

Forest Risk Commodities Reporting

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Purpose of Report

Unilever is an active member of several 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 several coalitions. The Forest Positive Coalition of Action has a mission 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.

Our Commitments

Unilever has been driving an ambitious sustainability agenda for over two decades. Yet, in the face of evergrowing economic, environmental, and social challenges, we are evolving our approach. Ringing the alarm and setting long-term ambitions isn't good enough anymore. Now is the time to focus on delivering impact by making sustainability progress integral to business performance.

We are determined to face into this reality to deliver consistent and competitive performance, while transforming our business to achieve our sustainability goals. The world – and our business – needs resilient natural and agricultural ecosystems to thrive. We're committed to contributing to the protection and regeneration of nature, within and beyond our value chain.

In 2024, 97% of our order volumes of palm oil, paper and board, tea, soy and cocoa were deforestation-free, based on our requirements.

That means we can drive continuous improvement within our supply chain which is very much 'live': training and supporting new smallholder farmers to become deforestation-free, verifying the sourcing by new suppliers working with us, and holding our suppliers to account when grievances arise.

To drive deforestation-free sourcing, we have made fundamental transformations both in our supply chain and with our suppliers.

Working with suppliers

Focusing our sourcing with suppliers who share our sustainability ambitions and developing deeper relationships around clear requirements through our industry-leading cross-commodity People & Nature Policy.

- Prioritising sourcing from areas of lower risk of deforestation.
- Substantially strengthening our supplier contractual framework and creating the first-of-its-kind deforestation-free independent verification protocols for our key crops.
- Driving transparency and accountability through public disclosure of our grievance tracker.
- Publishing information on our suppliers, mills, and facilities as well as our protocols and methodologies.
- Evolving and improving our 'live' supply chain and methodologies over time.



Directly investing in infrastructure, technology and innovation

Investment in sourcing infrastructure

In palm oil, we have invested over €218 million in our Unilever Oleochemicals facility, in Sei Mangkei in Indonesia, to help us source more directly with a simplified and compressed supply chain.

In the past, we purchased large amounts of materials like Palm Fatty Acid Distillate (PFAD) and Palm Stearin.

Before now, there was no way to control the sourcing of some of these materials. This investment will help transform a footprint of over 4 million tons of previously untraceable palm oil – that's almost 1 million hectares in the first mile that we would otherwise not be able to impact. Working in this way also enables us to build direct relationships with around 100 strategic mills and suppliers – a reduction of up to 80% of that supply base footprint.

In Soy, we delivered a groundbreaking partnership to develop a green refinery in Brazil. The refinery will generate a supply chain of over 1 million tons of deforestation-free soy.

Investment in technology

We are building greater traceability and transparency with the help of cutting-edge technology. For example, we expanded the coverage of our palm oil monitoring platform, which uses satellite imagery and geolocation data to measure deforestation in our supply chain; and, along with USAID, WRI, NASA, Google, and others, we have developed the Forest Data Partnership.

Investment in innovation

We are reformulating our products to have a smaller material and environmental footprint. For example, we are working with new biotech innovations to develop new origins and feedstocks for our business and the industry, reducing the reliance on single monocrop feedstocks and, ultimately, reducing pressure on the land.

Working with smallholders

Empowering farmers and smallholders in the communities and areas we source from is a key pillar of our action through our direct sourcing programmes and smallholder development hubs.

In palm, our new compressed and direct footprint enables us to manage a deforestation-free supply chain with direct positive impact. We are working with independent mills and others to physically map the smallholders. We are working with independent mills and others to physically map the smallholders in our partnership with Meridia. So far, we have mapped 47,000 smallholder farmers.

In cocoa, we are building on a proud history of being 100% certified and polygon mapping the farmers in our supply chain. We have already mapped over 25,000 farmers in our direct supply chain.

In tea, we are driving the Trustea certification across South Asia and have developed an innovative Tracetea app to digitally map tea growers at scale.

Driving protection, restoration, and regeneration of nature

We are driving the change beyond our own supply chain by investing in landscape and jurisdictional approaches that seek to protect and restore natural ecosystems, promote responsible production at scale and empower whole communities.

