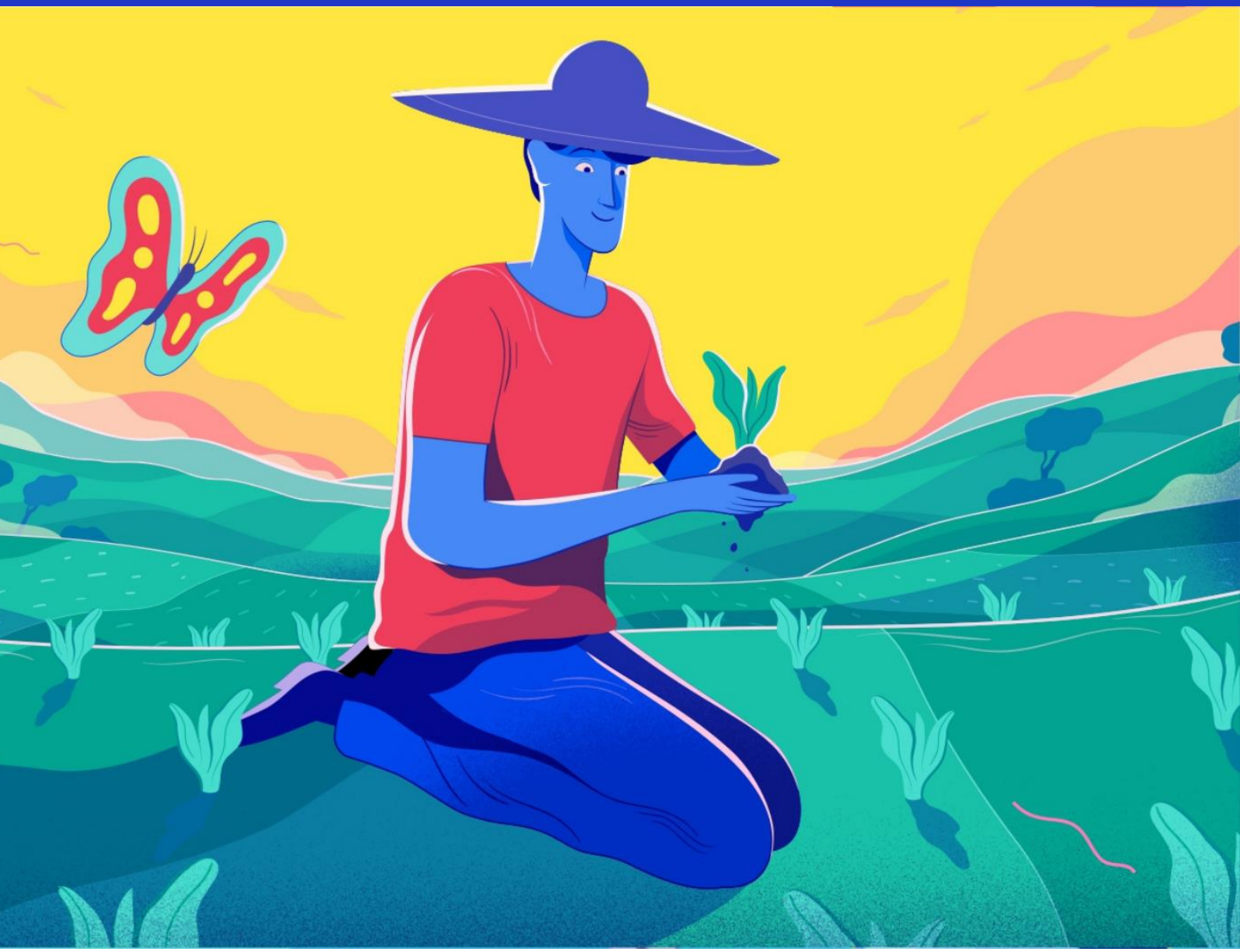




Forest Risk Commodities Reporting: 2022



Purpose of Report

Unilever is an active member of a number of collaborative and multistakeholder platforms concerning forest risk commodities. Unilever is a standing board member of the Consumer Goods Forum (CGF). Within the CGF, Unilever actively plays a leadership role on a number of coalitions. The [Forest Positive Coalition of Action](#) has a mission is to drive collective, transformative change in order to remove deforestation, forest conversion and degradation from key commodity supply chains and support forest positive businesses. We recognise that collective action is critical to drive positive change at scale.

The Coalition's Forest Positive Approach has five basic areas of action:

- Ensuring actions in our own supply chain to deliver on forest positive
- Engaging in the broader supply chain with suppliers and producer
- Identifying and responding proactively and transparently to grievances and non-compliances
- Work beyond the supply chain in driving forest positive transformation at scale in landscapes and jurisdictions
- Transparent reporting of progress.

As part of our own commitments that we have as a business as well as to collective action and transparency this document is intended to report on progress we are making on key commodities in scope of the forest positive coalition Palm, Paper and Board and Soy.

The report can also be used to inform other stakeholders of our progress and we intend to develop this further including Cocoa and Tea as we progress.

Our Commitments

We are a company of brands and people with a clear purpose: to make sustainable living commonplace. The [Unilever Compass](#) is our strategy to deliver growth that is consistent, competitive, profitable and responsible. Through the Unilever Compass, we are working towards a nature-positive future through goals including:

- Deforestation-free supply chain in palm oil, paper and board, tea, soy, and cocoa by 2023
- Help protect and regenerate 1.5 million hectares of land, forests, and oceans by 2030
- 100% sustainable sourcing of our key agricultural crops
- Empower farmers and smallholders to protect and regenerate farm environments

These commitments are supported via the €1 billion Climate & Nature Fund.

When it comes to our deforestation-free goal, we are guided by the Unilever cross-commodity [People and Nature Policy](#) and accompanying [guidelines](#), which covers our deforestation and conversion-risk crops, enhances our supplier requirements (our principles) around no deforestation, human rights, transparency and traceability, and updates and builds on our previous policies. The requirements are embedded in our supplier contracts and are important indicators of performance. They are also key to influencing sourcing decisions, like prioritising areas with lower risks of deforestation. All our suppliers have been introduced to the principles of our Policy and we are working to achieve full implementation.

Along with our [Responsible Partner Policy](#), the People and Nature Policy includes criteria which aim to address human rights issues in our supply chains. This includes respect for land rights, which are critical for people's food security, and for inclusive social and economic development.



Our plan of action

We have committed to achieving a deforestation-free supply chain. This means that by the end of 2023, we will have built all of the infrastructure needed to ensure our palm oil, paper and board, soy, tea and cocoa will come from places that are verified as deforestation - and conversion-free.

These commodity supply chains contribute to more than 65% of Unilever's total impact on land and are the crops that are most often linked to deforestation and conversion of natural ecosystems to farmland.

Our strategy and plan of action has so far focused on three pillars: transparency and traceability, focused sourcing and working with farmers and smallholders. More information on our strategy and goals can be found [here](#). We are continuing to evolve the strategy and more learning and updates will be provided by Unilever on a regular basis,

Transparency and traceability

To make the greatest impact we must focus on generating change at the place where our raw materials are grown – the agricultural origin. Actions we are taking include:

- **Raw material origins traceability:** We are working with major technology firms and innovative start-ups to get a deep understanding of the impact of our sourcing – particularly that critical first mile, from where the commodity is sourced to where it is first processed.
- **Partnering:** We are trialling technology in partnership with our suppliers and industry partners to create more traceable and transparent supply chains.
- **Transparent verification:** We have created independent verification protocols and launched these at scale in our sourcing of palm oil, cocoa, and soy.
- **Stronger monitoring and response:** Digital capabilities are helping us improve how we monitor, predict and respond to situations where deforestation is likely to occur. They help us to identify high-risk areas and act where they are needed most so we can have the most impact.

Technology is vital to achieving our goals because it gives us visibility. It allows us to see and understand what is happening to forests globally, so we will know where they are at risk, take preventative action and make timely interventions, and identify areas for restoration. Read all about our technology partnerships [here](#).

Focused sourcing

We are improving the way we source our raw materials. Actions we are taking include:

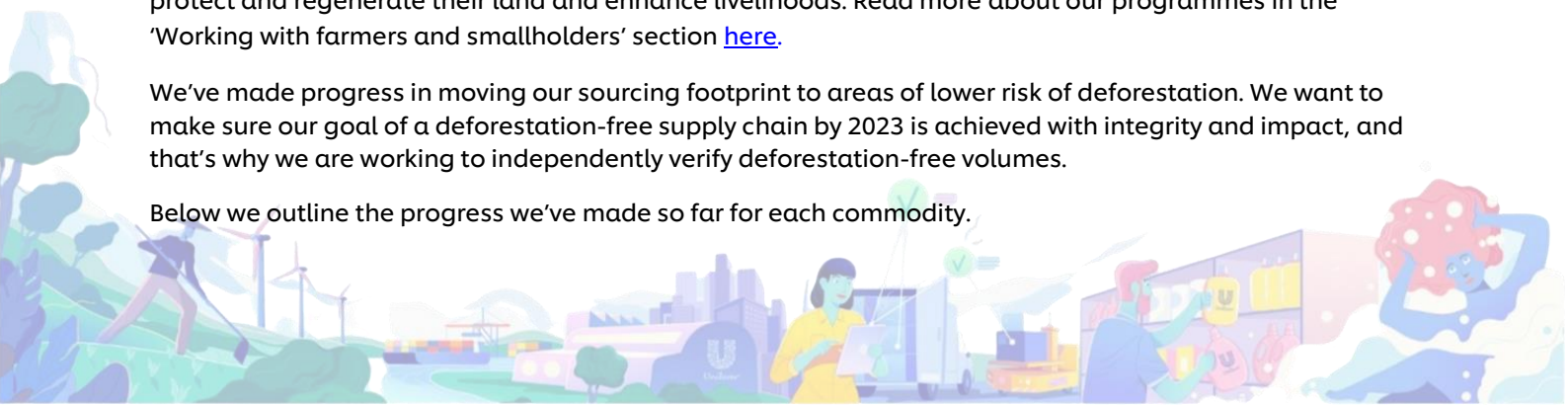
- **Simplifying the way, we source:** We are working with and prioritising suppliers who have the same sustainable ambitions as we do. By doing this, we are developing deeper relationships and getting better visibility of our impact on the ground.
- **Setting clear requirements:** We have strengthened our contractual framework with key suppliers in palm and soy, so we are working on aligned commitments. Our cross-commodity People and Nature Policy asks our supply chain partners to disclose primary and secondary processing facilities, effectively giving us traceability to where raw materials are grown.
- **Prioritising low-risk sourcing:** We are prioritising sourcing from areas with low-risk of deforestation while working in partnership with organisations to protect and regenerate other natural ecosystems.

