

Providing the fuel for growth AND margin
Marc Engel, Chief Supply Chain Officer
29th November 2017



The Unilever Supply Chain

20m tonnes pa sold

488 contract
manufacturers

306 factories
225 sites
67 countries

50,000
SKUs

400+ primary
distribution centres

€34bn bought in spend

400k delivery points
5.5m shipments
1.5 billion km

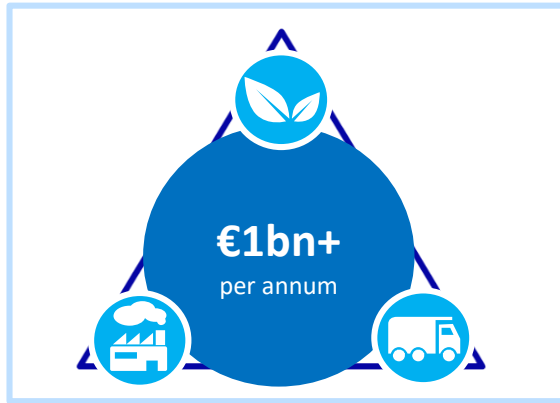
104,000 employees



Strong Progress to 2016

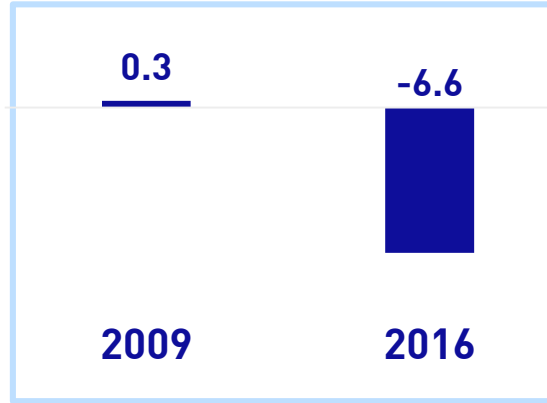
Cost

(Annual Supply Chain Savings)



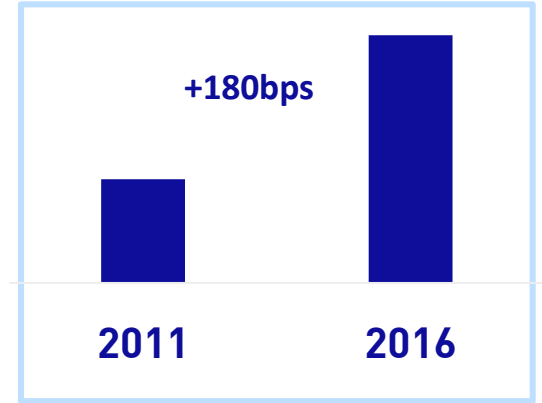
Cash

(Working Cap. % Turnover)



Service

(Dispatch Rate)