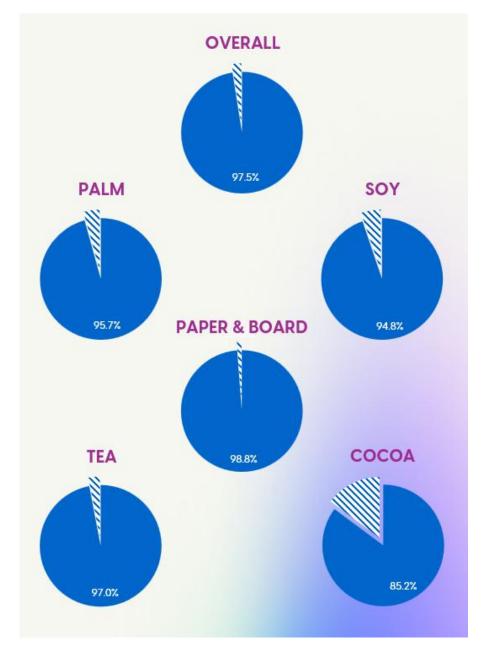
Unilever has invested in various landscapes across Southeast Asia and Africa to date and, by the end of 2024, this had helped to protect and restore 430,000 hectares of natural ecosystems.

Our Climate & Nature Fund continues to support our work to protect and regenerate nature. In partnership with the Rimba Collective, we aim to enhance and protect rainforests in Southeast Asia.



Our deforestation-free achievements

We are proud that 97% of our palm oil, paper and board, tea, soy, and cocoa order volumes were independently verified as deforestation-free by the end of 2024. We are proud of the impact we achieved, and of the change we are driving across the industry.





Commodity Specific Reporting

Sustainable and deforestation-free palm oil¹

Our ambition is to make <u>sustainable and deforestation-free palm oil commonplace</u>. To achieve this, we're stepping up our engagement with suppliers and smallholders while increasing the traceability and transparency of our supply chain.

In 2024, Unilever sustainably sourced 100% of our core volumes of palm oil through a mixture of physical RSPO sustainable certified palm oil (Mass Balance or Segregated) and RSPO Independent Smallholder credits. Together with palm kernel oil (refined and derivatives) in 2024, Unilever reached 82% sustainable sourcing of our core volumes. We continue to be one of the largest buyers of independent smallholder certified 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.

Our efforts on sourcing sustainable palm oil is a key part of our approach but we need to go further. We are therefore increasing the traceability and transparency of our supply chain and have been working on reaching a deforestation-free supply chain in palm oil. By the end of 2024, 95.7% of our in-scope palm volumes were deforestation-free, based on our deforestation-free requirements. More about our palm oil supply chain can be found here.

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 are 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 <u>direct palm oil suppliers</u>, the names and locations of more than <u>450 mills</u>, and <u>130 palm oil facilities</u> (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.

We conducted a <u>forest footprint mapping exercise</u> pilot of our palm oil supply chain. This represents a 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 <u>grievance mechanism</u> and maintain an <u>open list of reported issues online</u>. 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 <u>WRI's Global Forest Watch</u> platform. Read more <u>here</u>.

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. We released our Reimagining Landscapes Report, which details how we're supporting landscape programmes within Southeast Asia. We continue to expand 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 Southeast 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 to map and baseline 47,000 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 would on direct sourcing and building inclusive, deforestation-free palm oil supply chains can be found here.

Palm Oil KPI Reporting

KPI	Reporting
OWN SUPPLY CHAINS	
Percentage of volumes deforestation- and conversion-free	By the end of 2024, we reached a deforestation- and conversion-free score of 95.7% for palm oil, that has been <u>verified</u> through a limited assurance process.
Scope of reporting	The scope of reporting cover all of our palm oil suppliers, aligned with the <u>Unilever</u> <u>Basis of Preparation 2024 for sustainability metrics</u> and have gone through an <u>independent verification protocol</u> for deforestation and peat conversion-free protocol.
Progress of mills towards deforestation-free	By the end of 2024, 95.7% of our palm volumes reached a deforestation-free score, which was sourced from mills part of our methodology to report on deforestation-and conversion-free and declared publicly on our website. These are mills assessed 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 deforestation-free mills has been critical in our roadmap to achieve a deforestation free supply chain. This approach has enabled us to go further with our suppliers who have declared to us a deforestation and conversion free score using a method that aligns with our independent verification protocol.
Percentage traceable of volumes traceable to mill	98% of our volumes in 2024 is traceable to mills.
Percentage traceable of volumes traceable to plantation	98% of our volumes in 2024 is traceable to plantations.
Percentage of volumes physically certified and sustainably sourced	In 2024, Unilever sustainably sourced 100% of our core volumes of palm oil through a mixture of physical RSPO sustainable certified palm oil (Mass Balance or Segregated) and RSPO Independent Smallholder credits. Together with palm kernel oil (refined and derivatives) in 2024, Unilever reached 82% sustainable sourcing of our core volumes, with 62% 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 20% 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 DISCLOS	SURE, TRANSPARENCY AND ENGAGEMENT
Supplier Lists	We annually publish a list of <u>direct palm oil suppliers</u> , <u>palm oil mills</u> and <u>palm oil facilities</u> (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 biannually 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/inform ed of our deforestation- and	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.

