



October 2018

Sustainable Paper & Board Packaging Policy

Introduction

Unilever is a leading consumer goods company buying considerable quantities of wood fibre-based materials for paper and board packaging. We acknowledge we have a role to play, through sustainable sourcing, in promoting sustainable forest and plantation management practices, as well as in helping end deforestation. To Unilever, it is important that our consumers and customers can be confident that the wood fibres used in our products have been sustainably sourced from known and certified or recycled sources.

Policy Framework

Unilever's paper and board packaging policy 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.

In addition, we have a role to play in optimising the use of recycled material as well as increasing the recycling and recyclability of paper in our packaging.

Commitment

Unilever is committed to eliminating deforestation from our supply chain. By 2020, we are committed to sourcing all the paper and board packaging we buy from certified sources.

The Principles We Abide By

Our principles direct how we sustainably source paper and board packaging. We are committed to:

Halt deforestation

- Adherence to Unilever's Eliminate Deforestation Position
- No sourcing from illegally harvested wood
- No sourcing of wood fibres from controversial sources

Promote best in class practices

- Drive traceability in the wood fibre value chain
- Drive growth in forest certified materials
- Optimise the use of sustainable virgin and recycled fibres in our packaging materials

Drive positive economic and social impact for people and communities

- Respect and recognise the rights of all workers
- Respect Land Tenure Rights
- Support the role of small scale family forestry in the supply chain
- Compliance with Unilever's responsible sourcing policy

Goals

- From today, we will work with suppliers who show commitment and intent to adhere to the principles in this policy



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- Since 2015, we have aimed for all our paper and board packaging to be sourced sustainably (recycled, or certified virgin)
- After 31 December 2019 we will accept recycled fibre products only when they come from certified sources (with a full chain of custody)

Measurement & Reporting

Unilever will be transparent about our progress towards our goals by working with suppliers to measure and report, on a yearly basis. We use a supplier self-assessment approach verified through a programme of regular and independent audits.

Time-bound Plans & Working with Suppliers and Stakeholders

Unilever will work with our packaging suppliers to develop individual time-bound action plans to deliver a supply chain for certified sustainable wood fibre-based materials.

- Suppliers must make a time-bound commitment to have their production certified by a Unilever-recognised third-party certification scheme

In working with suppliers, NGOs and other industry groups, Unilever will conduct all operations in accordance with the principles of fair competition and applicable law, including adherence to Unilever's Code of Business Principles. In turn, Unilever requires suppliers to commit to our Responsible Sourcing Policy.

ANNEX 1: DEFINITIONS

Paper & Board Packaging:

This policy covers the paper and board packaging we purchase directly. This includes folding cartons, customer packaging, aseptics, and ice cream sticks, but does not include flexibles, labels or tea bags.

Virgin Wood Fibres: Virgin wood fibre is fibre material that has been extracted directly from wood or any solid wood products.

Recycled Fibres: Unilever accepts as recycled fibres:

- Pre-consumer waste originating from fibre that has been diverted from the waste stream during the manufacturing process and has not been used by the end consumer. Unilever does not consider mill broke from virgin fibres as recycled material.
- Post-consumer waste that has been used for its intended purpose by the end users of the product and has been reclaimed from the waste stream. Unilever does consider mill broke from recycled fibres as recycled material.

Sourced Sustainably:

In accordance with the paper and board packaging policy, by the end of 2015 100% of our paper and board packaging should be sourced sustainably. The following definitions apply:

Virgin Material: Virgin material must come from third party certified sources (see definition below) and only via schemes that are recognised by Unilever

Recycled Material: During a transition period from 31 December 2014 until 31 December 2019, recycled material will be considered as sustainable if it fits the definition of 'recycled fibres' provided above

- When supplying products under a recycled claim, the supplier must report the fibre composition in terms of (a) recycled fibres, (b) certified virgin fibres and (c) virgin fibres, giving each as a percentage of the total content
- The percentage of product content shall be calculated on a six-monthly rolling average

Certified Sources:

In accordance with the paper and board packaging policy, after 31 December 2019 we will require that all products are fully chain of custody certified, by certification schemes that are recognised by Unilever.

Unilever currently accepts products as certified when the following two criteria are met:

- Products are delivered in accordance with FSC or PEFC chain of custody standards
- Related documentation such as invoices and delivery notes carry required information about certification



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For virgin products, Chain of Custody certification is 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.

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

In this policy, 'certified sources' refers to sources that are certified against the third party verified Forest Stewardship Council (FSC) or Programme for Endorsement of Forest Certification (PEFC) schemes, with full chain of custody. Other schemes may be recognised in the future based on a benchmark against the Unilever Sustainable Agriculture Code.

Halt Deforestation

Unilever Eliminate Deforestation position https://www.unilever.com/Images/eliminating-deforestation-position-statement_tcm244-423148_en.pdf

Drive positive economic and social impact on people and communities:

Universal Declaration of Human Rights <http://www.un.org/en/documents/udhr/index.shtml>

Unilever Supplier Code <http://www.unilever.com/aboutus/purposeandprinciples/supplier-code/>

ⁱ The following standards apply:

FSC:

STD-40-003: Standard for Multi-site Certification of Chain of Custody Operations

STD-40-004: FSC Standard for Chain-of-Custody Evaluation

STD-40-004a: FSC Product Classification

STD-40-005: FSC Standard for Company Evaluation of FSC Controlled Wood

STD-30-010: FSC Controlled Wood Standard for Forest Management Enterprises

STD-40-007: FSC Standard for Use of Reclaimed Material in FSC Product Groups and FSC-certified Projects

STD-50-001: Requirements for the use of FSC trademarks by Certificate Holders

PEFC:

ST 2002:2013: Chain of Custody of Forest-Based Products – Requirements

GD 2001:2014: Chain of Custody of Forest-Based Products – Guidance for Use

ST 2001:2008: Logo Usage Rules