



# UNILEVER DEFORESTATION-FREE AND CONVERSION-FREE VERIFICATION PROTOCOL SCHEME RULES VDF 2023

June 2023 V1.0

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**ABBREVIATIONS**

- FSC® Forest Stewardship Council®
- NC Non-Compliance
- PEFC Programme for the Endorsement of Forest Certification
- RA Rainforest Alliance
- RSPO Roundtable on Sustainable Palm Oil
- RTRS Round Table on Responsible Soy
- VDF Verified Deforestation Free

## DEFINITIONS

Definitions	
<b>Chain of custody<sup>1</sup></b>	Process by which inputs and outputs and associated information are transferred, monitored and controlled as they move through each step in the relevant supply chain.
<b>Conversion<sup>2</sup></b>	A change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function. » deforestation is one form of conversion (conversion of natural forests). » conversion includes severe degradation and the introduction of management practices that result in substantial and sustained change in the ecosystem’s former species composition, structure, or function. Severe degradation may be considered conversion if it: (a) is large-scale and progressive or enduring; (b) alters ecosystem composition, structure and function to the extent that regeneration to a previous state is unlikely; or (c) leads to a change in land use (e.g. to agriculture or other use that is not a natural forest or other natural ecosystem). » a change to natural ecosystems that meets this definition of conversion is considered to be conversion, regardless of whether or not it is legal in nature.
<b>Cut-off dates<sup>3</sup></b>	Unilever applies a cut-off date for its commitment to no deforestation or conversion of natural ecosystems related to its supply chain as being no later than 31 December 2015.
<b>Deforestation<sup>2</sup></b>	Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.
<b>Degradation<sup>2</sup></b>	Changes within a natural ecosystem that significantly and negatively affect its species composition, structure and/or function, and reduce the ecosystem’s capacity to supply products, support biodiversity, and/or deliver ecosystem services.
<b>Direct supplier<sup>2</sup></b>	Suppliers paid by a Unilever Group company to supply in-scope materials to Unilever, or that make Unilever-directed sales of in-scope materials to Unilever’s third-party manufacturers or that are third-party manufacturers of products supplied to Unilever containing in-scope materials.

<sup>1</sup> Definition adapted from ISO/DIS 22095(en) [Chain of custody — General terminology and models](#)

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

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

<b>Force majeure<sup>4</sup></b>	An event or effect that cannot be reasonably anticipated or controlled (e.g. strikes or natural disasters).												
<b>Independent verification<sup>2</sup> (assessment)</b>	Assessment and validation of compliance, performance, and/ or actions relative to a stated commitment, standard, or target. Verification signifies that information is validated by persons other than those involved in the operation or entity being assessed. Independent verification (also called third-party verification) is conducted by an independent entity that does not provide other services to the company.												
<b>Indirect supplier</b>	Organization in the supply chain from which Unilever purchases in-scope materials other than the direct supplier or estate/farmer.												
<b>In-scope materials<sup>3</sup></b>	<p>The policy covers: (1) cocoa; (2) palm oil (3) paper and board; (4) soy; and (5) te (Camelia sinensis var), each as described in further detail in the table below. Other commodities may, in the future, be associated with a risk of conversion of natural ecosystems and the scope of the policy may later expand, based on a risk assessment. Unilever continues to review our exposure to, and strategy with respect to the cattle, coconut, and other supply chains.</p> <table border="1" data-bbox="555 1025 1342 1559"> <thead> <tr> <th>Commodity</th> <th>Primary In-scope Materials</th> </tr> </thead> <tbody> <tr> <td>Cocoa</td> <td>The cocoa beans and the cocoa powder, cocoa butter, cocoa liquor that is extracted from cocoa beans</td> </tr> <tr> <td>Palm oil</td> <td>Crude Palm Oil (CPO); Palm Kernel Oil (PKO); derivatives and fractions such as palm stearin or palm olein</td> </tr> <tr> <td>paper &amp; board</td> <td>Wood fibre derived packaging materials</td> </tr> <tr> <td>Soy</td> <td>The oil and protein that is extracted from or within the seeds of the soybean</td> </tr> <tr> <td>Tea (camelia sinensis var.)</td> <td>Leaf tea and other leaf tea material such as tea powders</td> </tr> </tbody> </table>	Commodity	Primary In-scope Materials	Cocoa	The cocoa beans and the cocoa powder, cocoa butter, cocoa liquor that is extracted from cocoa beans	Palm oil	Crude Palm Oil (CPO); Palm Kernel Oil (PKO); derivatives and fractions such as palm stearin or palm olein	paper & board	Wood fibre derived packaging materials	Soy	The oil and protein that is extracted from or within the seeds of the soybean	Tea (camelia sinensis var.)	Leaf tea and other leaf tea material such as tea powders
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Soy	The oil and protein that is extracted from or within the seeds of the soybean												
Tea (camelia sinensis var.)	Leaf tea and other leaf tea material such as tea powders												
<b>Management system<sup>2</sup></b>	A set of policies, processes, procedures and resources used by an organization to ensure it can fulfil the tasks required to achieve its objectives.												
<b>Mass balance</b>	A system for administratively monitoring the inputs and outputs of certified/verified material/product throughout the supply chain. It allows for the mixing of these materials/products at any stage in the supply chain.												

