

Unilever's supply chain

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Unilever

Supply chain overview & strategy

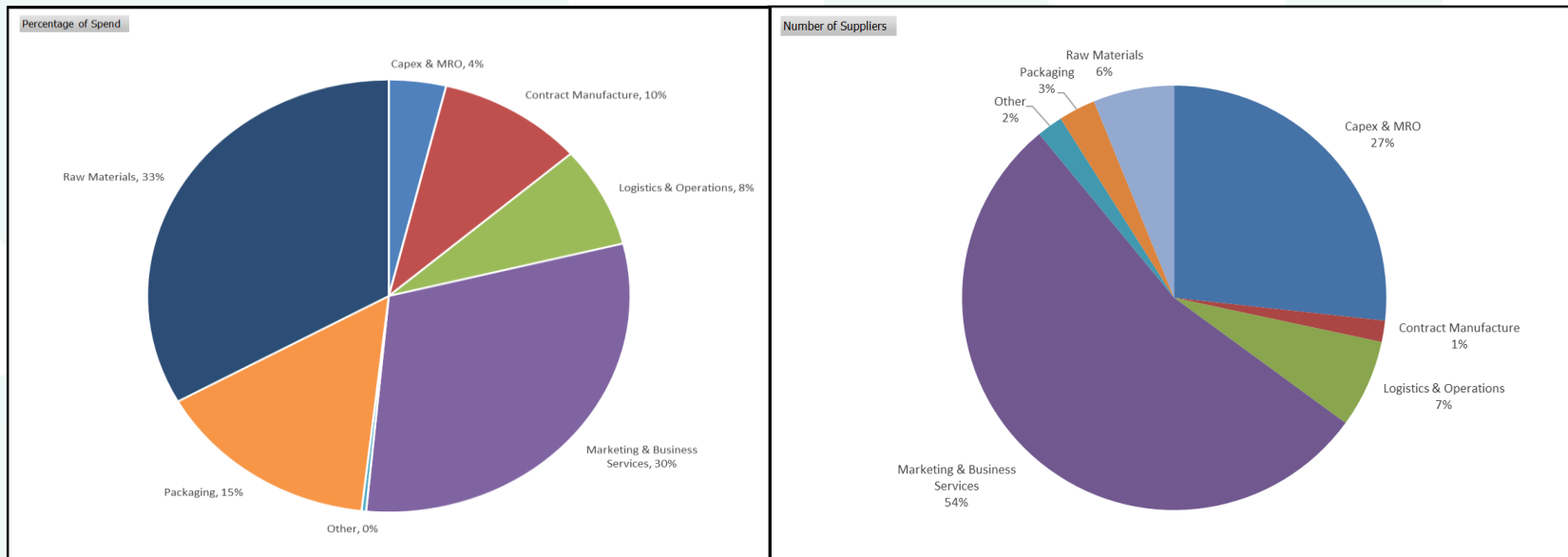


Supply chain overview

Total spend: €35.5 billion

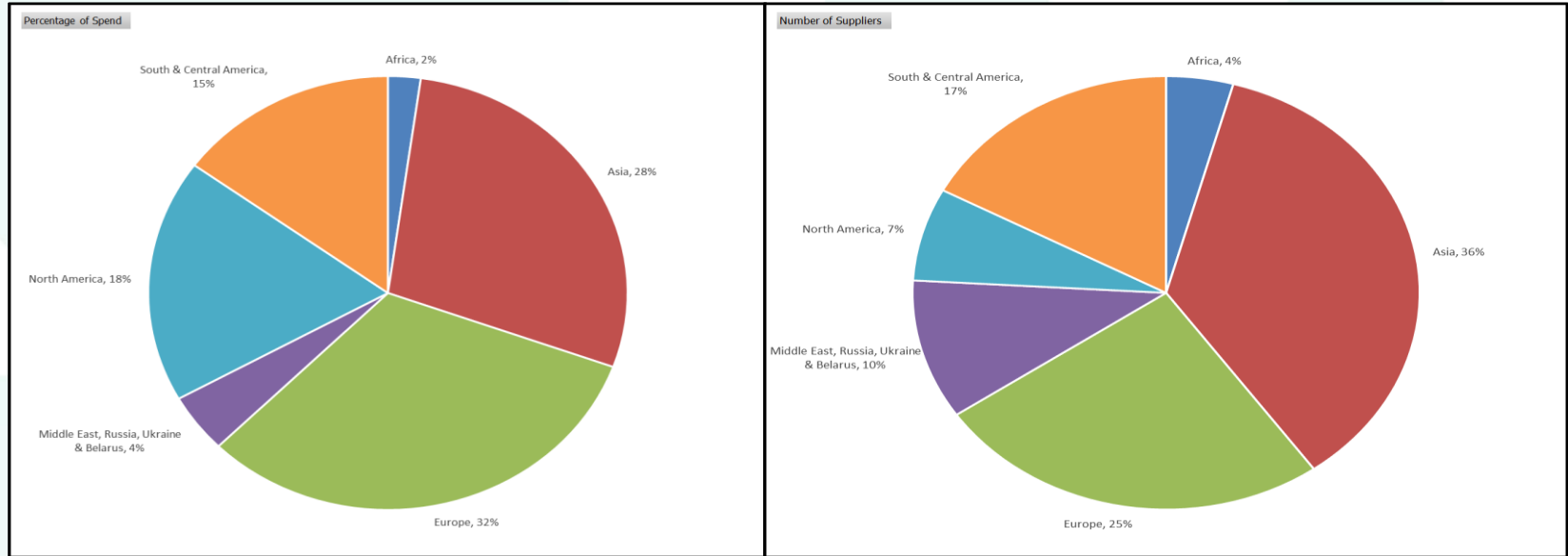
Total number of suppliers: 53,800

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

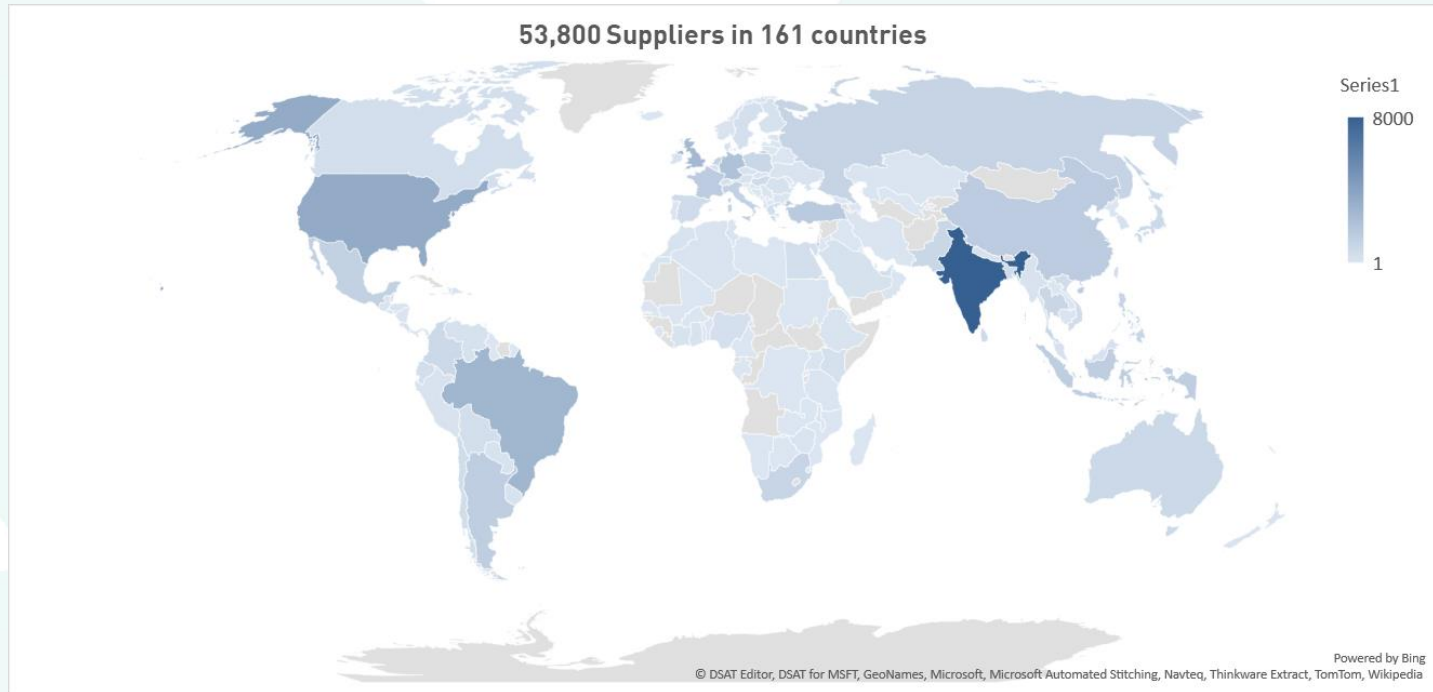
Agility & resilience	We listen to signals and drive timely actions to orchestrate the end-to-end value chain to deliver superior service. We execute with rigour and discipline.
Reshape asset and cost base	We optimise our cost and asset base to drive competitive growth.
Positive for people and planet	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.
Future-fit talent	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.
Digital transformation	We harness the power of data and 4 th industrial revolution technologies to transform end to end value chains, creating a sustainable, competitive edge.
Partner with purpose	We build purpose-led partner ecosystems that fuel market-leading innovations and protect and regenerate nature.

