PRODUCTION ITEMS SUPPLIER

(RAW, CHEMICALS, INGREDIENTS AND PACKAGING COMPONENTS)

UNILEVER SUPPLIER QUALITY MANUAL

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ABOUT THIS MANUAL

SCOPE

In the context of this manual, a Production Items Supplier is identified as a manufacturer that produces and sells materials to Unilever which are then used by Unilever to produce a Finished Product.

Production items include:
- all raw materials (including blending and repackaging)
- all packaging materials including components ie: labels, pumps etc
- semi finished goods

MATERIAL RISK & SQA PROCESS

Unilever assess a risk level for each material we purchase. Risk level can be assessed as high, medium or low. Risk dimensions include susceptibility to microbiological, chemical or physical contamination, quality performance factors and sensorial factors.

All of your manufacturing facilities must register in Unilever Supplier Qualification System (USQS) and provide details of the material you supply to us. The risk level associated with the material then determines the type of audit your facility must successfully complete in order to be permitted to supply us.

Facilities that produce high or medium risk materials are classified as High Risk manufacturing sites. These sites must obtain certification against a Unilever accepted external audit protocol standard. Facilities that produce low risk materials are classified as Low Risk manufacturing sites. We prefer that these sites have a Unilever recognised external audit certification however, in the absence of such a certification, these sites must complete and pass the Unilever Supplier Self Assessment audit (SSA).

If you have multiple facilities that produce different materials with different risk levels, each facility will have to be certified against the relevant audit standard or pass the Unilever SSA.

For a facility that produces more than one type of material that they supply to Unilever, the overall risk and applicable audit process is dictated by the material risk level and material type. For example, if a facility produces 2 low risk materials and 1 high risk material, the highest risk material dictates the audit requirements for the facility.

SQA AUDIT STANDARD INFORMATION

On-site audits are conducted by 3rd party audit companies against,Unilever accepted, globally recognized standards. Unilever recognises these standards because they audit both your quality management systems, as well as the work processes and operating procedures specific to the materials you manufacture.

By successfully completing the certification audit or self-assessment, you have demonstrated that you have the necessary Quality processes and practices in place to provide us with materials that are safe for consumers to use and are in compliance with regulatory requirements.

A full list of audit standards that we accept can be found on USQS. We do have standards within this list that we prefer you to use. This preferred list is shown on the next page. A guidance document is available, both on SupplierNet and within the USQS, which will help you select the most appropriate audit standard for your facility.

If the audit you choose has the option for a certificate to be issued at the end of the audit then you must chose this option.

We do not accept ISO9001 as this only covers your Quality Management Systems NOT your work processes and operating procedures.

UNILEVER PREFERRED AUDIT STANDARDS AS OF Q3 2017

Manufacture of Raw Material & Ingredients Foods	• FSSC 22000 • BRC Global Standard For Food Safety • IFS Food • SQF code (Level 2 or Level 3)
Manufacture of Raw Material Home & Personal Care	• BRC Global Standard for Consumer Products • European Federation for Cosmetic Ingredients (EFfCI) – GMP for cosmetic ingredients • ISO 22716 - Cosmetics Good Manufacturing Practices (GMP) • HPC420 • ISO13485 (Medical Devices)
Manufacture of Food Packaging Components	• FSSC 22000 • IFS PACsecure • BRC Global Standard for Packaging and Packaging Materials
Manufacture of Non-Food Packaging Components	• BRC Global Standard for Packaging and Packaging Materials • HPC 420 • ISO13485 (Medical Devices)

We periodically review the list of audit standards we are willing to accept.

Please ensure that you only select audit standards from the information provided in USQS.

UNILEVER PREFERRED AUDIT COMPANIES

SQA audits must be performed by licensed audit companies that are certified by the audit standard owner.
We will not accept any certification from an audit company that only holds a "Provisional License".
We recommend and prefer that you work with one of the following audit companies:

Intertek

DNV·GL

BUREAU VERITAS

CONTROLUNION

SGS

Working with one of our preferred audit companies is advantageous because they are able to:

- Conduct a wide range of SQA audits
- Have auditors located across the world
- Work directly within USQS

Through USQS, you have the option to allow these companies to contact you directly to clarify any audit details such as auditing costs, schedules, audit formats and duration etc.