Working with farmers and smallholders

We're working with industry partners, NGOs and governments to empower farmers and smallholders to protect and regenerate their land and enhance livelihoods. Read more about our programmes in the 'Working with farmers and smallholders' section [here](#).

We've made progress in moving our sourcing footprint to areas of lower risk of deforestation. We want to make sure our goal of a deforestation-free supply chain by 2023 is achieved with integrity and impact, and that's why we are working to independently verify deforestation-free volumes.

Below we outline the progress we've made so far for each commodity.



Commodity Specific Reporting

Sustainable and deforestation-free palm oil¹

Our ambition is to make sustainable and deforestation-free palm oil commonplace and to only source from lower risk locations. To achieve this, we're stepping up our engagement with suppliers and smallholders while increasing the traceability and transparency of our supply chain.

By the end of 2022, we sustainably sourced 94% of our core palm oil volumes, with 86% coming from physically certified sources: RSPO Mass Balance, RSPO Segregated or an equivalent standard that is independently verified by a third party. We buy the remaining 8% from RSPO certified independent smallholders as credits. We continue to be one of the largest buyers of these credits and recognize this as an important mechanism to directly promote sustainable palm oil with smallholders.

Our sustainable sourcing figures for palm oil reflect the challenges we face particularly when it comes to sourcing certified sustainable palm kernel oil – as well as the progress we've made advancing our strategy to engage independent mills. To drive real change in the industry, our strategy is to go beyond relying on the existing limited certified supply base (where in some cases, we aren't always able to gain full traceability), moving to purchase volumes where we can assure volumes are deforestation-free and we can help drive more positive development and impact.

Our strategy in particular focuses on independent smallholders – helping to equip them with resources and knowhow to achieve levels of positive impact beyond what may be delivered by a singular focus on conventional sustainability certification schemes.

Sharing the location of our palm oil suppliers

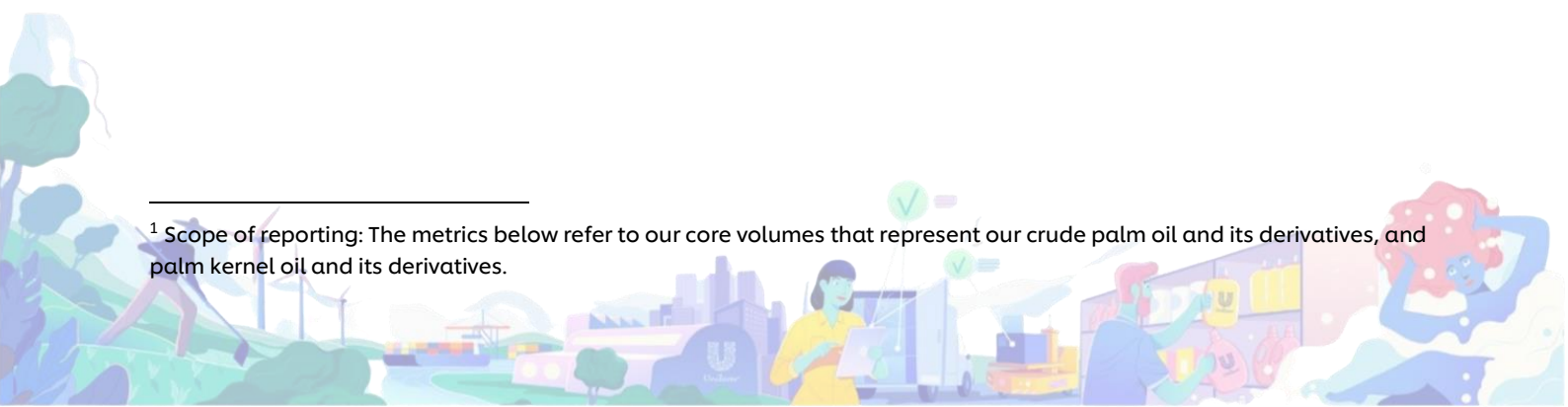
Our suppliers play a crucial role in helping us meet our goals. We engage with them proactively to clearly communicate our expectations.

We were the first consumer goods company to disclose our [supplier and mill lists publicly](#). Mapping and tracking is an effective way to improve our understanding of our palm oil supply chain, and we believe we'll make greater progress towards industry-wide transformation by sharing the information we have. We've shared a list of [direct palm oil suppliers](#), the names and locations of more than [1,655 mills](#), and [117 palm oil facilities](#) (such as refineries and oleochemical plants sourcing from many mills) that were declared by our direct suppliers.

An important component of our strategy to reach our goals is to leverage technology as we believe it has a huge potential to enable a broader and faster transformation of the palm oil supply chain and scale traceability and transparency. We are actively using satellite data, geolocation, blockchain and Artificial Intelligence, and working with major technology firms and innovative start-ups to build new approaches to deforestation monitoring and traceability.

In 2021, we conducted a [forest footprint mapping exercise](#) of our palm oil supply chain. This represents a small snapshot of the work we are doing to gain even more accurate visibility of our sourcing locations. Through a combination of supplier information, concession boundaries and landbanks, indicative sourcing algorithms, deforestation alerts, biodiversity and carbon layers, and social indicators, we aim to achieve an unprecedented view of our sourcing that helps prevent and address potential risks.

¹ Scope of reporting: The metrics below refer to our core volumes that represent our crude palm oil and its derivatives, and palm kernel oil and its derivatives.



Partnering to transform the industry

We were a founding member of the [Roundtable on Sustainable Palm Oil \(RSPO\)](#) in 2004, a globally recognized certification standard to drive sustainable production in palm. We work with the Tropical Forest Alliance (TFA), a global public-private partnership in which partners take voluntary actions to reduce the tropical deforestation associated with sourcing palm oil, soy, beef, and paper and pulp. At COP26, Unilever, together with the United States Agency for International Development (USAID), United Nations Food and Agriculture Organization (FAO), World Resources Institute (WRI), NASA and Google, announced the creation of the Forest Data Partnership. The aim is to allow everyone access to consistent, open-source and validated geospatial data to monitor, verify and disclose progress in reducing deforestation and restoring degraded land.

Addressing concerns with our palm oil suppliers

We want to be the first to know and act when issues like deforestation or human rights violations are identified within our supply chain. We have a [grievance procedure](#) and maintain an [open list of reported issues online](#). But we know there's much more to be done and we must go even further. We monitor our supply chain via a regular Deforestation and Burnt Area Monitoring Report through our partnership with Earthqualizer, and we made a recent investment to support the earlier detection of deforestation using radar detection, which will be made publicly available through [WRI's Global Forest Watch](#) platform. Read more [here](#).

Investing in landscape programmes

By collaborating at landscape level with the public sector, the private sector and civil society we expect to be able to generate more resilient and sustainable commodity supply and contribute to a nature and people positive future. We have been partnering with local governments, civil society organisations, communities, smallholder farmers, palm oil producers and buyers, and on-the-ground facilitators, to support the design and implementation of strategic programmes we believe can positively transform different palm oil production landscapes. In November 2022, we released our [Reimagining Landscapes Report](#), which details how we're supporting landscape programmes within Southeast Asia. Since then, we have expanded our investments in landscapes to include the Rimba Collective where we are a founding partner. The ambition of the Rimba Collective is to protect and restore over 500,000 hectares of forests across South East Asia.

Building inclusive, deforestation-free palm oil supply chains

We're working to increase supplies of sustainable and deforestation-free palm oil by sourcing directly from producers on the ground. This not only benefits the local environment, it's also a win for smallholders, independent mills and our own supply chains. At Unilever, we support and encourage the use of sustainable and deforestation-free palm oil. However, sourcing the traceable palm oil that we require can be challenging.

That's why we are evolving how we buy palm oil to include direct sourcing. It allows us to get closer to the origin of our materials and improve the livelihoods of the people we are working with, while increasing the availability of traceable and deforestation-free palm oil.

Direct sourcing involves working with primary producers and mills to source our palm oil. We're doing this because to drive real change in palm oil production, we see the need to engage sections of the industry that have traditionally been left out of the sustainable supply chain. This includes independent mills and independent smallholder farmers, who are among the most important stewards of the land and, in Malaysia and Indonesia alone, represent approximately 40% of the total area for oil palm production.

As a first step, we have already achieved half of our target to map and baseline 40,000 smallholder farmers. Through mapping, we can also develop a better understanding of the specific challenges faced by smallholders, so we can tailor our programmes to better suit their needs and support them in getting trained and certified.

Ultimately, our direct sourcing strategy will not only ensure Unilever has a traceable and deforestation-free palm supply chain but will also help to increase the amount of certified sustainable and verified deforestation-free palm oil within the industry as a whole. More about our work on direct sourcing and building inclusive, deforestation-free palm oil supply chains can be found [here](#).