<sup>4</sup> Definition adapted from [Unilever Sustainable Sourcing Programme for Agricultural Raw Materials Scheme Rules SAC 2017](#)



<p><b>Natural ecosystem<sup>5</sup></b></p>	<p>An ecosystem that substantially resembles – in terms of species composition, structure, and ecological function – one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present.</p> <p>Natural ecosystems include:</p> <ul style="list-style-type: none"> <li>• Largely “pristine” natural ecosystems that have not been subject to major human impacts in recent history;</li> <li>• Regenerated natural ecosystems that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained species composition, structure and ecological function similar to prior or other contemporary natural ecosystems;</li> <li>• Managed natural ecosystems (including many ecosystems that could be referred to as “semi-natural”) where much of the ecosystem’s composition, structure, and ecological function are present; this includes managed natural forests as well as native grasslands or rangelands that are, or have historically been, grazed by livestock;</li> <li>• Natural ecosystems that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where much of the ecosystem’s composition, structure, and ecological function remain present or are expected to regenerate naturally or by management for ecological restoration.</li> </ul>
<p><b>Natural forest<sup>5</sup></b></p>	<p>A forest that is a natural ecosystem.</p> <p>Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include:</p> <ol style="list-style-type: none"> <li>a) <u>Primary forests</u> that have not been subject to major human impacts in recent history.</li> <li>b) <u>Regenerated (second-growth) forests</u> that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure, and ecological function of prior or other contemporary natural ecosystems.</li> <li>c) <u>Managed natural forests</u> where much of the ecosystem’s composition, structure, and ecological function exist in the presence of activities such as:</li> </ol>

<sup>5</sup> Definition from [Accountability Framework](#)

	<ul style="list-style-type: none"> <li>• Harvesting of timber or other forest products, including management to promote high-value species</li> <li>• Low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.</li> </ul> <p>d) <u>Forests that have been partially degraded by anthropogenic or natural causes</u> (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.</p> <p>The categories “natural forest” and “tree plantation” are mutually exclusive, though in some cases the distinction may be nuanced. Please see the <a href="#">Operational Guidance on Applying the Definitions Related to Deforestation, Conversion, and Protection of Ecosystems</a> for further discussion of boundary cases.</p>
<b>Non-compliance (NC)<sup>5</sup></b>	The state of not complying with or fulfilling (or only partially complying with or fulfilling) a given law, standard, commitment, or target.
<b>Non-VDF volume</b>	Volume from a Unilever supply chain actor that is not within the validity of the verification statement and not accompanied by a VDF % claim or by a valid certification claim that is considered to provide sufficient assurance of a deforestation-free and/or conversion-free origin since 31 December 2015, as specified in the commodity-specific verification protocols.
<b>Peat (soils)<sup>2</sup></b>	Often referred to as histosols (organic soils), are soils with cumulative organic layer(s) where more than half of the upper 80cm or 100cm of the soil surface contains 35% or more of organic matter (35% or more loss on ignition) or 18% or more organic carbon (FAO 1998, 2006/7; USDA 2014; IUSS 1930). This definition was adopted by RSPO Peatlands Working Group 2 (PLWG-2) effective November 2018.
<b>Physical possession</b>	Physical handling of Unilever volume (e.g. storage, primary processing, secondary processing, distribution). This excludes transportation.
<b>Producing entity</b>	First organization in the supply chain supplying in-scope materials to the following supply chain actor in the Unilever supply chain (e.g. farmer, forest operator, estate/plantation owner).
<b>Reviewer</b>	Verification body competent person, appointed to review the verification report and assessment findings. Also responsible for assessing evidence of NCs.
<b>Self-assessment</b>	Assessment to be filled in by a (direct) supplier to determine the readiness of the supplier to undergo initial independent verification.