You are responsible for all costs related to the SQA audits, close-out of non-conformances and certification.

SQA AUDIT PROCESS FOR HIGH AND MEDIUM RISK MATERIALS

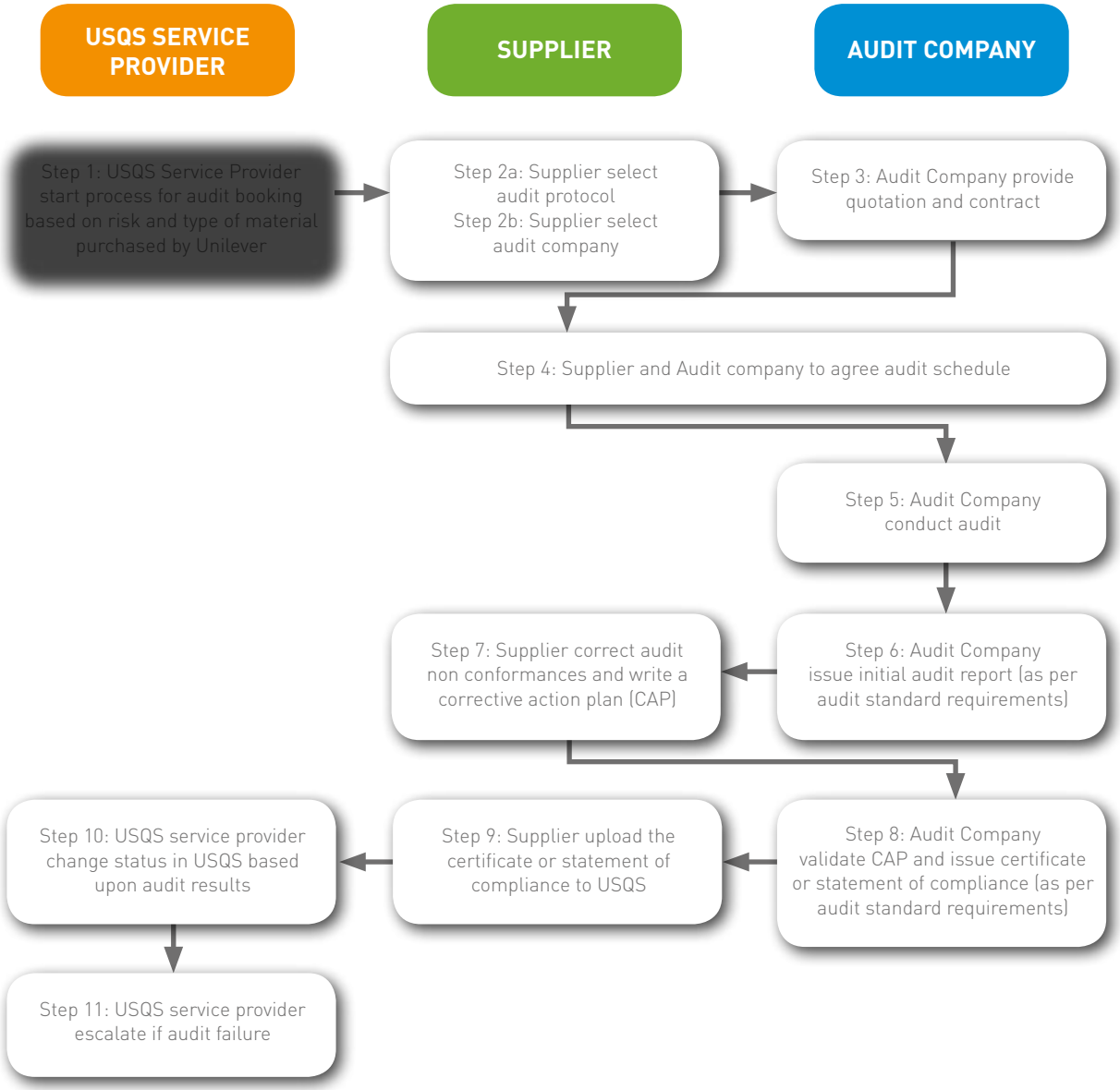
Receipt of a certificate from the appropriate certification body is the confirmation that your facility has met the requirements of the particular standard your facility has been audited against. The uploaded documentation will be reviewed by the USQS service provider (GENPACT) to ensure that the audit matches one of the SQA accepted audit standards. As soon as the USQS service provider confirms that the audit submitted is in accordance with our SQA requirements, you will be considered approved.