Gartner®

 **CDP**™
DRIVING SUSTAINABLE ECONOMIES

Strategic focus for today



**Resetting Cost &
Asset Base**



**Speed & Agility for a
Changing Shopper**



**Digitising the Supply
Chain**

Everyday Brilliant Execution



Cost



Cash

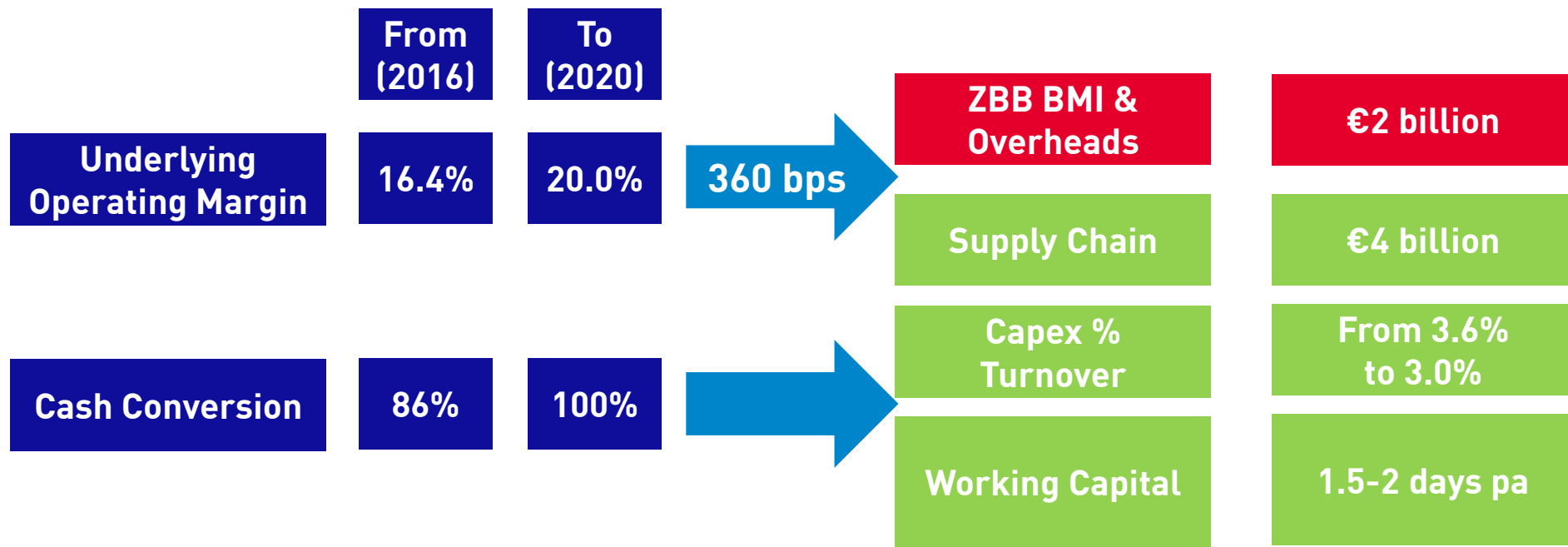


**Agility
For
growth**



Supply Chain Programme

key unlock to deliver our 2020 ambitions



Driving €4bn Savings in Supply Chain

Underpinned by C4G

Material Costs



Production Costs



Distribution Costs



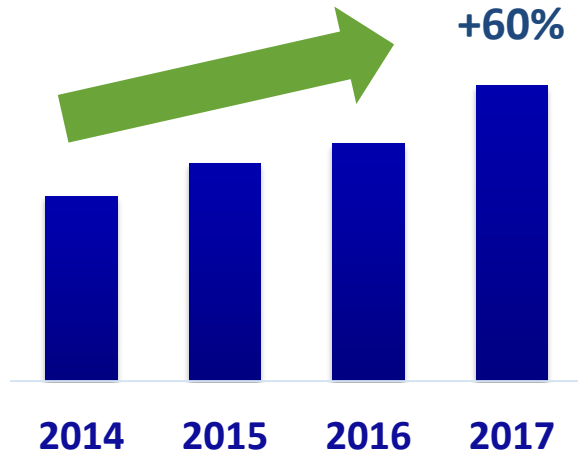
C4G



The 5S Programme

Proven Strong and Consistent Delivery in Home Care

Material Savings



2014-2017H1

A large blue arrow points from the material savings chart to the table of financial results.