conversion-free commitments	
Communents	All our direct suppliers (100%) are also required to report on their deforestation and
Performance of	peat conversion free supply chain performance through:
direct suppliers	- supplier declarations that are accompanied by evidence on traceability-to-
• •	
against our	mill%,
commitments and	- traceability-to-plantation%
changes over time	- deforestation and peat conversion-free%.
including progress on	
delivery across entire	Our suppliers are then assessed, scored, and ranked against their performance. When
palm oil business	gaps are found action plans are created and acted upon together with our suppliers.
MONITORING AND REP	OPTING
WONTOKING AND KEP	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.
	(including pear conversion) and our reopte and Nature Policy commitments.
	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
Monitoring systems	happening on the ground, especially in the critical 'first mile' from where raw materials
and approach to	are grown to where they are first processed. This is where the greatest deforestation
monitor our	risk lies.
commitments	
	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,
	Satelligence, 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.
Percentage of supply	100% of our supply base is covered by deforestation and peat conversion monitoring
base covered by	and specific visibility to over 24 million hectares of oil palm planted area and farmers
deforestation & peat	in the supply chain.
monitoring	
	Our public tracker of <u>People and Nature grievances</u> 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
Suppliers engaged,	to halt any clearing and to progress with remediation of the issues or where no
suspended, or	engagement is possible to take further actions in line with our policy.
excluded from supply	We also maintain a Suspended or No-Buy List of Palm Oil Companies that publicly
chains	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.

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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.

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.

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.

Monitoring beyond supply chains

A monitoring system is, however, just the first step. The next step is to decide what to do when deforestation is identified. Modelled after the integrated monitoring and response system developed in Aceh Tamiang, where a team led by the government's forest management unit reviews RADD deforestation alerts, verifies it with high resolution photographs, and deploys ground investigation, a similar system is developed in the neighbouring district of Aceh Timur. Similar to the Tamiang system, Unilever supports the training for this forest management unit through partnership with the Leuser Conservation Forum (FKL) who together report deforestation to the district's multi-stakeholder forum, the Centre of 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 continue 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 Satelligence, we receive alerts that indicate any deforestation/ conversion of forest larger or equal to 0.1 ha that happen within 250 metres of each other (close proximity) within 45 days of each other, that are not limited to oil palm coverage. They detected 428,177 of such alerts in Indonesia and Malaysia in 2024.

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 <u>People and Nature Grievance Mechanism</u> 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 <u>public tracker of People and Nature grievances</u> 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 2024, we estimate that 3% of mills that have been declared to us by our suppliers are with or are potentially linked to unremediated deforestation / peat grievances since our cut-off date of December 2015 based on traceability-to-plantation data and methodology.
	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.
Deforestation and/or conversion since cut- off date	We estimate our deforestation and conversion footprint at 6,791 since our cut-off date of December 2015 until the end of 2024. This estimate is based on monitoring data of, and deforestation alerts in, managed concessions (group-level), independent concessions, and other sources (e.g., smallholder plots) that supplied to mills in our supply chain, as well as the estimated proportion of palm oil volumes bought by Unilever originating from these mills.
	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.
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, in 2024, 39% 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. In 2024, following a more selective list of mills, we estimate 68% of alerts detected that are linked to our supply chain to be processed in line with our non-compliance mechanism and only two cases are linked to producer groups that Unilever has publicly suspended.

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

LANDSCAPES	
Priority production landscapes and methodology as well as number of landscapes engaged in, objectives and impacts.	Our <u>Reimagining Landscapes Report</u> of Aceh, North Sumatra, Riau and Central Kalimantan in Indonesia, and in Sabah, Malaysia. We are still actively supporting all five landscape programmes in 2024.
	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.
	In 2024, we continued to support 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.
Participation in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders or jurisdictional partners	Through these landscape programs we participate in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders and jurisdictional partners.
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. 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.





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 2024, we purchased paper and board packaging from 51 countries of origin, and 99.2% 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. 99.5% 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 <u>Sustainable and regenerative sourcing page</u> for more on sustainable paper and board.



