Unilever Audit Requirements Update – September 2024

Alignment with Sedex SMETA 7.0

Background

Sedex has updated their audit standard from SMETA 6.1 to SMETA 7.0 with a major change to the categories and issues providing a greater focus on those elements that have an impact on the human rights issues affecting workers in our supply chain.

The new standard launches on September 10th 2024, with all new audits booked after September 10th to be conducted using the new SMETA 7.0 approach.

Resources to understand the new SMETA 7.0 can be found through Sedex's learning Academy [Visit the SMETA Audit Academy](#)

Changes to Unilever audit requirements

In line with the launch of SMETA 7.0, Unilever is taking the opportunity to further align with the Sedex standard and will be using the same approach in our Unilever Supplier Qualification System (USQS). This will result in the following changes:

1. **Issue titles:**
   - Unilever will use the same Issue titles as in SMETA 7.0. This will eliminate the need for an auditor to convert the SMETA findings to the old URSA issue titles.
   - We intend to further upgrade our approach before the end of 2024 by moving to using an API interface between the Sedex platform and the USQS system, such that suppliers and auditors will no longer need to upload audit findings to the USQS system, but only maintain the audit data in the Sedex platform.
2. **Criticality of issues:**
   - Unilever will also move from our own classification of the criticality of issues to the use of the Sedex's classification.
     - This means we will cease using the terminology of:
       - Non-compliance
       - Critical non-compliance
       - Key Incident

- Unilever will start to use the terminology of non-compliances as:
  - Minor
  - Major
  - Critical
  - Business Critical
  - Our approach and requirements for Key Incidents will continue, but will now be required for those issues identified as Business Critical

3. **Required remediation period and verification method**
   - Unilever will maintain our approach that all non-compliances need the implementation of a Corrective Action Plan and the verification through a follow up audit **within 90 days from the date of the initial audit**
   - Unilever will follow the verification method as advised through the SMETA audit to determine if the verification can be done via a desktop review or requires an on-site follow up audit

4. **Audit validity period**
   - Unilever will continue to score audits based on the findings of the audit and the audit validity period will be based on the scoring based on the initial audit.
     - Scoring is as follows for each issue finding:
       - Minor = 10
       - Major = 30
       - Critical = 100
       - Business Critical = 1000
     - Validity period will be based on the sum of all issue scores with the validity period as follows from the date of the start of the initial audit:
       - 0-50 Score = 3 year validity
       - 60-90 Score = 2 year validity
       - 100+ Score = 1 year validity

These changes will bring a simplification to how Unilever evaluates audits. This will remove additional work required from auditors and make the audit findings easier to understand and address between Unilever and its suppliers.

September 2024