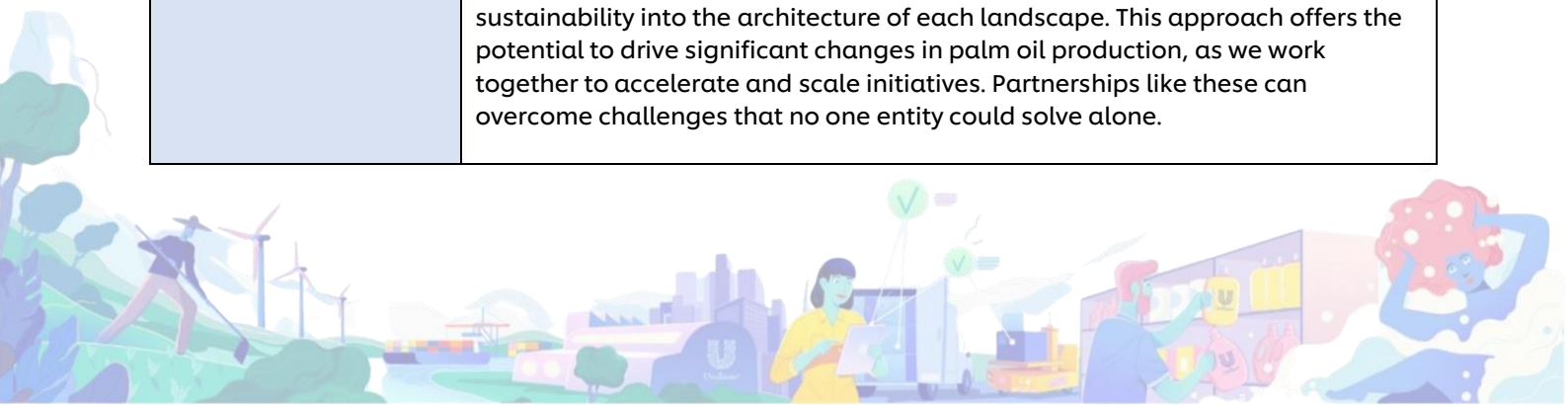


Palm Oil KPI Updates

KPI	Reporting
OWN SUPPLY CHAINS	
Percentage of volumes deforestation- and conversion-free	By the end of 2022 our suppliers declared a deforestation and conversion free score of 74% for 2022 using a method that aligns with our independent verification protocol. All our suppliers are undergoing an independent verification process against our deforestation and peat conversion-free protocol that will be completed the end of 2023.
Progress of mills towards deforestation-free	By the end of 2022, 90% of our palm volumes (95% of palm oil, crude palm oil and its derivatives and 86% of our palm kernel oil and its derivatives) was sourced from low risk mills. These are mills assessed by Unilever for progress against key parameters of our strategy such as deforestation and deforestation risk, certification status, management systems and controls and management of non-compliance and grievances, among other points. The process of identifying lower risk mills has been critical in our roadmap to achieve a deforestation free supply chain. This has enabled us to go further with our suppliers who have declared to us a deforestation and conversion free score of 74% for 2022 using a method that aligns with our independent verification protocol.
Percentage traceable of volumes traceable to mill	Our traceable to mill (TTM) score is 98% as per our volumetric methodology.
Percentage traceable of volumes traceable to plantation	Our traceable to plantation (TTP) score is 85% as per our volumetric methodology.
Percentage of volumes physically certified	By the end of 2022, we sustainably sourced 94% of our palm oil volumes, with 86% coming from physically certified sources: RSPO Mass Balance, RSPO Segregated or an equivalent standard that is independently verified by a third party. We buy the remaining 8% from RSPO independent smallholder credits. We continue to be one of the largest buyers of these credits and recognize this as an important mechanism to directly promote sustainable palm oil with smallholders.
SUPPLY CHAIN DISCLOSURE, TRANSPARENCY AND ENGAGEMENT	
Supplier Lists	We annually publish a list of direct palm oil suppliers , palm oil mills and palm oil facilities (e.g. refineries, kernel crushing plants, and oleochemicals plants) that are in our direct or indirect supply chain. Mapping and tracking are an effective way to improve our understanding of our palm oil supply chain and we review this data bi-annually with the support of our partner 3keel. We believe we will make greater progress towards industry-wide transformation by sharing the information we have.
Percentage of suppliers engaged towards implementing our commitments/informed of our deforestation- and conversion-free commitments	All our suppliers (100%) have been introduced to the principles of our People and Nature Policy and we are working to achieve full implementation following the more detailed People and Nature Policy guidelines. The requirements are embedded in our supplier contracts and are important indicators of performance. They are also key to influencing sourcing decisions, like prioritising areas with lower risks of deforestation and for the configuration of our deforestation-free supply chain.
Performance of direct suppliers against our commitments and changes over time including progress on delivery across entire palm oil business	All our direct suppliers are also required to report on their deforestation and peat conversion free supply chain performance through supplier declarations that are accompanied by evidence on traceability-to-mill%, traceability-to-plantation% and deforestation and peat conversion-free%. Our suppliers are then assessed, scored, and ranked against their performance. When gaps are found action plans are created and acted upon together with our suppliers.



MONITORING AND REPORTING	
Monitoring systems and approach to monitor our commitments	<p>Unilever works with various partners who provide us with data layers, digital tools, and supply chain information, which we then integrate in-house to monitor deforestation (including peat conversion) and our People and Nature Policy commitments.</p> <p>We are actively using or developing capabilities with satellite data, geolocation, blockchain, artificial intelligence, and working with major technology firms and innovative start-ups to build new approaches to monitoring and traceability. Getting full visibility of the supply chain will radically improve our knowledge of what is happening on the ground, especially in the critical ‘first mile’ from where raw materials are grown to where they are first processed. This is where the greatest deforestation risk lies.</p> <p>We use satellite and radar technology to give us early warning of deforestation through a variety of digital tools using a supply base approach at a mill level (i.e., radius and concession level) with partners such as Earthqualizer, Google Cloud, Descartes Lab, Global Forest Watch (GLAD and RADD alerts), Satelligence, and NGIS.. Through these partnerships we have access to over 24 million hectares of oil palm plantation concession maps, forest, peat, and carbon stock areas as well as critical biodiversity layers to monitor our deforestation and peat conversion free commitments.</p>
Percentage of supply base covered by deforestation & peat monitoring	<p>100% of our supply base is covered by deforestation and peat conversion monitoring and specific visibility to over 24 million hectares of oil palm planted area and farmers in the supply chain.</p>
Suppliers engaged, suspended, or excluded from supply chains	<p>Our public tracker of palm oil grievances that is updated quarterly provides a summary of direct and indirect suppliers that have been engaged regarding grievances that have been raised. Every year Unilever engages all our suppliers with evidence collated regarding the top deforesters in palm oil with the intent to drive up engagement with these parties to halt any clearing and to progress with remediation of the issues or where no engagement is possible to take further actions in line with our policy. We also maintain a Suspended or No-Buy List of Palm Oil Companies that publicly communicates previous direct palm oil suppliers or indirect oil palm growers that have been suspended from Unilever’s supply chain due to grievances brought to our attention alleging non-compliance against the People and Nature Policy and/or Unilever’s Responsible Partner Policy or due to the fact that it could not be confirmed that these companies were in compliance with our policies. We are focused on impact and are progressively looking to engage more with non-compliant suppliers to address issues and seek remediation.</p>
Monitoring beyond supply chains	<p>We have been partnering with local governments, civil society organisations, communities, smallholder farmers, palm oil producers and buyers, and on-the-ground facilitators, to support the design and implementation of strategic programmes we believe can positively transform different palm oil production landscapes.</p> <p>Where there is the potential for collaboration and impact, we make long term commitments as we understand that it will take time and continuous work from everyone involved to generate the desired impact and firmly embed sustainability into the architecture of each landscape. This approach offers the potential to drive significant changes in palm oil production, as we work together to accelerate and scale initiatives. Partnerships like these can overcome challenges that no one entity could solve alone.</p>



Within these landscapes, we help to protect forests in various ways, including by developing intelligent deforestation monitoring systems and supporting collaborative processes to respond to deforestation.

For instance, Unilever joined nine other companies – all major producers or buyers of palm oil – to support the World Resources Institute (WRI) and Global Forest Watch in the development of a publicly available system to monitor deforestation in Indonesia and Malaysia. The system, called Radar Alerts for Detecting Deforestation (RADD), is based on radar technology that can penetrate clouds and smoke, something existing technology could not do. This new functionality means we can identify deforestation faster, because there is no need to wait for clear skies. RADD offers higher resolution visibility, meaning we can detect the loss of even just a few trees.

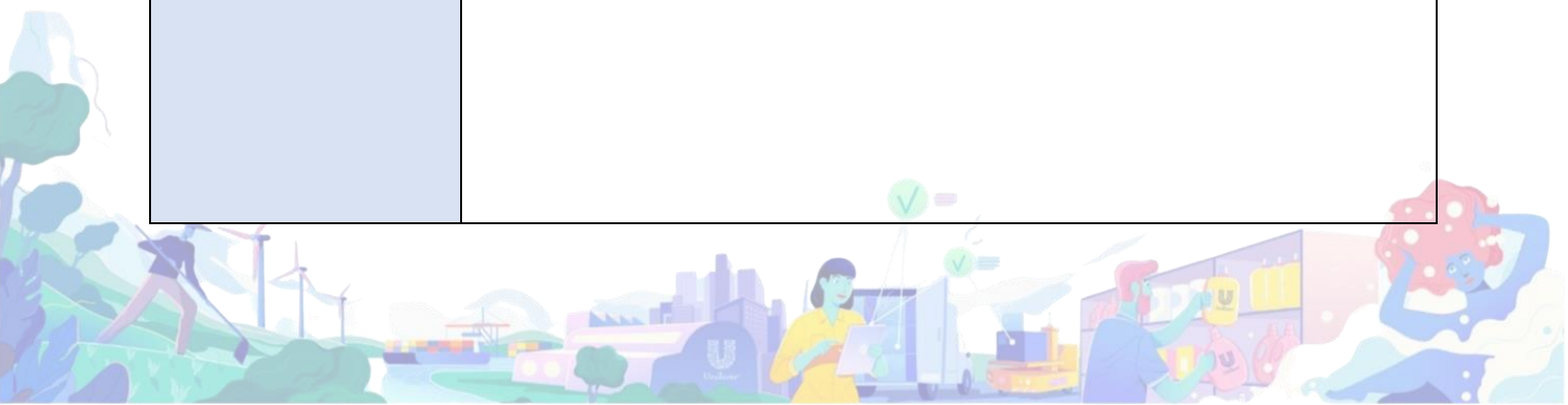
A monitoring system is, however, just the first step. The next step is to decide what to do when deforestation is identified. In Aceh Tamiang, a team led by the government's forest management unit receives and reviews the deforestation alerts. It filters out tree loss outside forests (RADD picks up all tree loss) and verifies findings with high resolution photographs. Next, the team on the ground investigates. Unilever has supported training for this forest management unit and Leuser Conservation Forum (FKL), who together report deforestation to the district's multi-stakeholder forum, the Centre for Excellence (PUPL).