Supply chain spend analysis



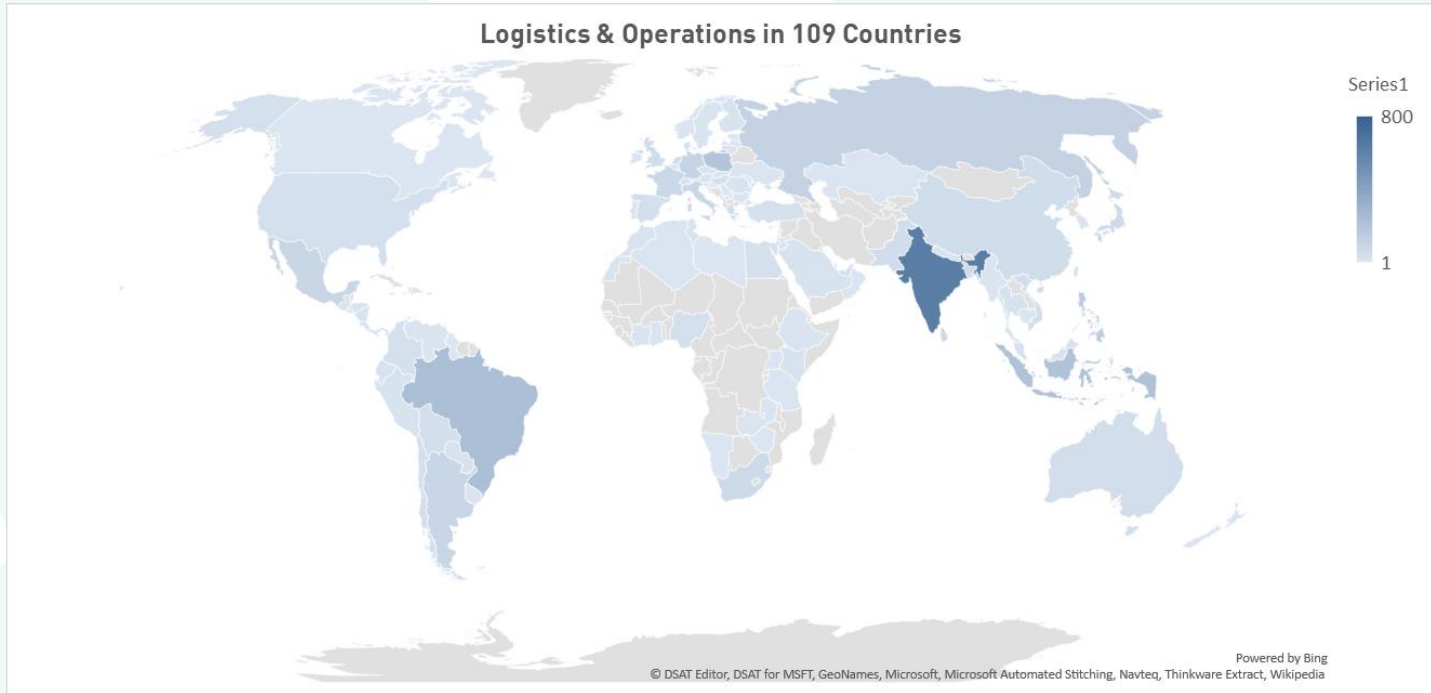
Suppliers by geography

Total number of suppliers



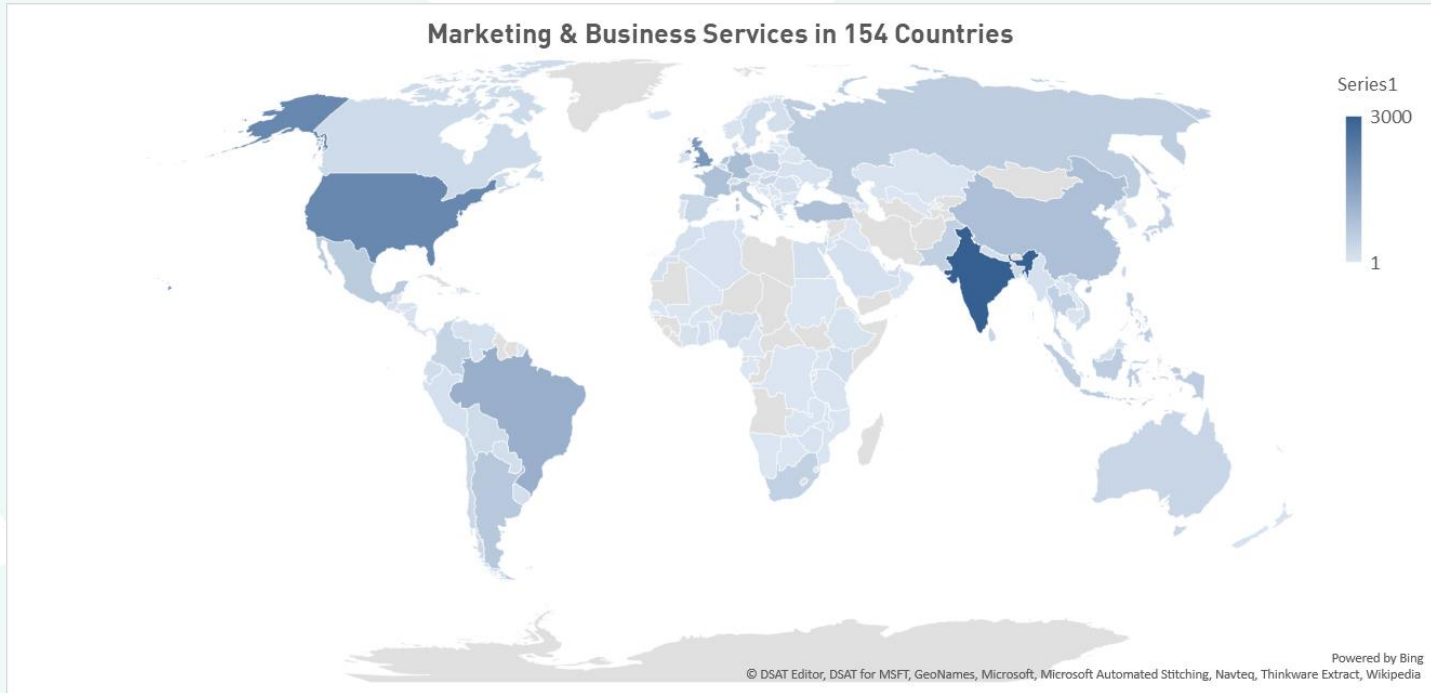
Suppliers by geography

Logistics & Operations suppliers



Suppliers by geography

Marketing & Business Services suppliers



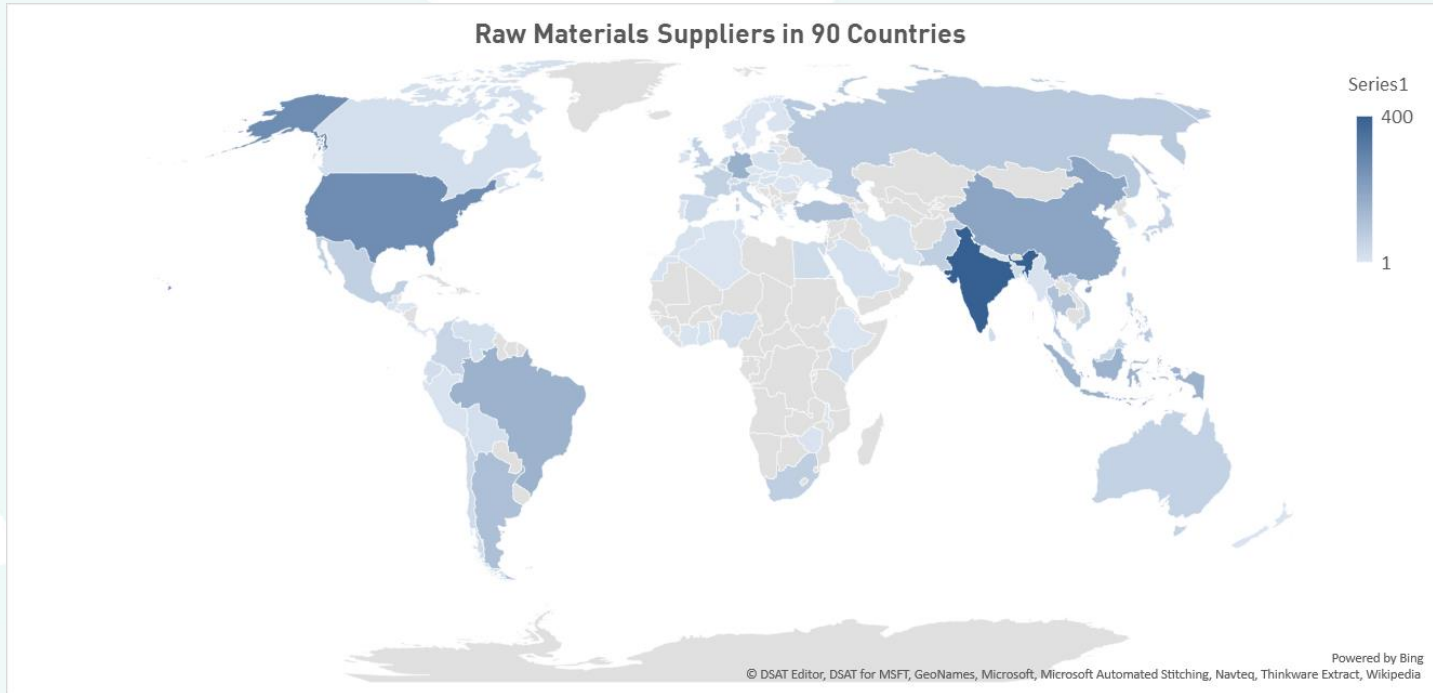
Suppliers by geography

Contract Manufacturers



Suppliers by geography

Raw Materials suppliers



Suppliers by geography

Packaging suppliers



Critical suppliers



