



Unilever

MOBILISING
COLLECTIVE
ACTION

**UNILEVER
SUSTAINABLE
LIVING PLAN**

SUMMARY OF
PROGRESS 2015



ABOUT US

**€53.3
BILLION**
SALES IN 2015



190
COUNTRIES WHERE
OUR PRODUCTS
ARE SOLD

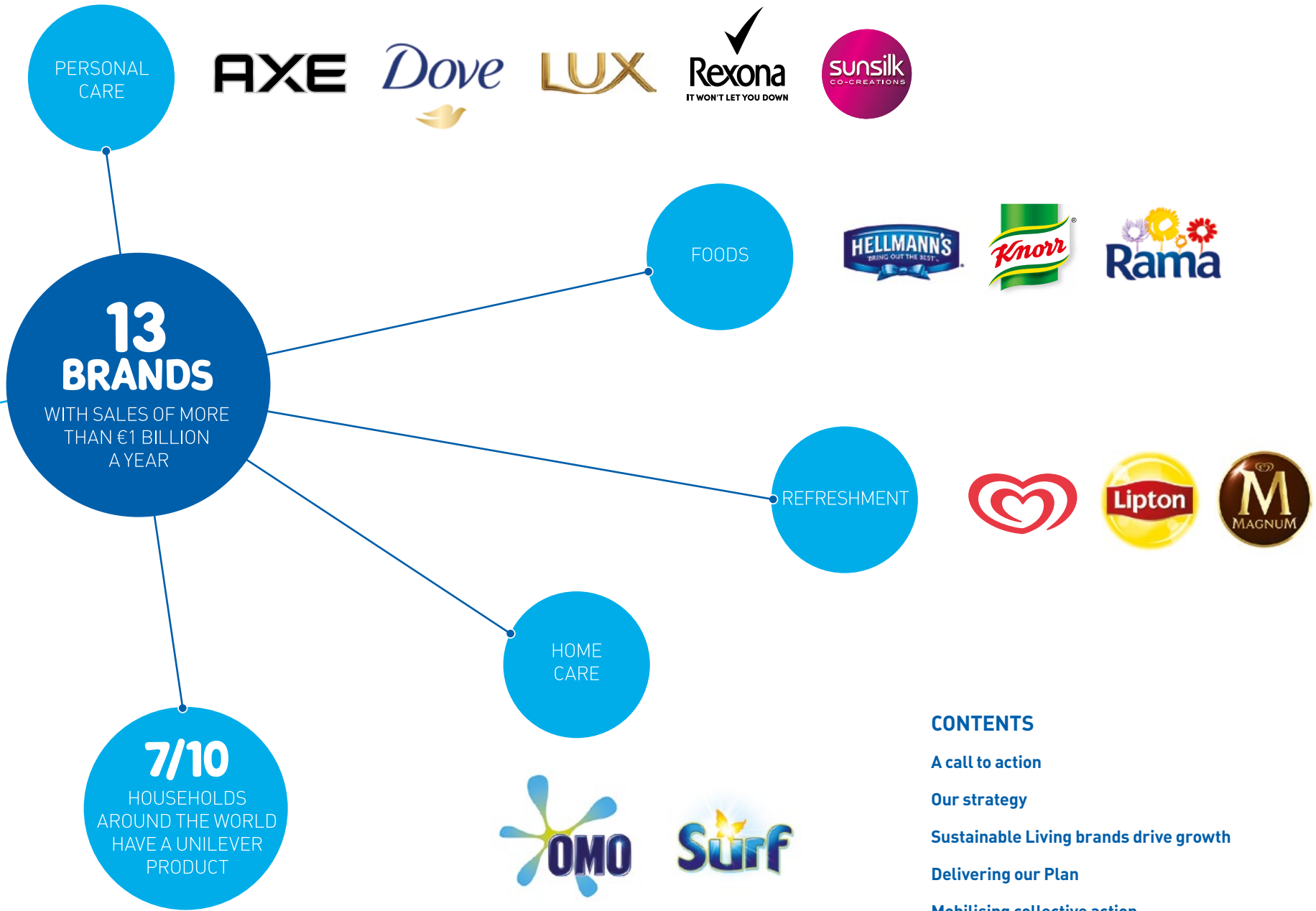
**2
BILLION**
CONSUMERS
USE OUR
PRODUCTS
EVERY DAY

No1
IN OUR INDUSTRY
GROUP IN THE 2015
DOW JONES
SUSTAINABILITY
INDEX

169,000
EMPLOYEES
WORLDWIDE

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM





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A CALL TO ACTION

WE OPERATE IN A VOLATILE BUSINESS ENVIRONMENT, CHARACTERISED BY GROWING SOCIAL INEQUALITY, LOW TRUST IN BUSINESS AND INSTITUTIONS, AND THE INCREASING EFFECTS OF CLIMATE CHANGE.