Pre-audits or pre-assessment reports, alone, do not demonstrate compliance to the SQA requirements and are therefore not accepted.

Maintaining SQA approval on an ongoing basis will be managed through USQS and our service providers.

The basic steps in the SQA process are shown on the next page.

SQA AUDIT PROCESS FOR HIGH AND MEDIUM RISK MATERIALS



Note: Where your input or action is required, you will be contacted by USQS system generated e-mail and given weblinks to directly access the USQS.

SQA - SUPPLIER SELF ASSESSMENT AUDIT (SSA) FOR LOW RISK MATERIALS

If your facility produces low risk materials and does not have a current and applicable audit certificate, you must complete the Supplier Self-Assessment audit (SSA) instead of a full audit.

The SSA is available in the USQS database and is completed on-line. The SSA is a set of audit questions, relevant for the materials you supply to us and must be completed for each of your Low Risk facilities from which you supply Unilever.

SQA AUDIT FREQUENCY AND RECERTIFICATION

Once your facility has been successfully approved, the facility must maintain an approved status in order to continue doing business with us. As the audit certification or self-assessment expiration date approaches, you will receive an email alert from USQS to initiate the re-approval process. Re-approval frequency is shown below.

MATERIAL RISK	SQA REQUIREMENT	FREQUENCY
High and Medium	Certification audit	As prescribed by the audit protocol
Low	Self-assessment audit	Every 2 years

GENERAL INFORMATION

All audit documentation and related supplier information will be stored in a secured database managed by a third party, under contract to Unilever. Only that third party and Unilever personnel are authorized to access the information in the database. Unilever preferred audit companies do not have access to supplier information.

The risk level we assign to materials is subject to change; if any change results in you requiring approval to a new requirement (for example, external audit instead of self-assessment), you will be promptly notified.

SPECIFICATION AGREEMENT

Material specifications are developed by Unilever for all our production items and define those properties that ensure the materials conform to our requirements. They are not designed to be specific to a supplier or manufacturing facility. Unilever's material specifications cover:

- consumer safety and consumer information requirements
- product performance requirements
- appearance & sensory requirements
- manufacturing & handling requirements
- shelf life & "best before" date
- storage and transportation requirements

Certain properties are defined as being "critical" for either consumer safety or quality performance reasons. You must confirm conformance to these critical properties for each production lot delivered to us by means of a Certificate of Analysis (CoA) or Certificate of Conformance (CoC). when applicable. CoA and CoC requirements are covered in more details in this Quality Manual.

The material specification and CoC/CoA requirements must be signed off as part of the contract negotiation process.

CERTIFICATE OF ANALYSIS OR CERTIFICATE OF CONFORMANCE

A **Certificate of Analysis ("CoA")** or **Certificate of Conformance ("CoC")** must be provided as evidence that the material supplied meets the agreed specification. A CoA or CoC must be available for each delivered lot. The CoA or CoC may be provided ahead of the delivery but must be available to our receiving location no later than the time of delivery. In some countries, we have the capability to receive electronic CoA or CoC data. You should check with your Unilever contacts to confirm if this is available.

Out of specification deliveries must not be dispatched without Unilever's permission.

The Certificate of Analysis (CoA) must contain the following:

- Your unique manufacturing lot code for the delivered lot for traceability reasons
- Unilever material code (SAP code)
- The CoA must record target values, tolerances and actual test results to the specified level of accuracy for each critical quality property identified in the agreed specification for the delivered lot
- Each test result must reference the test method used
- The CoA must be complete, legible and approved by your Quality representative (following local legislation where required)

You will be able to access all minimum required information for a CoA via SupplierNet (Supporting documents for CoA).

