

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. The strength of our global brands is reflected in Kantar's Brand Footprint report published in May 2018. Our business is organised across 3 geographies: the Americas; Europe; & emerging markets. Total turnover in 2018 was €50.9bn, with 58% of sales in emerging markets. From the beginning of 2018, Unilever began operating across three new Divisions created as part of our efforts to accelerate shareholder value creation. These divisions are Beauty & Personal Care, Foods & Refreshment & Home Care.

OUR VISION

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.

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 2018 document in the Independent Assurance & metrics section on our website, alongside their findings in the PwC Limited Assurance Statement for 2018 document.

2018 HIGHLIGHTS

- Our sustainable living brands grew 69% faster than the rest of the business & delivered 75% of total growth, showing support for our progress in sustainable growth
- Just under €1 bn invested in research & development

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 2018	December 31 2018

F0.3

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

EUR

F0.4

(F0.4) Select the stage(s) of the value chain which best represents your organization's area of operation pertaining to forest risk commodities.

	Stage of the value chain
Timber	Manufacturing
Palm Oil	Trading Manufacturing
Cattle Products	Manufacturing
Soy	Manufacturing
Other - Rubber	Not applicable
Other	Not applicable

F0.5

(F0.5) Do you produce, use, or sell materials or products that contain any of the forest risk commodities?

	Produce/use/sell	Disclosing	Explanation if produce/use/sell but not disclosing
Timber	Yes	Yes	<Not Applicable>
Palm Oil	Yes	Yes	<Not Applicable>
Cattle Products	Yes	No	We are seeing stronger preference for meat-free products and have begun reflecting this in our portfolio. For instance, we recently acquired the Vegetarian Butcher and have launched meat-free Knorr in the Nordics. For CDP in previous years we have overstated our dependency on cattle products due to difficulties in separating it out by brand across our portfolios. Previously, we had calculated revenue dependency across our whole Foods & Refreshment portfolio which was not reflective of its use. For CDP 2019, 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 have also assessed our footprint relative to the total production of cattle in Brazil and estimate that our footprint equates 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 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	Yes	Yes	<Not Applicable>
Other - Rubber	No	<Not Applicable >	<Not Applicable>
Other	No	<Not Applicable >	<Not Applicable>

F0.6

(F0.6) Are there any parts of your direct operations not included in your disclosure?

Yes

F0.6a

(F0.6a) Identify the parts of your direct operations not included in your disclosure.

Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Business activity	Clarification: This is not an exclusion but a clarification for CDP analysts. In our 2018 response for CDP Forests, we included 'Production' as a business activity with the understanding we jointly owned Twifo Oil Palm Plantation (TOPP) with the Ghanaian Government. However, the ownership transition did not occur therefore this activity is not relevant to Unilever. The volumes from this plantation (approx 1% of our sourced volumes) are included within our sourced volumes so have not been excluded.	No potential	Clarification: This is not an exclusion but a clarification for CDP analysts. In our 2018 response for CDP Forests, we included 'Production' as a business activity with the understanding we jointly owned Twifo Oil Palm Plantation (TOPP) with the Ghanaian Government. However, the ownership transition did not occur therefore this activity is not relevant to Unilever. The volumes from this plantation (approx 1% of our sourced volumes) are included within our sourced volumes so have not been excluded.

F0.7

(F0.7) Are there any parts of your supply chain 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)?

Forest risk commodity

Palm Oil

Activity

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/Region of origin

Brazil

Cambodia

Colombia

Costa Rica

Cote d'Ivoire

Ecuador

Gabon

Ghana

Guatemala

Honduras

India

Indonesia

Madagascar

Malaysia

Mexico

Nicaragua

Nigeria

Panama

Papua New Guinea

Peru

Soloman Islands

Thailand

Venezuela (Bolivarian Republic of)

% 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 our palm oil certified from multiple sources ranging from smallholders, integrated growers and suppliers to traders. We have identified the countries of origin based on the universe of mills declared by our suppliers for our traceability requirements as per our Sustainable Palm Oil Sourcing Policy. Our mill list of 1,665 mills is publicly available on our website. We produce soap noodles in our Unilever Oleochemical Indonesia (UOI) facility in North Sumatra that we use in our own personal care products, and of which a small volume gets sold externally. We also established Unilever Trading Indonesia (UTI) in 2016 to source sustainable certified palm oil and palm kernel oil from Indonesia mainly for local use by Unilever entities in Indonesia.

Forest risk commodity

Timber

Activity

Buying manufactured products

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/Region of origin

Algeria

Argentina

Australia

Austria

Bangladesh

Belgium

Bolivia (Plurinational State of)

Brazil

Cameroon

Canada

Chile

China

Colombia

Costa Rica

Cote d'Ivoire

Czechia

Denmark

Dominican Republic

Ecuador

Egypt

El Salvador

Ethiopia

Finland

France

Germany

Ghana

Greece

Guatemala

Honduras

Hungary

India

Indonesia

Israel

Italy

Japan

Kenya

Malaysia

Mexico

Morocco

Netherlands

Nicaragua

Nigeria

Pakistan

Paraguay

Peru

Philippines
Poland
Portugal
Romania
Russian Federation
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Taiwan, Greater China
Thailand
Trinidad and Tobago
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Venezuela (Bolivarian Republic of)
Viet Nam
Zimbabwe

% 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.

Forest risk commodity

Timber

Activity

Distributing/packaging

Form of commodity

Primary packaging
Secondary packaging
Tertiary packaging

Source

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

Country/Region of origin

Algeria
Argentina
Australia
Austria
Bangladesh
Belgium
Bolivia (Plurinational State of)
Brazil
Canada
Chile
China
Colombia
Costa Rica
Cote d'Ivoire
Czechia
Denmark
Dominican Republic
Ecuador
Egypt

El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Guatemala
Honduras
Hungary
India
Indonesia
Israel
Italy
Japan
Kenya
Malaysia
Mexico
Morocco
Netherlands
Nigeria
Pakistan
Peru
Philippines
Poland
Portugal
Romania
Russian Federation
Slovakia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Taiwan, Greater China
Thailand
Tunisia
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam
Zimbabwe

% 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.

Forest risk commodity

Palm Oil

Activity

Exporting/trading

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Palm oil derivatives

Palm kernel oil derivatives

Source

Multiple contracted producers

Country/Region of origin

Indonesia

% 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. For the crude palm kernel oil and palm and palm kernel derivatives we trade, we source from multiple contracted producers who source mainly from Indonesia. Through Unilever Trading Indonesia (UTI), created in 2016, Unilever is able to source sustainable certified palm oil and palm kernel oil from Indonesia mainly for local use by Unilever entities in Indonesia. Our 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.

Forest risk commodity

Soy

Activity

Using as input into product manufacturing

Form of commodity

Soy bean oil

Source

Trader/broker/commodity market

Country/Region of origin

Brazil

United States of America

% of procurement spend

1-5%

Comment

Unilever purchases soy oil mainly for our dressings business. 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.

Forest risk commodity

Timber

Activity

Using as input into product manufacturing

Form of commodity

Paper

Boards, plywood, engineered wood

Primary packaging

Secondary packaging

Tertiary packaging

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Region of origin

Algeria

Argentina

Australia

Austria

Bangladesh

Belgium

Bolivia (Plurinational State of)

Brazil
Cameroon
Canada
Chile
China
Colombia
Costa Rica
Cote d'Ivoire
Czechia
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Guatemala
Honduras
Hungary
India
Indonesia
Israel
Italy
Japan
Kenya
Malaysia
Mexico
Morocco
Myanmar
Netherlands
Nicaragua
Nigeria
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Romania
Russian Federation
Saudi Arabia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Taiwan, Greater China
Thailand
Trinidad and Tobago
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Venezuela (Bolivarian Republic of)
Viet Nam
Zambia

% of procurement spend

1-5%

Comment

Unilever purchases virgin paper and recycled fibre to use 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 & Refreshments, Home care & Beauty & Personal care brands. As an input into product manufacturing, we source paper, boards and engineered wood products from contracted suppliers (both processors and manufacturer) globally.

F1.1a

(F1.1a) Indicate from which State/region(s) and municipality(ies) your disclosed commodity(ies) originate.

Forest risk commodity

Timber

Country/Region of origin

Argentina

State/Region

Don't know

Municipality

Don't know

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 back to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this information. Being certified by such labels, fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken and 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 and pulp sustainability team has the industry expertise and knowledge to be aware of important forestry regions in source countries (e.g. Misiones, Argentina or Parana, Brazil) and can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states and municipalities and cross reference this with commodity risk and 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 provide us with information beyond country-level, so we do not have state or region information currently. 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

Country/Region of origin

Bolivia (Plurinational State of)

State/Region

Don't know

Municipality

Don't know

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countries (e.g. Misiones, Argentina or Parana, Brazil) and can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states and municipalities and cross reference this with commodity risk and 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 provide us with information beyond country-level, so we do not have state or region information currently. 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

Country/Region of origin

Brazil

State/Region

Don't know

Municipality

Don't know

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Forest risk commodity

Timber

Country/Region of origin

Colombia

State/Region

Don't know

Municipality

Don't know

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jurisdictions like states and municipalities and cross reference this with commodity risk and 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 provide us with information beyond country-level, so we do not have state or region information currently. 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

Country/Region of origin

Cote d'Ivoire

State/Region

Don't know

Municipality

Don't know

Please explain

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Forest risk commodity

Timber

Country/Region of origin

Ecuador

State/Region

Don't know

Municipality

Don't know

Please explain

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municipalities (i.e. 2ndorder 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 provide us with information beyond country-level, so we do not have state or region information currently. 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

Country/Region of origin

Indonesia

State/Region

Don't know

Municipality

Don't know

Please explain

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Forest risk commodity

Timber

Country/Region of origin

Malaysia

State/Region

Don't know

Municipality

Don't know

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 back to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this information. Being certified by such labels, fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken and 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 and pulp sustainability team has the industry expertise and knowledge to be aware of important forestry regions in source countries (e.g. Misiones, Argentina or Parana, Brazil) and can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states and municipalities and cross reference this with commodity risk and supplier engagements. We are aware of municipalities (i.e. 2ndorder 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 provide us with information beyond country-level, so we do not have state or region information currently. 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

Country/Region of origin

Mexico

State/Region

Don't know

Municipality

Don't know

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 back to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this information. Being certified by such labels, fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken and 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 and pulp sustainability team has the industry expertise and knowledge to be aware of important forestry regions in source countries (e.g. Misiones, Argentina or Parana, Brazil) and can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states and municipalities and cross reference this with commodity risk and 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 provide us with information beyond country-level, so we do not have state or region information currently. 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

Country/Region of origin

Nigeria

State/Region

Don't know

Municipality

Don't know

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 back to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this information. Being certified by such labels, fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken and 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 and pulp sustainability team has the industry expertise and knowledge to be aware of important forestry regions in source countries (e.g. Misiones, Argentina or Parana, Brazil) and can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states and municipalities and cross reference this with commodity risk and 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 provide us with information beyond country-level, so we do not have state or region information currently. 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

Country/Region of origin

Peru

State/Region

Don't know

Municipality

Don't know

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 back to forest management unit certified by FSC/PEFC scheme but Unilever would have to rely on the will of suppliers to disclose this information. Being certified by such labels, fibers are traceable to the forest management unit that originates the fiber by virtue of an unbroken and 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 and pulp sustainability team has the industry expertise and knowledge to be aware of important forestry regions in source countries (e.g. Misiones, Argentina or Parana, Brazil) and can utilize tools like Global Forest Watch to monitor sub-national jurisdictions like states and municipalities and cross reference this with commodity risk and 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 provide us with information beyond country-level, so we do not have state or region information currently. 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/Region of origin

Brazil

State/Region

Specify state/region (Para)

Municipality

Specify municipality (1) (Bonito)

Specify municipality (2) (Moju)

Specify municipality (3) (Santo Antonio do Taua)

Specify municipality (4) (Tailandia)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. In Brazil, we source from the regions Para and Bahia, with 83% of these mills sitting in Para.

Forest risk commodity

Palm Oil

Country/Region of origin

Colombia

State/Region

Specify state/region (Meta)

Municipality

Specify municipality (1) (Aracias)

Specify municipality (2) (Barranca de Upia)

Specify municipality (3) (Cabuyaro)

Specify municipality (4) (Cumara)

Specify municipality (5) (Fuente de Oro)

Specify municipality (6) (Mapiripan)

Specify municipality (7) (Puerto Gaitan)

Specify municipality (8) (Puerto Rico)

Specify municipality (9) (San Carlos de Guaroa)

Specify municipality (10) (San Martin)

Specify municipality (11) (Villavicencio)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. In Colombia, we source from the regions Antioquia, Bolivar, Casanare, Cesar, Cudinarmarca, Magdalena, Meta, Narino, Norte de Santander, Santander – majority of the Colombian mills we source from sit in Meta (35%) and Cesar (16%).

Forest risk commodity

Palm Oil

Country/Region of origin

Cote d'Ivoire

State/Region

Specify state/region (Comoe)

Municipality

Specify municipality (1) (Sud Comoe)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. Comoe is the only region we source from in Cote d'Ivoire.

Forest risk commodity

Palm Oil

Country/Region of origin

Ecuador

State/Region

Specify state/region (Esmeraldas)

Municipality

Specify municipality (1) (Quininde)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. In Ecuador, we source from the regions Esmeraldas, Los Rios, Manabi, Orellana,

Forest risk commodity

Palm Oil

Country/Region of origin

Gabon

State/Region

Specify state/region (Estuaire)

Municipality

Specify municipality (1) (Komo)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. Estuaire is the only region we source from in Gabon.

Forest risk commodity

Palm Oil

Country/Region of origin

Indonesia

State/Region

Specify state/region (Aceh)

Municipality

- Specify municipality (1) (Aceh Barat)
- Specify municipality (2) (Aceh Jaya)
- Specify municipality (3) (Aceh Singkil)
- Specify municipality (4) (Aceh Tamiang)
- Specify municipality (5) (Aceh Timur)
- Specify municipality (6) (Aceh Utara)
- Specify municipality (7) (Bireuen)
- Specify municipality (8) (Langsa)
- Specify municipality (9) (Nagan Raya)
- Specify municipality (10) (Subulussalam)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries 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 Unilever's landscape of interest where we are keen to implement programmes from a jurisdictional approach.

Forest risk commodity

Palm Oil

Country/Region of origin

Indonesia

State/Region

Specify state/region (Kalimantan Tengah)

Municipality

- Specify municipality (1) (Barito Timur)
 - Specify municipality (2) (Barito Utara)
 - Specify municipality (3) (Gunung Mas)
-

- Specify municipality (4) (Kapuas)
- Specify municipality (5) (Katingan)
- Specify municipality (6) (Kotawaringin Barat)
- Specify municipality (7) (Kotawaringin Timur)
- Specify municipality (8) (Lamandau)
- Specify municipality (9) (Seruyan)
- Specify municipality (10) (Sukamara)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries 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. Kalimantan Tengah (Central Kalimantan) is one of Unilever's landscape of interest where we are keen to implement programmes from a jurisdictional approach. 9% of the Indonesian mills we source from sit in Central Kalimantan.

Forest risk commodity

Palm Oil

Country/Region of origin

Indonesia

State/Region

Specify state/region (Riau)

Municipality

- Specify municipality (1) (Bengkalis)
- Specify municipality (2) (Dumai)
- Specify municipality (3) (Indragiri Hilir)
- Specify municipality (4) (Indragiri Hulu)
- Specify municipality (5) (Kampar)
- Specify municipality (6) (Kuantan Singingi)
- Specify municipality (7) (Pekan Baru)
- Specify municipality (8) (Pelalawan)
- Specify municipality (9) (Rokan Hilir)
- Specify municipality (10) (Rokan Hulu)
- Specify municipality (11) (Siak)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries 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. Riau is one of Unilever's landscape of interest where we are keen to implement programmes from a jurisdictional approach. 21% of the Indonesian mills we source from sit in Riau.