Work in Aceh Tamiang has progressed quickly thanks to the government's commitment to halting deforestation and the solid foundations laid by IDH and FKL. Our next focus is to support the government to establish a process for responding to and enforcing rules around verified illegal deforestation. A response plan has been agreed and Aceh Tamiang's forest management unit has begun publicising it.

A similar approach is also being conducted in other landscapes including in the districts of Siak and Pelalawan, Riau Province in Indonesia.

Unilever works with monitoring partners who provide us with various data layers and supply chain information, which we then integrate in-house. From our partner Descartes Labs, we receive alerts that indicate any deforestation/ conversion of forest larger or equal to 0.5ha, that are not limited to oil palm coverage. They detected 546,569 of such alerts in Indonesia and Malaysia in 2022.

Clearly it is important to prioritise on alerts and specifically for palm oil supply chain monitoring, we work with EarthQualizer who support us in providing alerts that fall on or around known concessions and are attributable to oil palm development. Combining a mill's traceability to plantation data and concession ownership information, we prioritize cases that have a higher potential to be linked to our supply chain and take action to further verify the alerts.

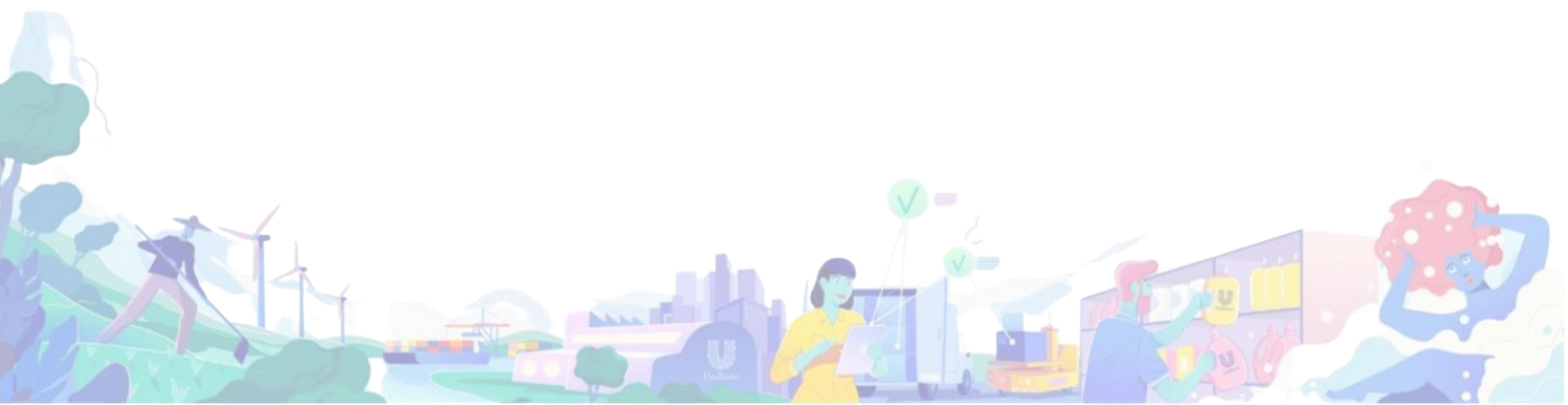


GRIEVANCE	
Summary of company grievance process	Our Palm Oil Grievance Procedure provides a framework for handling, investigating, and resolving both social and environmental issues within our supply chain in a timely, transparent and effective manner ² . The process includes three important steps: (1) An acknowledgement of the grievance and a preliminary review to determine whether the grievance is applicable to our supply chain. (2) An in-depth review of the grievance, working with the supplier and an independent organisation to develop a time-bound action and remediation plan. (3) Actions implemented by the supplier to resolve the issue, with the outcomes monitored.
Summary of progress of grievance cases	Our public tracker of palm oil grievances that is updated quarterly provides a summary of the progress of grievances in our palm oil supply chain that have been raised to Unilever.
Percentage of mills with, or potentially linked to deforestation/peat	In 2022, we estimate that 2% of mills that have been declared to us by our suppliers are with or are potentially linked to deforestation / peat grievances and non-compliance cases based on traceability-to-plantation data and for any clearance above 2 hectares.
Deforestation and/or conversion since cut-off date	<p>We have been working with our palm oil suppliers and partners to understand their deforestation (including peat conversion) footprint. Through this collaboration we have annualised records of deforestation and peat conversion that has occurred and is related to oil palm plantations since our cut-off date of December 31, 2015. We use this to understand the potential link to our business. Based on our monitoring system we can then estimate the extent of deforestation that might be linked to direct and indirect suppliers and mills, and that have a reported link to our supply chain by our suppliers since this cut-off date. According to our analysis the respective mills may be linked to approximately 151,000 hectares of deforestation alerts since our cut-off date. Our analysis has been conducted on 17 million hectares of managed concessions, 4 million hectares of independent concessions and 11 million hectares of potential supply base outside of concessions i.e. in smallholder areas. Approximately 70% of the deforestation has been recorded in concession areas and 30% outside concession areas. Unilever's specific footprint would be a proportion of these alerts.</p> <p>To understand Unilever's specific footprint related to these alerts, we use our palm oil volumes to estimate our total potential palm oil footprint in hectares and compare this to the total palm oil footprint of industry actors in the value chain. This tells us what proportion of the palm oil footprint represented by Unilever's palm oil volumes and subsequently the relative deforestation footprint Unilever's volumes may represent. Importantly, Unilever has been proactive, on the basis of our deforestation monitoring data since our cut-off date, in taking action to publicly suspend the top deforesters from our supply chain, limiting the deforestation footprint of our value chain. We are continuing to review footprint methodologies and are participating in multistakeholder initiatives like the Forest Data Partnership to help achieve consensus on these types of data.</p>
Percentage of deforestation & peat grievances where action taken in line with MRF steps and requirements	These grievances and non-compliances are directly or indirectly linked to our supply chain and have all been processed in line with Monitoring and Response Framework (MRF) of the Consumer Goods Framework (CGF), including through supplier engagement. This includes 37% of non-compliance cases detected through our deforestation and peat monitoring for which Unilever has imposed and communicated supply chain consequences to our direct suppliers and publicly issued a suspension from Unilever's supply chain due to past or accumulated non-compliance.

² Aligns with the Deforestation Monitoring and Response Framework of Forest Positive Coalition of the Consumer Goods Forum.



LANDSCAPES	
<p>Priority production landscapes and methodology as well as number of landscapes engaged in, objectives and impacts.</p>	<p>Our Reimagining Landscapes Report provides all the details about how we're supporting five landscape programmes within Southeast Asia – in the provinces of Aceh, North Sumatra, Riau and Central Kalimantan in Indonesia, and in Sabah, Malaysia.</p> <p>The report also provides details of our methodology in selecting and designing landscape programs as well as the objectives and impacts we seek to create in these landscapes together with our partners and key local stakeholders.</p> <p>Since then we have expanded our investments in landscapes to include the Rimba Collective where we are a founding partner. The ambition of the Rimba Collective is to protect and restore over 500,000 hectares of forests across South East Asia.</p>
<p>Participation in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders or jurisdictional partners</p>	<p>Through these landscape programs we participate in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders and jurisdictional partners.</p>
<p>Support for smallholder producers across landscapes</p>	<p>We support inclusive business models for smallholders, including trainings and certification, enabling them to participate in sustainable supply chains alongside larger producers. Within these landscape programs, we are supporting more than 5,000 independent smallholder farmers to become RSPO certified, following training in good agricultural practices. As the largest buyer of RSPO independent smallholder certificates, we also prioritize purchasing these credits from the smallholders we have helped obtain RSPO certification.</p>



Sustainable and deforestation-free Paper & Board

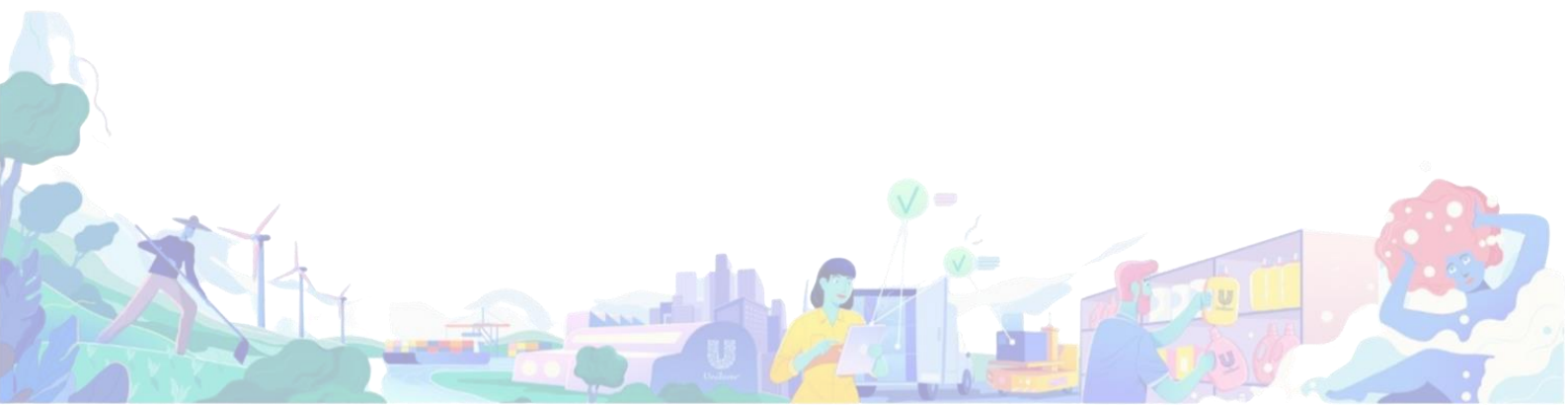
Unilever is committed to 100% sustainably sourced paper packaging that comes either from well-managed forests or from recycled material. For distributing/packaging, we source packaging from contracted suppliers (both processors and manufacturers), globally.

