet de Diversification du Revenu du Planteur) worked with 448 smallholder cocoa farmers in southern Côte d'Ivoire from 2018 to 2019, using a range of approaches to help them grow maize as well as cocoa. It aimed to make smallholders more resilient by diversifying their household incomes, and had a particular focus on including women farmers.</p> <p>Despite severe droughts during the project, yields of maize on DiRev fields were higher than on 'control' fields – and 79%</p>
--	--	--	--	--	---

					<p>of the farmers reported that they were positive about their maize harvest. While the farmers involved will continue to see cocoa as their main source of income, 90% of women farmers and 95% of men said they would continue to grow maize.</p> <p>A single intervention like this cannot solve smallholder poverty on its own. But it does highlight the potential for crop diversification, as well as the need to look beyond the fields – at market access and business skills training, for instance, which are now being considered by the DiRev partners as we look to scale the project up. This project supports SDG 1, 8 and 17.</p>
--	--	--	--	--	--

### F6.8

**(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?**

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Capacity building Financial and commercial incentives	Disseminating technical materials Organizing capacity building events	100%	We are engaging with our paper and board packaging suppliers directly to discuss our policy requirements and assess their capabilities. Together we establish a road map towards achieving our ambitious targets. Supplier

			<p>Paying higher prices linked to best agricultural practices</p> <p>Financial incentives for certified products</p>	<p>engagement is channeled through local buying and procurement teams and is supported by internal educational materials on sustainable forest management, supply chain transparency and 3rd party certification that equip Unilever buyers with the knowledge required for these engagements. These engagements involve disseminating technical materials or knowledge and organizing capacity building events. Over 80% (100%) of the suppliers in our ERP systems were engaged in 2019 to acquire their consent to disclose their Tier 1 supplier relationship with Unilever. We further engaged between 50-100 on the conversion to certified recycled. Regular engagement is very important to ensure that our partners are aligned with our ambitions. Specifically, we have worked directly with suppliers of uncertified recycled volumes, in South Asia, East Africa, West Africa and Central America to attain FSC/PEFC chain of custody certification and procure certified recycled fiber for their own manufacturing. We recently engaged with Smurfit Kappa Costa Rica to ensure they had the certifications and volumes to deliver certified volumes to Unilever into the future. These efforts are the main reason why we have</p>
--	--	--	--	--

					<p>been able to continue to grow the volume of certified recycled, most recently from 79% in 2017 to 89% in 2019. By providing financial incentives for certified products and paying higher prices linked to best agricultural practices, we send market signals to our suppliers to continue their certification and best practices. Our suppliers self-assess their performance on a quarterly basis reporting via the Global Traceability System, which we developed for this purpose.</p> <p>Case study: In 2019, we collected data for 98% of the materials we purchase. Annually, we have engaged a third party to verify the information reported. Each supplier reporting via GTS receives a “Supplier Sustainability Summary” report that summarises the overall sustainable sourcing percentage achieved by the supplier based on data provided. These reports facilitate subsequent discussions with Unilever to identify gaps and develop strategies to reach our 100% target.</p>
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing	100%	We have engaged all our suppliers (100%) on sustainable supply practices in order for them to supply RSPO certified palm materials. Our policy sets out requirements for all our suppliers & their 3rd parties, to comply with our NDPE

			<p>supply chain mapping tool</p> <p>Supplier audits</p> <p>Offering on-site training and technical assistance</p> <p>Disseminating technical materials</p> <p>Organizing capacity building events</p> <p>Investing in pilot projects</p> <p>Financial incentives for certified products</p> <p>Long-term contracts linked to forest related commitments</p>	<p>principles. We expect suppliers to also provide traceability information &amp; disclose grievances to us. We work with RA-UTZ &amp; Orbital Insights to capture traceability information from our suppliers &amp; map our supply chain. Through supplier questionnaires on environmental &amp; social indicators &amp; supplier's RSPO certification audits, we identify &amp; analyse risks, focusing on key suppliers (largest volumes). Our approach includes benchmarking &amp; improving of NDPE policies, group level transparency through technology, active grievance &amp; non-compliance management. Unilever purchase certified products at a premium &amp; offer long-term contracts that require suppliers to align with our sourcing targets &amp; policies. One key supplier is PT Perkebunan Nusantara (PTPN). We signed an MOU with PTPN to jointly support palm oil mills &amp; smallholder farmers to produce palm oil according to RSPO standards &amp; NDPE principles.. Unilever provides dedicated resources &amp; funding, such as disseminating technical materials &amp; organizing capacity building events. Case study: One example of direct supplier engagement in 2019 is our joint smallholder programmes within the supply sheds of PTPN 3, 4, 5 with various partners (Kompasioo,</p>
--	--	--	---	--



					<p>SNV, WRI) increased the supply of RSPO certified palm materials to PTPN. On-site training &amp; funding provided certification of 8 mills under PTPN 4 &amp; 5 against RSPO. Our project partner Daemeter conducted NDPE workshops for 3 PTPN units, where 90 people attended. All our suppliers must comply with Unilever's Responsible Sourcing Policy requirements i.e. conduct business with integrity &amp; respect for human rights &amp; core labour principles. We engage suppliers to improve sustainability standards &amp; respond to challenges brought to our attention. All potential suppliers undergo a rigorous assessment &amp; engagement process before onboarding, &amp; we have a grievance mechanism to address non-compliances. We are also active in multi-stakeholder platforms to raise industry standards towards market transformation &amp; address deforestation issues by 2020 through the RSPO and its various working groups, Consumer Goods Forum &amp; Tropical Forest Alliance.</p>
Soy	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives	Developing or distributing supply chain mapping tool Offering on-site training and technical assistance	100%	We are working with 100% of our direct suppliers to support and improve their capacity to supply sustainable raw materials. We engage with our soybean oil suppliers on a regular basis to assess the sustainability status and risks in their supply chain and to