Gross Margin	+460bps
BMI	+€100m
UOM	+480bps



Consistent 5S Programme now applied across all categories

5S



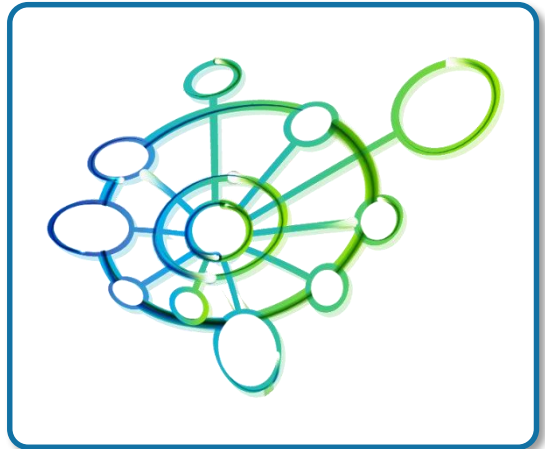
Smart pricing
Smart mix
Smart buying
Smart sourcing
Smart product platform

A diagram showing the Unilever 5S Programme. It features a circular graphic with five segments: 'Smart Pricing' (orange), 'Smart Mix' (green), 'Smart Buying' (purple), 'Smart Sourcing' (teal), and 'Smart Product Platform' (blue). The center of the circle contains the text 'UNILEVER 5S PROGRAMME'. The outer ring of the circle is labeled with 'PRICE' at the top, 'MIX' on the right, 'COST' at the bottom, and 'BUY' on the left.

Design To Value



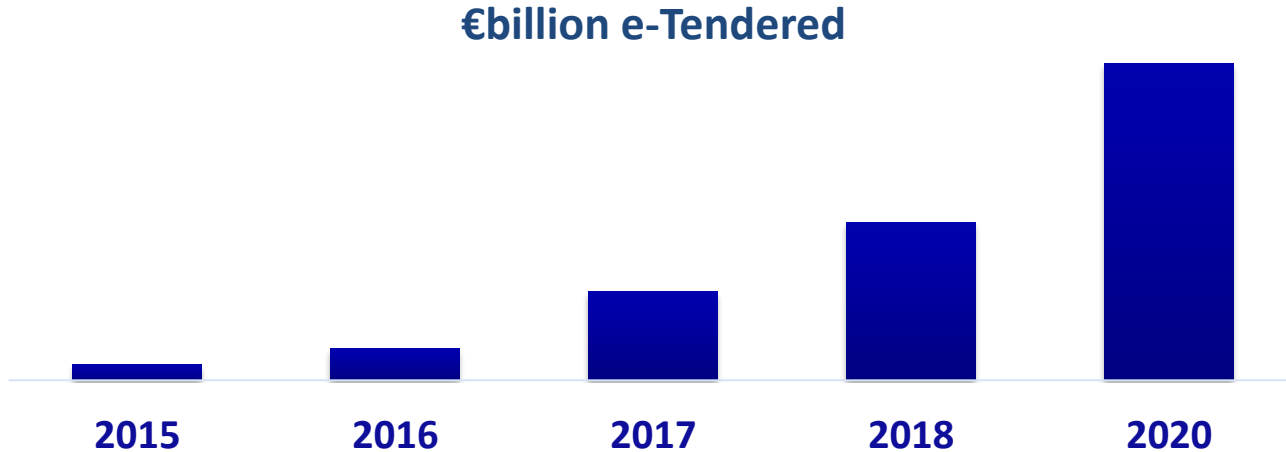
Partner to Win





5S - Smart Buying

Unlocking Value via E-tender



Savings > €300m so far
Capability built and now rolling out



Design To Value

Already delivering early results



+200bps



+900bps



+250bps





Partner to Win Better Cost and Better Product

Powders Packaging Chile



From laminated carton
to flexible packaging

Laundry Liquids Ecoboost

- ✓ Multi partner development
- ✓ New technology unlock
- ✓ Superior product PERFORMANCE
- ✓ Improved SUSTAINABILITY
- ✓ Disruptive COST