Where safety regulations demand it, we buy our virgin paper and board material and ensure they come from certified sources with a full 'chain of custody' from the plantation to us. This gives us complete oversight of the journey our raw material has taken to get to us from its origin. We achieve this either through certification schemes, like the Forest Stewardship Council (FSC), or other national schemes under the framework of the Programme for the Endorsement of Forest Certification (PEFC).

In 2022, we purchased paper and board packaging from 39 countries of origin, and 95.4% of our volume was sustainably sourced via FSC and PEFC certification. We establish the origin of our materials, to the location of the paper mill and plantation through a supplier declaration. We also have collected primary/secondary and tertiary forest locations from our supplier via supplier declarations. 97.4% of our directly purchased paper and board packaging materials were made from recycled fibre or came from certified sustainably managed forests.

Through the Global Traceability Solutions system, we engage all our suppliers with a quarterly questionnaire to collect information on volumes, sustainability status and traceability to the country level. Since 2021, we have also requested mill origin as part of supplier disclosure, aimed at achieving mill-level traceability for paper and board.

Visit our [Sustainable and regenerative sourcing page](#) for more on sustainable paper and board.

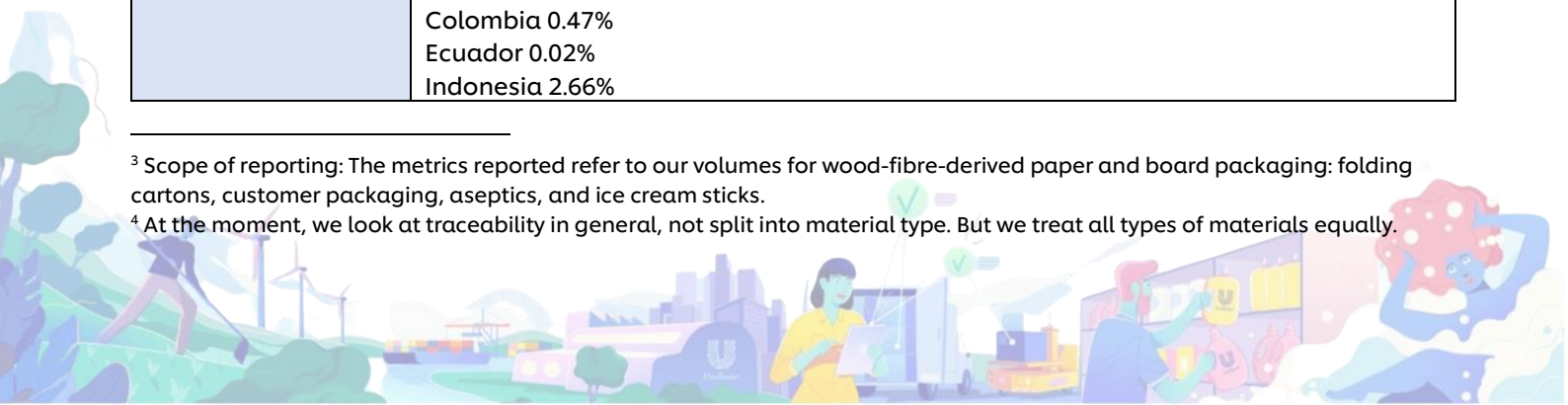


Paper & Board KPI Reporting³

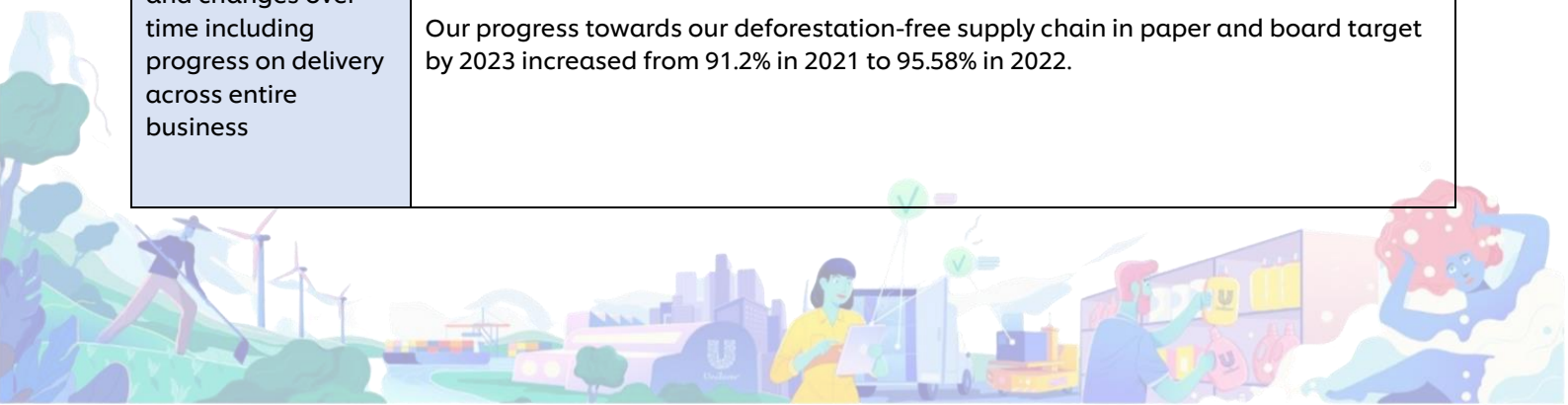
KPI	Reporting
OWN SUPPLY CHAINS	
Percentage of volumes deforestation- and conversion-free	<p>By the end of 2022, our suppliers declared a deforestation and conversion free score of 95.58% using a method that aligns with our independent verification protocols.</p> <p>In 2022 Unilever worked with Peterson-Control Union to develop a set of independent verification protocols to verify that our supply chain is deforestation and conversion free (DCF). This work confirmed that the certification standards (FSC, PEFC) we have deployed for Paper and Pulp would enable DCF verification for paper and board. While also indicating that tier 2+ traceability and monitoring in the sector requires more work to enable ongoing monitoring.</p> <p>Unilever requires our suppliers to have an FSC- and/or PEFC-certified supply chain and supply only FSC- and/or PEFC-certified material to Unilever, to establish that the volume of paper & board purchased by Unilever is deforestation-free. The 95.58% reported is made up of (A) FSC certified and FSC certified recycled (84.86%) and (B) PEFC (10.73%) certified and recycled. The remaining 4.42% of our total timber consumption is either uncertified recycled board (2.25%) or is not certified (2.16%).</p>
Percentage recycled and percentage virgin fibre	<p>Total virgin : 34.10%</p> <p>Total recycled : 64.83%</p> <p>Not assessed : 1.07%</p>
Percentage of virgin supply certified, and percentage per scheme and chain of custody model	<p>Unilever requires our suppliers to have an FSC- and/or PEFC- certified supply chain and supply only FSC- and/or PEFC-certified material to Unilever, to establish that the volume of paper & board purchased by Unilever is deforestation-free. The 95.58% reported is made up of (A) FSC certified and FSC certified recycled (84.86%) and (B) PEFC (10.73%) certified and recycled.</p> <p>The remaining 4.42% of our total timber consumption is either uncertified recycled board (2.25%) or is not certified (2.16%). We are working on the certification of these materials by the end of 2023 and in parallel developing further tier 2+ traceability.</p>
Percentage of virgin supply traceable to origin (at least to country of harvest)	<p>We have mapped 100% of our suppliers (tier 1) and 70% of the paper mill-locations within our value chain (tier 2). Both KPIs are pending external validation.⁴</p>
Origin of paper and board and consumption	<p>Argentina, Australia, Austria, Bangladesh, Brazil, Canada, Chile, China, Colombia, Czech Republic, Ecuador, Finland, France, Germany, Hungary, India, Indonesia, Japan, Korea, Republic of, Mexico, Netherlands, New Zealand, Pakistan, Philippines, Poland, Romania, Russian Federation, South Africa, Spain, Sweden, Thailand, Tunisia, Turkey, United Arab Emirates, United Kingdom, United States, United States Minor Outlying Islands, Uruguay, Viet Nam</p> <p>Argentina 1.49%</p> <p>Australia 0.35%</p> <p>Brazil 6.54%</p> <p>Colombia 0.47%</p> <p>Ecuador 0.02%</p> <p>Indonesia 2.66%</p>

³ Scope of reporting: The metrics reported refer to our volumes for wood-fibre-derived paper and board packaging: folding cartons, customer packaging, aseptics, and ice cream sticks.

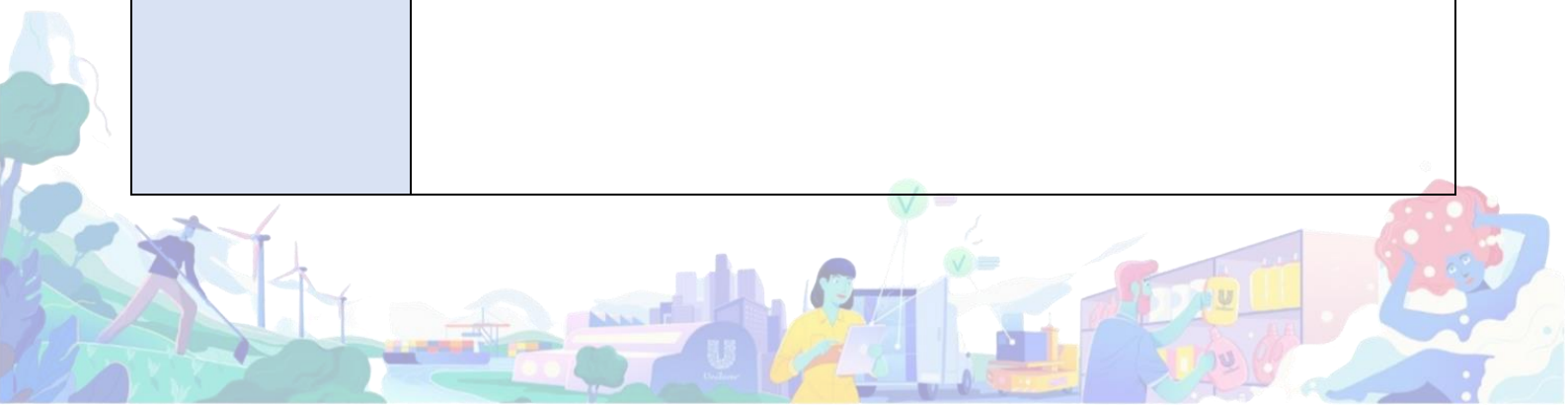
⁴ At the moment, we look at traceability in general, not split into material type. But we treat all types of materials equally.