<b>Supply chain actor</b>	All organizations (producing entity, indirect supplier, direct supplier) in the supply chain from which Unilever purchases in-scope commodities.
<b>Traceability<sup>2</sup></b>	The ability to follow a material or product or its components through each of the stages of the supply chain (e.g. production, processing, manufacturing, and distribution).
<b>VDF % claim</b>	Claim only valid to Unilever, calculated by or assigned to the supplier for the volume bought and communicated to Unilever. It ranges from 1% to 100% and demonstrates that X% (e.g. VDF 80%) of the volume bought/sold can be proven deforestation-free and/or conversion-free through demonstrating compliance with the commodity-specific verification protocol.
<b>VDF volume</b>	Volume from a Unilever supply chain actor that is within the validity of the verification statement, accompanied by a VDF % claim or by a valid certification claim that is considered to provide sufficient assurance of a deforestation-free and/or conversion-free origin since 31 December 2015 as specified in the commodity-specific verification protocols.
<b>Verification body</b>	An independent body selected by Unilever to perform independent verification.
<b>Verification protocol</b>	Commodity-specific protocol that sets out requirements for Unilever supply chain actors to reach Unilever's commitment to ensuring that its supply chain is not associated with the further deforestation or conversion of natural ecosystems.
<b>Verification statement</b>	Written statement issued to the verified (direct) supplier after the verification body has verified the supplier against the commodity-specific verification protocol requirements and no major NCs are open. The statement confirms that the supplier is independently verified and that the supplier complies with the requirements of the commodity-specific verification protocol.
<b>Verifier</b>	Verification body competent person, appointed to conduct the independent verification by collecting evidence and composing a verification report. Also responsible for assessing delivered evidence of NCs.



## 1 INTRODUCTION

### 1.1 Purpose of the Scheme Rules

Unilever is committed to ensuring that its supply chain is not associated with further deforestation or conversion of natural ecosystems since the cut-off date of 31 December 2015, as described in Unilever’s People and Nature Policy<sup>6</sup>. Unilever has developed commodity-specific protocols which cover requirements to reach its commitment to protecting natural ecosystems from deforestation and conversion. This document accompanies the commodity-specific verification protocols and describes the general guidelines and principles of the verification process.

### 1.2 Scope of the Commodity-specific Verification Protocols

#### In-scope Commodities

To reach its commitment, Unilever has selected a prioritized list of commodities. The priority commodities have been selected by taking into consideration the risk of deforestation and conversion as well as the potential to have a greater positive impact. The priority commodities that are included in the scope of Unilever’s commitment are defined in table 1. Furthermore, Unilever has explored the conversion impact of the in-scope commodities. Table 1 includes a list of the key natural ecosystem conversion issues addressed for each commodity.

Table 1. In-scope commodities.

Commodity	Primary In-scope Materials	Natural Ecosystem Conversion Issues Included
Cocoa	Cocoa beans and the cocoa powder, cocoa butter, cocoa liquor that is extracted from cocoa beans	Deforestation
Palm oil	Crude Palm Oil (CPO); Palm Kernel Oil (PKO); derivatives and fractions such as palm stearin or palm olein	Deforestation and peat conversion
Paper & board	Wood fibre derived packaging materials	Deforestation
Soy	Oil and protein that is extracted from or within the seeds of the soybean	Deforestation and conversion
Tea (camelia sinensis var.)	Leaf tea and other leaf tea material such as tea powders	Deforestation

Based on the mandatory certification of specific suppliers and risk analysis it has been determined that Unilever’s tea supply chain poses a low deforestation risk. Through the implementation of mandatory certification for paper and board Unilever’s no deforestation requirements are covered. As a result, no verification protocol is created for commodities tea and paper and board. This decision will be regularly reviewed every 15 months in alignment with the verification cycle to ensure ongoing alignment with Unilever's commitment.