Manufacturing & Planning

Reshaping for flexibility, responsiveness and low cost

World Class Manufacturing

Digital Transformation in Supply Chain

Partnerships

Production Cost savings

+20%



Non-WCM sites WCM sites

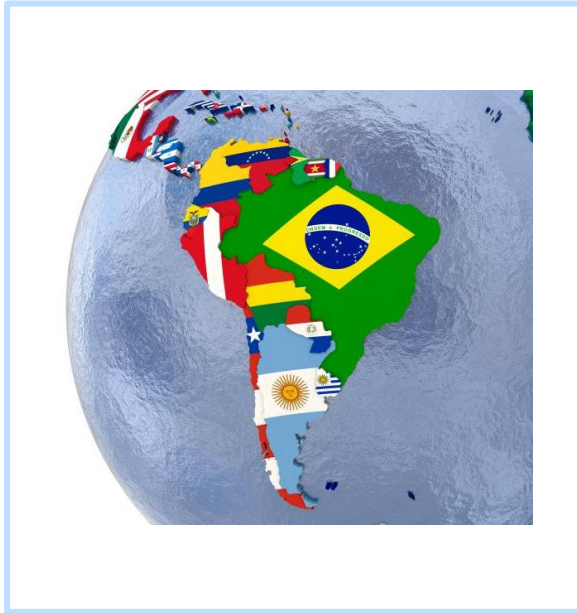




Distribution

Leveraging ZBB into our logistics operations

Control Towers

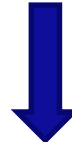


Segmentation

Agile



Waste

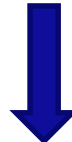


32%

Lean



Costs



12%

Network Redesign

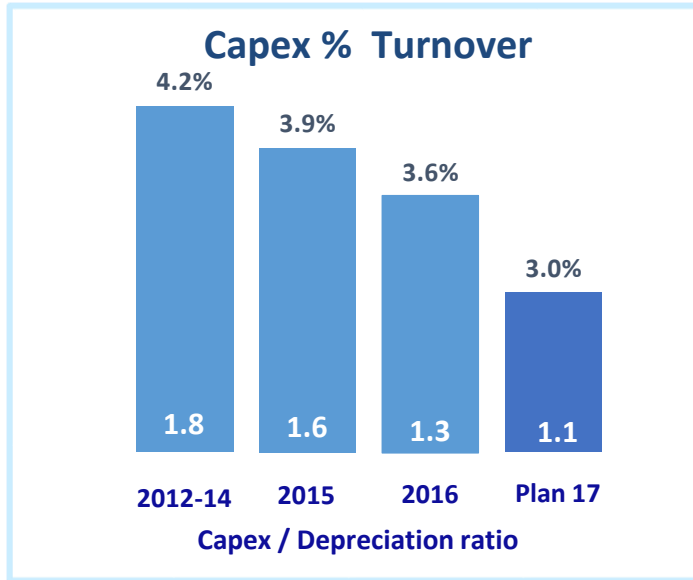




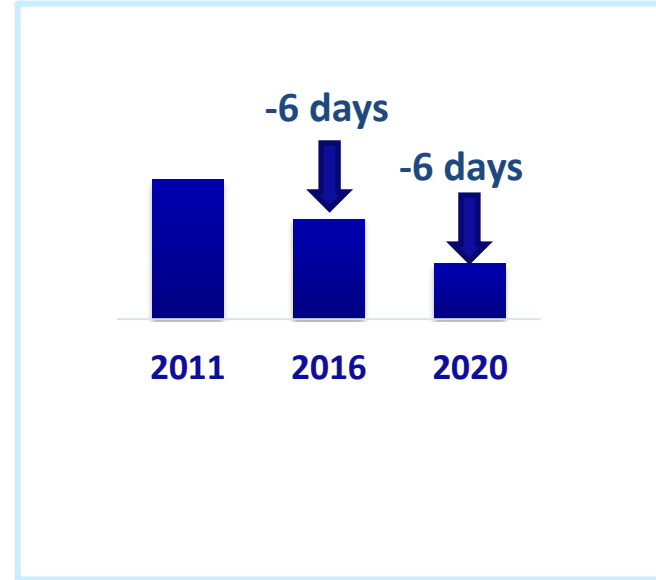
Cash

Reshaping Our Fixed Asset and Inventory Base

Structural improvement in capital efficiency



Reduction in Inventory

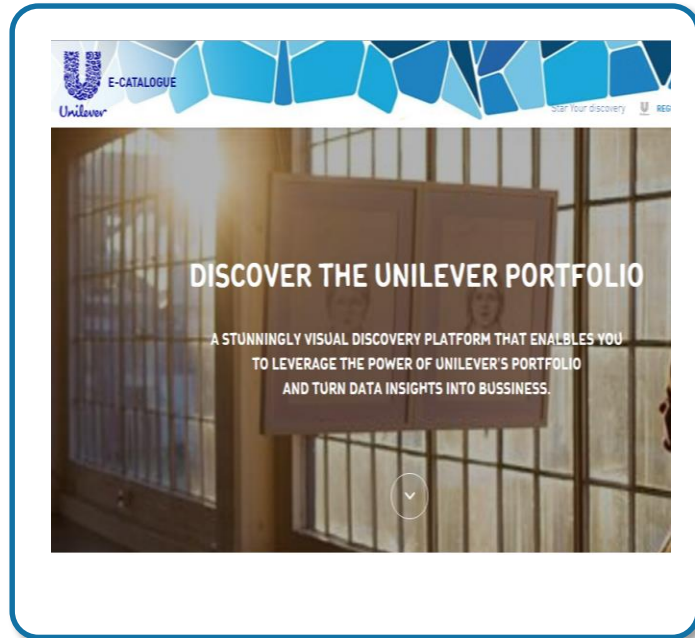


Increasing Cash Productivity

Agility

Rapid Deployment of our Global Portfolio

Global e-Shopping basket



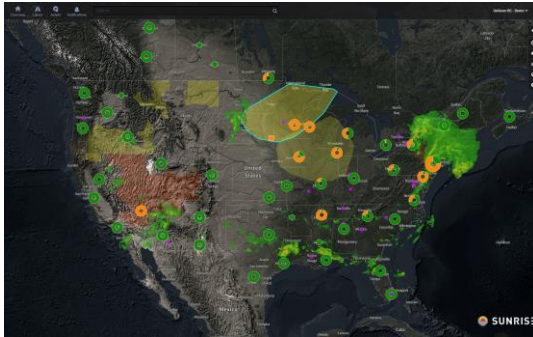