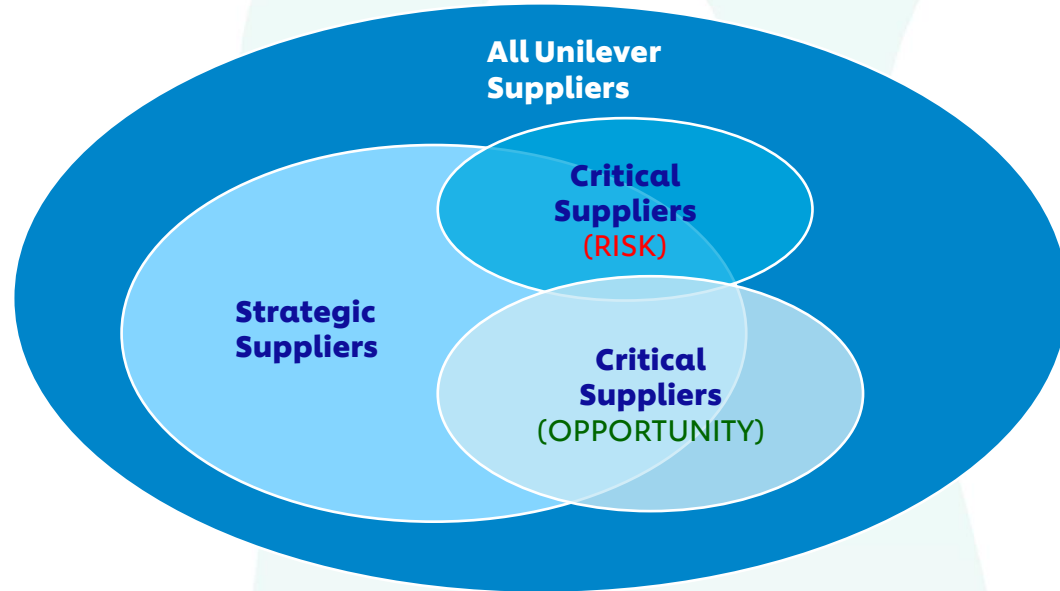
Critical supplier identification

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 risk¹
- Operational risks

Sourcing Landscape

- Single source
- Patented materials
- Geopolitical risk²

Action Planning

for high-risk materials

Build Stocks

Build Flexibility

Build Capacity

Governance & Execution

- 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

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.

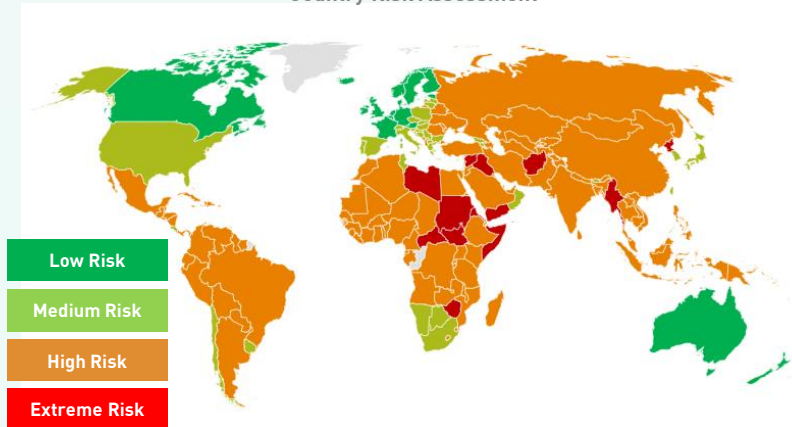