			<p>Organizing capacity building events</p> <p>Offering credit lines linked to best agricultural practices</p> <p>Purchase guarantee linked to best agricultural practices</p> <p>Other, please specify</p> <p>Creating dedicated farmer groups</p>		<p>jointly agree the best approach to address those risks. Progress towards delivering our sustainability requirements is monitored throughout the year as part of the supplier relationship management.</p> <p>Case study: Our largest soy footprint is in the USA in terms of soy oil and we are making good progress by engaging our supplier and their farmers directly, through farmer field days and webinars conducted by Practical Farmers of Iowa. In 2019, we recruited 242 farmers into our new program focused on improving soil health and water quality through cover crop adoption. Our supplier plays an important role by raising awareness of the program within their farmer base and by reporting the sustainable volumes delivered by the farmers on a quarterly basis. In Brazil, our programme with Alliance De Terra (ADT) helps farmers to attain RTRS certification, This is supported through the provision of on-site training and technical assistance, on agronomic practices and to ensure compliance with RTRS (ADT), the use of agrochemicals (supported by Bayer Crop Science) and access to credit (provided by Santander). This program also offers farmers access to credit lines for implementing good agricultural practices. This is</p>
--	--	--	--	--	--

					<p>facilitated by Santander, who give participating farmers priority to a credit assessment process, to finance their activities through different credit lines.</p> <p>Moreover, a financial bonus is paid to certified farmers as a result of the RTRS credits purchased by Unilever, which provides farmers an incentive to invest in social and environmental activities on their farm.</p> <p>Additionally, in 2019 we engaged all our soy bean oil suppliers in a traceability assessment to under the origination of beans, to develop strategies to eliminate deforestation from our supply chain. By working together with our supplier, we contribute to improving their capacity to supply sustainable materials not just to Unilever but to other customers going forward.</p>
Other - Cocoa	Yes, working with direct suppliers	Supply chain mapping	Developing or distributing supply chain mapping tool	100%	<p>We buy around 1.5% of the global production of cocoa, mainly sourced from Côte d'Ivoire &amp; Ghana.</p> <p>Partnerships &amp; collaborations are an essential part of our engagement approach.</p> <p>In particular, we work with suppliers through long-standing certification schemes, driving sustainable agricultural standards across sectors, a powerful tool when it comes to monitoring sustainable agricultural practices.</p> <p>As a signatory of the Cocoa &amp;</p>

				<p>Forests Initiative (CFI), we are committed to strengthening supply chain mapping, with the end goal of effective &amp; cost-efficient traceability at the farm-level. Our direct suppliers, which are also CFI signatories, have pledged to develop verifiable monitoring systems for traceability from farm to the first purchase point for their own purchases of cocoa, &amp; to work with Government to ensure an effective national framework for traceability. It is important to ensure a uniform approach that applies equally to international &amp; national traders, particularly in Côte d'Ivoire where the local traders (traitants &amp; pisteurs) have been identified as the primary direct buyers of cocoa from protected areas. Our direct suppliers hire surveyors to conduct farm mapping within direct supply chain to identify &amp; collect cocoa farm boundaries polygon data to ensure cocoa is not being sourced from forest lands, National Parks &amp; Reserves, &amp; Classified Forests. Deforestation risk assessments are also conducted in all direct sourcing areas to identify the deforestation risks involved. Up-to-date maps on forest cover &amp; land-use, socio-economic data on cocoa farmers, &amp; detailed operational guidelines covering forest management &amp; land-use are necessary to</p>
--	--	--	--	---

				<p>ensure an evidence-based decision-making process is undertaken to minimize adverse social &amp; economic impact on the cocoa farmers &amp; forest-dependent communities. Once the deforestation risks have been identified, remediation programmes are put in place with reputable implementors such as NGOs with support from the technical teams of direct suppliers. To date, we have already mapped 92% of our direct cocoa supply chain, together with our direct suppliers, enabling us to better define our deforestation risk, &amp; to identify issues on the ground that require remediation.</p>
--	--	--	--	--

## F6.9

**(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?**

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tools Supplier questionnaires on environmental and social indicators Supplier audits Investing in pilot projects	As part of our overall wood-fibre strategy, Unilever works with Tier 2 suppliers to drive sustainable sourcing so that we can be confident that our Tier 1 suppliers have sufficient volumes even if supplies get tight. Since 2011 we have worked to expand the number of our feedstock suppliers to 14 suppliers who currently supply 20% of the paper and board (P&B) feedstock fibres to P&B converters. Our procurement team has 2 FTEs who work with Tier 2 suppliers to our strategic Tier 1 converters so that we can ensure consistent sustainable feedstocks for our

				<p>own operations. This team works with global suppliers to ensure that forests are harvested at a sustainable rate i.e. growth to drain ratio is maintained at sufficient levels to ensure replenishment of fiber and also the ecosystem services provisioned by managed forests. Our P&amp;B sustainability reporting requires all our suppliers to provide chain of custody certification &amp; transparency of their P&amp;B supply chain. An example of how Unilever engaged with our indirect suppliers in 2019 is the launch of the Transparency One supply chain mapping tool which we made available to our suppliers to use. We also are investing in pilot technologies that can identify indirect suppliers for further engagement.</p>
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	<p>Developing or distributing supply chain mapping tools</p> <p>Supplier questionnaires on environmental and social indicators</p> <p>On-site meetings with indirect suppliers</p> <p>Supplier audits</p> <p>Offering on-site training and technical assistance</p> <p>Disseminating technical materials</p> <p>Participating in workshops</p> <p>Investing in pilot projects</p>	<p>Our Sustainable Palm Oil Sourcing Policy requires our direct suppliers &amp; their suppliers (traders &amp; 3rd parties), to commit to the 5 principles: no deforestation, no development on peat, no exploitation of people &amp; communities, driving positive social &amp; economic impact for smallholders &amp; women while protecting forests, &amp; transparency. Where there is non-compliance, we request suppliers to suspend their sourcing from certain suppliers. An example of this is Indofood/Salim group palm oil companies. Case study: In the past year, we have undertaken a dozen pre-audits of independent mills indirectly supplying us to assess gaps to achieving RSPO &amp; NDPE compliance. We hold on-site meetings with 30+ indirect mill suppliers on our sustainable sourcing program &amp; to build capacity &amp; understanding. Unilever invested in a pilot project with an independent mill in Riau, PT SKIP to explore initiatives in our indirect supply chains, particularly farm-to-mill traceability, smallholder mapping, smallholder training &amp; establishing &amp; localizing farmer organisation structures.</p>