Paper & Board KPI Reporting³

KPI	Reporting
OWN SUPPLY CHAINS	
Percentage of volumes deforestation- and conversion-free	By the end of 2024, our suppliers declared a deforestation and conversion free score of 99.2% using a method that aligns with our deforestation-free approach.
	In 2022 Unilever worked with Peterson 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.
	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 99.2% reported is made up of (A) FSC certified and FSC certified recycled (90.35%) and (B) PEFC (8.90%) certified and recycled. The remaining 0.5% of our total timber consumption is either uncertified recycled board (0.2%) or is not certified (0.3%). Furthermore, we have mapped and monitor 96.1% of the paper mill-locations within our value chain (tier 2).
Scope of reporting	The scope of reporting cover all of our paper & board suppliers, aligned with the Unilever Basis of Preparation 2024 for sustainability metrics.
Percentage recycled and percentage virgin fibre	Total virgin : 28% Total recycled : 72%
Percentage of virgin supply certified, and percentage per scheme and chain of custody model	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 99.2% reported is made up of: (A) FSC certified and FSC certified recycled (90.35%) and (B) PEFC (8.90%) certified and recycled.
	The remaining % of our total timber consumption is either uncertified recycled board (0.28%) or is not certified (0.47%). We continue working on the certification of these materials beyond 2024 and in parallel developing further tier 2+ traceability.
Percentage of virgin supply traceable to origin (at least to country of harvest)	We have mapped 100% of our suppliers (tier 1), 99.84% to primary country and 96.1% of the paper mill-locations within our value chain (tier 2). These numbers reflect our total consumption – virgin and recycled materials. Both KPIs are pending external validation.4

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.

Origin of paper and board and consumption	Austria, Australia, Bangladesh, Brazil, Canada, Cote d'Ivoire, Chile, China, Colombia, Czech Republic, Germany, Algeria, Ecuador, Egypt, Spain, Finland, France, United Kingdom, Ghana, Croatia, Indonesia, Israel, India, Italy, Japan, Korea, Sri Lanka, Morocco, Mexico, Nigeria, Netherlands, New Zealand, Philippines, Pakistan, Poland, Portugal, Romania, Russian Federation, Saudi Arabia, Sweden, Slovenia, Thailand, Turkey, Taiwan, Unknown, United States, Uruguay, Viet Nam and South Africa Argentina: 0.4% Brazil: 12.2% Colombia: 0.6% Indonesia: 9.3% Russian Federation: 0.2% Thailand: 4.3% Viet Nam: 5.6% Any other countries/areas (low risk) 67.5%
% of supply from high	32.5% of our paper and board originates from high priority sources based on CDP list of
priority sources	high priority countries but are covered by certification.
Actions being taken for supply from high priority sources	In 2024 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. 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.
SUPPLY CHAIN DISCLOSU	JRE, TRANSPARENCY AND ENGAGEMENT
Supplier List	We annually publish a list of paper & board suppliers with our 2024 database found here.
Proportion of suppliers informed about the Forest Positive Suppliers approach	100% of our supply base is engaged through the principles of our <u>People and Nature</u> <u>policy</u> and we are working to achieve full implementation with the application of the more detailed <u>People and Nature Policy guidelines</u> . The requirements are embedded in our supplier contracts and are important indicators of performance. Additionally, our suppliers are required to commit to our <u>Responsible Partner Policy</u> .
Number or proportion of suppliers identified as priority for engagement, and % engaged	100% of our suppliers are engaged via our <u>People and Nature Policy</u> and <u>Responsible Partner Policy</u> . 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 2024 increased from 91.2% in 2021 to 98.8% in 2024.
4	

MONITORING We engage directly with our 265 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 2024. We also engaged with remaining suppliers on the conversion to certified recycled. Regular engagement is paramount 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 Monitoring systems and chain of custody certification and procure certified recycled fibre for their own approach to monitor manufacturing. In 2024, we engaged specifically with suppliers in Asia and Africa to our suppliers ensure they had the certifications and volumes to deliver certified volumes to Unilever into the future. 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 99.2% in 2024. Our suppliers self-assess their performance on a quarterly basis reporting via the GTS system, which we developed for this purpose. 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. Percentage of supply We are partnering with NGIS to receive deforestation and conversion alerts, which we base covered by overlay with the sourcing areas in our supply chain. To make land-use monitoring deforestation & peat publicly available, we work in partnership with organisations such as the World monitoring Resources Institute (WRI) Global Forest Watch platform. 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. Suppliers engaged, suspended, or All verified non-compliance/breach to our Policy's principles within suppliers' excluded from supply corporate group operations and third-party supply chains must be remediated. Where a chains 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.