Forest risk commodity

Palm Oil

Country/Region of origin

Indonesia

State/Region

Specify state/region (Sumatera Utara)

Municipality

- Specify municipality (1) (Asahan)
 - Specify municipality (2) (Batu Bara)
 - Specify municipality (3) (Deli serdang)
-

Specify municipality (4) (Karo)
Specify municipality (5) (Labuhan Batu)
Specify municipality (6) (Langkat)
Specify municipality (7) (Mandailing Natal)
Specify municipality (8) (Padang Lawas)
Specify municipality (9) (Padang Lawas Utara)
Specify municipality (10) (Serdang Bedagai)
Specify municipality (11) (simalungun)
Specify municipality (12) (Tapanuli Selatan)
Specify municipality (13) (Tapanuli Tengah)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries 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. Sumatera Utara (North Sumatra) is one of Unilever's landscape of interest where we are keen to implement programmes from a jurisdictional approach. 19% of the Indonesian mills we source from sit in North Sumatra.

Forest risk commodity

Palm Oil

Country/Region of origin

Madagascar

State/Region

Specify state/region (Tomasina)

Municipality

Specify municipality (1) (Atsinanana)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. Tomasina is the only region we source from in Madagascar.

Forest risk commodity

Palm Oil

Country/Region of origin

Malaysia

State/Region

Specify state/region (Sabah)

Municipality

Specify municipality (1) (Beaufort)
Specify municipality (2) (Keningau)
Specify municipality (3) (Kinabatangan)
Specify municipality (4) (Kota Marudu)
Specify municipality (5) (Labuk & Sugut)
Specify municipality (6) (Lahad Datu)
Specify municipality (7) (Pensiangan)
Specify municipality (8) (Pitas)
Specify municipality (9) (Sandakan)
Specify municipality (10) (Semporna)
Specify municipality (11) (Tawau)
Specify municipality (12) (Tenom)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace,

undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries 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 (28%), Pahang (16%), Johor (15%) and Sarawak (15%). 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. Sabah 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/Region of origin

Nigeria

State/Region

Specify state/region (Edo)

Municipality

Specify municipality (1) (Ikpoba-Okha)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. Edo is the only region we source from in Nigeria.

Forest risk commodity

Palm Oil

Country/Region of origin

Papua New Guinea

State/Region

Specify state/region (West New Britain)

Municipality

Specify municipality (1) (Talasea)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. In Papua New Guinea, we source from the regions Bubu, Gusap, Milne Bay, New Ireland, Oro and West New Britain - 50% of these mills sit in West New Britain.

Forest risk commodity

Palm Oil

Country/Region of origin

Peru

State/Region

Specify state/region (Loreto)

Municipality

Specify municipality (1) (Alto Amazonas)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106

refineries is publicly available on our website. Loreto is the only region we source from in Peru.

Forest risk commodity

Palm Oil

Country/Region of origin

Venezuela (Bolivarian Republic of)

State/Region

Specify state/region (Zulia)

Municipality

Specify municipality (1) (Colon)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. Zulia is the only region we source from in Venezuela.

Forest risk commodity

Palm Oil

Country/Region of origin

Mexico

State/Region

Specify state/region (Chiapas)

Municipality

Specify municipality (1) (Mapastepec)

Specify municipality (2) (Palenque)

Specify municipality (3) (Villa Comaltitlan)

Please explain

We source our palm oil from 24 countries, 112 regions, and 399 districts/municipalities. Rainforest Alliance, using PalmTrace, undertakes traceability surveys twice yearly with our suppliers to identify the countries, regions, districts of origin, mill name, location and GPS details. 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 1,665 mills and 106 refineries is publicly available on our website. In Mexico, we source from Chiapas and Tabasco, with 85% of the Mexican mills located in Chiapas.

Forest risk commodity

Soy

Country/Region of origin

Brazil

State/Region

Specify state/region (Minas Gerais)

Municipality

Specify municipality (1) (Araguari)

Specify municipality (2) (Canápolis)

Specify municipality (3) (Coromandel)

Specify municipality (4) (Estrela do Sul)

Specify municipality (5) (Perdizes)

Specify municipality (6) (Prata)

Specify municipality (7) (Presidente Olegário)

Specify municipality (8) (Tupaciguara)

Specify municipality (9) (Uberaba)

Specify municipality (10) (Varjão de Minas)

Specify municipality (11) (Uberlândia)

Specify municipality (12) (Varjão de Minas)

Specify municipality (15)

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 and Goiaia. For the rest of our supply chain, where traceability is currently limited, we are actively working with our supplier partners to gain even greater visibility into origins for our soy. We are committed to continuing our efforts to gain further visibility into our soy SC and we expect to disclose our soy supply chain throughout 2019.

Forest risk commodity

Soy

Country/Region of origin

Brazil

State/Region

Specify state/region (Goias)

Municipality

Specify municipality (1) (Acreúna)

Specify municipality (2) (Caiapônia)

Specify municipality (3) (Montividiu)

Specify municipality (4) (Paraúna)

Specify municipality (5) (Quirinópolis)

Specify municipality (6) (Rio Verde)

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 and Goiaia. For the rest of our supply chain, where traceability is currently limited, we are actively working with our supplier partners to gain even greater visibility into origins for our soy. We are committed to continuing our efforts to gain further visibility into our soy SC and we expect to disclose our soy supply chain throughout 2019.

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.

	% of revenue dependent on commodity	Comment
Timber	91-99%	The % of revenue dependent on each commodity is a crude estimate 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 a crude estimate 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.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	11-20%	The % of revenue dependent on each commodity is a crude estimate 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 - Rubber	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>

(F1.3) Do you own or manage land used for the production of your disclosed commodity(ies)?

Forest risk commodity

Palm Oil

Own and/or manage land?

Don't own or manage land

Type of control

<Not Applicable>

Description of type of control

<Not Applicable>

Country/Region

<Not Applicable>

Land type

<Not Applicable>

Size (Hectares)

<Not Applicable>

Do you have a system in place to monitor forests-related risks?

<Not Applicable>

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

<Not Applicable>

Explanation of infraction

<Not Applicable>

Forest risk commodity

Soy

Own and/or manage land?

Don't own or manage land

Type of control

<Not Applicable>

Description of type of control

<Not Applicable>

Country/Region

<Not Applicable>

Land type

<Not Applicable>

Size (Hectares)

<Not Applicable>

Do you have a system in place to monitor forests-related risks?

<Not Applicable>

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

<Not Applicable>

Explanation of infraction

<Not Applicable>

Forest risk commodity

Timber

Own and/or manage land?

Don't own or manage land

Type of control

<Not Applicable>

Description of type of control

<Not Applicable>

Country/Region

<Not Applicable>

Land type

<Not Applicable>

Size (Hectares)

<Not Applicable>

Do you have a system in place to monitor forests-related risks?

<Not Applicable>

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

<Not Applicable>

Explanation of infraction

<Not Applicable>

F1.4

(F1.4) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

Timber

Do you collect data regarding compliance with the Brazilian Forest Code?

Yes, from suppliers

Please explain

Unilever (UL) is a signatory of the Cerrado Manifesto, which calls for a halt to deforestation & native vegetation loss in Brazil's Cerrado. The Cerrado Manifesto supports the BFC & through the Manifesto the signatory companies commit to working in collaboration with local & international stakeholders towards environmental protection & good governance. Outside of recycled volumes, we only accept sustainable packaging certification against FSC & PEFC standards. These standards are in full compliance with our Sustainable Agriculture Code, which goes beyond compliance with the BFC. FSC & PEFC certification requires p&b produced in & purchased from Brazil be compliant with local laws & regulations, therefore with BFC. Based on our annual verification audit (where suppliers are required to substantiate sustainability claims with supporting data/evidence furnished to a 3rd party auditor), our Brazil volumes are fully compliant with the BFC. Our quarterly supplier assessment, supported by annual verification audit reveals 99.9% of our p&b volume (69.9 of 70 KT) in Brazil is covered by a FSC or PEFC forest management certification & chain of custody. The quarterly assessment is mandatory for suppliers globally & utilizes a digital platform to collect data on every material containing wood fiber we receive, including the weight, the % weight that is fiber, the composition of the fiber (virgin vs recycled) & also any FSC or PEFC claims. This data is randomly sampled for an annual verification audit run by a 3rd party. Results are extrapolated by a statistician. UL& WWF established a partnership in 2015 to "help protect one million trees" over an 18-month period through projects in Brazil & Indonesia. UL donated €550,000 to WWF for forest protection projects in these countries through a partnership with Wildlife Conservation Society & BirdLife International called Trillion Trees. These projects were completed at the end of 2017, & resulted in 92,852 ha of better-protected forests, 28.5m trees better protected, saved from loss, or planted, & 1.47m tonnes of CO2 emissions avoided. In Brazil, the partnership assisted in the registration of 159 properties in the Rural Environmental Registry (CAR) database, enabling better monitoring of compliance with the BFC. Additionally, the partnership has helped influence policy on deforestation reduction in the state of Amazonas.

Palm Oil

Do you collect data regarding compliance with the Brazilian Forest Code?

Yes, from suppliers

Please explain

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. We source from 6 mills in Brazil and 50% of the volumes sourced 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.

Soy

Do you collect data regarding compliance with the Brazilian Forest Code?

Yes, from suppliers

Please explain

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. We use Unilever Responsible Sourcing Policy to ensure that all our suppliers fulfill certain requirements including compliance with local laws and regulations, such as the BFC. Additionally, the Unilever Sustainable Agriculture Code (SAC) has requirements on land use change, including deforestation and the protection of valuable ecosystems and habitats, as well as land rights, demanding Free Prior and Informed Consent (FPIC) from indigenous peoples and vulnerable communities before land use change takes place. Through our Sustainable Sourcing System, we are monitoring our suppliers compliance with RSP, sustainably sourced soy (as per our SAC requirements), and suppliers with no gross deforestation after July 2008 (via adoption of RTRS or other deforestation-free standards such as Pro-Terra). To monitor compliance with the Brazilian Forest Code, we collect data on the % of our soy that is RTRS certified. Around 40% of our soy volumes for the Brazilian market were RTRS certified in 2018. This accounts for 4% of our total Soy volume. Since RTRS standard goes beyond compliance with the BFC, RTRS certified soy is considered in compliance with the BFC. During 2018, Unilever invested EUR 110,000 in our program with Alianca da Terra, which promoted the RTRS certification of farmers in Southern Cerrado. RTRS certification covers the Brazilian Forest Code requirements and beyond, so by supporting RTRS certification we are also able to monitor farmers' compliance with the Brazilian Forest Code. Through our program, we covered 150,000 hectares of soy production and ensured the protection of 28,000 hectares of native vegetation in the Brazilian Cerrado Biome. We are assessing how to expand this partnership, which we plan to launch after 2020, when we revamp our Sustainable Living Plan.

F1.4b

(F1.4b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).

Forest risk commodity

Timber

KPIs and performance

% of suppliers on the Rural Environmental Registry (CAR) database

% of suppliers with no gross deforestation after July 2008

Other, please specify (FSC and PEFC certification, % compliance with RSP)

Number of suppliers

14

Please explain

Unilever (UL) is a signatory of the Cerrado Manifesto, which calls for a halt to deforestation & native vegetation loss in Brazil's Cerrado. The Cerrado Manifesto supports the BFC & through the Manifesto the signatory companies commit to working in collaboration with local & international stakeholders towards environmental protection & good governance. Outside of recycled volumes, we only accept sustainable packaging certification against FSC & PEFC standards. These standards are in full compliance with our Sustainable Agriculture Code, which goes beyond compliance with the BFC. FSC & PEFC certification requires p&b produced in & purchased from Brazil be compliant with local laws & regulations, therefore with BFC. Based on our annual verification audit (where suppliers are required to substantiate sustainability claims with supporting data/evidence furnished to a 3rd party auditor), our Brazil volumes are fully compliant with the BFC. Our quarterly supplier assessment, supported by annual verification audit reveals 99.9% of our p&b volume (69.9 of 70 KT) in Brazil is covered by a FSC or PEFC forest management certification & chain of custody. The quarterly assessment is mandatory for suppliers globally & utilizes a digital platform to collect data on every material containing wood fiber we receive, including the weight, the % weight that is fiber, the composition of the fiber (virgin vs recycled) & also any FSC or PEFC claims. This data is randomly sampled for an annual verification audit run by a 3rd party. Results are extrapolated by a statistician. UL& WWF established a partnership in 2015 to "help protect one million trees" over an 18-month period through projects in Brazil & Indonesia. UL donated €550,000 to WWF for forest protection projects in these countries through a partnership with Wildlife Conservation Society & BirdLife International called Trillion Trees. These projects were completed at the end of 2017, & resulted in 92,852 ha of better-protected forests, 28.5m trees better protected, saved from loss, or planted, & 1.47m tonnes of CO2 emissions avoided. In Brazil, the partnership assisted in the registration of 159 properties in the Rural Environmental Registry (CAR) database, enabling better monitoring of compliance with the BFC. Additionally, the partnership has helped influence policy on deforestation reduction in the state of Amazonas.

Forest risk commodity

Palm Oil

KPIs and performance

% of suppliers on the Rural Environmental Registry (CAR) database

% of suppliers with no gross deforestation after July 2008

Other, please specify (RSPO certification)

Number of suppliers

6

Please explain

Unilever is a signatory of the Cerrado Manifesto, which calls for a halt to deforestation and native vegetation loss in Brazil's Cerrado and supports the Brazilian Forest Code. Through the Manifesto, signatories commit to collaborate with local and international stakeholders on environmental protection and good governance. For compliance with the BFC, 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 insalined with the BFC. We committed to source 100% physically certified sustainable palm oil by 2019 and are on track to meet this target. We source from 6 mills in Brazil and 50% of the volumes sourced is RSPO certified. In 2010, Unilever (through the consumer Goods Forum) committed to zero net deforestation by 2020 for palm oil, soy, p&b and beef. We don't report externally on the indicator 'suppliers with no gross deforestation after July 2008' but we monitor suppliers compliance with our Sustainable Agriculture Code which includes our Land conversion requirement 'no deforestation (cut-off date when SAC 2017 implemented). Suppliers provide us traceability information on all the mills in their supply chains and the lists of 1,665 mills and 106 refineries is publicly available on our website. In Brazil, we source from the regions Para and Bahia, with 83% of these mills in Para. Because Unilever does not buy oil palm fruit bunches directly from farmers, the KPI on percentage of suppliers on the Rural Environmental Registry (CAR) database is not applicable however we issue internal reports on a quarterly basis and publish the percentage of sustainably sourced palm materials annually on Unilever.com.

Forest risk commodity

Soy

KPIs and performance

% of suppliers on the Rural Environmental Registry (CAR) database

Other, please specify (RTRS certification, % sustainably sourced soy, % compliance with RSP)

Number of suppliers

40

Please explain

Soy is purchased by traders and then crushed into soybean meal and soybean oil without Unilever's intervention. Unilever buys soybean oil from traders and does not have direct interaction with farmers. In spite of this, we set up an RTRS certification program with 40 farmers in the Brazilian Cerrado to support the production of responsible and deforestation free soy which increases the availability of it in the market in which our traders buy. This helps ensure the secure supply of responsibly sourced soy in the quantities we need for future consumption and growth. We require our trader to deliver RTRS certified soy to us. As of last year, roughly 40% of our soybean oil for Brazilian consumption was RTRS soybean oil (via mass-balance). This accounts for 4% of our total soy volume. All our KPIs are monitored via the Sustainable Sourcing System, a platform specifically designed to track with suppliers' compliance with the Unilever Sustainable Agriculture Code (SAC), including certified and deforestation-free soy sourced. Because UL does not buy soybeans directly from farmers, the KPI on % of suppliers on the Rural Environmental Registry (CAR) database is not applicable however, with RTRS certification, suppliers are expected to have access to, and be compliant with all applicable local and national legislation (via registers such as CAR) to receive certification. We issue internal reports on a quarterly basis and we publish the % of sustainably sourced soy annually on Unilever.com. In 2010, Unilever (through the consumer Goods Forum) committed to zero net deforestation by 2020 for palm oil, soy, p&b and beef. We don't report externally on the indicator 'suppliers with no gross deforestation after July 2008' but we monitor suppliers compliance with our Sustainable Agriculture Code which includes our Land conversion requirement 'no deforestation (cut-off date when SAC 2017 implemented).