Where you contract an external laboratory to perform analytical testing, the laboratory must be certified to a publicly available laboratory testing standard for each method cited.

If a CoA is not provided with a delivery, or provided with missing information, we will generate a Supplier Non-conformance Report (SNCR) and reserve the right to reject the delivery.

CERTIFICATE OF ANALYSIS OR CERTIFICATE OF CONFORMANCE

A **Certificate of Conformance** can be provided as a replacement for the CoA for certain raw material microbiological parameters and packaging components properties. The supplier must provide a CoC for each delivery stating that the delivery is within specification, as established by a process and pre-requisite controls and verified by monitoring using agreed and accredited methods and list the parameters.

If Unilever's inbound sampling and monitoring program establish that material deliveries with a CoC are out of specification, then the vendor will be required to provide a CoA for all critical properties for the following 6 delivered lots. The supplier can resume providing CoC's after appropriate process control has been re-established and the 6 deliveries have all been within specification

The supplier must provide a CoC for each delivery stating that the critical properties/dimensions are within specification.

For details about Pre-requisite to agreement of CoC, please access Supporting Document available in SupplierNet.

SHELF LIFE, DATE OF MANUFACTURE & SAMPLES RETENTION

SHELF LIFE & DATE OF MANUFACTURE

You must provide the date of manufacture of the delivered lot for use in Unilever inventory control systems.

Our specifications define the minimum required shelf life of the materials. You must provide the corresponding maximum shelf life of the materials for each delivered lot.

Storage and stability data to support the maximum shelf life might be required during any qualification process.

All production items delivered to Unilever Should have 70% of their Remaining Shelf Life left and MUST have a minimum of 50% of their Remaining Shelf Life left.
Where a supplier is holding inventory on behalf of Unilever ie: via an inventory model, the remaining shelf life of the delivered lot must be agreed between the SU and the supplier.

SAMPLES RETENTION

You must retain samples of the material lots delivered to us. Those samples must be retained for a time period equal to the maximum shelf life of your material or the time period denoted by local regulations (whichever is longer).

STORAGE, TRANSPORTATION AND DELIVERY REQUIREMENTS

You must conform to our inbound quality requirements for shipping containers (for example, bulk tankers, intermediate bulk containers, drums, big bags, bags, etc.).

Please go to the Supporting Documents page to find these documents.

Where non-dedicated bulk tankers and reusable containers are used, you must provide documentation with each delivery to verify the cleanliness.

PERFORMANCE MONITORING & NOTIFICATION

Our receiving facilities will assess the conformance of each delivered lot against the agreed specification. This assessment can occur at the point of receipt or the point of use.

As part of the contracting and initial set-up process, you will have already been requested to provide an email address and contact name we will use in our systems. If any non-conformance is identified, a Supplier Non-Conformance Report (SNCR), will be generated by our receiving facility and you will be notified via an email to this address.

Examples of non-conformances are:

- Certificate of Analysis missing
- Missing Material SAP Code in the certificate of analysis
- Missing Specification Property in the certificate of analysis
- Critical parameters out of specified tolerance
- Damage to the material (for example, punctured, crushed, wet etc.)
- Unacceptable condition of containers used to deliver the material (for example, odor contamination, molds, presence of insects, dirty, etc.)
- Unacceptable bar-coding (for example, cannot be read by scanner, illegible, missing etc.)
- Unacceptable labeling or printing (for example, poor positioning, no label, damage etc.)

A list of all possible SNCR non-conformances is available in SupplierNet.

Additionally, materials may be rejected if they are unsafe for our personnel to unload or handle.