GRIEVANCE	
Summary of company grievance process	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. Our process aligns with the Deforestation Monitoring and Response Framework of Forest Positive Coalition of the Consumer Goods Forum.
Summary of progress of grievance cases	We handle our Paper and Board grievances through our People and Nature Grievance procedure and follow up on reported cases. The reported grievances related to Paper & Board are tracked in our <u>Unilever People and Nature Grievance Tracker</u> .
Deforestation and/or conversion since cut- off date	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: 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. 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.

¹¹ 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.



^[2] At the moment, we look at traceability in general, not split into material type. But we treat all types of materials equally.



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 2024, 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 2024. 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 2024.

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 2024, 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 2024, we achieved 100% sustainably sourced soy via the most demanding soy-related certifications Proterra (cutoff 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 Goais States to certify against the RTRS standard. By providing technical assistance and guidance to soy producers, they achieved RTRS certification, producing more than 2.1 million tons of deforestation free soybeans, protecting 14,000 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	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 Foods Business Group. We sourced 325, 971tons of soy oil in 2024 and our Soybean oil origins are: USA,
	Brazil, France, Italy, Romania, Ukraine, Argentina, Central African Republic, Uruguay, Canada, Greece, Hungary, and Serbia.
Scope of reporting	The scope of reporting cover all of our soy suppliers, aligned with the <u>Unilever</u> <u>Basis of Preparation 2024 for sustainability metrics</u> .
Percentage of volumes deforestation- and conversion-free	For 2024 using a third party (3Keel) for data collection and verification our suppliers have reported to Unilever a deforestation free percentage of 94.8% using a methodology that aligns with our protocols of independent verification.
Traceable to at-risk origin (country or subnational)	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 2024 and have used this as a basis for maintaining ongoing traceability through contractual commitments with suppliers. It was established that 25.7% of our soy comes from forest risk countries.
	99.1% of our global soybean oil consumption is traceable back to mill and 99.8% to country level.
	For soybean oil originated in high-risk countries, 100% is traceable to country level and about 73.4% is traceable to state level. Going forward we will focus on improving our traceability to municipality level for all high-risk countries.
Percentage from Unknown origins	Less than 1% of the soybean oil sourced in 2024 was originated in unknown origins.
	By the end of 2024, 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.
Percentage DCF supply and break-down into: • % DCF negligible risk origin • % DCF certified • % DCF monitored	Additionally, 94.8% 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 developed protocols for the independent verification of the of our Soy suppliers and started auditing them against these protocols from 2024.
	Breakdown of the DCF material:
	 77.9% from areas of negligible risk 22.1.3% reported as deforestation free through monitoring using a method that aligns with our independent verification protocols.

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

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 2024, 95% of our soy oil volumes originated from areas of lower risk for deforestation. This number was up from 90% in 2020, 93% in 2021, 92.4% in 2022, and 95.5% in 2023. Once we have made this physical shift of our supply base, we then work with suppliers to verify the deforestation free percentage. This will happen in line with our 2024 target and via the use of independent verification. For 2024, using a third party (3Keel) for data collection and verification our suppliers have reported to Unilever a deforestation free percentage of 94.8% using a methodology that aligns with our protocols of independent verification.
Deforestation and/or conversion since cut-off date	We monitor deforestation using a combination of own digital tools e.g., our deforestation monitoring dashboard, contracted third party services and public data sets. We have developed our own in-house monitoring capability in partnership with Google Cloud, Satelligence, 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. 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. 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. 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.
SUPPLY CHAIN DISCLOSUR	E, TRANSPARENCY AND ENGAGEMENT
Direct supplier list	We annually publish a list of our soy suppliers with our 2024 data base found here.
Percentage of suppliers to whom our commitments and its implementation have been communicated	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.
Performance of suppliers against our commitments including progress on delivery across entire operations	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. 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 2024 and have used this as a basis for maintaining ongoing traceability through contractual commitments with suppliers. This analysis confirmed that 99.8% of our global soybean oil consumption is traceable back to refinery and 99.1% is traceable to crushing plants or mills.

	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 countries.
	Other countries we source from include Canada, Greece, Romania, Ukraine, 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	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.
	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.
	In the US we work in multistakeholder partnerships to drive responsible production and regenerative agriculture practices to help regenerate farm environments.
Participation in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders or jurisdictional partners	In Brazil, we are part of a collaboration with the Round Table on Responsible Soy (RTRS) and Alliança da Terra, which has helped more than 54 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.
	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.
	Through these landscape programs we participate in collaborative actions to advance sustainability in agriculture commodity production with multiple stakeholders and jurisdictional partners.
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 2024. This is approximately 6% of our direct soybean footprint. We are committed to monitoring DCF performance for embedded soybean and have engaged 3Keel to carry out exploratory analysis in 2025.