				<p>The project contributed to local communities &amp; livelihoods through teaching GAP &amp; NDPE awareness. It also established local trainers, promoting high-yield, low-deforestation palm farming as an attractive profession. By Q4 2019, over 80% of participants reported improvements to crop quality &amp; yield, &amp; 90%+ reported improvements in land productivity &amp; plant growth. We require direct suppliers to provide GPS coordinates of mills in their supply chain, inc own &amp; 3rd-party. In 2019, this included over 300 Tier 1 suppliers &amp; over 1600 mills. We work with RA-UTZ to capture traceability information &amp; achieved 97% traceability to mills for H1 2019 alone. We are investing in emerging technologies such as geolocation analytics, Blockchain &amp; AI to enhance traceability efforts. Beyond Tier 1, we engage in multi-stakeholder initiatives. We hold positions within RSPO &amp; its working groups, High Carbon Stock Approach (HCSA) Consumer Goods Forum (CGF), Tropical Forests Alliance (TFA) influencing policies driving change. We also work with governments &amp; NGOs to achieve sustainability solutions at landscape/jurisdiction level including Aceh, N Sumatra, Central Kalimantan, Riau, Indonesia &amp; Sabah, Malaysia. Current projects focus on smallholder RSPO certification to increase certified materials in the market.</p>
Soy	Yes, working beyond first tier	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tools Supplier questionnaires on environmental and social indicators	<p>We believe traceability is the fundamental enabler to advance our sustainability program. Since our current visibility on the soy supply chain is limited, we are working closely with 100% of our Tier 1 suppliers to identify and engage our Tier 2 suppliers in our sustainability program. However, in certain regions such as Brazil, we have been working directly with the farmers (Tier 2) since 2015. We have been engaging directly with a group of 43</p>

			<p>On-site meetings with indirect suppliers</p> <p>Supplier audits</p> <p>Offering on-site training and technical assistance</p> <p>Disseminating technical materials</p> <p>Participating in workshops</p> <p>Investing in pilot projects</p>	<p>farmers in the Brazilian Cerrado biome to drive the transition to responsible soy production, with limited engagement from our tier 1 supplier (processor/trader). The 43 farmers have received technical assistance from our local partner, Alianca da Terra, to improve their farming practices, comply with legal regulations and achieve RTRS certification. In addition, we are connecting with our peers in order to develop potential opportunities to cooperate driving wider impact. For example, as part of the Soy Buyers Coalition, we are working together with like-minded companies to identify common soybean origins and to set-up or support existing initiatives to stop deforestation in the Brazilian Cerrado biome.</p> <p>An case study of how Unilever are investing in pilot projects is the work we are doing with the Practical Farmers of Iowa In 2019, we continued our work with Practical Farmers of Iowa, to incentivize the adoption of cover crops among farmers in the US Mid-West. Farmers are provided a cost share incentive to plant cover crops and on enrolment, attend a workshop and receive technical support. By engaging farmers and facilitating the planting of cover crops, this program helps demonstrate the benefits of cover crops to deliver improvements to the health of the soil.</p>
Other - Cocoa	Yes, working beyond first tier	Supply chain mapping Capacity building	<p>Supplier audits</p> <p>Offering on-site training and technical assistance</p> <p>Disseminating technical materials</p> <p>Participating in workshops</p>	<p>We buy around 1.5% of the global production of cocoa, mainly sourced from Côte d'Ivoire and Ghana. 89% of our global cocoa volumes are sourced sustainably via materials certified against Rainforest Alliance Sustainable Agriculture Standard and Fairtrade. Through these long-standing certification schemes, we work with cocoa cooperatives and smallholder farmers via our direct suppliers, driving sustainable agricultural practices across the sectors.</p>



			Investing in pilot projects	<p>We want to ensure that sustainable cocoa farming supports farmers and their communities so we've set ourselves the goal of going further, through impact programmes that complement the work of certification programmes and aim to lift farmers out of poverty, tackle child labour issues and empower women. Building resilience among smallholder farmers extends beyond supporting improvements in their agricultural practices.</p> <p>In Côte d'Ivoire, we have been involved in a number of partnerships which aim to support smallholders who grow cocoa. One of the most encouraging projects was a pilot that ended in 2019. A partnership with our supplier Barry Callebaut and implementing partner One Acre Fund, DiRev was supported by the Enhancing Livelihoods Fund.</p> <p>The pilot worked with 448 smallholder farmers in southern Côte d'Ivoire from 2018 to 2019, using a range of approaches to help them grow maize alongside cocoa. The project aimed to improve smallholders' livelihoods by diversifying their household incomes and increasing their ability to invest, and included training and supervision by Field Officers who worked directly with the smallholder communities. It had a particular focus on including women farmers.</p> <p>Despite severe droughts during the project, yields of maize increased on DiRev fields compared to 'control' fields – and 79% of the farmers reported that they were positive about their maize harvest. While the farmers involved will continue to see cocoa as their main source of income, 90% of women farmers and 95% of men said they would continue to grow maize. A single intervention like this cannot solve smallholder poverty on its own. But it does highlight the potential for crop diversification, as well as the need to look</p>
--	--	--	-----------------------------	--

				beyond the fields – at market access and business skills training, for instance, which are now being considered by the DiRev partners as we look to scale the project up.
--	--	--	--	---