Risk and third-party due diligence



Due Diligence for Responsible Sourcing

Country Risk Assessment

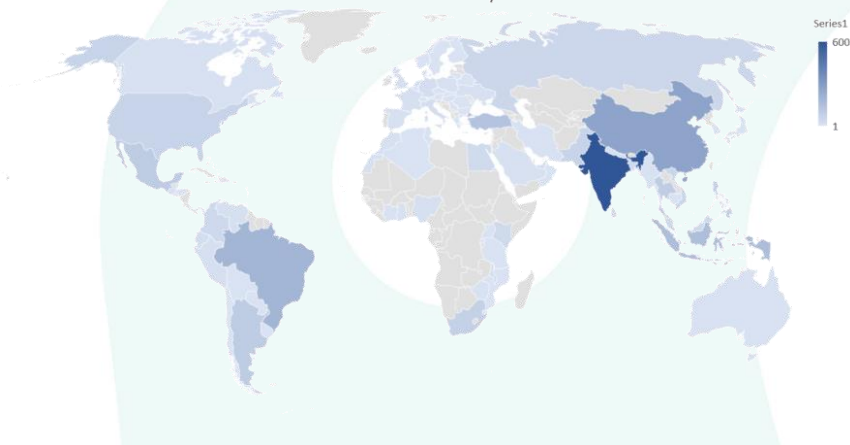


Unilever uses a risk based approach to determine which supplier sites need to undergo additional due diligence, which can include 3rd party audits and/or certification through fully benchmarked standards. The risk based approach uses country risk as one element of the risk assessment.

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.

Audit Sites within last 3 years



Total number of suppliers risk assessed to date	33,712
Number of suppliers classified as High Risk	6,164
Total Responsible Sourcing audits to date	14,705
Total audits of high risk supplier sites in last 3 years	6,030
Total audits at Production Item (PI) Suppliers in last 3 years	5,558
Number of PI supplier sites with identified issues in last 3 years	2,337
Number of PI supplier sites with verified corrective action plans in last 3 years	1,355