For the remaining commodities cocoa, palm oil, and soy Unilever developed commodity-specific verification protocols (hereinafter verification protocols) to meet its commitment. Unilever has incorporated the key natural ecosystem conversion issues specific to each commodity into the scope of the verification protocols.

<sup>6</sup> [People and Nature Policy](#)

## In-scope Supply Chain Actors

Unilever's verification protocols lay out commodity-specific requirements for supply chain actors supplying in-scope material within Unilever's supply chain.

### *Direct Supplier*

Before in-scope material is considered VDF volume for Unilever purposes, a verification assessment is carried out at the (direct) supplier level to check compliance with the requirements of the applicable verification protocol. Direct suppliers are eligible for independent verification and have to obtain a verification statement.

### *Indirect Supplier*

Indirect suppliers can be eligible for independent verification and can obtain a verification statement. The specific requirements regarding independent verification for indirect suppliers are further specified per commodity in the verification protocols. For the purpose of the scheme rules, the term "(direct) supplier" is used to refer to the supplier that has to undergo independent verification.

### *Other Supply Chain Actors*

A supply chain actor further upstream of the supply chain can be selected for verification as part of the (direct) supplier verification assessment. The eligibility criteria for verification of a supply chain actor are outlined in the verification protocols.

## 1.3 Who are the Scheme Rules For

The scheme rules:

- a) Describe the verification process for all **supply chain actors** supplying or wanting to supply the in-scope commodities (see Chapter 1.2) into the Unilever supply chain.
- b) Guide independent **verification bodies** on the application of the verification process.
- c) Assist **Unilever procurement managers** in understanding the verification process and requirements for the in-scope commodities.

## 1.4 Other Relevant Documents

The following documents are relevant along with the scheme rules:

- Independent Verification Protocol for Deforestation-free Cocoa Guidance for Unilever's Cocoa Suppliers and Verification Bodies;
- Independent Verification Protocol for Deforestation-free and Peat Conversion-free Palm Oil Guidance for Unilever's Palm Oil Suppliers and Verification Bodies;
- Independent Verification Protocol for Deforestation-free Conversion-free Soy Guidance for Unilever's Soy Suppliers and Verification Bodies.

the latest version of the above documents is valid.

## 1.5 Document Control

- a) The documents are applicable for annual review, although the scheme rules and verification protocols can be subject to minor changes more frequently.
- b) A change in the first digit of the version number represents a significant change to the document (a new version, e.g. 1.0 → 2.0). A change in the second digit represents a minor change, for example, the correction of a typographical error (e.g. 1.0 → 1.1).

## 1.6 Transition Period

- a) When a new revision of the verification protocols or the scheme rules (major changes only) is published, Unilever suppliers and upstream supply chain actors have a transition period of 12 months from the date of publication, to ensure compliance with the updated requirements.

## 2 THE VERIFICATION PROTOCOLS

### 2.1 Basic Verification Protocol Principles

- a) The verification protocols cover in-scope commodities globally.
- b) The verification protocols consist of a set of requirements that Unilever's (direct) suppliers are required to demonstrate compliance with.
- c) The verification protocol requirements may vary depending on the supplier type (or solution origin type).
- d) The verification protocol requirements per supplier type are provided in the verification protocols.
- e) All verification protocol requirements that apply to a supplier type are mandatory.
- f) The verification protocols are benchmarked with several certification standards Annex B and Annex C specify the certification standards and/or certification claims utilized for the omission of the verification assessment or undergo a partial verification assessment.

## 3 The Verification Assessment

### 3.1 Basic Verification Assessment Principles

- a) The verification assessment is carried out and managed by the independent verification body.
- b) The verification body is selected by Unilever.
- c) The complete checklist of the verification protocol requirements and any additional documentation is verified by the verification body.

### 3.2 Frequency of the Verification Assessment

- a) All Unilever's (direct) suppliers are annually verified.
- b) The verification assessment is conducted at least annually and not later than 15 months after the previous verification assessment.
- c) If (a significant number of) major NCs are found or if the verification body has other concerns, more frequent verification can be conducted.