## F6.10

**(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

---

### Forest risk commodity

Timber products

### Do you participate in activities/initiatives?

Yes

### Activities

Involved in multi-partnership or stakeholder initiatives

### Initiatives

UN Global Compact  
 Tropical Forest Alliance 2020 (TFA)  
 Natural Capital Coalition  
 Forest Stewardship Council (FSC)  
 Programme for the Endorsement of Forest Certification (PEFC)  
 Sustainable Forestry Initiative (SFI)  
 Other, please specify  
 HCS Approach Group, Forests Dialogue

### Jurisdictional approaches

### Please explain

Unilever is involved in multi-partnership or stakeholder initiatives, engaging with policymakers or governments and industry platforms in order to halt deforestation. These include the Sustainable Forestry Initiative, the Tropical Forest Alliance which was brought about by the Consumer Goods Forum, which we are also members of. Unilever is part of the Natural Capital Coalition aimed to guide businesses in the identification, measurement and management of natural capital impacts and dependencies. Unilever together with members of the multi-stakeholder platform the Consumer Goods Forum (CGF) committed to mobilize resources within our respective businesses to help achieve zero net deforestation associated with four commodities: palm oil, soy, paper and board, and beef by 2020. We regularly attend teleconferences with other packaging buyers as part of the pulp and paper working group within CGF and also have representatives present at many CGF functions, representing the views of our

packaging procurement sustainability teams. We are currently co-chair of the CGF sustainability steering committee, and an active member of the CGF pulp and paper working group. We also actively participate in The Forest Dialogue (TFD), HCS Approach Group, Forests Dialogue and are significant buyers of FSC and PEFC.

### **Forest risk commodity**

Palm oil

### **Do you participate in activities/initiatives?**

Yes

### **Activities**

Involved in multi-partnership or stakeholder initiatives

### **Initiatives**

UN Global Compact

Tropical Forest Alliance 2020 (TFA)

Natural Capital Coalition

Roundtable on Sustainable Palm Oil (RSPO)

High Carbon Stock Approach Steering Group

Forum for Sustainable Palm Oil (FONAP)

WBCSD Forests Solutions Group

Support Asia for Sustainable Palm Oil (SASPO)

Other, please specify

UN New York Declaration on Forests, Indonesia Palm Oil Platform, CGF (Zero Net Deforestation and Deforestation Coalition of Action)

### **Jurisdictional approaches**

### **Please explain**

Unilever is a leader & member of numerous palm oil initiatives & multi-stakeholder groups, & we are committed to driving systemic change in the industry through these platforms. We hold leadership positions in multi-stakeholder platforms where we serve to lead the market in sustainable development and sustainable living. We are founding members of these initiatives and serve on the executive board of RSPO, Consumer Goods Forum (CGF); steering committee of Tropical Forest Alliance (TFA), Supporting Asia on Sustainable Palm Oil (SASPO), High Carbon Stock Approach (HSCA); executive committee of World Business Council for Sustainable Development. We are also actively involved in developing & improving certification and sustainability standards through multiple working groups (WG) under these coalitions: RSPO Communications and Claims WG, Smallholder Interim Group, Smallholder Working Group and Curriculum Development Committee, human rights WG, Jurisdictional WG. Example: we have been an active part of the development of the RSPO certification standard for smallholders in the RSPO SHIG. We co-chair the Sustainability Committee in CGF & contributed to the published CGF guide for sustainable palm oil sourcing. We are a founding member of FONAP and contribute to improving existing certification schemes

and design practical schemes to ensure only certified palm materials are supplied to and used in Germany, Austria and Switzerland. We are also a signatory of the UN New York Declaration on Forests, committing to eliminate deforestation and forests restoration. Our jurisdictional project in Sabah, Malaysia, aims to protect forests and restore ecological corridors. We integrate the ten UN Global Compact (UNGC) Principles in our business activities and are signatories to UNGC initiatives LEAD and Business for Peace. We report these activities annually in Global Compact Communication on Progress (COP). Unilever is part of the Natural Capital Coalition aimed to guide businesses in the identification, measurement and management of natural capital impacts and dependencies.

### **Forest risk commodity**

Soy

### **Do you participate in activities/initiatives?**

Yes

#### **Activities**

Involved in multi-partnership or stakeholder initiatives

#### **Initiatives**

UN Global Compact  
Tropical Forest Alliance 2020 (TFA)  
Natural Capital Coalition  
Cerrado Working Group (GTC)  
Roundtable on Sustainable Soy (RTRS)  
Sustainable Agricultural Initiative (SAI)

### **Jurisdictional approaches**

#### **Please explain**

Tackling soy related deforestation is a complex task and we are convinced that an industry wide solution is needed, so Unilever have funded and are leading various external collaboration initiatives.

Given the lack of a certification that addressed the specifics of responsible soy production, Unilever decided to co-found the Round Table for Responsible Soy (RTRS) in 2015. In our founding role, we contributed to developing the RTRS standard and reaching a common understanding of deforestation definitions and cut-off dates specific to soy. In addition, UL has contributed to setting rules around the mass balance scheme to ensure a high degree of credibility of the certification standard and the Unilever program.

Since its inception, RTRS has become the most recognized and widely used certification standard for deforestation and conversion free soy.