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

	Data availability/Disclosure
Timber	Consumption data available, disclosing
Palm Oil	Consumption data available, disclosing
Cattle products	<Not Applicable>
Soy	Consumption data available, disclosing
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F1.5a

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

Forest risk commodity

Timber

Data type

Consumption data

Volume

0.96

Metric

Other, please specify (million tonnes)

Data coverage

Full commodity production/consumption

Please explain

Full data: Figure covers all branded food and home and personal care product usage as well as customer packaging and marketing and promotional materials.

Forest risk commodity

Palm Oil

Data type

Consumption data

Volume

1.03

Metric

Other, please specify (million tonnes)

Data coverage

Full commodity production/consumption

Please explain

Full data: Figure covers all branded food and home and personal care product usage. Unilever consumes 1.03 million tonnes for core volumes, meaning all volumes of palm oil and palm kernel oil excluding 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 16% of the total volume we purchase annually.

Forest risk commodity

Soy

Data type

Consumption data

Volume

361198

Metric

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

Data coverage

Full commodity production/consumption

Please explain

Full data: Figure covers all branded food product usage.

F1.6

(F1.6) Have you identified sufficient sources of sustainable materials to meet your current operational needs? If yes, what are you doing to ensure the security/continuity of this supply?

Timber

Sustainable source identified

Yes

Primary action to ensure supply

Engaging in capacity building activities in the value chain

Please explain

Unilever (UL) has identified sufficient sustainable sources of materials to meet current needs. However, because our aspirations have not remained stationary, we invest in continued capacity-building with suppliers to ensure targets are met in the long term (5+ years). In W African the situation was a mostly uncertified waste paper stream, so our procurement teams worked with local colleagues & suppliers to get chain of custody certifications to the point of collection, helping ensure materials do not contain uncertified virgin fiber linked to deforestation. This resulted in a roadmap for 100% certified sources by 2020. In 2016, Unilever committed to accelerate the volume of certified recycled products we buy & source all recycled fibre from suppliers with 3rd-party FSC & PEFC certifications by end of 2019. In 2018, we sourced 960K tonnes of p&b for our products from ~320 suppliers. The total volume of FSC & PEFC certified material, with full chain of custody, we purchase has grown from 79% (2017) to 84%. This demonstrates our investment is increasing certified volumes, securing sustainable supply. Our procurement teams have conducted market gap analyses, developing action plans with suppliers to achieve certification themselves or purchase sustainable fiber for their own manufacture. Where there are constraints in certified supplies, we work with suppliers to achieve certification, achieving our sustainable sourcing goals. We track changes quarterly on a regional, country & supplier level to ensure progress. Each supplier reporting via GTS receives a Supplier Sustainability Summary, summarising the sustainable sourcing % achieved based on data provided. These reports enable discussions with UL to identify gaps & develop strategies to reach our 100% target. Execution of the sustainability road map is supported by supplier on-boarding processes & training. We invest additional time & support to suppliers in regions & materials where the rate of certification is slower. We also build relationships with global & regional feedstock suppliers with strong sustainability credentials to supply pulp to our regional converters. As part of our wood-fibre strategy, we work with Tier 2 suppliers to drive sustainable sourcing. Since 2011 we have expanded the number of feedstock suppliers to 14 who currently supply 20% of the P&B feedstock fibres to P&B converters.

Palm Oil

Sustainable source identified

Yes

Primary action to ensure supply

Engaging in capacity building activities in the value chain

Please explain

We have identified sufficient sustainable supplies however, we are shortening our supply chain & getting closer to source, giving us an opportunity to improve visibility & traceability of our supply chain, enhance cost savings, & enables us to integrate smallholder farmers (SHF) into our supply chain. We committed to 100% physically certified sustainable palm oil by 2019 as per our Sustainable Palm Oil Sourcing Policy & continue to accelerate the sourcing of physical certified palm oil from our suppliers. However, only 19% of the global palm oil supply is RSPO certified. To ensure we have security of sustainable supply in the long term (+5 years), we are engaging in capacity building activities with suppliers to increase the availability of certified materials and have a strategy to invest directly in origination. We have a roadmap to work with strategic suppliers that can deliver traceable & certified palm oil to us. Strategic suppliers include integrated suppliers, PTPN and SHF. We focus on a few integrated suppliers who account for more than 50% of the physical certified palm oil we consumed in 2018. We work to align our NDPE policies, drive group level transparency through technology & actively manage grievances. In 2017, we established Unilever Oleochemicals Indonesia to source directly from mills & to fractionate our own raw materials. To increase the capacity of SHF to produce sustainably, we run programs to certify SHF. Partnering government-owned palm plantation company PTPN in Indonesia, we support palm oil mills & SHF to produce palm oil according to RSPO certification. PTPN supplies 10% of total palm oil volumes in Indonesia and is a key partnership to increase the supply of sustainable materials. Within our SHF programs, over 600 SHF have been RSPO certified since 2013, making up 10% of the total number of RSPO certified independent SHF in 2018. By July 2019, 1000 SHF will be RSPO certified. We are active in multi-stakeholder platforms such as RSPO, Tropical Forest Alliance (TFA), and Consumer Goods Forum (CGF) where we seek to drive whole-industry transformation, making sustainable palm oil widely available.

Soy

Sustainable source identified

Yes

Primary action to ensure supply

Engaging in capacity building activities in the value chain

Please explain

Unilever's largest soy footprint is in soy oil in the USA followed by Brazil. Long-term year-on-year increases in yields is fueled by a high degree of innovation & technological improvements. To ensure we have security of supply in the long term (+5 years), Unilever has been engaging in capacity building activities in the value chain, supporting suppliers & their farmers to advance sustainable agriculture practices that address social, environmental & economic challenges. In 2012 we joined Field to Market, a US alliance that promotes sustainable agriculture. Field to Market offers a free online tool known as Fieldprint Calculator to help growers analyse how their management choices impact natural resources & operational efficiency. It provides a common framework for sustainability measurement to better understand & assess performance at the field, local, state & national levels. Over 2014–2018, around 700 farmers took part in our sustainable soy program, developed with Field to Market & our suppliers. With the data we collected, we were able to develop programs to increase our impact further. In January 2018, we launched a new program which aims to improve soil health & water quality through the adoption of cover crops. Cover crops are associated with improved ecosystems, better yields & a reduced need for agricultural inputs. The program, managed by Practical Farmers of Iowa, has been well received by the Iowa farming community & over 150 farmers signed up in the first year. We are currently in the first year of data collection & analysis, & positive results are expected in coming 3-5 years. We are currently working to expand the program, targeting to double its size this year. By promoting sustainable practices, we expect to secure all our volumes as sustainably sourced within the next 5 years. In Brazil, our second largest origin for soybean oil, we have supported RTRS certification of 40 farmers in the Southern Cerrado biome through our partnership with Alianca de Terra. These farmers have produced around 280K tons of soybeans in 2018, which is more than our total soy footprint in Brazil. By directly supporting the production of deforestation-free soy, we contribute towards conserving the Cerrado biome. We consider this a key enabler to securing sufficient sources of sustainable materials to meet our current & future operational needs.

F1.7

(F1.7) 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

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

Six-monthly or more frequently

How far into the future are risks considered?

> 6 years

Tools and methods used to identify and assess risks

Internal company methods
Global Forest Watch Commodities (GFW Commodities)
Other, please specify (Global Traceability Systems, (GTS))

Please explain

We have an integrated, company-wide risk assessment process across 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 biennial materiality assessment to identify sustainability issues & inform the development of the Unilever Sustainable Living Plan (USLP). Sustainable sourcing is part of Reducing environmental impact. As timber is a key commodity, we conduct regular risk assessments using questionnaires managed by our GTS to determine the volumes of wood fibre sourced & the sustainability status. The questionnaire covers chain of custody of fibre to country of origin, declaration if materials are FSC or PEFC certified, or recycled, & includes verification by suppliers on sustainability. In 2018, our assessment covered 98% of our supply base (based on spend). We use data from GFW tool to assess risk in regions of the world we know to supply global markets with fiber. The GFW tool allows us to monitor conditions at the local level & share data across colleagues through a centralized system. GFW has limitations in that the deforestation alerts are often obscured by clouds. 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 our USLP performance (sustainable paper & board metric) annually. This is assured by a third party & we also have an internal assurance process for robustness. In 2018, we drew a sample of data received from suppliers which underwent verification by a 3rd party & extrapolation based on the deviation of the responses from the reported values to our total results. Quarterly we monitor & assess change in sustainability status at a regional, national & supplier level. For suppliers with policy non-compliance issues, we use GTS data to assess performance over time & guide supplier-specific action plans. GTS gives oversight of our supply chain, enabling us to track production & monitor safety & quality. GTS has collected 30K pieces of information quarterly from as many as 500 suppliers for the past 5 years without major issues. It is directly integrated into our annual verification exercise, which gives us statistical confidence the data collected over the year are indeed reliable.

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

Six-monthly or more frequently

How far into the future are risks considered?

> 6 years

Tools and methods used to identify and assess risks

Internal company methods
External consultants
Global Forest Watch Commodities (GFW Commodities)
Other, please specify (Rainforest Alliance for traceability)

Please explain

We have an integrated, company-wide risk assessment process across 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 biennial materiality assessment to identify sustainability issues & inform the development of the Unilever Sustainable Living Plan (USLP). Sustainable sourcing is part of Reducing environmental impact. 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. Due to the complexity & lack of visibility within the palm supply chain, we use several tools on an ongoing basis to identify, assess & manage risk. 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 in these areas. Using this, we identified Riau as a priority landscape with Daemeter & Proforest. We were then able to conclude a jurisdictional approach is required to address systemic challenges to mitigate risks to forest cover, peatlands & fires. Aceh, N Sumatra, Central Kalimantan & Sabah are of-interest areas due to high palm oil output volumes & proximity to critical ecosystems. These regions require multi-stakeholder engagement with local government to effectively address environmental & social risks associated with palm oil cultivation & production. We work closely with Rainforest Alliance (RA)-UTZ, using PalmTrace to capture traceability information from suppliers & their suppliers. As of 2018, we were 88% traceable to mill which we published externally via lists. These contribute to the new public Universal Mill List (developed by WRI, RA, Proforest & Daemeter), improving the ease & accuracy of mill data management & reporting within the industry. We report our USLP performance (sustainable palm oil metric) annually. This is assured by a third party & we also have an internal assurance process. We are developing a NDPE assurance mechanism with AidEnvironment & other partners to assess & monitor progress on the implementation & compliance of our policy within our supply chain, which includes direct suppliers & their extended supply chain (mills).

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

Six-monthly or more frequently

How far into the future are risks considered?

> 6 years

Tools and methods used to identify and assess risks

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

Please explain

We have an integrated, company-wide risk assessment process across 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 biennial materiality assessment to identify sustainability issues & inform development of the Unilever (UL) Sustainable Living Plan (USLP). Sustainable sourcing is part of this. Our UL Sustainable Agriculture Code (SAC) & its implementation guidelines provides principles, processes & rules guiding our risk assessment for sourcing. Suppliers are asked to conduct a full risk-assessment to identify issues affecting farmers or supply chains as the first step to implementing the SAC. Using SAC across all materials & regions results in a consistent approach to risk management. We also have an internal assurance process & conduct a corporate risk assessment for all of our soybean oil suppliers. This includes checks on supplier's soybean oil origins, no deforestation policies & programs in place to mitigate deforestation risk. This is effective in informing engagements with suppliers on no deforestation. We also use national specific tools & RTRS to inform risk-assessments in key soybean oil origins (US & Brazil). In the US, we use the FieldPrint Calculator at farm level. In Brazil, we use Trase to support suppliers' risk assessments & we support RTRS certification of key suppliers to mitigate deforestation risks. Both tools have proven effective in addressing specific environmental challenges. We are currently launching a traceability assessment for soybean oil with a recognized 3rd party & expect to disclose the findings by year end, with more visibility on soy origins. In Brazil, we support & implement the RTRS standard & have been since 2015 with farmers in our RTRS program receiving socio-environmental diagnostics with time-bound recommendations from Alianca da Terra. Certified farmers produced roughly 280,000t of deforestation-free soybeans in 2018 in S Cerrado, covering 150k ha of production. By introducing the socio-environmental diagnostic tool, each farmer has reliable info on the forest related risk in their land &, together with ADT, they create a commitment plan to address those risks. By using this type of tool, the program has contributed to protecting 28,000 ha of native vegetation in the Brazilian Cerrado Biome.

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 achieve the quantity & of forest risk commodities we continue driving transformational change so entire markets are sustainable & future demand is secured. We invest in increasing the supply of sustainable commodities & monitor the impact of deforestation-risk commodities using the GFW tool. This tool allows us to monitor conditions at the local level & share data through a centralized system. We monitor weather trends & project potential fluctuations in commodity prices due to shortages/excess in supply. This is an on-going process monitored daily at the market level. Information related to limited availability would trigger internal decision-making such as forward buying of traded commodities & other hedging mechanisms as a way to actively manage commodity price risk. Hedging of traded commodities allow us to buffer against fluctuations in commodity prices and seeking alternative raw materials and suppliers reduces our dependence on any single crop and/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 ie alternative oils for shortages in palm kernel oil (PKO) derivatives. The 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. 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 specs. 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 these. For Paper & Board (P&B) packaging for example, there may be only 1 supplier able to meet our product specifications. A shortage in physically certified supply of suitable quality for any agricultural raw material will mean challenges in meeting required volumes by our brands and therefore meeting our sustainable sourcing commitments. Quality of our sourced commodities is checked by our Research & Development (R&D) team before we proceed with supplier contracts to source the materials long term. Our key suppliers are externally certified against our Responsible Sourcing Policy & the quality of material received is regularly monitored to ensure that it meets the rigorous quality standards that our products require. We also invest in increasing the supply of sustainable commodities & we monitor the impact of deforestation-risk on some commodities using tools such as the GFW tool. This tool allows us to monitor conditions at the local level and share data across colleagues through a centralized system. We monitor weather trends and project potential fluctuations in commodity prices due to shortages/excess in supply. This is an on-going process that is monitored daily at the market level. Purchasing ingredients that are certified under national schemes such as FSC, PEFC, RSPO, or RTRS also assures the quality of some of our sourced ingredients, alongside mitigating forest risk in our supply chain as these volumes have been subject to quality checks against pre-determined sustainability criteria. 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 such approved suppliers to diversify risks and ensure business continuity. Shortening the supply chain and being closer to upstream suppliers is also one of the ways we can better control the quality of inputs into our products – in 2017, we commissioned our own oleochemicals plant, Unilever Oleochemical Indonesia, to source directly from smallholder farmers and independent mills, and fractionate our own ingredients for our Home care and Beauty & Personal care products.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

Conserving biodiverse ecosystems is essential to us in two ways: it strengthens supply of ingredients; & it supports the societies & economies in which we do business. In particular, the loss of biodiversity carries specific risks by compromising nutritional security & reducing crop resilience. Unilever also relies on agricultural raw materials for our products, which depends on “ecosystem services” & is therefore affected by activities that impact ecosystems & habitats. We target to source 100% of our agricultural raw materials sustainably by 2020. Sustainable sourcing is one of our “Reducing environmental impact” pillar focus areas. All key raw agricultural materials we purchase are assessed against our Sustainable Agriculture Code (SAC) annually & monitored as input to our products. Protecting biodiversity is key to our Sustainable Agriculture Programme, driving work with suppliers & farmers. 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. The 3rd-party sustainability certification schemes we use, including RA, RSPO, RTRS, FSC & PEFC, share these aims too. Together with the risk assessment tools such as GFW, we identify suppliers operating in high-risk areas prone to deforestation & negative environmental impact, & work with them to develop better management & operational practices. We also source preferentially from suppliers & jurisdictions that show effort & commitment in sustainable development, e.g. Central Kalimantan for palm. Knowledge related to supplier-associated risks aids supplier selection. For example, in 2018, timber, palm, & soy each achieved 65% or more sustainably sourced volumes. This means that at least 65% of the consumption volumes for timber, palm & soy were sourced from suppliers certified to be sustainable & not degrading ecosystems & habitats, according to the requirements laid out in SAC. By 2020, we expect to reach around 70% sustainable sourcing overall and to reach 95% sustainably sourced for our 12 key crops.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

Unilever are subject to national & regional laws & regulations in such diverse areas ie product safety, product claims, the environment, corporate governance etc. Failure to comply with laws & regulations could expose Unilever to civil &/or criminal actions leading to damages, fines & criminal sanctions against us &/or our employees with possible consequences for our corporate reputation. Regulations also impact the supply & demand of our products containing these commodities, particularly if they are related to labelling or use in our products. Regulatory risks are identified & evaluated via an annual integrated company-wide risk assessment process across our operations & supply chains. We have a global Issues Management team & procedure in place to manage threats & opportunities that have an impact on our business operations in the areas of public policy, regulation & reputation management. Our legal & regulatory specialists are heavily involved in monitoring & reviewing our practices to provide reasonable assurance we remain aware of & in line with all relevant laws & legal obligations. For any regulatory issues, the team will report them to key stakeholders in the business to assess & implement the correct course of action. For example, the 2014 European Union's labelling policy required the type of vegetable oil to be specified on pack. Requirement to be MSPO, ISPO certified by 2020. In response, we listed palm oil as an ingredient on pack, which meant consumers were made aware of an ingredient in our product that is generally perceived negatively.