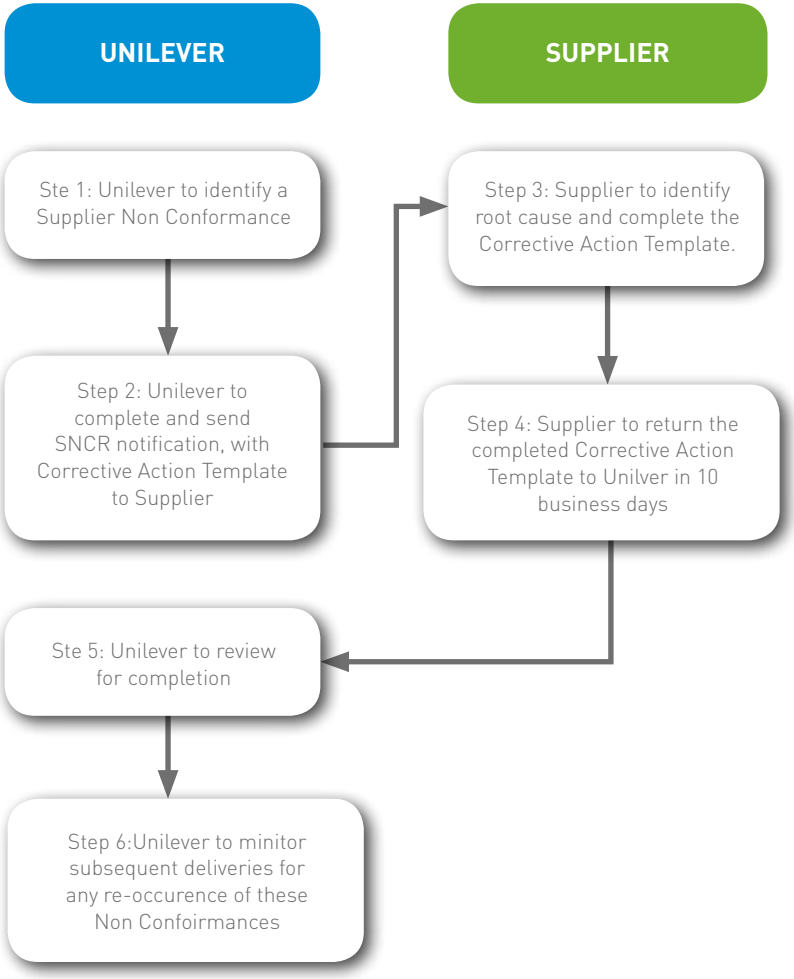
SUPPLIER RESPONSE TO A SNCR NOTIFICATION

The SNCR will contain the following information:

- Description of the non conformance
- Purchase order number for the delivery
- Date that the materials were received
- Quantity of non-conforming materials (units or weight)
- Total down time (in minutes) caused by the non-conforming materials
- Specific date that the supplier is expected to respond
- Name of the Unilever person who created the SNCR
- Where available, photographs or samples of the defect

You must analyse the SNCR data associated with the non-conforming lot, identify root cause(s), and implement actions to prevent the non-conformance from re-occurring.

You must then return the completed Corrective Action Template to the generic Unilever SNCR email address **within 10 business days** of receiving the SNCR notification. The email address is provided in the SNCR notification email sent by the Unilever location.



SUPPLIER RESPONSE TO A SNCR NOTIFICATION

The Corrective Action Template summarizes key information and actions you have identified:

- Root cause(s) of the non-conformance
- Number of previous incidents of the same non-conformance
- Short term corrective actions you have already implemented
- Preventive measures you will be implementing to avoid re-occurrence
- Confirmation that you have identified and quarantined all materials from the same non-conforming lot

We will review the corrective action template response for completeness and will monitor subsequent deliveries for any re-occurrence of the non-conformance.

HOW ARE SNCR LOSSES LINKED WITH KEEPING OUR CONSUMERS SAFE?

See some examples below

CROSS-PACKAGING OF PRODUCT

- Wrong Label
- Mixed Packaging in the delivery
- No label (pre-labelled primary packs)
- Incorrect Labelling

ARTWORK ERRORS

- Print text incorrect, illegible or missing
- Barcode wrong, illegible, missing

PRODUCT CONTAMINATION

Raw and Pack Material Contamination

- Microbiological (e.g.: mycotoxins)
- Allergen
- Foreign Material
- Chemicals (e.g.: heavy metals, cleaning chemicals)

WRONG MATERIALS

- Wrong materials supplied
- Mixed materials in the raw or packaging material fabrication
- Unintended ingredient