Given that RTRS certification does not have the scale by itself to stop deforestation, Unilever has joined the Statement of Business Support for the Cerrado Manifesto (SoS) in 2017 and is part of its Steering Committee. The SoS has been working on an

encompassing solution to stop habitat conversion in Cerrado via the engagement of the key players in the biome, such as the Cerrado Working Group, feed sector, and financial institutions, among others. Unilever is also part of the Soy Buyers Coalition (hosted by the Consumer Goods Forum which we are a member of, in collaboration with Pro-Forest and Trase platform). The Coalition aims to identify the key sourcing regions of its members and to support on the ground initiatives that work towards deforestation and conversion free soy.

In the US, Unilever leads the Field to Market initiative and plays an active role leading the Field to Market board. This ensures that we retain leadership of the sustainability initiatives in this important soy sourcing landscape. Unilever is part of the Natural Capital Coalition aimed to guide businesses in the identification, measurement and management of natural capital impacts and dependencies.

### **Forest risk commodity**

Other - Cocoa

### **Do you participate in activities/initiatives?**

Yes

### **Activities**

Involved in multi-partnership or stakeholder initiatives

### **Initiatives**

UN Global Compact  
 Tropical Forest Alliance 2020 (TFA)  
 Natural Capital Coalition  
 Other, please specify  
 Rainforest Alliance

### **Jurisdictional approaches**

### **Please explain**

Cocoa is a vital ingredient for many of our brands such as Magnum, Wall's and Ben & Jerry's. We are committed to sourcing 100% of our cocoa sustainably by 2020 to secure our future supply of vital ingredients and improve transparency in our supply chains. We buy around 1.5% of the global production of cocoa, mainly sourced from Cote d'Ivoire and Ghana which supply 61% of global production. That means that we cannot change these supply chains by just acting on our own. Tackling cocoa related deforestation requires partnerships and collaboration, so being involved in multi-partnership or stakeholder initiatives, engaging with various stakeholders create opportunities for Unilever to implement sourcing practices that go further in tackling specific issues found in these supply chains.

Unilever's Magnum brand is committed to sourcing cocoa against the Rainforest Alliance certification label. This label is underpinned by the Rainforest Alliance Sustainable Agriculture Standard, which was recently updated and a new version of this launched in June 2020. Unilever was an active participant during the stakeholder

consultation process to support the development of the new standard. To contribute most effectively, we hosted several internal working group meetings to capture the perspectives of stakeholders from across Unilever, attended workshops to exchange ideas with other participants, and held discussions with Rainforest Alliance directly to aid in our interpretation of new and updated requirements. Unilever is part of the Natural Capital Coalition aimed to guide businesses in the identification, measurement and management of natural capital impacts and dependencies.

---

**Forest risk commodity**

Other - Cocoa

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in jurisdictional approaches

**Initiatives****Jurisdictional approaches**

Other, please specify

Cocoa & Forests Initiative

**Please explain**

Cocoa is a vital ingredient for many of our brands such as Magnum, Wall's and Ben & Jerry's. We are committed to sourcing 100% of our cocoa sustainably by 2020 to secure our future supply of vital ingredients and improve transparency in our supply chains. We buy around 1.5% of the global production of cocoa, mainly sourced from Cote d'Ivoire and Ghana which supply 61% of global production. That means that we cannot change these supply chains by just acting on our own. Tackling cocoa related deforestation requires partnerships and collaboration, so being involved in multi-partnership or stakeholder initiatives, engaging with various stakeholders create opportunities for Unilever to implement sourcing practices that go further in tackling specific issues found in these supply chains. In 2018, Unilever became a signatory of the Cocoa & Forests Initiative (CFI) and also signed the CFI's Framework for Action for Cote d'Ivoire. This Framework for Action has been translated into National Implementation Plans in June/July 2018, specifying timelines, roles and responsibilities, monitoring and evaluation and governance, through a series of strategic and technical discussions involving governments, NGOs and private sector. As a signatory, we're committed to a process that will ensure evidence-based decision-making and data sharing on forests, forest loss and degradation, and patterns of land use in cocoa-growing communities. We are working with the other signatories of CFI on the right approach to remediation of environmental and social issues on the ground, collaborating pre-competitively to help end deforestation and forest degradation in the cocoa supply chain, beginning in Cote d'Ivoire and Ghana.

---

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in jurisdictional approaches

**Initiatives**

**Jurisdictional approaches**

Production, Protection and Inclusion (PPI)  
RSPO Jurisdictional Approach to Certification  
Verified Sourcing Areas  
Other, please specify  
ISPO

**Please explain**

In Central Kalimantan, Indonesia, we are testing a jurisdictional approach with independent smallholder farmers – addressing a geographical area and working with communities of smallholders and local government to increase yields and prevent deforestation.

We're working with Yayasan Penelitian Inovasi Bumi (INOBU), a leading non-profit research institute based in Indonesia, and a number of other partners in the district of Kotawaringin Barat and Seruyan, mapping independent smallholdings and training farmers according to the Roundtable on Sustainable Palm Oil (RSPO) principles on good agricultural and management practices.

In 2017, the first 190 independent smallholder farmers in Kalimantan became RSPO and ISPO certified. By end of 2019, over 1,000 farmers were certified.

In the next phase of our partnership, from 2019–2021, INOBU will certify an additional 2,500 farmers on more than 5,000 hectares, with Unilever's support.

---

**Forest risk commodity**

Soy

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in jurisdictional approaches

**Initiatives**

### Jurisdictional approaches

Other, please specify

Cerrado Working Group

### Please explain

Unilever has supported the development of industry wide initiatives like RTRS, which has grown in scale and prominence. However, given that RTRS certification does not have the scale by itself to stop deforestation, Unilever has joined the Statement of Business Support for the Cerrado Manifesto (SoS) in 2017 and is part of its Steering Committee. The SoS has been working on an encompassing solution to stop habitat conversion in Cerrado via the engagement of the key players in the biome, such as the Cerrado Working Group, feed sector, and financial institutions, among others. Unilever is also part of the Soy Buyers Coalition (hosted by the Consumer Goods Forum which we are a member of, in collaboration with Pro-Forest and Trase platform). The Coalition aims to identify the key sourcing regions of its members and to support on the ground initiatives that work towards deforestation and conversion free soy. In the US, Unilever leads the Field to Market initiative and plays an active role leading the Field to Market board. This ensures that we retain leadership of the sustainability initiatives in this important soy sourcing landscape.