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. Climate change & governmental actions to reduce such change may also disrupt our operations. We use our biennial materiality assessment to identify priority sustainability issues across our value chain. An issue is material if it impacts us in terms of growth, cost, risk or trust, & if it is important to stakeholders. In determining materiality, we also consider alignment with our Vision & Purpose, portfolios & geographical footprint; its potential impact on our value chain; & the degree to which we can affect change. As per our Materiality Matrix, climate change is identified as high priority & factored into our overall company risk assessment. To further understand the impact on our business, we performed a high-level assessment of the impact of 2°C & 4°C warming scenarios. We then developed & piloted an approach to assess the impact of climate change on our key commodities, starting with soy. We selected soy for this pilot based on its importance to Unilever (large purchased volume), it being a high-profile crop in the countries where it is grown & the availability of good historical price data & suitable climate models. We developed a methodology which combined forecasting future yields & quantifying the impact on commodity prices of soybean oil. Climate change was the only price factor accounted for in the model used to calculate the impact. Through understanding the risks and opportunities from climate change we are able to future proof our business. From product innovation, eco-efficiency initiatives in our operations and through our sustainable sourcing programmes, we are taking action to address climate change risks in line with the output from the scenario analysis, as well as benefiting from any opportunities across our value chain.

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. We are committed to engaging with our suppliers across our supply chain through the Unilever Sustainable Agriculture Code (SAC), and through our own technical expertise. Our SAC sets out standards for water use, irrigation management & catchment-level water conservation as well as provision for drinking water and sanitation for employees. Unilever suppliers & third parties are required to sign our SAC & our Responsible Sourcing Policy. 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. Using resources from Water Footprint Network (WFN) & the Life Cycle Analysis (LCA) community, Unilever have mapped the water suppliers use to produce our agricultural & -non-renewable- materials, so understand key materials & locations of greatest risk. We have implemented >3,000 water management plans with our farmers, which includes continuous improvement activities. 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 our products can be significantly affected by the cost of the underlying commodities & materials from which they are made. Fluctuations in these costs cannot always be passed on to the consumer through pricing. Fluctuations & our management of them could put at risk our commitments such as that to source 100% physically certified palm oil by 2019 if price increases are significant. Government actions such as foreign exchange or price controls can impact on the growth and profitability of our local operations. Tariffs or price increases would affect our ability to source materials for our products and could potentially increase the cost for us to source certified materials, which already have a premium. For example, in palm oil, such tariffs could make palm oil prohibitively expensive as it would add an extra cost on top of the premium we would already have to pay for certified materials. On the other hand, differentiated tariffs could lower duties for sustainably sourced commodities such as palm oil, which could potentially reduce our costs. As an Anglo-Dutch company, Unilever could see an impact from Brexit and US trade negotiations, resulting in changes to tariffs and import costs in the coming years. Risks are identified & evaluated via an annual integrated company-wide risk assessment process across our operations & supply chains. Decision making: Monitoring & modelling allows us to adapt our portfolio & respond quickly to develop new offerings that suit consumers' & customers' changing needs. We regularly update our forecast of business results & cash flows &, where necessary, rebalance investment priorities. Where tariffs or prices increase over the long term, we may look to reformulate certain products for a substitute i.e. oils or, carry the increased cost on to the consumer. Commodity price risk is actively managed through forward buying of traded commodities and other hedging mechanisms.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

Our success depends on the value & relevance of our brands to consumers & our ability to innovate & be competitive. Our ability to develop & deploy the right comms, in terms of content is critical to the continued brand strength. Loss of market for any of our forest risk commodities has the potential to impact our ability to access our target consumers. Should there be any regulations or laws affecting the import or export of palm oil for example into particular markets/regulations against the use of it in products due to consumer pressure related to the negative impacts of deforestation, we would be adversely affected & need to find an alternative source for palm oil in those markets & for those products. Consumer tastes & preferences related to certain ingredients are changing more rapidly than ever before, and Unilever's ability to identify & respond to these changes is vital to our business success. This is current & an emerging issue for the business & it's growth. Unilever has in place a commodities risk management strategy to minimise the impact of volatility in commodity markets. Through an integrated financial risk management approach linked to forest risk commodities, foreign exchange, credit & liquidity, the team analyses & monitors market trends, government policies, & weather patterns to ensure our market risks for our agricultural commodities are managed. We have 27 people data centres globally who's focus is on trends and local sentiment. With insights on trend and consumer sentiment, we can gauge how successful product launches will be and for type of products are required in that market. By monitoring external market trends & consumer, customer & shopper insights, we can develop our category & brand strategies. For example, the by Unilever introduced meat-free Knorr in the Nordics and acquired the Vegetarian Butcher to meet the demands of people increasingly favouring a plant-based lifestyle.

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 (UL) & 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. Risks are associated with the way commodities are grown, produced & traded. Our Issues Management Team & internal procedure are in place to manage threats/opportunities that could impact business operations in the areas of public policy, regulation & reputation management. 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 as input to UL's products across the value chain. We monitor media & campaigns related to allegations against suppliers, resulting in reputational risk. It is important we factor this into our risk assessments across commodities & ensure we take appropriate actions, including directly engaging suppliers who breach our policies to ensure remedial action plans are in place. We use GFW Pro to monitor areas of high deforestation risks, and identify suppliers located in these areas. 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. For our forestry commodities, we are driving transparency in the supply chains to better manage & mitigate environmental & social risks that impact our brands. For palm oil, we monitor allegations against our suppliers & report through our public Grievance Tracker. 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 2018 GlobalScan-SustainAbility Leaders Survey, with the highest number of mentions from 47% of industrial 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. 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). Suppliers conforming to 2017 Sustainable Agriculture Code (SAC) requirements are considered compliant with RSP. Suppliers in the highest risk segment undergo independent 3rd-party audit. Raw material or finished goods suppliers undergo on-site audits, while service suppliers undergo a remote audit. For palm oil (PO) for example, the majority comes from Indonesia & Malaysia, so a robust risk assessment procedure is in place to combat corruption. 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. 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. In 2018 we implemented a policy of "No RSP, no Purchase Orders" to emphasize the importance of compliance with RSP principles. In 2016, we made the decision to disengage with a supplier due to them being in breach of our Sustainable PO Policy, which directly related to a risk they posed. Following the lift of the RSPO suspension on this supplier, we resumed sourcing from them in 2017, monitoring progress. 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. 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

Managing social risks & impacts is embedded within our business. 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'. Our Responsible Sourcing Policy (RSP) is based on 12 fundamental principles & is aligned with our business growth goals. 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. All our suppliers are asked to complete a self-declaration regarding their compliance to the Mandatory Requirements of the RSP. We segment suppliers based on a risk assessment using externally available indices of business & human rights risks from expert sources, such as SEDEX SMETA 6.0 (4 Pillar) and EcoVadis CSR assessment. Suppliers in the highest risk segment are required to undergo an independent third-party audit. Raw material or finished goods suppliers undergo an on-site audit, either Unilever's own Understanding Responsible Sourcing Audit (URSA) or SEDEX SMETA 6.0 (4 Pillar), while service suppliers undergo a desktop audit using EcoVadis CSR assessment. During the course of an on-site audit, all non-conformances are recorded to indicate where a supplier's site does not align with our RSP Mandatory Requirements. A supplier must provide a time-bound corrective action plan to address & remediate non-conformances, & the auditor must confirm the remediation has effectively addressed the non-conformance in a follow-up audit within a 90-day period for the supplier to be RSP compliant. Gaining greater clarity of our social footprint is particularly important as we plan business expansion: this knowledge helps us create clear, focused plans to address opportunities & identify specific actions or improvements. Our supply chain network is exposed to potential negative social impacts & human rights allegations.

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 customers are our consumers. We reach 2.5 billion consumers every day through 25 million retail stores. We reach them through our 3 categories – Beauty & Personal Care, Home Care and Food & Refreshments. Unilever puts sustainable living at the heart of its brands to inspire consumers, grow sales & deliver on its purpose of making sustainable living commonplace. Consumers are becoming much 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. Through our 27 people data centres, we track changing consumer sentiment. Through close collaboration between Marketing and R&D, we use our insights to inform product development and inform our strategy. For example, we introduced meat-free Knorr to support a shift towards plant-based lifestyles. This allows us to capture a segment of consumers that has been excluded by meat-based sauces. The development of meat-free options, & our acquisition of the Vegetarian Butcher for example, reduce dependency on cattle products. Furthermore, we engage consumers through a number of channels and campaigns such as “Every U Does Good”. Our consumers can interact with our Sustainable Living brands and discover how their conscious consumption is supporting programmes implemented under Unilever Sustainable Living Plan (USLP). Consumers are also encouraged to build positive habits around the use of our products and reduce the environmental footprint in their daily lives, for example by purchasing products with sustainability labelling such as FSC or PEFC.

Employees

Relevance & inclusion

Relevant, always included

Please explain

Our employees are included in our forest-related risk assessment as they are the ones leading the sustainable sourcing agenda and know it best. Research shows millennials want to work for companies with a purpose beyond products & profits. The Unilever (UL) Sustainable Living Plan (USLP) is a key driver of trust among our employees & potential recruits. Attracting & retaining the best talent is vital to value creation & our Purpose of Making Sustainable Living Commonplace is a clear differentiator, with 72% of Unilever employees believing sustainability drives growth in the business. Our activities have the potential to impact the livelihoods of millions of people who are involved in our value chain –notably smallholder farmers (SHF) & small-scale retailers. By 2020, we aim to enhance the livelihoods of millions of people as we grow our business. Our business growth will lead to increased raw materials consumed and in order to keep our exposure to supply chain risks low, our employees need to understand our sustainable sourcing policies and commitments and translate those policies into actionable plans. We have sustainability professionals embedded in the divisions, in our Corporate centre and through sustainable sourcing & procurement who put the actionable plans into place, monitoring & tracking progress. Our Issues Management specialists monitor external campaigns & activity to spot any emerging forest-related risks to Unilever using tools such as SigWatch or via media outlets. We are creating a culture where our employees are empowered to act like entrepreneurs and business owners, taking more ownership through collaboration, clarity of purpose, more test and learn approached & embracing failure to gain insights. We rally our employees by connecting employees’ personal purpose with our brand’s purpose to bring out their inner motivations to work effectively in a way that impacts the lives of others. 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 investors are always considered within our risk assessments. By better understanding and responding to our supply chain risks across our value chain, we are making our business fit for the future and in turn ultimately impact share price and future growth. Unilever has publicly committed to implementing the recommendations of the task force on climate-related financial disclosures and in 2018, we piloted soy's inclusion in our scenario analysis. As a growing number of investors demand more information on how companies are addressing the effects of climate change, Unilever recognises the importance of disclosing climate-related risks and opportunities, including those linked to the sourcing of our key commodities. Adopting the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations is an important step forward in enabling market forces to drive efficient allocation of capital and support a smooth transition to a low-carbon economy. In our Annual Report and Accounts, we continue to integrate climate-related disclosures throughout our Strategic Report narrative. The USLP also delivers lower costs through reduced waste, energy and packaging. It lowers risks in our supply chain by securing a sustainable supply of critical raw materials such as palm oil and tea. And it also increases trust in our business - particularly among consumers, employees, investors and governments. Anticipating and responding to supply chain risks is part of our vision of accelerating growth while reducing our environmental footprint and increasing our positive social impact. This is delivering more trust from consumers and a stronger business for shareholders with lower risks and consistent, competitive and profitable long-term growth. Banks are now linking ESG performance with interest rates, offering preferable rates to companies actively identifying and managing risks i.e. human rights violations in the supply chain. By using data tools through CDP, MSCI and Sustainalytics for example, investment analysts are able to screen out companies performing poorly against ESG KPIs they deem important to investors. We therefore monitor the ratings and rankings landscape as part of our ESG strategy.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

Our supply chain gives us the opportunity to make a positive difference to the lives of many hundreds of thousands of people and to contribute to the Sustainable Development Goals. It also provides a lasting foundation for our growth. Communities are factored into our forest-related risk assessments as rights and titles to property and land of the individual, indigenous people and local communities need to be respected and we need to manage the way this is done through who we source from. As a company operating in over 190 countries, with tens of thousands of suppliers and communities all over the world touched by our value chain, we have a responsibility to advance human rights and build the trust that is vital to our business success. A pre-requisite of doing business with Unilever is to satisfy the mandatory requirements of our Responsible Sourcing Policy (RSP) and 'Land rights of communities, including indigenous people, will be protected and promoted' is Principle 11 of Unilever's Fundamental Principles for doing business with us. All negotiations with regard to their property or land, including the use of and transfers of it, adhere to the principles of free, prior and informed consent, contract transparency and disclosure. Respect for land rights is part of our overall policy framework and is Principle 11 of our Responsible Sourcing Policy and our Responsible Business Partner Policy. Back in 2017, with the aid of an external implementation organisation, Unilever created Global Land Rights Principles and Due Diligence Implementation Guidelines for our own operations. These will provide enhanced due diligence relating to all our transactions involving land and we are rolling these out to our operations before extending them to our suppliers.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

We engage with NGOs to manage risk in a number of ways – i) to ensure we are addressing the issues that matter to society, ii) to ensure a lack of action on NGO concerns does not negatively affect our reputation and iii) to draw attention to key issues such as deforestation. Stakeholder engagement and partnership is essential to grow our business and to reach the ambitious targets set out in the Unilever Sustainable Living Plan (USLP). We refresh our materiality analysis every two years to understand evolving stakeholder concerns, including those of the NGO community. As part of this, we analyse NGO campaigns through various sources such as SIGWATCH, to spot any emerging forest-related risks. We engage a number of stakeholders such as shareholders, governments, NGOs and civil society organisations aimed at shaping the business landscape through advocacy. We work closely with a number of NGOs such as WWF to ensure our sourcing agenda secures the best outcomes. Our Code of Business Principles and Code Policies guide how we interact with our partners – whether it's a government, an NGO or trade association. Unilever is part of programme led by NGOs Forever Sabah and WWF Malaysia and the industry-NGO coalition PONGO Alliance. Through this partnership we will be helping to get 60,000 hectares of land certified through RSPO. By doing so, we aim to benefit 200–300 palm oil farmers. We will also be helping to restore two wildlife corridors and two riparian reserves.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

Human rights abuses related to local producers of our forest commodities can impact our direct supply chain which is why they are considered in our risk assessments. Local growers & smallholder farmers can help us realise our growth ambitions by helping us 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. We rely on smallholders for a number of our key ingredients, such as palm oil. Smallholders working on family plots are an important part of palm oil production. Together, they produce around 40% of the global supply. We're building stronger, closer connections to the smallholder farmers who supply us, supporting & incentivizing the adoption of sustainable management & agricultural practices. Since 2017 for example, we have worked with partners on a new approach to help independent smallholders in Indonesia produce more oil, generate higher incomes whilst lowering environmental impact. This is part of a 'jurisdictional approach' programme we are supporting in the district of Kotawaringin Barat but we also prefer to think of it as creating 'sustainable villages', as we focus on a per village level first to create scale. It is a way of working with communities of smallholders and local government to increase yields and prevent deforestation within a set geographical area, while assuring us of a sustainable source of palm oil.