### 3.3 Verification Assessment Sampling Process

- a) The sampling process is commodity-specific and described in the verification protocols.

### 3.4 Verification Assessment Type

#### Desk and/or On-site Verification

- a) Desk verification is undertaken if all applicable requirements can be verified remotely.
- b) On-site verification is carried out if all applicable requirements cannot be verified remotely.
- c) On-site verification is intended to specifically verify requirements on segregation processes, land monitoring systems, deforestation alerts, and traceability.
- d) On-site verification can also be carried out if:

- major or minor NCs are identified on segregation processes, land monitoring systems, deforestation alerts, or traceability requirements; or
  - if on-site verification is considered necessary to maintain confidence in the verification statement.
- e) The verification protocols outline additional guidelines and sampling processes to determine if a desk or on-site verification takes place.

#### Self-assessment

- a) The self-assessment is completed by the (direct) supplier before the initial verification assessment.
- b) The purpose of the self-assessments is to evaluate the (direct) supplier's level of readiness for the independent verification assessment.
- c) The self-assessment is evaluated by the independent verification body within 14 calendar days of its submission.
- d) The verification body decides if a (direct) supplier is sufficiently prepared to undergo the verification assessment. When the supplier is considered sufficiently prepared, the initial verification assessment is planned.

#### Initial Verification Assessment

- a) The purpose of the initial verification assessment is to verify if the verification protocol requirements are in place and if the supplier's VDF % claim can be justified.
- b) After the initial verification assessment and if no major NCs are open, the verification body issues a verification statement.

#### Surveillance Verification Assessment

- a) Following the initial verification assessment, a surveillance verification assessment is annually undertaken (not later than 15 months after the previous verification assessment).
- b) The purpose of the surveillance verification assessment is to verify that the verification protocol requirements are still in place to allow for continuous compliance and justification of the supplier's VDF % claim.
- c) The verification statement is re-issued to the (direct) supplier by the verification body after the surveillance verification assessment and if no major NCs are open.

### 3.5 Non-compliances and Corrective Actions

- a) An NC is identified during the verification process by the verification body when the (direct) supplier or supply chain actor cannot demonstrate sufficient evidence to cover the requirements outlined in the verification protocol.
- b) An NC is always issued to the (direct) supplier. If a supply chain actor is verified as part of the (direct) supplier verification assessment, the NC is issued to the (direct) supplier.
- c) Details on NC grading, communication, and correction of NCs identified during the verification assessment are described in Annex A.

### 3.6 Verification Report

- a) The verification report is compiled by the verifier upon completion of the verification assessment.
- b) The main purpose of the verification report is to state the findings of the verification assessment, including a detailed description of any NCs identified during the verification assessment.
- c) A draft verification report is composed by the verifier within 7 calendar days of the verification assessment closing meeting.

- d) The draft verification report is revised by the verification body reviewer. If necessary, the reviewer may decide to make changes to the verification report (e.g. based on comments of the verified (direct) supplier, incompleteness of the verification report and/or checklist, or any inconsistencies) or send it back to the verifier for completion, within a maximum timeframe of 21 calendar days.

### 3.7 Verification Decision

- a) A verification decision is taken within 7 calendar days of the verification body finalizing the verification report or in the case of major NCs after sufficient evidence has been presented to close the NC.

#### Conditions for Supplier Conformance

- a) A verified (direct) supplier is considered *in conformance* and delivering in accordance with the verification protocol requirements when the independent verification assessment has been conducted completely and there are no outstanding major NCs.

#### Conditions for Supplier Non-conformance

- a) A verified (direct) supplier is considered *not in conformance* if 1 or more major NCs have been identified. No verification statement is (re-)issued until the verification body has determined that there is sufficient additional evidence to close all major NCs before the deadline (see Annex A).
- b) Minor NCs are resolved by the next verification assessment latest. If the minor NC is not resolved before the next verification assessment, the minor NC is upgraded to a major NC and a verification statement cannot be re-issued until the verification body has assessed and determined that there is sufficient additional evidence to close the NC.