## F6.11

**(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

## F6.11a

**(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

---

### Project reference

Project 1

### Project type

Forest ecosystem restoration

### Primary motivation

Voluntary

### Description of project

Unilever is part of a voluntary initiative to support WWF-Malaysia to protect and restore forest and certify 60,000 hectares of oil palm in Sabah, Malaysia under the RSPO certification scheme. The initiative includes a partnership with the PONGO Alliance on restoration projects within oil palm landscapes in the Kinabatangan area and with Forever Sabah establishing a permanent Secretariat for Sabah's Jurisdictional Certification Steering Committee. Through this collaboration, we also aim to restore vital



ecological corridors and Forest Reserves of more than 1,500 hectares between 2018-2023.

Sabah's state policy requires maintenance of riparian reserves, 20-50m along rivers of different sizes, and it is also a RSPO requirement to maintain riparian reserves on either side of the river. Ecological corridors are needed to take offset the negative impacts of fragmentation and isolation of wildlife populations in smaller and smaller patches, including loss of genetic diversity and constraints on adaptation to climate change impacts.

Restoration of Sabah's over-exploited forest areas is an important requirement to ensure the maintenance of ecosystem services to underpin Sabah's future economic development, as well as supporting its biodiversity conservation and eco-tourism. This is part of our wider strategy to achieving sustainable transformation and reduction of greenhouse gas emissions in the palm oil industry. This project contributes to jurisdictional approach to RSPO certification that is being piloted in Sabah (of which Unilever funds for the Tawau and Lower Sugut landscapes) and is supported by the RSPO.

**Start year**

2018

**Target year**

2021

**Project area to date (Hectares)**

88.52

**Project area in the target year (Hectares)**

1,095

**Country/Area**

Malaysia

**Latitude**

4

**Longitude**

117

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Other, please specify

Area planted, maintained or restored

**Please explain**

In 2019, the baseline surveys for orangutans and other wildlife have been conducted in Sugut and Trusun Sugut Forest Reserves, as well as Ulu Kalumpang Forest Reserve and Tawau Hills Park. The baseline information will be an important input to the spatial planning activities and provide greater understanding of the trend in terms of orangutan

habitat, and distribution of this threatened species, to determine the effectiveness of the intervention steps within our programme. For ecological corridors, Sabah Softwoods Berhad wildlife corridor and orangutan habitat in Trusan Sugut Forest Reserve have been determined as areas that WWF will work on in partnership with local stakeholders. Monitoring of orangutan and other wildlife in these areas is done every 6 months, and the effectiveness of the intervention steps is determined by the increase in fauna diversity (e.g. increased animal sightings within ecological corridor).

Also in 2019, Softwoods Berhad (SSB) has planted 88.52 hectares (approximately 6,997 trees were planted), and performed maintenance of 300 hectares of land within the wildlife corridor to connect between Ulu Kalumpang Forest Reserve and Mount Louisa Forest Reserve. The area of planted land represents another key performance indicator within the programme,

Through Unilever's support, a nursery has been developed specifically for production of orangutan food plants, in Tabin Wildlife Reserve, 699 planting materials have been provided to two companies, Sawit Kinabalu (SK) and Kretam Holding Berhad (KHB), working with PONGO Alliance to increase the extent of the orangutan habitat with food sources. This experimental planting initiates a new paradigm of orangutan and human co-existence in a mixed oil palm and forest landscape.

## F7. Verification

### F7.1

**(F7.1) Do you verify any forests information reported in your CDP disclosure?**

Yes

### F7.1a

**(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

---

#### Disclosure module

F1. Current State

#### Data points verified

F1.1, 1.1a - In palm oil, our supply chain links to a universe of 1,600 mills as declared by our suppliers. We have publicly shared the names and locations of around 1,600 mills and 100 refineries (sourcing from many mills) from around the world from which our suppliers source palm oil. Mill locations are an important indicator of where palm fruit is processed and therefore tell us more about where oil palm plantations are located. By plotting these mills on a map, we can measure environmental risk using WRI's Global Forest Watch (GFW) tool.

**Verification standard**

We work with WRI and GFW to conduct risk assessments of the mills in our extended supply chain. By combining our mill data and the geospatial PALM Risk tool on the GFW platform, we are able to assess risk using an index of five environmental factors: fire severity; extent of forest; recent deforestation; peat; and overall risk across these factors. This PALM Risk tool provides an effective methodology to identify high risk mills and is used by palm oil producers and buyers globally. UTZ/Rainforest Alliance provide independent verification of the mill data provided to them directly by our suppliers, which make up our list of 1,600+ mills. In addition, the PALM Risk tool once applied to the mills provides independent verification of the level of risk pertaining to the mills in our list.

**Please explain**

By enhancing our own and our stakeholders' understanding of where our palm oil comes from, we improve our ability to identify and address risks and build trust in our supply chain. Partnering with UTZ, PalmTrace and WRI GFW gives us visibility of our supply chain – where our palm oil mills are located globally and the environmental risks that sit in our supply chain based on the five key indicators in the PALM Risk tool. The tool enables us to verify environmental risk and identify where the highest risks are in our supply chain so we can pinpoint key areas and landscapes to prioritize.