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. 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. 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. 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 2019 – In 2018, 67%, or 698,914 metric tonnes, of our core volumes of PO was physically certified - 60% MB and 7% as SG. We also purchased 13,356 tons of independent smallholder RSPO-certified palm and palm kernel oil from five independent smallholder groups certified in Indonesia.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

Unilever work with thousands of suppliers and spend around €34 billion on goods and services, including approximately €13 billion on ingredients and raw materials for our products. Our global manufacturing operations across more than 300 factories in 69 countries turn these materials into products. Due to the scale and complexity of our supply chain, our suppliers are factored in to our forest-related risk assessments. Suppliers are key to delivering Unilever's Vision of growing our business, whilst decoupling our environmental footprint from our growth and increasing our positive social impact, is not something we can achieve on our own. 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. Method: 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. In 2018, 61% of procurement spend was through suppliers who were assessed as meeting the mandatory requirements of the RSP. This increased from 55% in 2017. 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.

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	Yes
Palm Oil	Yes
Cattle Products	<Not Applicable>
Soy	Yes
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F3.1a

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

Substantive impacts for Unilever are those that would threaten the Groups business model, future performance, solvency or liquidity in the next three years. We call these our Principal risks & these apply to the Unilever Group (including our direct operations & supply chain).

Process to assess the financial impact of risks

We use our principal risks (all 15 included in pages 29-33 of our Annual Report and Accounts 2018) 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.

Definition of substantive financial impact

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 equalled €50.9m of turnover in 2018. We identify substantive financial impact in 2 ways:

- 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 & the lost cost and growth opportunities from not keeping up with technological changes; and
- 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 3-5 years (ie medium-term risks). Since risks arising from climate change risks are greatest over the 6 year time horizon, we wanted to understand the impact of global warming scenarios on our business beyond 2030.

Principal risk scenarios related to Climate change (TCFD)

For the 2017-2018 reporting period, we performed an assessment of the impact of 2°C and 4°C global warming scenarios on our business to inform the principal-risk scenarios related to climate change. The 2°C and 4°C scenarios were constructed on the basis that average global temperatures will have increased by 2°C and 4°C in the year 2100. We looked at the impact on our business in 2030 assuming we have the same business activities as we do today. We also made the following simplifying assumptions:

- In the 2°C scenario, we assumed that in the period to 2030 society acts rapidly to limit GHG emissions and puts in place measures to restrain deforestation & discourage emissions (for example implementing carbon pricing at \$75-\$100 per tonne, taken from the International Energy Agency's 450 scenario). We have assumed that there will be no significant impact to our business from the physical ramifications of climate change by 2030 – i.e. from greater scarcity of water or increased impact of severe weather events. The scenario assesses the impact on our business from regulatory changes.
- In the 4°C scenario, we assumed climate policy is less ambitious and emissions remain high so the physical manifestations of climate change are increasingly apparent by 2030. Given this we have not included impacts from regulatory restrictions but focus on those resulting from the physical impacts.

We identified the material impacts on Unilever's business arising from each of these scenarios based on existing internal and external data. The impacts were assessed without considering any actions that Unilever might take to mitigate or adapt to the adverse impacts or to introduce new products which might offer new sources of revenue as consumers adjust to the new circumstances.

During 2018 we developed and piloted an approach to assess the impact of climate change on our key commodities. We selected soy for this pilot based on its importance to Unilever (large purchased volume), it being a high-profile crop in the countries where it is grown and the availability of good historical price data and suitable climate models. We developed a methodology which combined forecasting future yields and quantifying the impact on commodity prices of soybean oil. Climate change was the only price factor accounted for in the model used to calculate the impact. Other factors which impact price, such as technology and acreage, were excluded. The model considered the direct risks from climate change to the price of soybean oil, such as change in yield and change in supply.

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

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 2018, we sourced 960K 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)

5000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Our financial impact figure is based on an estimate assuming that our annual cost of packaging spend is €0.1 billion packaging as at year end 2018. 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 have 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. We then arranged subsequent calls to discuss strategies with the suppliers 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 14%. Our timeframe 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

1400000

Explanation of cost of response

An annual recurring cost, but excludes time and internal 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 1 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)

<Not Applicable>

Potential financial impact figure - minimum (currency)

99000000

Potential financial impact figure - maximum (currency)

165000000

Explanation of financial impact figure

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%) 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 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

As per our renewed Sustainable Palm Oil Sourcing Policy, we committed to achieve 100% sustainably sourced palm oil for our core volumes by 2019. In 2018, 67% of our core volumes of palm & palm kernel oil was physically certified - 60% mass balance & 7% segregated. We are on track to meet our target, increasing the purchase volumes of certified materials from all our suppliers, including integrated suppliers, smallholder farmers (SHF) and state-owned palm enterprise PTPN. With only 19% of global palm oil supply certified sustainable, we invest to increase the availability of certified materials within the industry and secure continued supply beyond 2019. We purchase the RSPO certificates from SHF groups which further incentivizes them to continue sustainable practices. Over 600 SHF has been RSPO certified since our inaugural SHF programme in 2013, which is 10% of the total number of RSPO certified independent SHF as of April 2019. We recognize 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 the RSPO, HCSA and with NGOs and other stakeholders to find an industry-wide solution to deforestation. We are contributing to creating more transparency and to better understand our exposure to deforestation risk.

Cost of response

60000000

Explanation of cost of response

This annual cost represents both the purchase of certified materials and our investments in programmes throughout our supply chain that drive increased certification and expand the availability of sustainable materials through making sustainable practices the industrial norm.

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. Such an action 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 €1 billion brands. We would expect such a 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 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)

<Not Applicable>

Potential financial impact figure - minimum (currency)

20000000

Potential financial impact figure - maximum (currency)

30000000

Explanation of financial impact figure

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 increase our use of sustainably sourced materials. The market for certified soy is not mature, so we have developed programs in our key sourcing regions (US & Brazil) to drive this. We have set up a RTRS certification program covering 150k ha in S Cerrado, Brazil, from which we source our certified soy. 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 2018, we sourced 72% of all our soybean oil sustainably. Our goal for 2020 is to source 100% of our materials sustainably. We plan to achieve this by sourcing sustainable materials from our own programs, supporting demand for certified materials via the purchase of RTRS certified materials (via MB & certificates). We recognize our response won't fix deforestation risk from our supply chain but we are sure multi-stakeholder initiatives driving transparency & traceability are essential to 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 the forest issues in the Brazilian Cerrado. We are also working on traceability in soy & we have recently disclosed our direct soybean oil suppliers list in Unilever.com. We hope this contributes to creating more transparency & to better understand our exposure to deforestation risk.

Cost of response

2500000

Explanation of cost of response

The cost represents our investments in sustainable sourcing of soy, including our North America Program, our Brazil Program, any incentives farmers receive to transition towards sustainable soy production, and the RTRS certificates. This is an annual recurring cost.

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	Yes
Palm Oil	Yes
Cattle products	<Not Applicable>
Soy	Yes
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

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

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

Driving demand for sustainable materials

Financial incentives

<Not Applicable>

Company-specific description & strategy to realize opportunity

Unilever are ahead of our sustainable sourcing commitment targets for paper & board, so to continue this momentum, we set new targets that we will source our recycled fibre from suppliers with third-party certification by the end of 2019. Driving certification of recycled materials is an opportunity because it supports a market for certified recycled materials, and equally provides reassurance for our business. We have progressively been purchasing more of our materials with certification and a full chain of custody to drive greater performance against our sustainable sourcing targets and secure supplies for our 400+ products we make and sell. To do this, we have worked with suppliers over several years to communicate our policy, provide information and 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. Upgrades will be rolled out in 2019.

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)

20000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

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

Financial incentives

<Not Applicable>

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. This, 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)

<Not Applicable>

Potential financial impact figure – minimum (currency)

99000000

Potential financial impact figure – maximum (currency)

165000000

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 2018, our sustainable living brands grew 69% faster than the rest of our businesses (up from 46% in 2017) and accounted for 75% of Unilever's overall 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

Financial incentives

<Not Applicable>

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. The potential market opportunity is to leverage sustainably produced ingredients, including soy, in dressings and other food products. 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. 72% of our soy was

sustainably sourced via mass-balance or RTRS certificates in 2018 and we expect to reach 100% by 2020.

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)

<Not Applicable>

Potential financial impact figure – minimum (currency)

20000000

Potential financial impact figure – maximum (currency)

30000000

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 2018, our sustainable living brands grew 69% faster than the rest of our businesses (up from 46% in 2017) and accounted for 75% of Unilever's overall growth.

F4. Governance

F4.1

(F4.1) Does your organization have a policy that includes forests-related issues?

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

F4.1a

(F4.1a) Select the options to describe the scope and content of your policy.

Scope	Content	Please explain
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	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate deforestation and/or conversion</p> <p>Commitment to eliminate forests degradation</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 education</p> <p>Commitment to align with public policy initiatives, e.g. SDGs</p> <p>Recognition of the overall importance of forests and other natural habitats</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 commitments and targets</p> <p>Description of forests-related standards for procurement</p> <p>Reference to international standards and widely-recognized forests-related initiatives</p>	<p>Over half of the world's deforestation is linked to land conversion to produce 4 raw materials –palm oil, beef, soy, paper & pulp - of which, Unilever use 3 in sizeable quantities throughout our product categories. Unilever (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 & have publicly committed to support the objectives of the Cerrado Manifesto. We commit to achieving zero net deforestation in our ED which is reviewed every 3 years. 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 when land use changes in the wider landscapes in which our suppliers operate. We recognize our dependency on forests & their importance to us (from a wider climate change perspective & 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 UL Responsible Sourcing Policy (RSP) in our supply chains, which requires Free Prior & Informed Consent (FPIC) for developments involving indigenous people & small-scale farmers dependent on forest resources.' It also states how we will achieve our commitments, inc various initiatives we are involved with such as The Sustainable Trade Initiative & Global Forest Watch, & our partnerships to ensure progress such as the Consumer Foods Forum & 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 & 17. Whilst our ED expresses our position on deforestation, our USLP is our overarching policy, covering forest-related targets & performance annually. This is to achieve transparency & 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) & SAC Scheme Rules. The SAC was developed to give us, our farmers & suppliers, a set of rigorous 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 & grievance processes for workers.</p>

USLP	Scope	Content	Please explain
Reducing Environmental Impact - Sustainable Sourcing.png			
ED position statement.pdf			
Sustainable Agriculture Code 2017 Scheme Rules.pdf			
Sustainable Agriculture Code.pdf			
Responsible Sourcing Policy.pdf			

F4.1b

(F4.1b) 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	Yes	Company-wide	Commitment to eliminate deforestation and/or conversion Commitment to eliminate forests degradation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and education Commitment to innovation Description of business dependency on forests Recognition of potential business	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 use it across all 3 of our categories. Unilever has a Sustainable P&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&B industry. Our policy commits us to 1) halt deforestation 2) promote best practices in sustainable forest and pulp plantation management & 3) drive positive economic & social impact on people & communities. It commits us to transparency in reporting around assessments, progress towards our timebound targets & how we are working with our suppliers. It also includes a comprehensive list of applicable standards on pg 3 & confirms the scope for our P&B commitments across our value chain, stating our commitment is for 'all P&B packaging we buy'. This includes folding cartons, customer packaging, aseptics, & ice cream sticks. We commit to only using FSC & 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 Agriculture Code (SAC) & 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 & the recognition of the potential impacts from the business on forests are included in our Eliminating Deforestation (ED) position statement in 'Context'.

	Do you have a commodity specific sustainability policy?	Scope	Content ¹ forests and other natural habitats Description of	Please explain
			forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement Reference to international standards and widely-recognized forests-related initiatives Other, please specify (Commitment on transparency through measurement and reporting.)	

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Palm Oil	Yes	Company-wide	<p>Commitment to eliminate deforestation and/or conversion</p> <p>Commitment to eliminate forests degradation</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 education</p> <p>Commitment to align with public policy initiatives, e.g. SDGs</p> <p>Recognition of the overall importance of forests and other natural habitats</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 commitments and targets</p> <p>Description of forests-related standards for procurement</p> <p>Reference to international standards and widely-</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 & pulp. We buy around 1 million tonnes of crude palm oil and palm kernel oil & 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 & 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 & communities' or 'NDPE'. Additionally, Unilever also commits to ensure the palm oil in our supply 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 & commits us to public reporting on timebound targets & progress annually via our USLP. By extension, our policy covers all relevant biomes & ecoregions associated closely to the palm industry – in Indonesia, our key landscapes includes Aceh where Leuser ecosystem is found, & Riau where Tesso Nilo National Park is located. We also state that we 'build upon the RSPO Principles & Criteria & New Planting Procedure, as well as adhering to all relevant national & international laws & conventions.'</p> <p>Within our policy, we identify the degree to which we impact the palm oil industry on p1 & the dependency we have on it as a company. We are working towards our end 2019 target; engaging our direct suppliers; improving traceability & transparency to manage risk; & bringing more smallholder farmers into our supply chain. Our commitments on Sustainable sourcing in our USLP are aligned with SDGs 13,15 & 17. Unilever's agricultural raw materials are covered by our commitment to 100% sustainable sourcing, reflected in our Sustainable Agriculture Code (SAC) & Scheme Rules. Because addressing environmental impact is embedded in our USLP, our robust sustainable sourcing commitments apply across all our renewable materials.</p>

	Do you have a commodity specific sustainability policy?	Scope	Content forests- related initiatives	Please explain
Cattle Products	policy?	<Not	<Not	<Not Applicable>
	Applicable>	Applicable >	Applicable>	
Soy	Yes	Company-wide	<p>Commitment to eliminate deforestation and/or conversion</p> <p>Commitment to eliminate forests degradation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and education</p> <p>Recognition of the overall importance of forests and other natural habitats</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 commitments and targets</p> <p>Reference to international standards and widely-recognized forests-related initiatives</p> <p>Other, please specify (Commitment to Good Agricultural Practices)</p>	<p>Oils from soy & rapeseed are crucial ingredients in our brands ie Hellmann's mayonnaise, one of our €1 billion or above brands. Unilever's Eliminating Deforestation (ED) Policy supports Unilever Sustainable Living Plan (USLP) which is embedded within our business & is our overarching policy to address forest-related issues. By extension, our policy covers all relevant biomes & ecoregions associated closely to the soy industry. All our agricultural raw materials are covered by our commitment to 100% sustainable sourcing, reflected in our Sustainable Agriculture Code (SAC) & Scheme Rules, including Soy. Because addressing environmental impact is embedded in our USLP, our robust sustainable sourcing commitments apply across all our renewable materials so we do not need to have a soy-specific policy. We review & update our policies periodically, with our SAC last updated in 2017. We started rolling out our updated SAC 2017 to suppliers in 2018 & we're moving towards more 3rd-party certification, to provide greater trust & transparency & ensure more accurate reporting. The SAC continues to recognise external certification such as Round Table on Responsible Soy (RTRS) certification that meets or exceeds our own standards. We also require our suppliers to comply with our Responsible Sourcing Policy (RSP). The updated SAC includes a new chapter dedicated to the RSP for farms. It also includes new requirements addressing land use change & deforestation, specific areas of health & safety, sustainable production of livestock feed, & land rights protection. As per our ED position, our highest priority will be to ensure the conservation of HCV, HCS & tropical forests & 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 & 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 & Brazil. In Brazil specifically, we work with farmers, NGOs, our suppliers, & other agri-businesses to support deforestation free soy via the RTRS Certification. More information on our soy approach can be found our website.</p>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

Sustainable
Paper and
Board
Policy.pdf
Sustainable
PO Policy.pdf
ED position
statement.pdf

F4.2

(F4.2) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.2a

(F4.2a) 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 (NV & PLC) are responsible for management, direction & performance of the Group. The operational running of is delegated to the CEO, except some key matters ie governance, structural & constitutional matters. The Boards & CEO are supported by the Corporate Responsibility Committee (CRC), Unilever Leadership Executive (ULE) & USLP Steering Team. The CRC feed into the CEO & Boards regularly so they can fulfill their oversight responsibilities. This includes tracking progress & the potential risks associated with the Unilever Sustainable Living Plan (USLP), inc all sustainable sourcing targets. Tackling deforestation requires scale from partnerships & working with industry. Through our CEO, we leverage relationships to raise the profile of climate change & deforestation through events & publications. In 2018, our CEO was Chairman of the ICC, Chair of the B Team & Vice-Chair of the UNGC. He previously served as Chairman of the WBCSD, being involved in global SDGs discussions.

