Unilever’s supply chain
Published May 2022
Supply chain overview & strategy
Supply chain overview

Total spend: €35.5 billion
Total number of suppliers: 53,800

Figure 1: Suppliers per spend category
Supply chain overview

Figure 2: Geographic distribution of Suppliers
The Connected Supply Chain:

Agility and resilience
Reshape asset and cost base
Positive for people and planet

Core enablers

Future fit talent
Digital transformation
Partnerships for purpose
### The Connected Supply Chain – delivering superior products, superior service and superior value

<table>
<thead>
<tr>
<th>Agility &amp; resilience</th>
<th>We listen to signals and drive timely actions to orchestrate the end-to-end value chain to deliver superior service. We execute with rigour and discipline.</th>
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<tbody>
<tr>
<td>Reshape asset and cost base</td>
<td>We optimise our cost and asset base to drive competitive growth.</td>
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<tr>
<td>Positive for people and planet</td>
<td>Our purpose is to make sustainable living commonplace. Through our every day actions we strive to improve the health of the planet and contribute to a fairer more socially inclusive world.</td>
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<td>Future-fit talent</td>
<td>We create a diverse and inclusive culture, driven by values-based leadership. We enable a world class supply chain by investing in future fit capabilities.</td>
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<td>Digital transformation</td>
<td>We harness the power of data and 4th industrial revolution technologies to transform end to end value chains, creating a sustainable, competitive edge.</td>
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<td>Partner with purpose</td>
<td>We build purpose-led partner ecosystems that fuel market-leading innovations and protect and regenerate nature.</td>
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Supply chain spend analysis
Suppliers by geography
Total number of suppliers

53,800 Suppliers in 161 countries

Data as at end of 2022
Suppliers by geography
Logistics & Operations suppliers

Data as at end of 2022
Suppliers by geography
Marketing & Business Services suppliers

Data as at end of 2022
Suppliers by geography

Contract Manufacturers

Contract Manufacturing Suppliers in 82 Countries

Data as at end of 2022
Suppliers by geography
Raw Materials suppliers

Data as at end of 2022
Suppliers by geography
Packaging suppliers

Data as at end of 2022
Critical suppliers
Unilever identifies **Strategic Suppliers** as those that represent a significant proportion of our spend or volume.

**Critical Suppliers** are identified in two categories:
- Those that represent a **RISK**: see next slide for critical material & supplier identification
- Those that represent an **OPPORTUNITY**: see following slide for Partner to Win

Neither type is mutually exclusive i.e. a supplier can be both a critical supplier (risk) and critical supplier (opportunity).
Critical materials and suppliers - RISK

Unilever uses a resilience framework with the focus on material level risk with focus on pro-active risk management

**Prioritization**

Materials selection based on usage in our products:
- Having high demand volatility / surge in sales
- Exceeding a certain Turnover exposure threshold

**Risk Assessment:**
Composite Risk Score calculated to determine risk

- **High demand products**
  - Supply Capacity
  - Replenishment lead time

- **Sub Tier/ Tier N Risks**
  - Crop risk
  - Feedstock risk
  - Trader risk

- **Supplier Health**
  - Financial risk
  - Operational risks

- **Sourcing Landscape**
  - Single source
  - Patented materials
  - Geopolitical risk

**Action Planning**
for high risk materials

- Build Stocks
- Build Flexibility
- Build Capacity

- Monthly Reviews
- Future-Oriented Risk Management via tools that help to proactively identify and address supply chain risk: financial, compliance, natural disaster, man-made, geopolitical and cyber threats in our supply chain.
- Risk Mitigation for all high-risk materials

**Governance & Execution**

- Build Stocks
- Build Flexibility
- Build Capacity
Critical suppliers - OPPORTUNITY

Running since 2020, Unilever’s Partner with Purpose (UPWP) programme is developing a Partner Ecosystem that fuels responsible growth, improving the health of our planet.

We welcome partners of all sizes - from small start-ups to global multinationals – to collaborate with us, either on a one-to-one basis, or as part of a multi-partner partnership.

In August 2021, we launched our Partner Promises programme, an initiative designed to further align our suppliers to our Compass ambitions and encourage them to begin their own sustainability journeys so that, together, we can scale and accelerate our successes.
Risk and third-party due diligence
Due Diligence for Responsible Sourcing

Unilever uses a risk based approach to determine which supplier sites need to undergo additional due diligence, which can include 3rd party audits and/or certification through fully benchmarked standards. The risk based approach uses country risk as one element of the risk assessment.

Non-conformances found in the audits require an action plan by the supplier to be implemented and verified in a follow-up audit to confirm and verify that the identified issues have been effectively remediated.

Unilever is focused on effectively and positively improving the conditions for workers in the supply chain, not simply identifying the issues, and this is why we continue to work with our suppliers to address the more difficult issues through identifying and tackling root causes.

<table>
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<th>Data as at end of 2022</th>
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<tr>
<td>Total number of suppliers risk assessed to date</td>
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<tr>
<td>Number of suppliers classified as High Risk</td>
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<td>Total Responsible Sourcing audits to date</td>
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<tr>
<td>Total audits of high risk supplier sites in last 3 years</td>
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<tr>
<td>Total audits at Production Item (PI) Suppliers in last 3 years</td>
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<tr>
<td>Number of PI supplier sites with identified issues in last 3 years</td>
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<tr>
<td>Number of PI supplier sites with verified corrective action plans in last 3 years</td>
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