### 3.8 Verification Statement

- a) A verification statement is issued to a verified (direct) supplier by the independent verification body.
- b) The verification statement states that the supply chain management systems and processes in place are independently verified and a chain of custody is in place demonstrating traceability to a deforestation-free and/or conversion-free origin of the VDF X% volume supplied to Unilever.
- c) The verification statement is issued or re-issued annually based on the independent verification assessment results.
- d) The verification statement has a 15-month validity, starting from the date of issuance.
- e) The verification statement expiry date is definitive, but the validity could be extended up to a maximum of 6 months in the event of a 'force majeure'.
- f) The verification statement is issued by the verification body (in the case of no major NCs) within 7 calendar days of the verification body finalizing the verification report.

### 3.9 Verification Assessment Cycle

- a) The verification assessment cycle is described in Table 2.
- b) The verification body has a maximum of 21 calendar days from the verification assessment closing meeting to provide the final verification report to the verified (direct) supplier.
- c) In case of no major NCs, there is a maximum of 28 calendar days between the verification assessment closing meeting and the issuance of the verification statement.
- d) In the case of a major NC, there is a maximum of 63 calendar days between the verification assessment closing meeting and the issuance of the verification statement.

Table 2. Summary of Steps in the Verification Cycle.

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



## ANNEX A – NON-COMPLIANCE AND CLOSURE OF NON-COMPLIANCE

### Communication of Non-compliances

- a) The verified (direct) supplier is informed of any NCs at the closing meeting (on the (last) day of the verification assessment) verbally, and in writing within 7 calendar days of the verification assessment.
- b) In the case of a confirmed detection of deforestation or conversion during the verification assessment, the supplier is included in Unilever's grievance process.

### Non-compliance Grading

#### Minor Non-compliances

- a) The impact of a minor NC is limited and does not result in systemic failure of the supplier management system preventing it to deliver on Unilever deforestation and conversion commitments.
- b) Examples of minor NCs are (in the verification protocols commodity-specific examples are mentioned):
  - Unsystematic mistakes in the calculation of the VDF % claim.
  - Unsystematic mistakes in traceability information (e.g. volumes delivered).
  - Unsystematic mistakes in the reporting of VDF volume information.
- c) Minor NCs are closed by the following verification assessment latest. If sufficient evidence to close a minor NC is not available before completion of the next verification assessment, the minor NC is upgraded to a major NC, and the verification statement cannot be re-issued until the verification body has assessed and determined that there is sufficient additional evidence to close the NC.

#### Major Non-compliances

- a) The impact of a major NC is considered critical, either in isolation or in combination with other NCs, and results in or is likely to result in the fundamental failure of the supplier's management system preventing it to deliver on Unilever deforestation and conversion commitments, or has not been sufficiently addressed once identified.
- b) Examples of major NCs are (in the verification protocols commodity-specific examples are mentioned):
  - Deforestation or conversion is confirmed at producing entities linked to the Unilever supply chain;
  - The supplier does not have a system to validate traceability data;
  - The supplier does not follow segregation requirements.
- c) Major NCs are closed within 42 calendar days of the closing meeting. A positive decision on the verification statement is only taken once all major NCs have been closed.
- d) If the major NC is not closed in due time, no new verification statement is issued or re-issued. If the (direct) supplier has a current valid verification statement, this statement is discontinued until the verification body has assessed and determined that there is sufficient additional evidence to close the major NC. If the verification statement is discontinued, the (direct) supplier is not allowed to deliver VDF volume to Unilever.

## Evaluation of Non-compliance Evidence, Corrective and Preventive Actions

- a) To close an NC, the (direct) supplier is expected to provide evidence including the following information to the verification body:
  - NC root cause analysis;
  - NC impact analysis;
  - evidence of implementation of corrective and preventive actions.
- b) The extent of action required to close an NC may vary, e.g. depending on factors such as if it is a major or minor NC, the root cause, the impact, or the risk. In most cases, the verification body can evaluate whether sufficient actions to correct and prevent the NC have been taken through a desk evaluation (documents or photographs submitted by the verified (direct) supplier). In some cases, the verification body will need to revisit the verified (direct) supplier or other supply chain actor to ensure that the NC has been corrected.
- c) In the case of a desk evaluation, the verification body evaluates the available evidence within 14 calendar days of the (direct) supplier presenting evidence.
- d) In the case that a location ((direct) supplier, other suppliers, point of segregation, farmer) is (re)visited, a visit is planned as soon as possible within the deadline of the NC.