F4.2b

(F4.2b) 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	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities	Unilever (UL) has a dual headed structure. The Boards of UL NV & PLC have ultimate responsibility for reviewing, monitoring & guiding the strategy for the Group. The Boards are 1-tier (same people on both). The Board’s delegated Corporate Responsibility Committee (CRC) tracks progress & potential risks associated with the business & the Unilever Sustainable Living Plan (USLP) & feed into the Board for major plans of action to be made. There are sustainable sourcing targets for soy, palm oil & p&bin the USLP. The CRC report findings to the Boards regularly to fulfil their oversight responsibilities. The Boards are supported by the Unilever Leadership Executive (ULE), CRC & USLP Steering Team. In 2018 the CRC was briefed on plans for driving change in the palm oil sector. For the 2nd year, UL applied the TCFD recommendations in its annual reporting. As part of the sign-off process, the Board & the Audit Committee are required to approve the Annual Report & Accounts (ARA), which includes our TCFD statement. In 2018, this statement included our analysis of the direct risks from climate change on the price of soybean oil. The CRC’s responsibilities are complemented by Audit Committee, a Board delegated committee responsible for reviewing USLP assurance & signing off our ARA. During 2018 the Committee continued its oversight of the assurance work performed on selected USLP metrics i.e. % procurement spend in line with the Responsible Sourcing Policy.

F4.3

(F4.3) 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
Other, please specify (Unilever Sustainable Living Plan (USLP) Steering Committee is a steering group of the Unilever Leadership Executive (ULE), which sits below the Boards. It includes most C-Suite ULE members, as well as 3 Divisional Presidents & internal senior reps.)	Managing forests-related risks and opportunities	Quarterly	The Boards have delegated to the ULE responsibility for the operational leadership of the business inc strategy, performance & policy. This includes responsibility for the USLP & targets contained within in, inc the sustainable soy, palm oil & p&b sourcing targets. The USLP Steering Team meets quarterly & is accountable for ensuring our sustainability goals are achieved. Chaired by our Chief Marketing & Communications Officer (CMCO), it drives the implementation of the goals from the top down into the business & agrees corrective actions when targets are off track. They are also heavily involved in strategy development, ensuring our sourcing agenda is leading. Our CFO (who also leads our engagement with TCFD) is a member of the USLP Steering Team & the Board & attends the Audit Committee; our CMCO chairs the USLP Steering Team & attends the Corporate Responsibility Committee (CRC) to ensure alignment with the Board's oversight of sustainability. The USLP Steering Team briefs & supports the ULE, & our CRC & Audit Committees on the risks & opportunities arising from the USLP. At each Board meeting the Committees report back findings from the Committees, enabling the Boards to stay abreast of current & emerging trends & potential risks arising from sustainability issues.
Other C-Suite Officer, please specify (Chief Marketing & Communications Officer)	Both assessing and managing forests-related risks and opportunities	Quarterly	The Chief Marketing & Communications Officer (CMCO) is a member of the Unilever Leadership Executive (ULE) who make up the C-suite management team of Unilever, which sits below the Boards. The Boards have delegated to the Unilever Leadership Executive responsibility for the operational leadership of the business including strategy, performance & policy. Our CMCO is the Unilever Leadership Executive's nominated lead on sustainability and corporate responsibility. Our Chief Marketing & Communication Officer chairs the USLP Steering Team and is a member of the Board's Corporate Responsibility Committee, supporting the strategic development of our goals from the top down in to the business.

F4.4

(F4.4) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

Yes

F4.4a

(F4.4a) 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)?

	Who is entitled to benefit from these incentives?	Indicator for incentivized performance	Please explain
Monetary reward	Chief Executive Officer (CEO) <i>This also applies to all the Unilever Leadership Executives (ULE): • Chief Financial Officer • Chief R&D Officer • Chief Supply Chain Officer • President, Personal Care • President, Home Care • Chief HR Officer • President, Foods and Refreshment • President, Europe • President North America and Global Head of Customer Development • Chief Legal Officer & Group Secretary • Chief Marketing & Communications Officer All ULE members can (and do) invest in the Unilever Management Co- Investment Plan (MCIP), a 4 year long-term incentive plan which rewards for achievement of financial & non financial targets. 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.</i>	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.
Recognition (non-monetary)	Other C-suite Officer Other, please specify (Chief Marketing & Communications Officer) <i>Chief Marketing & Communications Officer</i>	Other, please specify (Performance in ratings)	Our Chief Marketing & Communications Officer is our ULE lead for sustainability and the Unilever brand. Sustainability is integral to maintaining the good reputation of the corporate brand and increasingly we are using it to drive consumer preference for our product brands through the development of purpose-led brands such as Lifebuoy and Dove. Trust in Unilever is documented in surveys such as GlobeScan's annual Sustainability Leaders Survey where in 2018 Unilever was ranked number one for the eighth consecutive year.
Other non-monetary reward	No one is entitled to these incentives <i>Chief Supply Chain Officer</i>	No indicator for incentivized performance	

F4.5

(F4.5) 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)
2018 Annual Report and Accounts.pdf

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. We chose a 10-year period because our business focuses on long-term growth. We also knew our targets would be stretching. 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. Addressing forest-related issues through sustainable sourcing supports our long-term compounding growth model by creating growth opportunities, lowering costs, managing risk & building trust amongst stakeholders. Sustainable sourcing & eliminating deforestation helps mitigate impacts of climate change, reducing risk & volatility in our supply chains & with our suppliers & also secures our current & 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 & 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 & around 450k tonnes of kernel oil & derivatives pa. In 2010, together with other organisations in our industry, Unilever committed to achieving zero net deforestation associated with four commodities palm oil, soy, beef & p&b by 2020.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Addressing forest-related issues supports Unilever's long-term compounding growth model by creating growth opportunities, lowering costs, managing risk & building trust amongst our stakeholders. In 2010, we set our target to source 100% of agricultural raw materials sustainably, with individual targets for palm oil, soy & p&b, to secure supply while managing our environmental footprint & reducing market volatility. We concentrate efforts on crops & commodities crucial to our brands & where we have most impact (ie sourcing volumes). 56% of our agricultural raw materials were sustainably sourced by end 2018 & 61% of our procurement spend was through suppliers compliant with our Responsible Sourcing Policy (RSP). We recognise the interdependency of climate & forests & helped lead the CGF towards a zero-deforestation commitment across 4 commodities. In effort to eliminate deforestation & ensure affordable access to sustainably produced ingredients long term, we are taking 3 main steps:1. Transforming our supply chain, 2. Encouraging the industry, 3. Working with partners. Unilever are investing up to \$25m between 2018 & 2022 for sustainable commodity projects. Investment will focus on palm smallholder (SHF)s in Indonesia, securing sustainable supplies. We are currently running SHF training projects in GAP, compliance with NDPE & living & working conditions. Raising standards of cultivation & production practices helps increase the supply of sustainable supplies long-term, lowering material costs & making sustainable supplies the industry norm. Climate change is a principal risk to Unilever & given climate change & deforestation are linked; we performed a high-level assessment of the impact of 2°C & 4°C scenarios to further understand the impact climate change could have on our business & commodities. With a long-term mindset, we have a target to reduce GHG emissions by 50% by 2030 vs our 2010 baseline (per consumer use basis). To achieve this, we need to reduce the GHG emissions impact coming from crops with the highest deforestation risk. Example: We are analysing our GHG footprint from palm oil to use the information for decisions about sourcing & addressing impacts on deforestation & peat. This long-term objective ensures forest-related issues are at the core of the Unilever Sustainable Living Plan & company goals to achieve its targets.
Financial planning	Yes, forests-related issues are integrated	5-10	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 & incorporates sustainable sourcing targets for our key ingredients inc soy, p&b & palm oil. 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 & business growth for us. The Business & 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 of the of 2°C & 4°C global warming scenarios. We selected soy for our pilot based on its importance to Unilever (large purchased volume), it being a high-profile crop in the countries where it is grown & the availability of good historical price data & suitable climate models. Performing such an analysis helps to anticipate how change in yield & 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. Encouraging suppliers to achieve certification to sustainable standards helps increase the supply of certified raw materials, which will eventually normalize the price of premiums. The costs of initiatives to drive this is included in our material costs forecast. In the short-term, commodity price risk is managed through forward buying of traded commodities & other hedging mechanisms. Trends are monitored & modelled regularly & integrated into our forecasting process. We invested in Unilever Oleochemical Indonesia (UOI) to source directly from palm oil suppliers & make our own raw materials for our products, shortening our supply chain, cutting out intermediary roles like traders. By practicing financial prudence, we are safeguarding against fluctuations of commodity prices & have better control over production costs. This enables us to keep our products affordable & accessible.

F6. Implementation

F6.1

(F6.1) 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

USLP Reducing Environmental Impact - Sustainable Sourcing.png

ED position statement.pdf

Sustainable Agriculture Code.pdf

Responsible Sourcing Policy.pdf

F6.1a

(F6.1a) 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

F6.1b

(F6.1b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Commodity coverage

Timber

Criteria

No conversion of natural habitats

Zero net deforestation

No forest degradation

No new development on peatland

Forest landscape restoration

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

Adoption of UN Global Compact principles

Adoption of Free, Prior and Informed Consent (FPIC) principles

Recognition and endorsement of the Universal Declaration of Human Rights

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 timeframe

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. As part of the USLP, we commit to 100% sustainably sourced agricultural raw materials by 2020, including targets for P&B. We ask all direct suppliers to commit to the Responsible Sourcing Policy (RSP) in our supply chains, which requires FPIC for developments involving indigenous people & small-scale farmers'. FPIC is a mandatory requirement for doing business with us & in our RSP, 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, high carbon stock & tropical forests & ensuring net quantity & quality of forests is maintained when land use changes. UL is on the exec committee of the HCS Approach & is committed to the 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 98% sustainably sourced in 2018. Of this, 84% had a 3rd-party certification claim & full chain of custody to demonstrate it came from sustainably managed forests or recycled material. The remaining 16% came from recycled material. Asking suppliers to certify recycled materials offers reassurance for us & helps build the market for certified recycled materials. In 2015, we researched attitudes to sustainability among 20,000 adults across 5 countries. We found a 3rd are already buying sustainably. A further 1 in 5 (21%) said they would actively choose brands if sustainability credentials were clearer on packaging & marketing. 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.

Commodity coverage

Palm Oil

Criteria

No conversion of natural habitats

Zero net deforestation

No forest degradation

No new development on peatland

Forest landscape restoration

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

Adoption of UN Global Compact principles

Adoption of Free, Prior and Informed Consent (FPIC) principles

Recognition and endorsement of the Universal Declaration of Human Rights

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

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

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 timeframe

2020

Please explain

As part of the Unilever (UL) Sustainable Living Plan (USLP), we target 100% sustainably sourced agricultural raw materials by 2020. We target 100% physically certified palm oil for core volumes by 2019 & in 2018, we sourced 81% physically certified palm oil for core volumes. RSPO certification requires growers to demonstrate: (1) the land intended for palm cultivation has undergone FPIC process & Environmental Impact Assessment (EIA) to determine areas of conservation & restoration vs cultivation; (2) they practice 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 is our commitment 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 are required to commit to our Responsible Sourcing Policy (RSP), which mandates FPIC. We include guidelines in our RSP for mandatory requirements such as training on FPIC. 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 HCSA. Both our SPOSP & RSP include criteria to address human rights issues in the palm oil supply chain. 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 suppliers found to be non-compliant with the principles of RSP & NDPE.

Commodity coverage

Soy

Criteria

No conversion of natural habitats

Zero net deforestation

No forest degradation

No new development on peatland

No land clearance by burning or clearcutting

No conversion of High Conservation Value areas

No conversion of High Carbon Stock forests

Adoption of UN Global Compact principles

Adoption of Free, Prior and Informed Consent (FPIC) principles

Recognition and endorsement of the Universal Declaration of Human Rights

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

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2009

Commitment timeframe

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

F6.2

(F6.2) Did you have any quantified targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.2a

(F6.2a) Provide details of your 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

Form of commodity covered

Paper

Primary packaging

Secondary packaging

Tertiary packaging

Type of target

Third-party certification scheme

Coverage

Supply chain

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Forest Management certification

FSC Chain of Custody

FSC Controlled Wood

FSC Recycled

PEFC Chain of Custody

Start year

2010

Start figure

0%

Target year

2020

Target

100%

% achieved

91-99%

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 2018, 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 to 84% 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

Palm Oil

Form of commodity covered

All forms of palm oil
Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Palm oil derivatives
Palm kernel oil derivatives

Type of target

Third-party certification scheme

Coverage

Direct operations and supply chain

Traceability point

<Not Applicable>

Third-party certification scheme

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

Start year

2009

Start figure

0%

Target year

2019

Target

100%

% achieved

61-70%

Please explain

In 2010, we launched our Unilever Sustainable Living Plan (USLP), committing to source all our agricultural raw materials sustainably by 2020. For palm, we targeted 100% physically certified crude palm oil (CPO) for core volumes by 2019, aligning with our updated Sustainable Palm Oil Policy, reflecting our ambitions & intent to drive transformational change in the industry. Unilever is one of the largest end users of physically certified palm oil (PO) in the consumer goods industry & therefore has a responsibility to source PO 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 common 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 & are on track to reach 100% sustainably sourced PO by 2019. In 2018, 67%, (698,914 mt) of our core volumes PO & palm kernel oil were physically certified (60% MB & 7% SG). We also purchased 13,356 independent smallholder (ISHF) certificates from 5 independent smallholder groups certified in Indonesia, to further incentivise continued RSPO certification. Since 2015, we have purchased 100% RSPO SG PO materials for Europe & Australia for our foods businesses & are sourcing RSPO certified MB volumes for all 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 N Sumatra, Riau, Aceh, Central Kalimantan & Sabah. These partnerships help identify areas where the supply of certified materials is lower. We can then work with the relevant stakeholders to increase supply of certified materials, thus lowering cost of certification. This helps reduce raw materials costs in the future, beyond our commitments, allowing us to grow sustainably.