---

**Disclosure module**

F2. Procedures

**Data points verified**

F2.1c - Supplier compliance with human rights and labor standards as per our Responsible Sourcing Policy

**Verification standard**

Our Responsible Sourcing Policy (RSP) is aligned with our own Code of Business Principles. PricewaterhouseCoopers assured the 2019 data using the ISAE 3410.

**Please explain**

Unilever's goal is to work with suppliers who have similar values and standards to our own. Through our Responsible Sourcing Policy (RSP) program, suppliers based in high risk countries as per the external Verisk Maplecroft Risk assessment, which assesses for environmental, business and labor conditions, are required to undergo an independent third-party audit to assure against our Responsible Sourcing Policy (RSP), which is required as part of our Sustainable Agriculture Code (SAC). Our RSP was updated in 2017 to reinforce our commitment of working together with our suppliers towards a long-term, sustainable and successful future for all parties. The RSP is instrumental in ensuring we deliver our business objectives while making a positive social impact on the lives of millions of people in in our supply chains around the world and reducing our environmental impact. Compliance against our RSP verifies that our suppliers meet our Fundamental Principles.

## F8. Barriers and challenges

### F8.1

**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

---

**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Supply chain complexity

**Comment**

One barrier and challenge for paper & board is supply chain complexity and traceability, particularly in the uncertified recycled packaging market, which remains a source of risk because of the lack of chain of custody and traceability of raw materials.

---

**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Limited public awareness and/or market demand

**Comment**

Another key barrier and challenge for packaging materials is limited consumer awareness and therefore limited market demand for certification, particularly for non-consumer-facing packaging.

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Primary barrier/challenge type**

Supply chain complexity

### Comment

The palm industry has many issues and involves various stakeholders, creating a complex, multi-faceted supply chain challenge. Deforestation, land conflict, labour exploitation are some examples of issues that exist within the palm industry. These issues require collective effort through programs with various stakeholders over long periods of time. The costs of certification and maintaining the certification is high, especially for smallholder farmers (SHF), and there is little incentive to continue certification without market demand. Limited availability of certified materials also drives raw materials prices up, which will increase the production costs of our products. A multi-tiered palm supply chain adds to the supply chain complexity, and this may prevent us from identifying and engaging non-compliant suppliers for remedial actions. SHF account for 40% of land under oil palm cultivation in Indonesia but contribute a diminished 30% to total palm oil produced, and their integration into sustainable supply chains remains a challenge. As part of our policy, we want to ensure Independent SHF facilitation and inclusion, and through our various partnership programs with PTPN 3, PTPN 4, PTPN 5, PT SKIP, and implementation partners are scaling up our work to provide training, creating avenues for increased RSPO certification, and implementing a jurisdictional approach to sourcing. Through these projects, we seek to progress the industry towards sustainable agricultural practices, which will enable greater supply of certified sustainable palm oil in the market.

---

### Forest risk commodity

Soy

### Coverage

Supply chain

### Primary barrier/challenge type

Supply chain complexity

### Comment

There are many interconnected barriers to sourcing sustainable soy oil and thus avoiding forest-related risks. Supply chain complexity coupled with limited availability of certified materials and limited public awareness and/or market demand hinder the move towards 100% deforestation and conversion-free soy. Soy oil is the by-product of soy processing for soy meal. This means that to enable sustainable production of 1 ton of soy oil, one must certify 5 tons of beans. Due to the complexity of the feed supply chain, the soy meal is sold as conventional. Given that soy used by the feed industry is embedded, there is limited public awareness of the fact that certain products such as dairy, chicken, eggs and beef contain soy. This means that consumer demand for sustainably produced soy meal is low and drives up the cost of sustainably sourced oil and other soy certified by-products in general.

---

### Forest risk commodity

Other - Cocoa

**Coverage**

Supply chain

**Primary barrier/challenge type**

Supply chain complexity

**Comment**

There are many interconnected barriers to sourcing sustainable soy oil and thus avoiding forest-related risks. Supply chain complexity coupled with lack of adequate traceability systems and lack of regulatory control and enforcement from local governments hinder the move towards 100% deforestation and conversion-free cocoa. Our goal is to “protect the people” at the same time that we “protect the planet.” Hundreds of thousands of farmers and their families depend on cocoa farming in protected areas for their incomes and livelihoods. We therefore need to understand the social impact of our efforts to end deforestation, and sequence the implementation of actions to minimize adverse social and economic risks for forest-dependent communities

Unable to check for encroachment of forest if only using a single GPS coordinate of the farm gate, not polygons.

**F8.2**

**(F8.2) Describe the main measures that would improve your organization’s ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Main measure**

Greater transparency

**Comment**

All measures listed are of equal importance to Unilever. The measures listed all contribute positively to the management of forest risks in our opinion. Key to managing risks is monitoring and traceability systems. Working with our partner, Global Traceability Systems, Unilever invests in regularly monitoring the sustainability status of packaging and requests suppliers to report on a quarterly basis. We have set a goal to purchase packaging materials with a full chain of custody by 2019, which conveys our commitment to certification and traceability as a means to manage forest-related risks. Increased transparency and reporting of forest origins would improve Unilever’s ability to manage forest-related risks inherent in paper & board packaging.

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Greater stakeholder engagement and collaboration

**Comment**

1. Partnerships, advocacy & committed on-ground work are essential to transform the industry & bring innovation. We drive policies that encourage sustainable development across the supply chain & sustainable living among consumers through multi-stakeholder platforms such as RSPO, CGF, TFA, SASPO. We work to improve certification & sustainability standards through working groups (WG) – in 2019, RSPO Smallholder Certification Standard by the RSPO Smallholder WG, of which Unilever was a part.

2. Our product brands are vehicles for social & environmental change, raising awareness of sustainable consumption, increasing demand for certified products. This incentivises suppliers to produce sustainably, using good practices complying with local laws & regulations. SASPO was formed to drive this in SE Asia through capacity building & educational initiatives.