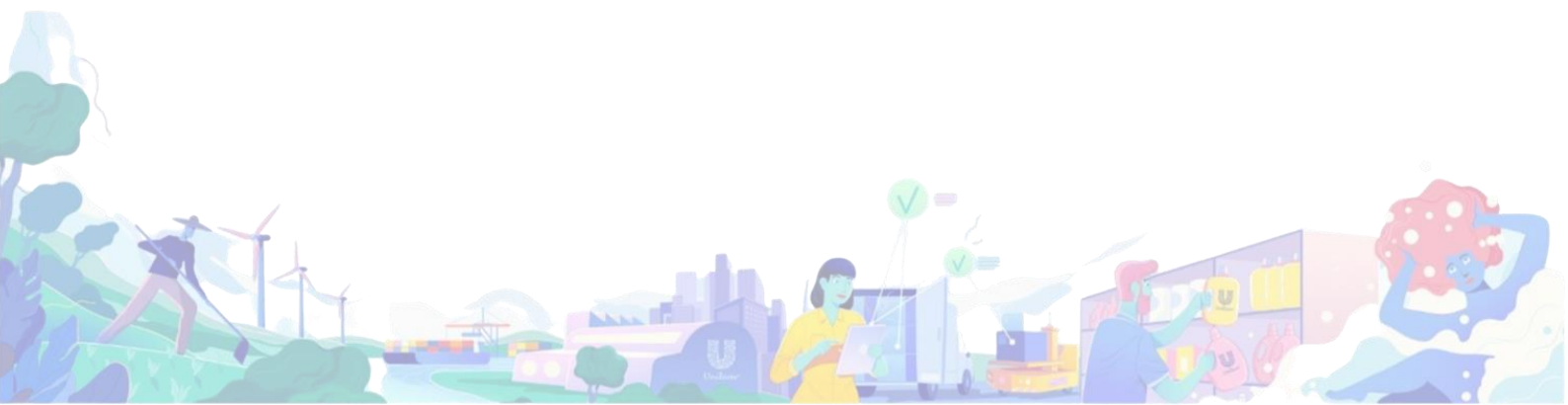
	<p>India 2.01% Mexico 0.04% Thailand 0.02% Vietnam 2.39% Philippines 1.4% Any other countries/areas (low risk) 29.73% Recycled materials & mix materials 45.7%. Certified materials w/o primary country of origin 4.89% Unknown origin 2.25%</p> <p>Low risk = Sweden, Finland, Germany, Chile, Romania, Turkey, Czech Republic, United States, Hungary, Russian Federation, South Africa, China, New Zealand, Pakistan, United Kingdom, Bangladesh, Korea Republic of, Viet Nam, Netherlands, United States Minor Outlying Islands, Spain, Poland, Austria, Canada, Tunisia, France, United Arab Emirates, Japan</p>
% of supply from high priority sources	17.4% of our paper and board originates from high priority sources based on CDP list of high priority countries but are covered by certification.
Actions being taken for supply from high priority sources	<p>In 2022 we focused procurement efforts and resources to close gaps in third party certification & chain of custody that continued in India & West Africa e.g., Kenya & Ivory Coast, including actions to support suppliers in completing audits & other requirements for gaining third party certification. FSC Chain of Custody and Controlled Wood certifications are used to show compliance with EU Timber Regulation, demonstrating legality of harvest and due consideration to key social & environmental issues.</p> <p>We are actively engaging with our suppliers to develop bespoke solutions for deforestation and conversion-free paper and board in the remaining part of our supply chain aiming to work with their suppliers to increase traceability in the supply chain and achieve a fully certified deforestation free value chain.</p>
SUPPLY CHAIN DISCLOSURE, TRANSPARENCY AND ENGAGEMENT	
Supplier List	We annually publish a list of paper & board suppliers with our 2022 data base found here .
Proportion of suppliers informed about the Forest Positive Suppliers approach	100% of our supply base is engaged through the principles of our People and Nature policy and we are working to achieve full implementation with the application of the more detailed People and Nature Policy guidelines . The requirements are embedded in our supplier contracts and are important indicators of performance. Additionally our suppliers are required to commit to our Responsible Partner Policy .
Number or proportion of suppliers identified as priority for engagement, and % engaged	100% of our suppliers are engaged via our People and Nature Policy and Responsible Partner Policy . However, for our uncertified materials we are focussing on the top 20 suppliers who are accountable for 80% of uncertified volume.
Performance of engaged suppliers and changes over time including progress on delivery across entire business	Our progress towards our deforestation-free supply chain in paper and board target by 2023 increased from 91.2% in 2021 to 95.58% in 2022.



MONITORING	
<p>Monitoring systems and approach to monitor our suppliers</p>	<p>We engage directly with our 295 tier 1 (direct) paper and board packaging suppliers (parent level and their relevant subsidiaries) to discuss our policy requirements, collect data, and assess their capabilities. Together, we establish a roadmap to achieving our targets. Supplier engagement is integrated with procurement teams and is supported by internal educational materials on sustainable forest management, supply chain transparency and 3rd party certification. 100% of the suppliers in our Enterprise Resource Planning (ERP) transactional systems were engaged to provide data through the Global Traceability Solutions (GTS) system in 2022. We also engaged 75 suppliers on the conversion to certified recycled.</p> <p>Regular engagement is very important to ensure our partners are aligned with our ambitions. Specifically, we have worked directly with suppliers of uncertified recycled volumes, in South Asia, East Africa, West Africa and Central America to attain FSC/PEFC chain of custody certification and procure certified recycled fibre for their own manufacturing. In 2022, we engaged specifically with suppliers in Asia and Africa to ensure they had the certifications and volumes to deliver certified volumes to Unilever into the future.</p> <p>These efforts are the main reason why we have been able to continue to increase the volume of third-party certified material, from 79% in 2017 to 95.58% in 2022. Our suppliers self-assess their performance on a quarterly basis reporting via the GTS system, which we developed for this purpose.</p> <p>Annually, we engage SGS to verify the information reported. Each supplier reporting via GTS receives a “Supplier Sustainability Summary” report that summarises the overall sustainable sourcing percentage achieved by the supplier based on data provided. These reports facilitate subsequent direct engagement and discussions with Unilever to identify gaps and develop strategies to reach our targets.</p>
<p>Percentage of supply base covered by deforestation & peat monitoring</p>	<p>We are partnering with Descartes Lab & Earthqualizer to receive deforestation and conversion alerts, which we overlay with the sourcing areas in our supply chain. To make land-use monitoring publicly available, we work in partnership with organisations such as the World Resources Institute (WRI) Global Forest Watch platform.</p>
<p>Suppliers engaged, suspended, or excluded from supply chains</p>	<p>All suppliers must commit to our RPP, which is anchored in standards like International Bill of Human Rights & ILO Declaration on Fundamental Principles & Rights at Work; and includes our commitment to respect & promote land rights of communities & indigenous people, through the application of the Free Prior and Informed Consent (FPIC) participatory process & a zero-tolerance stance on land grabbing.</p> <p>All verified non-compliance/breach to our Policy’s principles within suppliers’ corporate group operations and third-party supply chains must be remediated. Where a direct supplier refuses to engage or take steps to remediate or mitigate a breach of this policy, we will take appropriate steps to address this in a manner consistent with our policy. Unilever’s grievance process, which is open both to our own employees and to third parties, sets out our procedures for addressing allegations of non-compliance. We will record, address, & report these via our public grievance racker, so that others can see and act on these insights.</p>



GRIEVANCE	
Summary of company grievance process	<p>Our People and Nature Grievance procedure provides a framework for handling, investigating, and resolving both social and environmental issues within our supply chain in a timely, transparent, and effective manner. The process includes three important steps: (1) An acknowledgement of the grievance and a preliminary review to determine whether the grievance is applicable to our supply chain. (2) An in-depth review of the grievance, working with the supplier and an independent organisation to develop a time-bound action and remediation plan. (3) Actions implemented by the supplier to resolve the issue, with the outcomes monitored.</p> <p>Our process aligns with the Deforestation Monitoring and Response Framework of Forest Positive Coalition of the Consumer Goods Forum.</p>
Summary of progress of grievance cases	<p>We handle our Paper and Board grievances through our People and Nature Grievance procedure and follow up on reported cases. The grievances related to Paper & Board have thus far been those related at a group level to our palm oil suppliers, which are reported on in our palm oil grievance tracker.</p>
Deforestation and/or conversion since cut-off date	<p>We currently do not disclose the hectares of known/estimated deforestation/conversion footprint for timber due to data consensus issues and difficulty with methodology and associated attribution for this commodity. We provide detail on how we monitor and manage this as well as contribute to future capabilities and data consensus:</p> <p>FSC has conducted extensive and consolidated National Risk Assessments (NRA's) that inform the design and implementation of pulp and paper companies' Due Diligence Systems (DDS's). While the purpose of the NRA is to inform the DDS, the highly detailed and comprehensive documents serve as a useful guide to navigating risk in the timber supply chain against the key principles and criteria of the FSC standard.</p> <p>We also continue to explore and advocate for the need to leverage geospatial technology and data in the monitoring of natural forest conversion and unsustainable timber harvesting practices. The severe limitation in this space is the capability to differentiate between normal and legal harvests of sustainably managed forests and tree plantations from the conversion of primary and secondary forest, with the latter proving especially challenging.</p>



Sustainable and Deforestation-free Soybean Oil

Unilever is committed to sourcing sustainable soy. We want to ensure that our soy sourcing helps to protect and regenerate nature and empowers farmers and local communities. Soy oil is a crucial ingredient in our brands, such as Hellmann's mayonnaise, enjoyed by consumers the world over. In 2022, 100% of our soybean oil was sustainably sourced.