PERFORMANCE MEASUREMENT & IMPROVEMENT

We use the following key performance indicators to assess your performance at individual facility, regional and global level:

- Number of your facilities approved in accordance with the SQA program
- Number of agreed specifications
- Number of SNCRs

From these key measures of performance, more granular measures will be used to identify both local and cross-network improvement opportunities. These may include:

- Number of consumer safety SNCRs (for example, allergen contamination incidents, microbiological contamination incidents)
- Number of foreign matter SNCRs
- Your response time to provide corrective action information for SNCRs
- Number of SNCRs where corrective actions have not been effective in resolving the non-conformance
- Number of materials with all critical properties demonstrated to be under statistical control

All the information used to assess performance is based upon the data available to both of us and will be the basis of performance scorecards we will periodically review with you. You must be proactively analyzing performance data to drive continuous improvement.

PERFORMANCE MEASUREMENT & IMPROVEMENT

We have a performance improvement culture which requires a relentless focus on loss elimination. Improvement goals are set with a zero based vision and mindset – zero incidents, zero defects, zero losses. The quality information generated through the performance monitoring and notification process forms the basis for identifying improvement opportunities and loss elimination projects.

Overall performance improvement is driven in two ways:

- SNCR analysis and defect resolution at a local level as described in Performance Monitoring & Notification section.
- Structured, visible and sponsored focused improvement projects (FI) designed to resolve high impact or chronic quality losses. Examples of high impact or chronic quality losses include:
  - SNCRs being repeatedly raised for the same non-conformance
  - Consumer safety impact
  - Consumer and customer complaints
  - Market place incidents and recalls
  - Operational productivity and cost impact

FI projects must be managed through a formal continuous improvement tool (for example, major kaizen, CAPDO Cycle, PDCA, FMEA, 6 sigma, etc). A good practice would be to nominate a FI project leader and ensure visibility of progress and performance improvement to your leadership team. We will periodically review the FI project performance with you at local, regional and potentially global level.

In SupplierNet you can find some FI supporting documents.

CODING AND LABELING REQUIREMENTS

Each individual shipping unit of the item, must carry a clearly visible and legible label on the outer/external packaging of the information listed bellow. In the case of bulk deliveries (i.e.: tanker), the required labelling information must be made available on the documentation (e.g.: delivery receipt).

Required information:

- Unilever localized Raw Material code (where applicable)
- Certification (where applicable)
- Ingredient name (e.g.: Trade Name/Raw Material/Proprietary Name)
- Supplier Name and Manufacturer Name where different to supplier, including address
- Batch identifier, such as lot mark or batch code
- Net Quantity
- Ingredient Statement (including allergens etc.)
- Place of origin
- A durability indication appropriate to the material type including production date, manufactured date, expiry date, best before or use by date (if applicable)
- Any special storage conditions or Safe handling instructions and/or symbols

APPENDIX 1: CALCULATING REMAINING SHELF LIFE ON DELIVERY

Remaining shelf life at the time of delivery to a Unilever facility must be at least 50% of the minimum required shelf life defined in our specification.

Example calculation
Minimum Required Shelf Life defined in Unilever specification: 180 days
Date of manufacture provided by supplier: 01/01/2016
Maximum Shelf Life provided by supplier: 365 days

Delivered to Unilever facility on 31/05/2016

Calculated expiration date = 01/01/2016 + 365 days = 31/12/2016

Remaining shelf life for material delivered on the 31st of May, 2016 = 31/12/2016 - 31/05/2016 = 214 days

Remaining shelf life/Minimum required shelf life = 214/180 = 119%

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DOCUMENT CONTROL

Issue No	05
Date	February 2019
Author Contacts	Katie Gleave
Evaluator	Geert van_Kempen
Approver	Ross Story

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Issue Date	Revision Number	Updated By	Reason for Update
January 2015	01	Alex Gifford/Rob Hanaghan	First Issue
December 2016	02	Joisce Cunha	Updates
February 2017	03	Joisce Cunha	Approver Name Change
April 2017	04	Joisce Cunha	Updates
February 2019	05	Katie Gleave	Updates