Global Cross-Border Sourcing Operations Centre



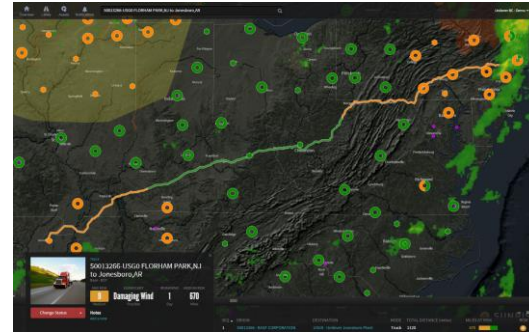


Agility

Predicting & Mitigating Supply Chain Risk



Leveraging advanced analytics to mitigate supply chain disruptions



Identify solutions by monitoring real-time data

Response time: -50%; Quality issues: -20%



Underpinned by Everyday Brilliant Execution

Example Middle Americas: 2014 – 2017

Costs

Material Costs

-270 bps

% TO

Production Costs

-50 bps

% TO

Distribution Costs

-50 bps

% TO

Service & Cash

Service

+1000 bps

Stocks

-20%

Quality

Quality Defects

-60%

To Summarise

- **Supply Chain is a source of fuel for Growth AND Margin**
- **Comprehensive programme well on track to deliver:**
 - **€4bn of Supply Chain savings**
 - **100% cash conversion**
- **C4G as an unlock of**
 - **Speeding up innovation**
 - **Driving agility through digital transformation**
- **Always underpinned by Every Day Brilliant Execution**