Our plan to achieve a deforestation-free and sustainable supply chain of soy starts with focusing our sourcing from areas with lower risk of deforestation and human rights issues, prioritising and partnering with suppliers who have the same social, economic, and environmental sustainability ambitions, using the latest technology (to help us with monitoring and traceability), and ensuring we not only work to stop deforestation but also regenerate soy farm environments.

We have started to transform our soy supply chain footprint to low-risk origins or certified segregated soy and intend to complete this shift by 2023. Over 95% of our global soybean oil consumption originated from low-risk origins or if not was verified deforestation free via a recognised market certification in 2022.

For the remaining gap, we are working with our key suppliers in Brazil and Argentina to develop bespoke verified deforestation-free solutions. For example our factory in Brazil's Pouso Alegre region is collaborating with supplier CJ Selecta in a move that delivers on the terms of our stringent [People and Nature Policy](#). The incentivised supply conditions seek to extend traceability and transparency requirements that are already in place for direct suppliers to CJ Selecta's factory in Araguari, so that the same governance applies to indirect suppliers too.

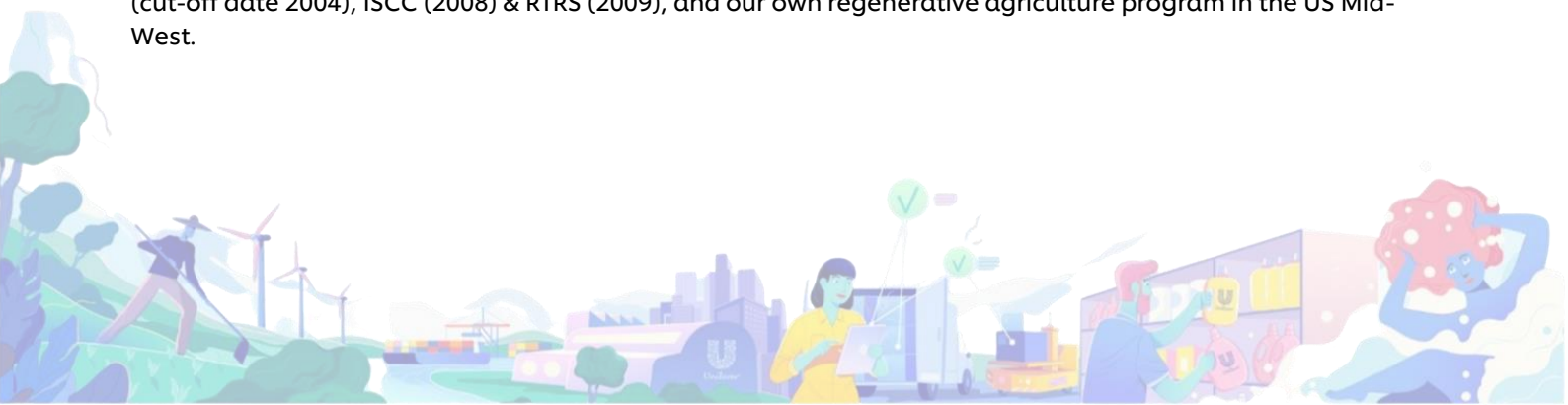
Engaging and monitoring suppliers

We believe transparency is essential to a more sustainable supply chain. Our soybean supplier list gives details of our direct suppliers, accounting for more than 99.9% of our soy oil purchases. Most of the soy oil we buy comes from soybeans grown in the US and Brazil - this is also where most of our engagements around soy are focused, as we have identified our priority sourcing landscapes in soy according to materiality and risk.

All suppliers must commit to our RPP, which is anchored in standards like International Bill of Human Rights & ILO Declaration on Fundamental Principles & Rights at Work; and includes our commitment to respect & promote land rights of communities & indigenous people, through the application of the FPIC participatory process & a zero-tolerance stance on land grabbing. For example, in 2022, we worked on FPIC via our RTRS program in Southern Cerrado, which requires farmers to undergo an independent verification of compliance against the RTRS standard, including requirements of FPIC under RTRS principle 3.

Any verified non-compliance/breach to our Policy's principles within suppliers' corporate group operations and third-party supply chains must be remediated. Where a direct supplier refuses to engage or take steps to remediate or mitigate a breach of this policy, we will take appropriate steps to address this in a manner consistent with our policy. Unilever's grievance process, which is open both to our own employees and to third parties, sets out our procedures for addressing allegations of non-compliance. We will record, address, & report these via our public grievance tracker, so that others can see and act on these insights. To date we have not had cases of non-compliance or grievances reported in our soy supply chain, but if a farmer participating in our RTRS program or suppliers were found in non-compliance, an action plan would need to be put in place to address the issues identified.

In 2022, we achieved 100% sustainably sourced soy via the most demanding soy-related certifications Proterra (cut-off date 2004), ISCC (2008) & RTRS (2009), and our own regenerative agriculture program in the US Mid-West.



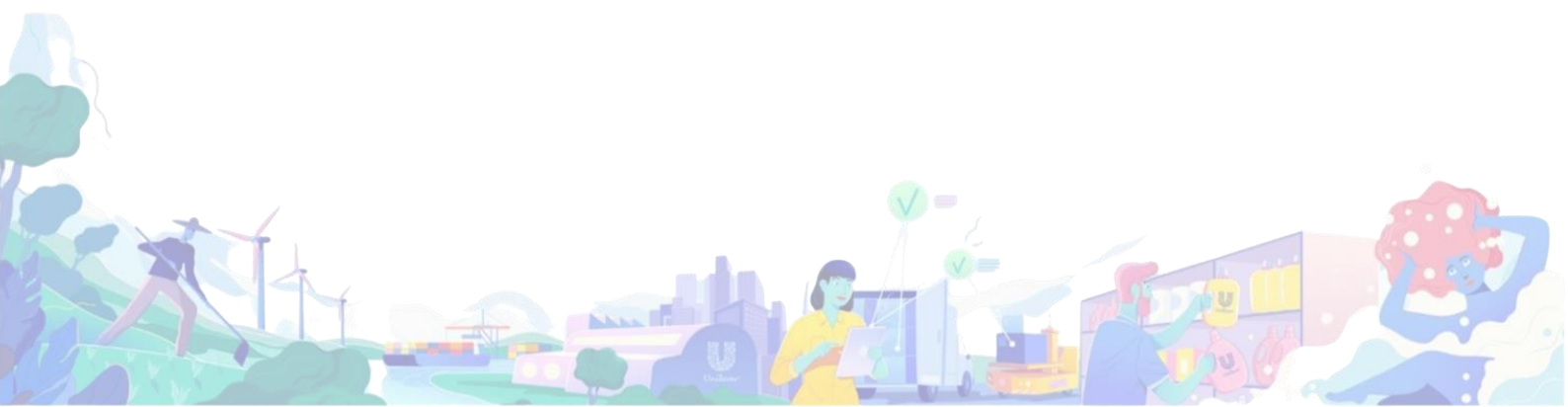
Partnering to transform the industry

We are founding members of the Round Table on Responsible Soy (RTRS). Since 2010, the development of the RTRS standard has enabled farmers to improve their practices and gain accreditation.

Our RTRS program in Southern Cerrado helps us deliver on our commitments to no conversion of natural ecosystems, zero gross deforestation and restoration and compensation of land by supporting farmers in Minas Gerais and Goiás States to certify against the RTRS standard. By providing technical assistance and guidance to soy producers, they achieved RTRS certification, producing more than 1.4 million tons of deforestation free soybeans, protecting 16,000 hectares of native vegetation, and restoring degraded land to comply with RTRS requirements over the past 5 years. Read about our collaboration with the RTRS and Aliança da Terra [here](#).

Investing in sustainable programmes

In each region, we work with farmers, NGOs, our suppliers, other agri-businesses and governments. We also aim to contribute to the development of international standards which recognise farmers and suppliers for their efforts to address the big issues associated with soy production, which vary across regions. In the US, where most of our soy comes from, we are also working with partners, like Practical Farmers of Iowa, to explore [regenerative ways to grow our soy](#).

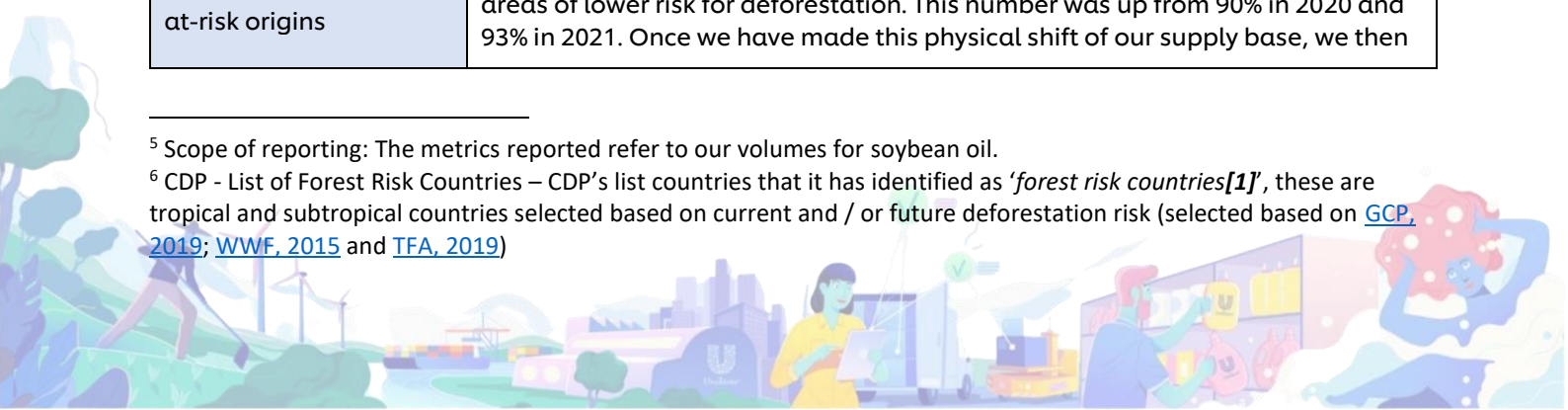


Soybean Oil KPI Reporting⁵

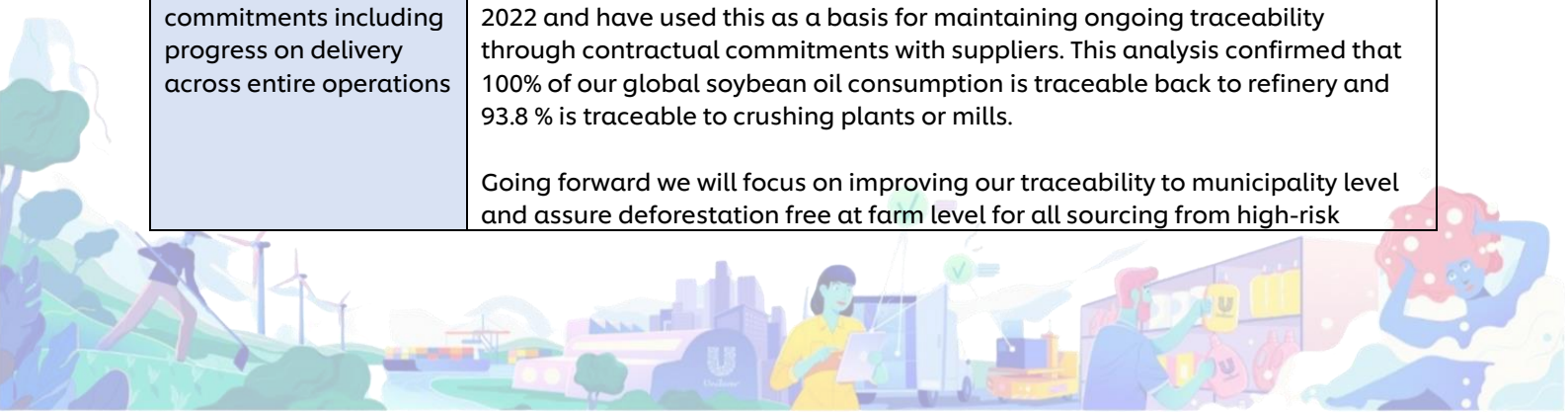
KPI	REPORTING
OWN SUPPLY CHAINS	
Soy Footprint across all product categories	<p>Unilever purchases soy oil mainly for our dressings business for brands such as Hellmann's, Knorr, and Sir Kensington's, which are part of our Nutrition Business Group.</p> <p>We sourced 312,038 tons of soy oil in 2022 and our Soybean oil origins are: Argentina, Austria, Bolivia (Plurinational State of), Brazil, Canada, China, Croatia, Czechia, France, Germany, Greece, Hungary, Romania, Serbia, Ukraine, United States of America.</p>
Percentage of volumes deforestation- and conversion-free	For 2022 using a third party (3Keel) for data collection and verification our suppliers have reported to Unilever a deforestation free percentage of 92.4% using a methodology that aligns with our protocols of independent verification.
Traceable to at-risk origin (country or subnational)	<p>As part of our commitment to gain further visibility into our soy supply chain globally, we engaged 3Keel to conduct a traceability assessment in year 2022 and have used this as a basis for maintaining ongoing traceability through contractual commitments with suppliers. 18.5% of our soy comes from forest risk countries⁶.</p> <p>93.8% of our global soybean oil consumption is traceable back to mill and 99.1% to country level.</p> <p>For soybean oil originated in high-risk countries, 98.4% is traceable to country level and about 72.6% is traceable to state level. Going forward we will focus on improving our traceability to municipality level for all high-risk countries.</p>
Percentage from Unknown origins	Less than 1% of the soybean oil sourced in 2022 was originated in unknown origins.
Percentage DCF supply and break-down into: <ul style="list-style-type: none"> • % DCF negligible risk origin • % DCF certified • % DCF monitored 	<p>By the end of 2022, over 95% originated from places with a low risk of deforestation, like the US, or in places that are certified deforestation-free by recognised industry standards with a segregated chain of custody.</p> <p>Additionally, 92.4% of our global soybean oil consumption was reported to Unilever by our suppliers as deforestation free using a methodology that aligns with our protocols of independent verification. In 2022 we have developed protocols for the independent verification of the of our Soy suppliers & we will be auditing them against these protocols in 2023.</p> <p>Breakdown of the DCF material:</p> <ul style="list-style-type: none"> • 82.17% from areas of negligible risk • 17.83% reported as deforestation free through monitoring using a method that aligns with our independent verification protocols.
Progress on ensuring soy is deforestation- and conversion-free for at-risk origins	Unilever is progressively moving our soy oil supply chain to areas of low risk for deforestation. By the end of 2022, 95% of our soy oil volumes originated from areas of lower risk for deforestation. This number was up from 90% in 2020 and 93% in 2021. Once we have made this physical shift of our supply base, we then

⁵ Scope of reporting: The metrics reported refer to our volumes for soybean oil.

⁶ CDP - List of Forest Risk Countries – CDP's list countries that it has identified as 'forest risk countries[1]', these are tropical and subtropical countries selected based on current and / or future deforestation risk (selected based on [GCP, 2019](#); [WWF, 2015](#) and [TFA, 2019](#))



	<p>work with suppliers to verify the deforestation free percentage. This will happen in line with our 2023 target and via the use of independent verification.</p> <p>For 2022, using a third party (3Keel) for data collection and verification our suppliers have reported to Unilever a deforestation free percentage of 92.4% using a methodology that aligns with our protocols of independent verification.</p>
<p>Deforestation and/or conversion since cut-off date</p>	<p>We monitor deforestation using a combination of own digital tools e.g., our deforestation monitoring dashboard, contracted third party services and public data sets.</p> <p>We have developed our own in-house monitoring capability in partnership with Google Cloud, Descartes Labs, NGIS, and others. In Soy we also reference national datasets like MapBiomas. Through these partnerships we have access to planted area maps, forest and carbon stock areas as well as critical biodiversity layers.</p> <p>We also leverage public data sets through the Trace platform, WWF and WRI Global Forest Watch. Based on our monitoring we can then understand the extent of deforestation and conversion that might be attributed to direct and indirect suppliers since the end of 2015.</p> <p>According to our analysis of the soy footprint in high-risk areas and states that Unilever sources materials from, we have been able to detect over 31,000 hectares of deforestation and conversion alerts since 2016. Unilever's specific footprint relative to these alerts would be a small proportion of this total.</p> <p>To understand Unilever's specific footprint related to these alerts, we use our soybean oil volumes to determine our total potential soy footprint in hectares and compare this to the total soy footprint across the states where we source from. This tells us the proportion of the soy footprint that is represented by Unilever's soy volumes and subsequently the relative deforestation footprint Unilever's volumes may represent. We are continuing to review footprint methodologies and are participating in multistakeholder initiatives like the Forest Data Partnership to help achieve consensus on these types of data.</p>
<p>SUPPLY CHAIN DISCLOSURE, TRANSPARENCY AND ENGAGEMENT</p>	
<p>Direct supplier list</p>	<p>We annually publish a list of our soy suppliers with our 2022 data base found here..</p>
<p>Percentage of suppliers to whom our commitments and its implementation have been communicated</p>	<p>From 2020 onwards, we have embedded requirements from our People and Nature Policy into the contracts of suppliers who contribute to 95% of our total soybean oil consumption – and we are working to achieve this with our remaining suppliers.</p>
<p>Performance of suppliers against our commitments including progress on delivery across entire operations</p>	<p>Over 95% originated from places with a low risk of deforestation, like the US, or in places that are certified deforestation-free by recognised industry standards with a segregated chain of custody.</p> <p>As part of our commitment to gain further visibility into our soy supply chain globally, we engaged 3Keel to conduct a traceability assessment for the year 2022 and have used this as a basis for maintaining ongoing traceability through contractual commitments with suppliers. This analysis confirmed that 100% of our global soybean oil consumption is traceable back to refinery and 93.8 % is traceable to crushing plants or mills.</p> <p>Going forward we will focus on improving our traceability to municipality level and assure deforestation free at farm level for all sourcing from high-risk</p>



	countries. Other countries we source from include Canada, China, Greece, Romania, Ukraine, Malaysia, and United States of America.
Summary of the Forest Positive Approach for suppliers and traders	100% of our supply base is engaged through the principles of our People and Nature policy and we are working to achieve full implementation through more detailed People and Nature Policy guidelines . The requirements are embedded in our supplier contracts and are important indicators of performance. Additionally our suppliers commit to our Responsible Partner Policy .
LANDSCAPES	
Priority production landscapes and methodology	<p>We define our priority Soy landscapes to work in primarily through the lens of materiality and risk. Based on this our efforts in soy have focused on our priority sourcing areas in Brazil and the US.</p> <p>In Brazil, our approach is centred around the promotion of responsible production, the protection and restoration of natural ecosystems and the enhancement of farmer livelihoods.</p> <p>In the US we work in multistakeholder partnerships to drive responsible production and regenerative agriculture practices to help regenerate farm environments.</p>
Participation in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders or jurisdictional partners	<p>In Brazil, we are part of a collaboration with the Round Table on Responsible Soy (RTRS) and Aliança da Terra, which has helped more than 40 farmers to gain RTRS certification. This collaborative project aims to boost sustainable soy cultivation by supporting growers to adopt better farming practices. Partnerships are critical and additionally, Bayer CropScience provides technical services and crop management advice, Santander provides support for agricultural loans while Yara advises on best use of fertilisers.</p> <p>In the US, we are working at landscape level on regenerative agriculture practices where soil health and water quality are a particular focus. These programmes have supported hundreds of soy farmers to improve soil health, water quality and yields by using regenerative methods such as planting cover crops.</p> <p>Through these landscape programs we participate in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders and jurisdictional partners.</p>
Support for smallholder producers across landscapes	We support inclusive business models for smallholders, including trainings and certification, enabling them to participate in sustainable supply chains alongside larger producers.

Embedded Soy Footprint

Unilever engaged a third party (Faifarms) to help us understand better the embedded soybean consumption. This is principally via dairy and eggs and is estimated at 98k tons of beans in 2022. This is approximately 6% of our direct soybean footprint.