Target reference number

Target 3

Forest risk commodity

Soy

Form of commodity covered

Soy bean oil

Type of target

Third-party certification scheme

Coverage

Supply chain

Traceability point

<Not Applicable>

Third-party certification scheme

RTRS Chain of Custody

RTRS Standard for Responsible Soy Production

RTRS certificate trading

ProTerra certification

Other, please specify (Unilever Sustainable Agriculture Code)

Start year

2011

Start figure

0%

Target year

2020

Target

100%

% achieved

71-80%

Please explain

In 2010, we set a goal to source all our agricultural raw materials sustainably by 2020. We targeted 100% sustainably sourced soy oil by 2020. As of 2018, we sourced 72% of our soybean oil sustainably & we plan to reach 100% 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 ensure soybeans are deforestation & conversion-free. The key origins of our soybean oil are US & Brazil. For US soy, we recognize the US Soybean Sustainable Protocol (US SSAP) in combination with the Field to Market Fieldprint calculator (FtM FPC) 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 roughly 40 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 2018, 72% of our soy oil was sourced sustainably via RTRS Certification, Pro-Terra Certification & US SSAP with FtM FPC. 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.

F6.3

(F6.3) 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?
Timber	Yes
Palm Oil	Yes
Cattle products	<Not Applicable>
Soy	Yes
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F6.3a

(F6.3a) Provide details on the level of traceability your organization has for your disclosed commodity(ies).

Timber

% of total production/consumption volume traceable

81-90%

Point to which commodity is traceable

Country

Description of traceability system

To monitor the origin of our paper and board, Unilever has implemented a Global Traceability System (GTS) to report on our paper and board (P&B) volumes and sustainability claims. GTS is used to trace our P&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 2018, we sourced approximately 0.96 million tonnes of paper and board globally, of which 98% came from certified sustainably managed forests or from recycled material - 84% certified against FSC, PEFC or both & with full chain of custody, & 16% from recycled materials. We calculate the % of total volume traceable as 84%, which is the percentage of paper and board packaging that is certified as FSC and PEFC with full chain of custody.

Exclusions

Other, please specify (The purchase of wood fibre that is not a part of our paper and board packaging portfolio is not yet included in scope.)

Description of exclusion

The purchase of wood fibre that is not a part of 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.

Palm Oil

% of total production/consumption volume traceable

81-90%

Point to which commodity is traceable

Mill

Description of traceability system

As part of our revised Sustainable Palm Oil Sourcing Policy, we require our suppliers to provide traceability to known sources, which we define in our policy as the ability to trace back to a known catchment area that is attached to a mill, including dedicated plantations, plasma smallholders and independent smallholders. The mill information we require includes mill names and GPS coordinates for the location of the mills. Mill locations are indicative of where palm fruit is processed and also where palm plantations are located. As a highly perishable fruit, fresh fruit bunches must be processed within 24 hours of harvest, which companies have estimated limits plantation sourcing to a 50 km radius around the mill. Analysing the area immediately surrounding a mill can reveal useful information regarding management practices of plantations that fall within its sourcing area, including from third party plantations, and associated and independent smallholders. We are working closely with RA-UTZ using the PalmTrace platform to capture traceability information from our suppliers. All suppliers are required to provide traceability information up to mill level and the information includes both RSPO certified and non-RSPO certified volumes. This allows us to have visibility of all the mills in our supply chain to further identify risk. In the first half of 2018, we achieved 88% traceability to mill and made progress on mapping our suppliers, third-party suppliers and mills in our extended supply chain. Today we have visibility of more than 1,600 mills in our extended supply chain and were the first major consumer goods company to disclose our mill data and supplier list publicly. Our list of 1665 mills in our supply chain contribute to the Universal Mill List (UML) developed by WRI, RA, Proforest and Daemeter, which aims to improve the ease and accuracy of mill data reporting by providing a single, harmonized set of information for palm oil mill locations that is publicly available.

Exclusions

Other, please specify (non-core volumes of palm oil)

Description of exclusion

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 16% of the total volume we purchase annually.

Soy

% of total production/consumption volume traceable

71-80%

Point to which commodity is traceable

Province

Description of traceability system

We have engaged our suppliers to map our soy supply chain and have identified the countries of origin and mills for approximately 75% of our soybean oil. We have significantly deeper levels of traceability within certain countries. 100% of our US soy supply (which represents approximately 64% of global volume) is traceable to the mill. Its origins are in Iowa and we consider this a low risk origin. We are also able to trace 100% of the Brazilian soy used for the local market to the mill level (which represents approximately 11% of the global volume). We are working to improve traceability for the remaining 25% of our soy, which is used across dozens of countries and is spread among many tail suppliers which import soybean oil or soybeans from other traders. The basis of our traceability 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 and 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 40% of the Brazilian soy for the local market.

Exclusions

Other, please specify (Third-party manufacturers)

Description of exclusion

We exclude materials processed by third-party manufacturers.

F6.4

(F6.4) Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered.

Forest risk commodity

Timber

Do you specify any certification scheme?

Yes

Certification coverage

Consumption volume

Third-party certification scheme

FSC Chain of Custody

FSC Recycled

PEFC Chain of Custody

Other, please specify (FSC 100%, FSC Mix, PEFC Virgin, PEFC Recycled)

% of total production/consumption volume certified

84

Form of commodity

Pulp

Paper

Boards, plywood, engineered wood

Primary packaging

Secondary packaging

Tertiary packaging

Volume of production/ consumption certified

806400

Metric

Metric tons

Please explain

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 2018, we sourced approximately 0.96 million tonnes of paper & board globally, of which 84% was certified against FSC or PEFC with full chain of custody. 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. In 2018, we worked closely with suppliers to ensure implementation & uptake of certification. Between 2016 & 2017, the certified volume that we purchase has grown from 59% to 79% of our total volume, and further increased this figure from 79% to 84% in 2018. This indicates Unilever's commitment to certification standards. In 2018, of the remaining 16% of volume, 14% 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

Do you specify any certification scheme?

Yes

Certification coverage

Consumption volume

Third-party certification scheme

RSPO Segregated

RSPO Mass Balance

RA Sustainable Agriculture Network (SAN) standard

Other, please specify (RSPO Independent Smallholders)

% of total production/consumption volume certified

67

Form of commodity

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

Volume of production/ consumption certified

698914

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 those of the Rainforest Alliance and Roundtable on Sustainable Palm Oil (RSPO), which we accept as per our updated Sustainable Palm Oil Sourcing Policy, designed to drive market transformation. These multi-stakeholder platforms help suppliers by providing a common definition of sustainable agriculture, which makes their products more marketable to us and others. In 2018, 67%, or 698,914 metric tonnes, of our core volumes of PO was physically certified - 60% MB and 7% as SG. We also purchased 13,356 independent smallholder (ISHF) certificates from six independent smallholder groups certified in Indonesia. While we have a clear path & roadmap in place to achieve 100% sustainable PO for our core volumes by 2019, the situation for palm kernel oil (PKO) and its derivatives is very different – and much less straightforward. We are looking at an acceptable timeline and glidepath to achieve 100% sustainable PKO. In 2016 we stopped buying GreenPalm certificates (with the exception of certificates from ISHFs) with the aim to repurpose the monies that we would have spent on GreenPalm certificates and invest it in place-based partnerships. This will help increase the availability of physically certified sustainable PO, scale up direct sourcing from targeted sustainable PO mills, and invest in sustainable (SHF) projects. In 2018, we signed a Memorandum of Understanding (MOU) with Indonesian government-owned PO plantation company and RSPO member PT Perkebunan Nusantara (PTPN) to work together to support PO mills and SHFs to produce PO according to RSPO certification and NDPE standards. We currently work with PTPN 3, 4, and 5, to support the SHF in their supply chain towards RSPO certification and compliance with NDPE principles, through training and institutionalization of sustainable practices. We also purchase the RSPO certificates from these smallholders which further incentivizes them. PTPN intends to scale up the programme over the next few years. Over 600 SHF has been RSPO certified since our inaugural SHF programme in 2013. Unilever aims to support and empower SHF in various priority landscapes by 2030.

Forest risk commodity

Soy

Do you specify any certification scheme?

Yes

Certification coverage

Consumption volume

Third-party certification scheme

RTRS Chain of Custody

RTRS certificate trading

ProTerra certification

Other, please specify (Unilever Sustainable Agriculture Code)

% of total production/consumption volume certified

65

Form of commodity

Soy bean oil

Volume of production/ consumption certified

235000

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). 65% of our soybean oil was certified via 3rd party certification schemes in 2018. 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 have set up a program to support the RTRS certification of around 40 farmers located in Cerrado Biome, from whom we indirectly sourced our certified physical soybean oil and

RTRS credits. In 2018, the farmers successfully certified their harvest for the third year. Unilever is responsible for funding the technical assistance provided to farmers by Alianza 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.

F6.5

(F6.5) Do you specify any sustainable production/procurement standards for your disclosed commodity(ies), other than third-party certification? Indicate the percentage of production/consumption covered and if you monitor supplier compliance with these standards.

Forest risk commodity

Timber

Do you specify any sustainability standards?

Yes

Type of standard

Procurement

Description of standard

As part of our policy to implement our Unilever Sustainable Living Plan, all Unilever renewable raw materials are covered by the Unilever commitment to 100% sustainable sourcing. Our revised Sustainable Paper and Board Packaging Policy published in 2018 includes a target to extend third party certification to recycled materials by end of 2019 and to achieve third party certification for all by 2020. The aim of our policy is to ensure that our paper packaging is either from recycled material or comes from well managed forests. We will buy whichever material is best to ensure product quality and hygiene standards.

% of total commodity volume covered by standard

100%

Do you have a system in place to monitor compliance with this standard?

Yes

Type(s) of monitoring system

Second-party auditing

% of suppliers in compliance with standards

91-99%

Please explain

Second-party auditing conducted by SGS with support from a statistician for extrapolating audit results onto our volumes. On a quarterly basis, Unilever requires our paper and board (P&B) suppliers to self-report volumes and sustainability claims for all packaging materials through the Global Traceability System. This system provides Unilever with data about the weight, wood fibre content, sustainability status, sustainability scheme, and country of origin of the material purchased. Response rate for the quarterly survey is 98 to 99% of volume and three years of independent verification suggest reporting accuracy and credibility of supplier responses is high. Annually, a statistically valid sample of data provided by suppliers is independently verified. The verified data is also independently assured by Unilever's auditors. In the most recent verification of 2018 data, suppliers were split into 4 strata based on their sustainability scheme and volume delivered. The statistician randomly selected 12 items from each of the 34 suppliers, and the third party auditor requested supporting information for each to verify the information provided through the GTS system. Based on the deviations in the results, the statistician determined that the lower bound of a 97.5% confidence interval was that our FSC and PEFC volumes were at least 98.66% of what the GTS systems captured.

Forest risk commodity

Palm Oil

Do you specify any sustainability standards?

Yes

Type of standard

Procurement

Description of standard

As part of our policy to implement our Unilever Sustainable Living Plan, all Unilever renewable raw materials are covered by the Unilever commitment to 100% sustainable sourcing. In addition, we have our updated Sustainable Palm Oil Sourcing Policy that drives our efforts to achieve 100% physically certified palm oil for our core volumes as part of our vision of transforming the palm oil

industry. It applies throughout our global operations and underpins our target of sourcing 100% physically certified palm oil for our core volumes by 2019. For Palm Oil, we recognize the RSPO and RA standards as meeting our requirements for sustainable sourcing. At the heart of our Policy is our commitment to the principles of 'No deforestation, No development on peat, No exploitation of people and communities'. Often referred to as 'NDPE', this is the focus of multi-sector efforts to transform the palm oil industry. We aim to build a supply chain that delivers more efficient land use and forest protection, while increasing our positive social impact, with a focus on the inclusion of smallholders and women to support improvements in their productivity and incomes. This commitment is embodied in the Five Principles for Sustainable Palm Oil that we require all our suppliers to meet. Unilever stopped buying GreenPalm certificates in 2016 (with the exception of certificates from independent smallholder farmers). We are redirecting the \$50 million over five years that we would have spent on GreenPalm certificates to place-based partnership programs to transform the palm oil sector. These partnerships will help increase the availability of physically certified sustainable palm oil and support sustainability programs for independent mills and smallholders. We're investing directly in projects with strategic suppliers and in 2017 we committed to contribute up to \$25 million to the &Green Fund for investments in deforestation-free agriculture that enhance the livelihoods and improve the productivity of smallholders. The &Green Fund aims to protect 5 million hectares of forests and peatlands by 2020.

% of total commodity volume covered by standard

100%

Do you have a system in place to monitor compliance with this standard?

Yes

Type(s) of monitoring system

Third-party auditing

Other, please specify (UTZ (Rainforest Alliance) & PalmTrace)

% of suppliers in compliance with standards

61-70%

Please explain

Our Sustainable Palm Oil Sourcing Policy drives our efforts to achieve 100% physically certified palm oil for our core volumes as part of our vision of transforming the palm oil industry. It applies throughout our global operations and underpins our target of sourcing 100% physically certified palm oil for our core volumes by 2019. Compliance is tracked on a volume, not supplier, basis. At the heart of our Policy is our commitment to the principles of 'No deforestation, No development on peat, No exploitation of people and communities'. Often referred to as 'NDPE', this is the focus of multi-sector efforts to transform the palm oil industry. Before any supplier can be onboarded, it must meet the requirements of our Responsible Sourcing Policy (RSP). Once it has met the RSP, we have a process in place that requires all potential new suppliers to undergo a rigorous assessment and engagement process before we on-board them as a palm oil supplier. This includes checks for existing palm oil policies, verification of mill and plantation information, research on any outstanding grievances or allegations, material checks by procurement, and site verification, if required. We have also developed a grievance mechanism to address non-compliances; should a supplier be found in breach of our policy, we will engage with them and require that they develop an action plan to remediate the issue in a timely manner. As part of our policy, we also require our suppliers to provide palm oil traceability information. We have been working closely with UTZ (joining forces with Rainforest Alliance) and the PalmTrace platform to capture traceability information from our suppliers. In 2018, we achieved 88% traceability and made progress on mapping our suppliers, third-party suppliers and mills in our extended supply chain. We have visibility of more than 1,665 mills in our extended supply chain and were the first major consumer goods company to disclose our mill data and supplier list publicly.

Forest risk commodity

Soy

Do you specify any sustainability standards?

Yes

Type of standard

Procurement

Description of standard

Unilever has a target to source 100% of its agricultural raw materials (therefore including soy products) sustainably by 2020. The standard that we use as a reference is the Unilever Sustainable Agriculture Code (SAC). The Unilever SAC standard requires farmers to comply with 11 chapters of requirements on agricultural best practice, management of waste, water, animal welfare, protection of health and safety. We updated our SAC in 2015 to include a greater focus on deforestation, human and workers' rights & land rights, and we have begun rolling this out in 2018. Our revised SAC decouples deforestation in the section on biodiversity and ecosystem services. We have completed a re-benchmarking of external standards against our updated SAC to ensure progress made in line with our ambition. The standards that we recognize for soy can be found in our Scheme Rules, the main ones are RTRS and Pro-Terra. In USA we bench marked the United States Soy Bean Soy Protocol (US SSAP) to the SAC and included a requirement for farmers to enter their farm data in the Field to Market FieldPrint Calculator (FiM FPC).

% of total commodity volume covered by standard

100%

Do you have a system in place to monitor compliance with this standard?

Yes

Type(s) of monitoring system

Third-party auditing

% of suppliers in compliance with standards

71-80%

Please explain

Unilever's Sustainable Agriculture Code, Scheme Rules and Implementation Guidelines are publicly available on our website. Compliance is tracked on a volume, not supplier basis. We demonstrate compliance with our SAC through third party auditing on an annual basis, hence we require UL suppliers to undergo third party audits to our UL SAC code or an equivalent third-party certification, such as RTRS. UL SAC third-party audits are conducted at the supplier and farm level, based on a representative sample. We have a target to reach 100% compliance with our Unilever Sustainable Agriculture Code by our suppliers by 2020. In addition, all our suppliers have to comply with Unilever's Responsible Sourcing Policy first published in April 2014 & updated in May 2017. As part of our Unilever Sustainable Living Plan commitments, we internally report on our sustainable sourcing progress every quarter. For each of our commodities, we measure our sustainable volumes against our 2020 target. In 2018, 72% of our soy was sustainably sourced through a combination of SAC, RTRS certification (mass-balance and certificates) and Pro-Terra certification.