3. Investing in monitoring tools & traceability improves data collection & quality, giving visibility & transparency of supplies. Better knowledge around deforestation & forest degradation helps us tailor programs towards risks in our supply chain & design partnerships to help palm industry progress towards sustainable development. We are working with Aidenvironment since 2018 to create a palm oil database & mapping platform that details company group structure, business relationships & concession maps within the industry. In 2019, we collaborated with WRI on cloud-penetrating radar technology to provide near-real-time geospatial data provided by GFW Pro. Also in 2019, we ran a pilot traceability programme with Orbital Insights which enabled us to infer the origins of the commodities we source through geolocation analytics.

4. We work with local governments, NGOs including INOBU, Conservation International & suppliers PTPN, PT SKIP, to build capacity among some 9,000 SHFs & organize them into groups for training & RSPO certification. From 2016-2109, Unilever contributed to a jurisdictional project managed by Yayasan Inovasi Bumi (INOBU) where over 1,000 farmers were certified, and an additional 2,500 farmers, in the next phase from 2019-2021. By increasing the supply of certified materials & making certified materials commonplace in the market, deforestation can be better mitigated since oil palm growers are required to adhere to the environmental protection standards laid out in certification standards.

**Forest risk commodity**

Soy

**Coverage**

Supply chain

**Main measure**

Greater transparency

**Comment**

All measures listed are of equal importance to Unilever. The measures listed all contribute positively to the management of forest risks in our opinion. There are various measures needed to improve our ability to manage forest-related risks. The most essential measure is greater transparency and traceability to identify and address the risks in our tail soybean oil supply chain. Specifically, for soy, investments in enforcement of local regulation which would raise the bar across the entirety of Brazil, would be a critical enabler in the management of forest risk. But traceability and regulation enforcement are not enough. Greater customer awareness would drive increased demand for certified products which in turn would result in improved incentives to produce sustainable raw materials. Stakeholder engagement and collaboration among all sectors is the key to enable the move to deforestation and conversion free soy. When Unilever announced our USLP, our commitment was to 100% sustainable sourcing of all our agricultural commodities by 2020. Since then, we have gone beyond by introducing short-term targets, pioneering the traceability of materials to known origin, and by leading industry discussions on commodities. With others in the industry through the Consumer Goods Forum (CGF), we have been of part of the Deforestation Resolution & have committed to achieving zero net deforestation associated with these commodities by 2020. We're currently working with our soybean oil suppliers and other partners to gain greater visibility into our soybean oil origins and we'll continue working with industry wide initiatives such as SoS Cerrado and Soy Buyers Coalition on the no deforestation agenda.

**Forest risk commodity**

Other - Cocoa

**Coverage**

Supply chain

**Main measure**

Investment in monitoring tools and traceability systems

**Comment**

All measures listed are of equal importance to Unilever. The measures listed all contribute positively to the management of forest risks in our opinion. There are various measures needed to improve our ability to manage forest-related risks. The most essential measure is investment in monitoring tools and traceability systems as the industry wants to be able to monitor the origin of the cocoa that we buy in order to comply with our commitment to not source any cocoa that is grown illegally. We are committed to strengthening supply chain mapping, with the end goal of effective and cost-efficient traceability at the farm-level, and we are working with the governments to develop the framework and tools to ensure that quality data collection. It is important to ensure a uniform approach that applies equally to international and national traders, particularly in Côte d'Ivoire where the local traders (traitants and pisteurs) have been



identified as the primary direct buyers of cocoa from protected areas. Better coordination of national production policies and programs of cocoa producing countries ensures stable and sustainable long-term supply management consistent with global demand projections. Greater stakeholder engagement and collaboration is necessary to focus on a comprehensive approach to poverty reduction, sustainable land use, and forest protection – with governments in the lead in order to eliminate deforestation. Industry, governments, and development partners need to work together to accelerate investment in long term cocoa sustainability programs like Cocoa Action in West Africa. Joint action is required to boost farmer productivity and profitability in environmentally suitable areas, such as through improved planting materials, good agricultural practices, financial inclusion, and agriculture and trade policy reforms. As we seek to improve the profitability of cocoa production and boost farmer income, also to ensure more stable commodity price on cocoa, governments need to enact complementary measures for improved land-use planning and enforcement of national environmental regulations to ensure that cocoa is grown only in environmentally sustainable areas. We encourage increased transparency and discussion about the way government-regulated prices and cocoa taxes are determined in producing countries. Our goal must be “more cocoa from less land.”

## F17 Signoff

### F-FI

**(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### F17.1

**(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.**

	Job Title	Corresponding job category
Row 1	Our Chief Supply Chain Officer is a member of our Unilever Leader Executive (ULE) - the highest operational Board within Unilever	Board/Executive board

## SF. Supply chain module

### SF0.1

**(SF0.1) What is your organization's annual revenue for the reporting period?**

	Annual revenue
Row 1	51,980,000,000

## SF0.2

**(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?**

No

## SF1.1

**(SF1.1) In F6.3 you were asked “Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption”. Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?**

## SF2.1

**(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.**

## SF2.2

**(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?**

## SF3.1

**(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?**

**Timber products**

---

**Estimate GHG emissions and removals from land use and land use change**

**Please explain**

**Palm oil**

---

**Estimate GHG emissions and removals from land use and land use change**

**Please explain**

**Soy**

---

**Estimate GHG emissions and removals from land use and land use change**

**Please explain**

**Other - Cocoa**

---

**Estimate GHG emissions and removals from land use and land use change**

**Please explain**

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	<b>I am submitting to</b>	<b>Public or Non Public Submission</b>	<b>Are you ready to submit the additional Supply Chain Questions?</b>
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

**Please confirm below**

I have read and accept the applicable Terms