## Complaints or Appeals Against the Verification Body




- a) In the case of any complaints or appeals against the verification body, the verification body follows its complaints and appeals procedure.
- b) In case the verification body does not respond adequately, the complaint is addressed to the Unilever Sustainable Sourcing Assurance team ([deforestation-free.verification@unilever.com](mailto:deforestation-free.verification@unilever.com))

## ANNEX B – CERTIFICATION STANDARDS CONSIDERED SUFFICIENTLY COVERING UNILEVER DEFORESTATION-FREE AND CONVERSION-FREE REQUIREMENTS

The below certification standards are benchmarked against Unilever deforestation-free and/or conversion-free requirements and are considered sufficiently covering the requirements based on the following:

- deforestation and/or conversion requirements (including cut-off date).

Table 3. Certification Standards Considered Sufficiently Covering Unilever’s Verification Protocol Requirements.

Certification standard	Claim or method	Commodity	Logo	Cut-off date
FSC - <u>FSC-STD-01-001</u> (version 5-2) EN, 2015 and/or <u>FSC-STD-40-004</u> (version 3-1)	FSC 100%, FSC Mix, FSC Recycled	Paper and Board		No forest conversion <a href="#">1994</a>
PEFC - <u>Sustainable Forest Management</u> (Version 1003:2010) and/or <u>Chain of Custody of Forest and Tree Based Products – Requirements</u> (Version 2002-2020 <sup>7</sup> )	100% PEFC Origin, X% PEFC certified	Paper and Board		No forest conversion <a href="#">31 December 2010</a>
RA - Rainforest Alliance <u>Sustainable Agriculture Standard Farm Requirements</u> (version 2020) and/or <u>Supply Chain Requirements</u> (Version 2020)	-	Tea		No deforestation and no conversion <a href="#">01 January 2014</a>
Trustea - <u>Trustea Code</u> (Version 2, 2016)	-	Tea		No degradation and no deforestation <a href="#">2010</a>



<sup>7</sup> In 2022 and 2023 a transition date from the ST 2002:2013 to the ST 2002:2020 is applicable, until the transition date is applicable the ST 2002:2013 is still a valid standard version as input for Unilever.

## ANNEX C – CERTIFICATION STANDARDS CONSIDERED PARTLY COVERING UNILEVER DEFORESTATION-FREE AND CONVERSION-FREE REQUIREMENTS

The below certification standards are benchmarked against Unilever deforestation-free and/or conversion-free requirements and are considered partly covering the requirements based on the following:

- deforestation and/or conversion requirements (including cut-off date);
- segregation requirements;
- traceability requirements;
- audit requirements.

Table 4. Certification Standards Considered Partly Covering Unilever’s Verification Protocol Requirements.

Certification standard	Claim or method	Commodity	Logo	Cut-off date
RA - Rainforest Alliance Sustainable Agriculture <u>Standard Farm Requirements</u> (version 2020) and/or <u>Supply Chain Requirements</u> (Version 2020)	RA Segregation	Cocoa		No deforestation and no conversion <a href="#">01 January 2014</a>
RSPO - RSPO <u>Principles and Criteria</u> (Version 2018) and/or <u>Supply Chain Certification Standard</u> (Version 2020)	RSPO Identity Preserved or Segregation	Palm		No peat conversion and no land clearing <sup>8</sup> <a href="#">15 November 2018</a>
RTRS - RTRS <u>Standard for Responsible Soy Production</u> (Version 4.0) and/or <u>Chain of Custody Standard</u> (Version 2.3)	RTRS Segregation	Soy		No conversion of native forests, riparian vegetation, natural wetlands, steep slopes, and areas designated by law to serve the purpose of native conservation and/or cultural and social protection <a href="#">May 2009</a>
Proterra - <u>Proterra Standard</u> (Version 4.1)	Proterra Segregation	Soy		No conversion of primary forests, riparian vegetation, wetlands, swamps, floodplains, steep slopes, high above-ground carbon stocks, and others as defined by the High Conservation Values Resource Network <a href="#">2008</a>

<sup>8</sup> The standard also covers any land clearing since 15 November 2018 that has not damaged HCVs or HCS forests