F6.6**(F6.6) Are you working with smallholders to encourage and support best practices that aim to reduce or remove deforestation/forest degradation?**

	Are you working with smallholders?	Smallholders engagement approach	Please explain
Timber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm Oil	Yes, working with smallholders	Providing direct training to farmers Engaging with local institutions Offering financial incentives Other, please specify (Mapping and land titling)	Unilever is globally committed to improving the livelihoods and incomes of smallholder farmers (SHF). We aim to support and empower 25,000 SHF in various priority landscapes by 2030. There are currently over 3 million SHF globally. Over 600 SHF has been RSPO certified since our inaugural SHF programme in 2013. By the end of 2021, we target at least 2000 SHF to be RSPO certified. We also purchase the RSPO certificates from these smallholders which further incentivizes them to continue sustainable practices. Some of the initiatives are detailed below: a) We partnered with PT Perkebunan Nusantara III (PTPN 3), IDH, and RSPO on an independent smallholder (ISHF) pilot project surrounding our Sei Mangkei palm oil processing facility, Unilever Oleochemicals Indonesia (UOI), in North Sumatra. In 2017, the first ISHF group in North Sumatra of 63 SHF became RSPO certified. We plan to scale-up the program to over 500 ISHF in this landscape over the next two years. b)We are working with PTPN 5 to increase the sustainable palm oil production of ISHFs and develop a traceability & certification mechanism, with training and support towards RSPO certification. We engaged World Resources Institute (WRI) Indonesia to conduct a baseline study for the feasibility of the program. They have mapped over 1,000 SHF within PTPN 5's mill supply base and at least 1,000 ISHFs will be RSPO certified by end 2019. c)With local NGO Inobu, the district of Kotawaringin Barat, and the provisional government of Central Kalimantan, we are working together to map ISHFs and provide training on RSPO good management practices with the goal of certification for 1000 farmers on around 2,000 hectares of land by 2019. In Oct 2017, 190 ISHFs achieved RSPO certification through this program, the first ISHF cooperative to be RSPO certified in all of Kalimantan (Indonesia-Borneo). Plans to scale up program are underway. d) In Riau, Sumatra, we have been working with palm oil mill PT Sumer Kencana Indo Palma (PT SKIP) to develop a Palm Oil Field School (POFS) training program for SHFs as part of Unilever's Farm Start Palm Program, with the aim to improve the knowledge of SHFs to increase oil palm productivity, profitability and resources they need to commit to NDPE. 4000 SHF were mapped and over 1800 SHF were trained through this program.
Cattle Products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>	<Not Applicable>

(F6.7) Are you working with your direct suppliers to support and improve their capacity to supply sustainable raw materials?

	Are you working with direct suppliers?	Supplier engagement approach	Please explain
Timber	Yes, working with direct suppliers	Collecting data in central database Encouraging certification Workshops and training Other, please specify (Progress reports and gaps)	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. 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 been able to continue to grow the volume of certified recycled, most recently from 79% in 2017 to 84% in 2018. Our suppliers self-assess their performance on a quarterly basis reporting via the Global Traceability System, which we developed for this purpose. In 2018, 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.
Palm Oil	Yes, working with direct suppliers	Collecting data in central database Encouraging certification Encouraging work with multi-stakeholder groups Workshops and training Supplier audits Joint projects	Our policy sets out requirements for suppliers & their 3rd parties, & our sustainable sourcing target & compliance to our principles. We expect our suppliers to also provide traceability information & disclose grievances to us. Given we buy significant volumes of palm oil & have 300 suppliers in our supply chain, we believe its important to engage them. Besides smallholder farmers (SHF) & PTPN, we focus on key integrated suppliers who account for more than 50% of our total volume. Our approach towards these integrated suppliers include alignment of NDPE policies, group level transparency through technology, active grievance management & suspend & engage policy. In 2018, we listed an additional 3 company groups as suspended suppliers & no new orders were issued with them. Through our reengagement protocol, these suppliers need to fulfil requirements & show compliance with our NDPE policy in order to be reinstated. All potential suppliers undergo a rigorous assessment & engagement process before onboarding, & we have a grievance mechanism to address non-compliances for existing suppliers. Should a supplier be found in breach of our policy, we engage them & help develop a remedial action plan to improve practices & resolve issues. Details of engagement with our suppliers is in our Grievance Tracker. We also commit to improving livelihoods & income of SHFs by bringing them into our supply chain. We have several projects with PTPN 3, PTPN 4, PTPN 5, & Inobu supporting SHF through workshops & trainings, & on RSPO certification. We are also working with a PO mill in Sumatra to develop a PO Field School training program for SHF as part of Unilever's Farm Start Palm Program, developed to enable us to source sustainable PO from independent mills in Indonesia by addressing challenges mills & SHFs face in complying with sustainability standards. We are also working with RA-UTZ using the PalmTrace platform to capture traceability information from our suppliers. Greater traceability in our supply chain & others we can improve risk identification & work towards implementation of NDPE commitments. We are also active in multi-stakeholder platforms to raise industry standards towards market transformation and zero net deforestation in palm oil & other commodities by 2020 through the RSPO and its various working groups, Consumer Goods Forum & Tropical Forest Alliance.
Cattle products	<Not Applicable >	<Not Applicable>	<Not Applicable>
Soy	Yes, working with direct suppliers	Collecting data in central database Encouraging certification Encouraging work with multi-stakeholder groups Workshops and training Joint projects Financial support Technical support Other, please specify (Creating dedicated farmer groups)	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 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. 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. In 2018, we recruited approximately 150 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. 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.
Other - Rubber	<Not Applicable >	<Not Applicable>	<Not Applicable>
Other	<Not Applicable >	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working beyond your first-tier supplier(s) to manage and mitigate forests-related risks?

	Are you working beyond first tier?	Please explain
Timber	Yes, working beyond first tier	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 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&B sustainability reporting requires all our suppliers to provide chain of custody certification & transparency of their P&B supply chain.
Palm Oil	Yes, working beyond first tier	Our revised Policy requires our direct suppliers & their supply chain, inc traders & their 3rd parties, to commit to the 5 principles: no deforestation, no development on peat, no exploitation of people & communities, driving positive social & economic impact for smallholders & women while protecting forests, & transparency. We require suppliers to provide GPS coordinates of all the mills in their supply chain, inc direct mills & their third-party mills. In 2018, this means over 300 Tier 1 suppliers & 1665 mills. We work with RA-UTZ to capture traceability information from our suppliers via PalmTrace. We continue utilising GFW Pro to conduct risk assessments of these mills based on geospatial data. We have a grievance process for grievances identified in our supply chain, requiring the involved supplier to develop a remedial action plan. We have a suspend and engage protocol outlining our actions taken against suppliers who refuse to remediate or disengage in the process. We require immediate action from our Tier 1 suppliers to address the allegations against them. For allegations against our third-party suppliers, we put pressure on our Tier 1 suppliers to ensure their suppliers take remedial steps & develop a time-bound action plan. We believe that working in collaboration with suppliers & partners on developing remediation & improvement plans is the most responsible & effective route to positive transformation in the palm industry. Beyond the first tier of our supply chain, we continue to engage in multi-stakeholder initiatives. We serve in leadership positions within RSPO and its working groups, High Carbon Stock Approach (HCSA) Consumer Goods Forum (CGF), Tropical Forests Alliance (TFA) among others, influencing policies that drive industry change. We also work with governments and NGOs to achieve sustainability solutions at landscape/jurisdiction level. Priority landscapes for us include Aceh, North Sumatra, Central Kalimantan, Riau in Indonesia as well as Sabah in Malaysia. Current projects in these areas focus on RSPO certification of smallholders to better position them in the palm industry and increase the supply of certified materials in the market. Through education and training smallholders in sustainable agriculture, we are directly addressing risks associated with deforestation & poor land management practices with 40% of global palm supply.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	Yes, working beyond first tier	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 approximately 40 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 40 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.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Do you participate in external initiatives or activities to further the implementation of your policies concerning the sustainability of your disclosed commodity(ies)?

Forest risk commodity

Timber

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact
Tropical Forest Alliance 2020 (TFA)
The Consumer Good Forum (CGF)
FSC
PEFC
Sustainable Forestry Initiative (SFI)
Other, please specify (HCS Approach Group, Forests Dialogue)

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 and the Tropical Forest Alliance which was brought about by the Consumer Goods Forum, which we are also members of. 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), and are a buyer 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)
The Consumer Good Forum (CGF)
Roundtable on Sustainable Palm Oil (RSPO)
High Carbon Stock Approach Steering Group
Forum for Sustainable Palm Oil (FONAP)
Other, please specify (Support Asia in Sustainable Palm Oil (SASPO), UN New York Declaration on Forests)

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).

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)

The Consumer Good Forum (CGF)

Roundtable on Sustainable Soy (RTRS)

Sustainable Agricultural Initiative (SAI)

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.

F7. Linkages and trade-offs

F7.1

(F7.1) Has your organization identified any linkages or trade-offs between forests and other environmental issues in its direct operations and/or other parts of its value chain?

Yes

F7.1a

(F7.1a) Describe the linkages or trade-offs and the related management policy or action.

Linkage/tradeoff

Linkage

Type of linkage/tradeoff

Decreased GHGs emissions

Description of linkage/tradeoff

Linkage: Our GHG targets under our Reducing environmental impact Big goal of the Unilever Sustainable Living Plan (USLP) are aimed directly at decreasing GHG emissions across our value chain, including from agriculture. Impact on the environment: 27% of our GHG footprint as a business comes from raw materials from ingredients and packaging. Three of our key ingredients (soy, palm oil and timber) are linked to deforestation and GHG emissions due to land conversion. Through our sustainable sourcing programmes and jurisdictional approach, we are taking action to minimise GHG emissions by active conservation and necessitating better land management practices across our supply chain, in the form of good agricultural practices (GAP) and NDPE ('no deforestation, no development on peat, no exploitation of people & communities') principles.

Policy or action

Action: Unilever are targeting 100% of our agricultural raw materials to be sourced sustainably by 2020. By demanding sustainably-sourced materials, we help reduce emissions through better land management practices. A study entitled "Life Cycle Assessment of RSPO-certified Palm Oil" shows RSPO certified palm has a lower GHG footprint vs non-certified palm because of the improved farm, plantation & mill management that is part of certification. We also take action on GHG by investing in "produce & protect" through jurisdictional approaches. Integration: In 2018, we launched our renewed Sustainable Agriculture Code (SAC 2017), which includes guidance on GAP & requirements addressing land use change, deforestation & impact on biodiversity. GAP improves efficiency on existing areas of land to maximize usage & reduce the requirement for further developments. All suppliers must comply with our SAC 2017 requirements or equivalent, such as RSPO, RTRS, Rainforest Alliance & FSC. Measure: Soy, palm & timber achieved more than 60% sustainably sourced volumes as individual crops in 2018, while 56% of our agricultural raw materials were sustainably sourced collectively. This was consistent with 2017. In 2018, we committed to help certify 60,000 ha of palm oil in Sabah, which produces around 12% of the global supply. According to WWF, this will help reduce 17mt of GHG emissions by 2030.

Linkage/tradeoff

Tradeoff

Type of linkage/tradeoff

Reduced water supply

Description of linkage/tradeoff

Tradeoff: The presence of native vegetation supports the recharge of ground water and the water supply which is essential to soy production. The loss of native vegetation to produce crops has negative impacts on water availability for agriculture in the surrounding region, impacting the quantity and quality of soybean available. 4% of our soy oil for our dressings business comes from Brazil. Impact on the environment: A number of studies have shown cover crops improve infiltration and blanket the soil & have been shown to preserve, soil moisture for following cash crops. Beyond reducing costs on farm (under certain circumstances) cover crops can decrease fertilizer run off which in turn improves water quality. At the same time, cover crops help to build soil carbon which decreases GHG while improving soil conservation.

Policy or action

Action: We are targeting 100% of our agricultural raw materials to be sourced sustainably by 2020. By demanding sustainably-sourced materials, we help reduce the water demands through better land management practices. Integration: Through our program with Aliança da Terra we support farmers to achieve RTRS certification. This mean compliance with the Brazilian Forest Code which ensure preservation of native vegetation. In addition, we seek to identify whether we can integrate cover crop measures beyond the US program to other landscapes. Aliança da Terra (ADT). ADT helps farmers identify areas for improvement and then provides support to address them – areas like labour conditions, community relations or environmental responsibility. And by increasing the availability of RTRS certified soy, the programme strengthens our supply chain – as well as helping make soy production in Brazil more responsible and sustainable. Impact: In Brazil, through collaboration with the Round Table for Responsible Soy (RTRS) and Aliança da Terra, we helped more than 40 farmers gain RTRS certification, increasing sustainable supplies and the number of suppliers to purchase volumes from.

F8. Verification

F8.1

(F8.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F8.1a

(F8.1a) 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 2018 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.

F9. Barriers and challenges

(F9.1) Describe the key barriers or challenges to avoiding forests-related risks in your direct operations or in other parts of your value chain.

Forest risk commodity

Timber

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

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 from various stakeholders over long periods of time, with many programmes spanning over years. 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. Limited visibility on the palm supply chain adds to the supply chain complexity, and this may prevent us from identifying and engaging non-compliant suppliers for remedial actions. Smallholder farmers (SHF) are an integral part of the palm oil supply chain accounting for 40% of Southeast Asia's palm oil supply, and their integration into sustainable supply chains as a key industry stakeholder continues to remain a challenge. As part of our policy, we want to ensure ISHF facilitation and inclusion, and through our various partnership programs with PTPN 3, PTPN 5, Inobu, and PT SKIP, 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 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.

F9.2

(F9.2) Describe the main measures that would improve your organization's ability to manage forests-related risks.

Forest risk commodity

Timber

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 work on the ground are essential to transform the industry & bring innovation to scale. We hold leadership positions in multi-stakeholder platforms such as RSPO, CGF, TFA, SASPO, to drive policies that encourage sustainable development across the supply chain & sustainable living among consumers. We work to improve certification & sustainability standards through participation in working groups (WG) ie RSPO standard for smallholders (SHF) is being developed by RSPO SHF WG to give them guidelines on sustainable agriculture for their scale of operations. 2. We develop strategies promoting customer awareness of sustainable consumption, thereby increasing demand for certified products. This incentivizes suppliers to produce sustainably, using good land management practices complying with local laws & regs. SASPO was formed to drive this agenda in SE Asia, through capacity building & educational initiatives. 3. Investing in monitoring tools & traceability systems improves data collection & quality, giving greater visibility & transparency of supplies. With better knowledge about factors linked to deforestation & forest degradation, we can tailor programs towards identified risks in our supply chain & design strategic partnerships to help palm supply chains progress towards sustainable development. We started working with Aidenvironment in 2018 to create a palm oil database & mapping platform that details company group structure, business relationships & concession maps within the industry. In 2019, we will collaborate with WRI to develop cloud-penetrating radar technology to improve real-time geospatial data provided by GFW Pro. 4. We work with local governments & NGOs & partner PTPN to build capacity among SHF & organize them into groups for RSPO certification. We also support them in ensuring the legality of their land, which helps enhance law enforcement & increase SHF's sense of ownership. These projects will result in at least 2000 SHF being RSPO certified upon completion. We are scaling up our project with INOBU & local governments in Central Kalimantan, & will also begin jurisdictional approach projects in N Sumatra & Riau in 2019. By increasing the supply of certified materials & making certified materials the expected norm of the market, the cost of certified materials will be lower, & future supplies are secure.

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.

F18. 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.

F18.1

(F18.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Supply Chain Officer	Other C-Suite Officer

SF. Supply chain module

SF0.1

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

	Annual revenue
Row 1	50982000000

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) On F6.4 you were asked “Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered”. Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Please select

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?

Please select

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms