



Unilever



**UNILEVER
SUSTAINABLE
SOURCING
PROGRAMME FOR
AGRICULTURAL
RAW MATERIALS**
SCHEME RULES SAC 2017

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1 INTRODUCTION

1.1 BACKGROUND

The first Sustainable Agriculture Code was published in 2010, and has been used as both the basis for a self-assessment programme with Unilever suppliers, and as a standard against which to benchmark other external sustainability schemes and supplier own management systems.

These scheme rules accompany the update to that code – SAC 2017. In updating the system, we have made several changes to the way that assessment against the SAC is carried out:

- Assessment at Agricultural Management System (AMS) level rather than raw material level
- Certification rather than verified self-assessment

The SAC includes requirements aimed at the owner of the AMS. We call these ‘Supplier’ questions but recognise that various actors can play a role in the AMS, e.g. cooperatives, local farming groups.

1.2 SCOPE OF THE PROGRAMME

We have decided to focus on a set of priority crops and commodities from 2017 onwards, selected according to their importance to our business and our brands, as well as our ability to have a greater positive impact. These priority crops are:

| | |
|-----------------|------------------|
| Palm Oil | Oilseed Rape |
| Paper and Board | Cocoa |
| Soy | Dairy |
| Sugar | Cereals |
| Tea | Herbal Infusions |
| Vegetables | Vanilla |

1.3 WHO IS THIS DOCUMENT FOR?

- This document explains the processes involved in being able to count a purchased raw material as ‘Sustainably Sourced’¹. It is aimed at Unilever Procurement Managers and their Suppliers.
- Suppliers in transition from SAC 2010 to SAC 2017 should refer to ‘Unilever Sustainable Sourcing Programme for Agricultural Raw Materials, Scheme Rules (Transition Period)’.

1.4 OTHER RELEVANT DOCUMENTS

- Unilever Sustainable Agriculture Code SAC 2017
- Unilever Sustainable Agriculture Code SAC 2017 Implementation Guide
- Protocol for Wild-Harvested materials

1.5 DOCUMENT CONTROL

- The latest version of these rules can be found on the Unilever website. The document will be updated annually, although minor changes, e.g. additions to Annexes will be made more frequently. A summary of changes made during updates will also be available on the website.
- Version number: A change in the first digit represents a significant change to the document – a new version. A change to the second digit represents a minor change, e.g. correction of a typographical error or addition of benchmarked certification standard to one of the Annexes.

1.6 TRANSITION PERIOD

- When new revisions of the Sustainable Agriculture Code or these scheme rules (major changes only) are published, suppliers and their farmers will have a transition period of 12 months from the date of publication, within which to comply with any changes.

¹ The only exception to this is Wild-Harvested materials, which are assessed by a different process.

2 USE OF THE SUSTAINABLE AGRICULTURE CODE – SAC 2017

SAC 2017 can be used for any crop in any region. Compliance with the Code will be audited by a third-party Certification Body (CB), which will be selected by Unilever.

2.1 GENERAL CONDITIONS

- a. SAC 2017 is made up of 'Supplier'² requirements and 'Farmer' requirements.
- b. 'Supplier' requirements need to be complied with by the owner of the agricultural management system³ under which the raw materials are produced. This will usually be the primary processing plant from which Unilever (or Unilever suppliers) buy raw material(s).
- c. 'Farmer' requirements need to be complied with by all farms who are currently producing raw material(s) purchased by Unilever under that agricultural management system (AMS).

2.2 REQUIRED COMPLIANCE LEVELS

- a. SAC 2017 is made up of three types of requirements:
 - a. Mandatory requirements
 - b. Expected requirements
 - c. Leading requirements
- b. To be considered compliant with the SAC, an Agricultural Management System (measured by the combination of Supplier and Farmer requirements) needs to achieve the following scores:

| | |
|-----------|-------------------------------------|
| Mandatory | 100% of all applicable requirements |
| Expected | 70% of all applicable requirements |
| Leading | No minimum percentage required |

² Supplier refers to suppliers to Unilever, though as noted above some supplier requirements may be dealt with by other organisations e.g. cooperatives.

³ A **management system** is the framework of policies, processes and procedures used by an organisation to ensure that it can fulfill all the tasks required to achieve its objectives. In the case of an Agricultural Management System this aims to ensure consistent practice across a group of farmers.

3 THE SAC CERTIFICATION PROCESS

Before a raw material from a particular AMS can be deemed 'Sustainably Sourced' for Unilever's purposes, a certification audit must have been carried out with both the Supplier and Farmers (see 2.1(b) and (c) above) to check compliance with the requirements of SAC 2017. Metrics data must also have been provided for all raw materials produced for Unilever under that management system (see Section 3.10 on page 7).

3.1 BASIC PRINCIPLES

- a. Certificates are awarded at AMS level, i.e. to the Supplier rather than to individual farmers and apply to all relevant raw materials produced under that AMS.
- b. If a farmer supplies more than one Supplier (AMS) with the same raw material, a positive audit result can be used by all Suppliers.
- c. Certification audits will be carried out and managed using the Greenlight Assessment (GLA) software system. All suppliers using the SAC directly will have access to GLA.

3.2 FREQUENCY OF AUDITS

- a. A certificate will be issued and re-issued every 3 years based on initial and re-evaluations on compliance with the SAC requirements. Continuous compliance will be evaluated annually through surveillance audits (see Section 3.8 on page 6).

3.3 SCOPE OF SUPPLIER (AMS) AUDITS

- a. All Suppliers will be audited.
- b. The CB will inspect the complete checklist of Supplier requirements (Mandatory and Expected requirements) as well as documentation relating to the AMS.
- c. The CB will inspect any administrative system required to support the use of Segregation (partial AMS coverage) or mass balance (see Section 4 on page 8).
- d. The CB will check that farm-level metrics data has been provided for the required number of farms (see next section) for each of the raw materials covered by the management system.

3.4 SAMPLING RULES – SELECTION OF FARMS FOR AUDITING

- a. Sampling is permitted at the farm level. Whether a sample is taken or not depends on the total number of farms in the management system for the raw material(s) in question.
- b. The number of farms to be sampled for initial audits per management system is determined by the following rules:
 - i. If there are fewer than 30 farms, all are audited.
 - ii. If the number of farms (n) is >30 a sample of 30 or \sqrt{n} will be audited, whichever is higher. This means that 30 farms will be audited unless $n > 900$.
 - iii. The maximum number of farm audits that shall be required is 50.
- c. The sample of farms will be random, and the selection will be made by the CB from the total list of farms, which shall be provided by the supplier.

3.5 SCOPE OF FARM AUDITS

- a. The CB will inspect the complete checklist of Farmer requirements (Mandatory and Expected requirements).
- b. The scope of the audit includes:
 - i. Areas of the farm that are legal property of the farmer, or which are leased by the farmer, and which are either destined for agricultural use, natural land and aquatic ecosystems, land covered by high-value ecosystems or fallow land.
 - ii. Workers and people who live temporarily or permanently on the farm
 - iii. Documentation and data relating to social, agronomic and environmental management.

3.6 RESULTS OF AUDITS AND CALCULATION OF SUSO VOLUME

3.6.1 Conditions for AMS Compliance

- a. An AMS is considered compliant, and the associated raw material(s) Suso, when the compliance levels in Section 2.2 are reached, i.e. 100% of Mandatory requirements and 70% of Expected requirements.
- b. An AMS is considered 'compliant with conditions' under the following circumstances:
 - a. If any individual farm or farms has 5 or fewer Mandatory non-conformances (NCs)
 - b. If any individual farm or farms score(s) between 30% and 70% on Expected requirements
- c. Under these circumstances, farms will need to address the NCs as in Section 11.1.2 on page 18.
- d. Any individual farm who has more than 5 Mandatory NCs and/or scores less than 30% on Expected requirements will be suspended from the AMS until NCs have been corrected (by the next audit at the earliest).
- e. The % volume from an AMS with suspended farmers will be calculated as follows:

$$\% \text{ Suso} = \frac{\text{Total no. farmers in sample} - \text{no. suspended farmers}}{\text{Total no. farmers in sample}} \times 100$$

3.6.2 Conditions for AMS Non-Compliance

- a. An AMS is considered 'not compliant' under the following circumstances:
 - a. If more than 50% of farms in the AMS or sample (if relevant) have been suspended due to high levels of either Mandatory or Expected failures (as in point d) above
- b. In such cases, the CB will consider that there has been a breakdown in the management system, and there will be an automatic failure for the AMS, which will be re-audited the following year. No volume from the AMS will count as Suso.

3.7 NON-CONFORMANCES AND CORRECTIVE ACTIONS

The details of the process governing the communication and correction of non-conformances identified during audits is described in Annex A on page 18.

3.8 CERTIFICATE VALIDITY

- a. The certificate awarded on the basis of the initial audit has a 36-month validity, starting with the date of issue.
- b. The expiry date of the certificate is definitive, but the validity of the certificate could be extended in the following cases:
 - i. Up to a maximum of six months in the event of a 'force majeure' situation.
 - ii. A maximum of three months, when the organisation is going through an appeal process, when the certification decision was to suspend the certificate.
 - iii. Up to three months in the case of organisations that have undergone a re-certification audit prior to termination of the 36-month cycle, and the certification decision has not been made by the CB. This effectively means that the certificate has a maximum validity period of 39 months.
- c. The certificate may be suspended if a breakdown in the management system (fail) is identified during a surveillance audit. Re-instatement of the certificate is based upon satisfactory closure of NCs that have led to the suspension.

3.9 SURVEILLANCE AUDITS

- a. Surveillance audits will be carried out each year where there is no full audit (i.e. in years 2 and 3 of the audit cycle) on each AMS.
- b. The purpose of surveillance audits is to check that the conditions of certification are still in place, to allow 'continuous compliance'.
- c. Surveillance audits will focus on farm practice – the sample of farms for surveillance auditing will be drawn from the sample audited in year 1 (x), at a rate of 0.3x, i.e. approximately one third of farms audited in year 1 will be subject to a surveillance audit. If the list of farms in the management system has changed to the point where not enough of the 'original' farms are available for surveillance audit, the required number of 'new' farms will be included.
- d. Surveillance audits will include a desk review of the supplier's management system, a check on all applicable Mandatory Farmer requirements, plus 50% of all applicable Expected requirements. The decision of which Expected requirements to include will be made by the CB.

- e. Certificates will be maintained or suspended depending on the results of a surveillance audit.
- f. Corrective actions for non-conformances may be required as in Section 3.6.
- g. Suspended certificates will be re-instated based upon satisfactory closure of NCs that have led to the suspension. Expiry date of the certificate remains the same.

3.10 PROVISION OF METRICS DATA

- a. Each farm in the AMS will need to provide metrics data each year before the next audit, i.e. at 0, 12 and 24 months in the cycle.
- b. The provision of this data will be checked by the auditor and will be a condition of compliance. The minimum requirement for compliance will be that the same number of farms as in the sample have provided data. These do not necessarily have to be the exact farms in the sample.

3.11 SUMMARY OF CERTIFICATION CYCLE

- a. Table 1 summarises the steps involved in the full certification cycle.

| Step no. | Activity | Timing |
|----------|---|--|
| 1 | Supply chain information entered/updated into Greenlight Assessment System. Metrics data collected by supplier for all farms in the AMS | Before audits arranged (first year), after 12 months (subsequent years) |
| 2 | Sample of farmers in management system drawn by CB | Before audits arranged |
| 3 | First full certification audit inspections (supplier site and sample of farms) including check on provision of metrics data | By arrangement by CB (Year 1) |
| 4 | Audited organisations informed of any non-conformances | At closing meeting (verbally) and within 5 days of final audit (in writing) |
| 5 | Any Mandatory NCs corrected and evidence provided to the CB | Within 28 days of the auditor submitting the assessments to the certifier in the GLA System |
| 6 | Corrective action evaluation and Certification decision (on the basis of Expected NCs being corrected with in the required period, if applicable) | Within 28 days of Step 3 or 5, whichever is later |
| 7 | Number of Expected NCs to reach required compliance level corrected and evidence provided to the CB | Within 6 months of the auditor submitting the assessments to the certifier in the GLA System |
| 8 | Interim year metrics data provision (all farms in AMS) | 12 and 24 months after Step 1 |
| 9 | Surveillance audits | Between 9-15 months and 21-27 months after certification date |
| 10 | Second full certification audit inspections (supplier site plus new sample of farms) | 36 months after certification date |

Table 1 – Summary of Steps in Certification Cycle

4 SUPPLY CHAIN OPTIONS

The following sections describe the different supply chain options permitted for use under the Unilever Sustainable Sourcing Programme and the administrative requirements needed to underpin their credible use.

4.1 IDENTITY PRESERVATION (IP)

Also known as 'hard IP' or 'track and trace'

- a. Sustainable material can be traced back to a single point of origin
- b. Each batch of Sustainable material is treated separately and clearly separated from other batches of Sustainable and non-Sustainable material.

4.2 SEGREGATION (SG)

Also known as 'bulk commodity' or 'soft IP'

- a. Sustainable material is kept physically separate from non-Sustainable material through each stage of the supply chain
- b. Different batches of Sustainable material can be mixed, but not Sustainable and non-Sustainable.
- c. A variant of segregation, where only a subset of the farmers are involved in the Sustainability programme, but their Sustainable material is kept physically separate from that of the 'non-Suso' farmers, is allowed by Unilever. We refer to this as 'Segregation - partial (SP)'. When all farmers are involved in the programme, we call this 'Segregation - full (SF)'. If SP is used, a verifiable administrative system must be in place.

4.3 MASS BALANCE (MB)

Mass balance is an overarching term for various slightly different systems, which all involve balancing volume reconciliation.

- a. Sustainable and non-sustainable materials can be mixed physically, but must be kept separate within a company's accounting system, i.e. amounts and properties of each are recorded.
- b. Accounting system ensures that volumes of Sustainable material sold does not exceed volumes of Sustainable material produced or purchased
- c. Volumes can be balanced at different levels: i) batch level (sometimes known as percentage blending); ii) single site level (sometimes known as controlled

blending) and iii) group, or multi-site level (with conditions - see below).

4.4 SUPPORTING ADMINISTRATIVE SYSTEM REQUIREMENTS AND CONDITIONS

- a. Unilever's preference is for segregated supply chains.
- b. Mass balance is permitted for use within the Unilever Programme, but only in the context of the following hierarchy of preferred supply chain options:
 1. Continued preference for segregated supply chain
 2. Single site mass balance, when segregated supply is not feasible
 3. Multi-site mass balance when single-site mass balance is not feasible, only following SSAC approval and only if the following conditions are met:
 - [bullet point] In the case of supplier-own sustainability systems, only if the farmer supply base is homogeneous and contiguous and if there is annual independent verification of the administrative system
 - In the case of 3rd party certification, if the Scheme's Chain of Custody standard recognises multi-site mass balance as a supply chain type, with annual auditing/verification by a third party.
 4. If segregated or restricted mass balance as above not possible, accept crop certificates (e.g. Bonsucro or Round Table for Sustainable Soy), where financial incentive is given to farmers to adopt sustainable practices, even though the raw material does not reach Unilever supply chains.
- c. Any supplier using mass balance needs to have in place a verifiable administrative system to ensure that no double-counting (i.e. 'selling' sustainable materials to more than one purchaser) can take place. Administrative systems are required for both physical raw material and certificates.

5 USE OF OTHER CERTIFICATION SCHEMES

5.1 GENERAL PRINCIPLES

- a. SAC 2017 lays down the principles and practices Unilever see as key to sustainable agricultural production. Many other sustainable agriculture codes and certification schemes are in use and Unilever assesses the equivalence of these schemes with the principles and practices of sustainable agriculture through a comprehensive benchmarking process.
 - b. Benchmarking is required for all external codes and schemes and for internal, supplier-own systems.
 - c. If a supplier or farmer has any doubt or grievance with respect to our benchmarking of either an external standard or in-house/industry-level programme, please email sustainable.agriculture@unilever.com.
- considered fully compliant with the principles and practices of sustainable agriculture - they cover several but not all of the SAC Chapters.
- b. If suppliers are compliant with the standards or codes in Annex II, they will need to fill the gaps not covered, e.g. through the auditing process described in Section 3, but only for the chapters required.
 - c. If a supplier is using a standard or code that is not listed in Annex II they can request, via their Unilever contact, for a benchmark to be carried out.

5.2 CERTIFICATION SCHEMES OR STANDARDS CONSIDERED FULLY COMPLIANT WITH THE PRINCIPLES AND PRACTICES OF SUSTAINABLE AGRICULTURE

- a. Any material from farms that have been certified against standards and codes recognised by Unilever as fully compliant with the principles and practices of sustainable agriculture, qualifies as being 'sustainably sourced'. The current list of recognised external standards and codes is given in Annex IA on page 13. The list of recognised industry-level programmes is given in Annex IB on page 15.
- b. Suppliers wishing to use Annex IA standards in place of SAC 2017 will be responsible for providing Unilever with up to date evidence of certification (including any Chain of Custody Standard required as part of the scheme) for the raw material in question.
- c. Suppliers wishing to use Annex IB programmes in place of SAC 2017 will have to provide evidence of inclusion in the programme, as well as any additional requirements noted in the comments column in Annex IB.

5.3 CERTIFICATION SCHEMES OR STANDARDS CONSIDERED PARTIALLY COMPLIANT WITH THE PRINCIPLES AND PRACTICES OF SUSTAINABLE AGRICULTURE

- a. Annex II on page 16 contains external standards which have been benchmarked but which are not

6 USE OF SUPPLIER OR INDUSTRY-LEVEL SUSTAINABILITY PROGRAMMES

6.1 TYPES OF SYSTEM IN USE

- a. Several Supplier-owned, Industry-owned or regional sustainability programmes are used by Unilever Suppliers.
- b. Some of these programmes are based on third-party audited certification schemes but with additional elements. Others are based on internal systems which may be first, second or third-party assured. Many of these schemes rely, in part at least, on national or regional legislation for compliance.

6.2 BENCHMARKING OF SUPPLIER-OWN PROGRAMMES

- a. Benchmarking of Supplier-own, Industry-owned or regional sustainability programmes is required as described in Section 5.1.
- b. A template based on SAC 2017 will be provided to the supplier who will document how each of the requirements are covered by their programme. They will also note how compliance is verified (third party, second party etc.).
- c. If the programme is not considered compliant with the principles and practices of sustainable agriculture, the supplier will either need to add elements to the programme to ensure coverage of requirements at the required level, or design impact programmes to address gaps (see Section 6.5 below for details).
- d. If a programme is compliant with the principles and practices of sustainable agriculture AND there is third-party verification, then the programme is considered 'certified' against the internal standard and no further action is required, other than to provide evidence to Unilever that the material supplied is verified under the programme.
- e. If the programme does not have third-party verification of the whole programme, they will need to choose from one of the assurance options in Section 6.3 below.

6.3 ASSURANCE OPTIONS FOR SUPPLIER-OWN PROGRAMMES WHICH DO NOT HAVE FULL THIRD-PARTY VERIFICATION

- a. Table 2 shows the options available to suppliers whose systems are not fully third-party verified.

| Assurance Options | |
|--|--|
| Compliance Route | Impact Route |
| Any SAC requirements that are not covered by a third-party verified standard will be audited according to the rules in Section 3 on page 5. | Supplier must agree to monitor and evaluate KPI(s) that address pertinent issues in their supply base. <ul style="list-style-type: none"> · Evidence required of practice change across farmer base e.g. % farmers using cover cropping and outcome improvement e.g. water quality, GHG emissions · Agreement of what credible evidence will be provided will need to be approved in advance by the SSAC |

Table 2 – Assurance Options for Supplier-Owned Programmes

6.4 AUDIT PROCESS FOR SUPPLIER-OWN PROGRAMMES (COMPLIANCE ROUTE)

Section 3 on page 5 gives details of the audit process. Any differences for Supplier-own programmes are noted in the following sections.

6.4.1 Basic Principles

- a. Certificates will not be awarded to suppliers using their own internal systems.
- b. The purpose of the audit is to give Unilever the assurance that raw materials covered by Supplier-own programmes are produced in accordance with the principles and practices of sustainable agriculture, as described in the benchmark, and can therefore be claimed as Sustainably Sourced.
- c. Audits will be carried out by Control Union and will be paid for by Unilever.

6.4.2 Timing and Frequency of Audit

- a. Timing and frequency of audits will be as described in Section 3.2

6.4.3 Scope of Audits

- a. All Suppliers who use an internal programme and who choose the 'compliance route' will be audited. A sample of their farmers will also be audited, as in Section 3.4
- b. The CB will inspect the complete list of requirements which have been identified in the benchmark as not being covered by third party verification. This will vary from system to system.
- c. The CB will also inspect aspects covered by legislation that are referred to in the benchmark.
- d. No metrics data will be required from suppliers choosing the 'compliance route'.

6.5 ASSESSMENT PROCESS FOR SUPPLIER SYSTEMS SHOWING IMPACT (IMPACT ROUTE)

6.5.1 Minimum Requirements

- a. In order to follow the Impact route, the benchmark must show that 100% Mandatory requirements and a minimum of 50% Expected requirements are covered by the programme. Impact programmes cannot be used to fill gaps in areas covered by mandatory requirements e.g. child labour.

6.5.2 Step 1 - Risk Assessment

- a. The supplier will prepare a sustainability risk assessment to identify issues affecting their farmers and/or supply chain that could be reasonably managed through on-farm intervention. A template for the risk assessment is provided in the Impact Programme Manual, which is available on request from sustainable.agriculture@unilever.com.

6.5.3 Step 2 - Programme Development

- a. Based on the identified risks and/or areas of relative weakness identified in the programme, the supplier will design a programme to address that issue, selecting both intervention and outcome indicators to report on.
- b. A clear mechanism for impact, or 'theory of change' should exist, linking the risk or issue, the intervention and the outcome indicator. Guidance on designing an impact programme, using principles from ISEAL Alliance's Impact Code is included in the Impact Programme Manual, which is available on request from sustainable.agriculture@unilever.com. If mass balance is used in the system, the minimum requirement is that the equivalent number of farmers that are required to produce the Unilever volume should participate in the programme.
- c. The Suso manager and assurance team will discuss the risk assessment and impact programme with

the supplier, and if necessary, further develop the programme and KPI(s) to a satisfactory level.

- d. The risk assessment and KPI programme proposition will be finalised and submitted to the Sustainable Sourcing Assurance Committee (SSAC) for consideration.

6.5.4 Step 3 - SSAC Decision Making

- a. The SSAC will consider the proposed Impact Programme and decide whether it should be approved or whether additional or different KPIs should be included.
- b. If the programme is approved, Suso status will be awarded at that point, date of the SSAC meeting at which approval was granted. Suso status will be granted for 14 months from the date of approval.
- c. KPI data will need to be collected and analysed from the point of approval. Suppliers will be responsible for analysing the impact data and presenting it in a robust way. A third party may be used for this analysis.

6.5.5 Step 4 - Annual Reporting

- a. Every 12 months after Suso status is approved, an annual report will be required, describing the methodology followed for KPI data collection, analysis of the KPI data, and impact results. A template for the annual report can be found in the Impact Programme Manual, which will be available later in 2018. The timely provision of this report will be condition of continuation of Suso status. The report will be submitted to the SSAC.
- b. If the SSAC agrees that the annual report shows reasonable progress in terms of impact, the annual report will be approved and the Suso status will be maintained. A new 14-month approval period will begin.
- c. If the SSAC considers that the programme is not having the desired impact, it may require changes to the programme. Such judgements will be made on a case-by-case basis, taking into account the time it takes for changes in practice to result in changes in outcome, external factors such as weather etc. and any unforeseen issues that affect the data collected. Any suggested changes will be communicated to the supplier following the SSAC meeting.
- d. Suso status will be maintained on the condition that the supplier agrees to implement any required improvements to the programme. Such agreement will be required in writing. The date of receipt of such agreement, will restart the 14-month approval period.

7 GLOSSARY OF TERMS

Agricultural Management System (AMS) - the framework of policies, processes and procedures used by an organisation to ensure consistent good agricultural practice across a group of farmers

Certification Body (CB) – Third-party organisation used by Unilever to carry out independent audits

Chain of Custody – mechanism for tracking certified raw material from production to the final product to ensure that it can be tracked back to a certified source

Combinable Crops – crops that are harvested using a combine harvester

‘Force majeure’ - an event or effect that cannot be reasonably anticipated or controlled

Greenlight Assessments (GLA) – Software system used by Suppliers and the Certification Body to carry out and manage audits

Supplier – Organisation from which Unilever purchases raw materials

‘The Code’ – refers to the Sustainable Agriculture Code 2017

Wild-harvesting – Collection of raw materials from wild habitats, as opposed to agricultural systems

8 ANNEX IA – STANDARDS CONSIDERED FULLY COMPLIANT WITH THE PRINCIPLES AND PRACTICES OF SUSTAINABLE AGRICULTURE



Although not detailed below, any Chain of Custody and Traceability requirements or standards associated with claims under a certification scheme must be in place for volume to achieve 'Sustainably-Sourced' status.

| | Standard [Version #, Date] | Further details/ requirements | Applicable to | Logo |
|----|---|---|---------------------------|---|
| 1. | Bonsucro Production Standard, including Bonsucro EU Production Standard [Version 4.1.1, September 2015] | Accompanying documents: Bonsucro Certification Protocol Including Bonsucro EU Certification Protocol (2015) v5.0 Bonsucro Guidance for Production Standard Including EU Audit Guidance for the Production Standard (2015) | Sugar (from sugarcane) |  |
| 2. | Fair Trade Standard for Small Producer Organisations [Version 1.4, 01.05.2011] & Fair Trade Hired Labour Standard [Version 1.1, 15.01.2014] | | Global, any raw material |  |
| 3. | For Life Certification Standard for Corporate Social Responsibility [February 2017] | Also known as "Fair for Life" | Global, any raw material |  |
| 4. | Forestry Stewardship Council (FSC) [FSC-STD-01-001 (version 5-2) EN, 2015] | | Paper and Board |  |
| 5. | All Organic Standards included under the IFOAM global umbrella organisation ⁴ | Soil Association Organic Standards for Farming and Growing [Revision 17.4 August 2016] and Soil Association Organic Standards for Abattoirs and Slaughtering [Revision 17.3, November 2014] benchmarked as example of IFOAM Standard. | Global, all raw materials |      |

⁴ For full list of IFOAM Standards, see <https://www.ifoam.bio/en/organic-landmarks/ifoam-family-standards>

| | Standard [Version #, Date] | Further details/ requirements | Applicable to | Logo |
|-----|---|---|---|---|
| 6. | ISCC Plus 202 Requirements for the Production of Biomass [Version 3.0, 09/02/16] + ISCC Plus 202-01 Environmental Management and Biodiversity [Version 2.0, 2013] | | Global for all Arable Commodity crops |  |
| 7. | Programme for the Endorsement of Forest Certification (PEFC) Sustainable Forest Management [Version 1003, 2010] | Must be used with Chain of Custody of Forest Based Products [Version 2, 2015] | Paper and Board |  |
| 8. | ProTerra Standard [Version 3.0, December 2014] | | All Agricultural Commodities |  |
| 9. | Association Responsible Soy Association (RTRS) Standard for Responsible Soy Production [Version 2.0, September 2013] | | Soybeans |  |
| 10. | Roundtable for Sustainable Palm Oil (RSPO) Principles and Criteria [2013] | Physically-certified volumes only | Palm oil and all palm oil based products, including fatty acid, fatty alcohol, fatty amine. |  |
| | | | |  |
| 11. | SAI Platform Farm Sustainability Assessment (FSA) [Version 2.0, March 2014] or any Standard benchmarked as equivalent to FSA at the Silver level | Equivalent at Silver level | Global, any crop |  |
| 12. | SCS Sustainably Grown Standard [Version 2.1, July 2016] | Associated document: Sustainably Grown Pesticide Policy and Prohibited Pesticide List | Global, any food or fibre crop |  |
| 13. | Sustainable Agriculture Network (SAN) Sustainable Agriculture Standard [July 2017] | SAN standard is the basis for Rainforest Alliance certification | Global Crops or Cattle production |  |
| 14. | Trustea Sustainability Code [Version 2, 2016] | | Tea from India |  |
| 15. | Utz Certified Core Code of Conduct [Version 1.1, 2015] | | Coffee, Cocoa and Rooibos |  |

9 ANNEX IB – INDUSTRY-LEVEL STANDARDS CONSIDERED FULLY COMPLIANT WITH THE PRINCIPLES AND PRACTICES OF SUSTAINABLE AGRICULTURE

| | Standard [Version #, Date] | Further details | Applicable to | Logo |
|----|--|---|--|---|
| 1. | Sustainable Dairy Assurance Scheme (SDAS) [Revision 01, December 2013] | Use conditional upon extra data provided by Bord Bia showing compliance with environmental requirements | Dairy Products from Eire (Republic of Ireland) |  |
| 2. | Sustainable Sugarcane Farm Management System (SUSFARMS) [v3.0 July 2015] | | Cane Sugar from South Africa | |
| 3. | Smartcane BMP Practice Standards [Version 2.0] | Use conditional upon providing evidence of compliance with all seven modules, not just the three required for accreditation | Cane Sugar from Queensland, Australia |  |

10 ANNEX II – STANDARDS CONSIDERED PARTIALLY COMPLIANT WITH THE PRINCIPLES AND PRACTICES OF SUSTAINABLE AGRICULTURE

| | Standard, Version #, Date | SAC Chapters covered | SAC Chapters not covered (gaps to be filled) | Applicable to | Logo |
|----|---|---|--|--|---|
| 1. | DTP112 CSQA Rev. 04 (02/12/15) | <ul style="list-style-type: none"> · Energy · Value Chain · Responsible Sourcing | <ul style="list-style-type: none"> · Nutrient Management · Pest Management · Soil Management · Water Management · Biodiversity · Waste Management · Social · Continuous Improvement | Cereals and Oilseeds, Italy | |
| 2. | Food Alliance FA-ET-01 (2015) | <ul style="list-style-type: none"> · Nutrient Management · Pest Management · Water Management | <ul style="list-style-type: none"> · Soil Management · Biodiversity · Energy · Waste Management · Social · Value Chain · Continuous Improvement · Responsible Sourcing | Any crop |  |
| 3. | GlobalGAP Crop Base + Combinable Crops or Fruit and Vegetables [Version 5.1, July 2017] | <ul style="list-style-type: none"> · Nutrient Management · Pest Management · Water Management · Waste Management · Energy · Value Chain | <ul style="list-style-type: none"> · Soil Management · Biodiversity · Social · Continuous Improvement · Responsible Sourcing | Combinable Crops or Fruit and Vegetables |  |
| 4. | Red Tractor ⁵ Crop Base – Combinable Crops [Version 4.0, October 2017] | <ul style="list-style-type: none"> · Nutrient Management · Pest Management · Soil Management · Water Management · Value Chain · Continuous Improvement (Training) | <ul style="list-style-type: none"> · Biodiversity · Energy · Waste Management · Social · Continuous Improvement (Metrics) · Responsible Sourcing | Combinable Crops & Sugar Beet |  |
| 5. | Red Tractor Dairy Standards [Version 4.0, October 2017] | <ul style="list-style-type: none"> · Nutrient Management · Animal Husbandry · Value Chain · Continuous Improvement (Training) | <ul style="list-style-type: none"> · Pest Management · Soil Management · Water Management · Biodiversity · Energy · Waste Management · Social · Continuous Improvement (Metrics) · Responsible Sourcing | Dairy products |  |

| | Standard, Version #, Date | SAC Chapters covered | SAC Chapters not covered (gaps to be filled) | Applicable to | Logo |
|-----|--|--|--|--|---|
| 6. | SMETA (Sedex Members Ethical Trade Audit) [Version 6.0, April 2017] | <ul style="list-style-type: none"> Responsible Sourcing | <ul style="list-style-type: none"> Nutrient Management Pest Management Soil Management Water Management Biodiversity Energy Waste Management Animal Husbandry Value Chain Continuous Improvement | Any raw material |  |
| 7. | Swiss-GAP ⁶ [relates to GlobalGAP Version 5.1, July 2017] | <ul style="list-style-type: none"> Nutrient Management Pest Management Water Management Energy Value Chain | <ul style="list-style-type: none"> Soil Management Biodiversity Waste Management Social Continuous Improvement Responsible Sourcing | Fruit, vegetables, potatoes and horticultural products |  |
| 8. | Teh Lestari [Version 1.0] | <ul style="list-style-type: none"> Nutrient Management Pest Management Soil Management Water Management Biodiversity Value Chain Continuous Improvement | <ul style="list-style-type: none"> Energy Waste Management Social Responsible Sourcing | |  |
| 9. | Agro 2.1 & 2.2 [28-02-2008, v.2] | <ul style="list-style-type: none"> Nutrient Management Pest Management Soil Management Water Management Biodiversity Waste Management Energy Value Chain Continuous Improvement | <ul style="list-style-type: none"> Social Responsible Sourcing | Any non-livestock raw material produced in Greece |  |
| 10. | 2BSVS [2BS-STD 01, v.1] | <ul style="list-style-type: none"> Nutrient Management Pest Management Soil Management | <ul style="list-style-type: none"> Water Management Biodiversity Energy Waste Management Social Value Chain Continuous Improvement Responsible Sourcing Policy | Any biomass or biofuel feedstock, worldwide |  |
| 11. | IP-Suisse [Version August 2016] | <ul style="list-style-type: none"> Nutrient Management Pest Management Soil Management Water Management Biodiversity Animal welfare | <ul style="list-style-type: none"> Energy Waste Management Social Value Chain Continuous Improvement Responsible Sourcing Policy | Any material |  |

⁵ Swiss-GAP is considered equivalent to Global-GAP, hence we have assumed coverage is the same as for Global-GAP

11 ANNEX A – DETAILS OF NON-CONFORMANCE AND CORRECTIVE ACTION PROCESSES

11.1 PROCESS FOR SAC AUDITS

11.1.1 Communication of Non-Conformances

- a. The Supplier or farmer audited will be informed of any non-conformances at the closing meeting (on the day of the audit) verbally, and in writing within 5 days of the audit. In the case of a farmer non-conformance the Supplier and the relevant Unilever Manager will also be informed.

11.1.2 Timing for Correcting Non-Conformances

- a. Any non-conformance relating to a Mandatory requirement needs to be corrected, and evidence of the corrective action passed to the CB, within 28 days of the audited organisation being informed of the non-conformance. The certification decision can only be made once the mandatory requirements are all complied with.
- b. Non-conformances that relate to non-compliance for the overall Expected level should be listed so that the farmer and/or Supplier can decide which to address to reach the required level of attainment (see Section 2.2 on page 4). Once the list of non-conformances to be corrected has been chosen, the Supplier will notify the CB. This list needs to be satisfactorily closed within 6 months of the Supplier or farmer being notified of the non-conformance, but the certificate can be awarded on the basis of a plan being in place to address Expected NCs.
- c. The action required to close the non-conformance will vary. In most cases the CB will be able to judge whether a corrective action has been carried out through desk review (documents or photographs submitted by the audited organisation). In some cases, the CB will need to re-visit the site to ensure that the non-conformance has been corrected.
- d. If the AMS is deemed to have failed for that certification cycle (as described in 11.1.2 b and 11.1.3 b), the Supplier will put in place a plan for improvement of the AMS. They will then be re-audited the following year (timing for the subsequent audit must be in accordance with the rules in Section 3.2 on page 5).

11.1.3 Evaluation of Corrective Actions and Certification Decision

- a. The CB will make the certification decision within a maximum of 28 calendar days after closure of any outstanding Mandatory NCs. If no non-conformances are found during the audit, i.e. the management system is found to be compliant with the requirements of section 2.2, this means that the CB will make a decision no later than 28 days after the end of the audits of that management system.
- b. If actions are not carried out within the required timeframe to adequately address mandatory non-conformances at the AMS level (mandatory supplier questions) the AMS will be deemed non-compliant for that audit period.
- c. If actions are not carried out within the required timeframe to adequately address mandatory non-conformances at the individual assessment level (mandatory farmer questions) the farmer in question will be suspended as in section 3.6.1 and the % Suso adjusted accordingly.
- d. If actions are not carried out within the required timeframe to bring the level of Expected requirements for an assessment to the required level of attainment (see Section 2.2 on page 4), the farmer in question will be suspended as in section 3.6.1 and the % Suso adjusted accordingly.
- e. If more than 50% of farmers are suspended as a result of c) or d) above, the AMS will be deemed non-compliant as in section 3.6.2 on page 6.
- f. Any complaints or appeals against CBs follow the CB's own complaints and appeals procedure. In case the CB does not respond adequately, the complaint can be addressed to the Unilever Sustainable Sourcing Assurance team (sustainable.agriculture@unilever.com).

Unilever PLC

100VE

100 Victoria Embankment
London EC4Y 0DY

T: +44 (0)20 7822 5252

www.unilever.com