2015

A REMARKABLE
YEAR FOR
HUMANITY AND
THE PLANET

Unilever has a simple but clear purpose – to make sustainable living commonplace. We believe that this is the best way to ensure long-term growth.

2015 was a remarkable year for humanity and the planet. Two historic moments at the end of the year have given us the opportunity to pursue a more sustainable and equitable future.

The adoption of the UN Sustainable Development Goals (SDGs), to which I had the honour of contributing, provided for the first time in history a clear global framework to resolve the world's biggest challenges. Indeed they are ambitious, but if we achieve the Goals we could end poverty, fight inequality and tackle climate change once and for all.

The first test of the Goals came at COP21, when 190 nations agreed the historic Paris Agreement on climate, setting the world firmly on the path towards a decarbonised economy.

Unilever played its part in both agreements, alongside many other companies, announcing our new goal to become 'carbon positive' in our own operations by 2030. The unprecedented level of support from the business community demonstrated that it will no longer stand on the sidelines. This in turn helped to de-risk the political process, giving governments the confidence to be bold in their commitments.

These two significant turning points set out a positive vision for the future. At the same time, these developments illustrated more than ever the importance of sustainable business models. They

certainly reaffirmed our own belief in the relevance of the Unilever Sustainable Living Plan (USLP), acting as a further catalyst to our own action. Indeed, many of our own goals mirror those of the SDGs. Now entering its sixth year, the USLP is proving that there is no trade-off between sustainability and profitable growth. It is also helping us to save costs, fuel innovation and recruit and retain the best talent. Let me share some of our successes.

Continued climate-related challenges, uncertainty in markets and fluctuating commodity prices have made securing our own supply more important than ever before. That's why we are delighted that 60% of our agricultural raw materials are now sourced sustainably. Water, waste and energy efficiencies across our global factory network have avoided costs of more than €600 million since 2008. And our 'Sustainable Living' brands, such as Dove and Knorr, continued to grow. We have continued our efforts to enhance livelihoods in our extended value chain by advancing human rights, focusing on women's empowerment and developing inclusive business models. In 2015, we were the first company to produce a stand-alone human rights report using the UN Guiding Principles Reporting Framework.

Other areas, however, are proving more difficult. While we continue to make good progress with reducing water use, waste

and greenhouse gas emissions in our factories, reducing the environmental impact of consumers using our products remains a challenge. Despite this, we are committed to a full value chain approach to reducing environmental impact – as this most meaningfully reflects the true impact of our business.

Our targets, and indeed those built into the SDGs, will only be achieved by tackling global issues in a systemic way. But systemic change cannot be realised without collective action. It is in the interest of business, government and civil society alike to accelerate progress towards this vision. In fact, enormous opportunities exist for those who commit to taking action. After all, there is no business case for enduring poverty and runaway climate change.

It will take much more than one company, government or community to solve the challenges that face us. We need entirely new types of collaboration, innovation and partnership between these bodies if we are to drive collective action for a brighter and more sustainable future for all.



Paul Polman
Chief Executive Officer, Unilever

OUR STRATEGY

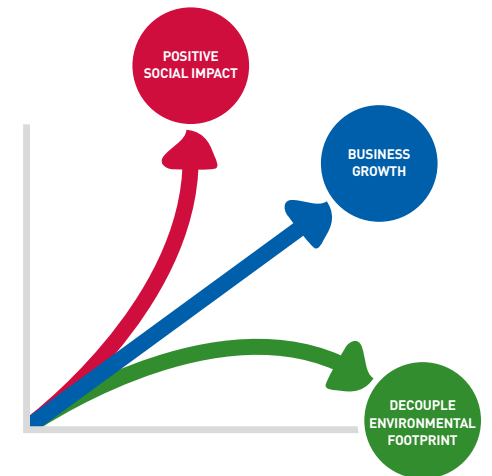
OUR PURPOSE IS TO MAKE SUSTAINABLE LIVING COMMONPLACE.

We work to create a better future every day, with brands and services that help people feel good, look good and get more out of life.



OUR VISION

is to grow our business, whilst decoupling our environmental footprint from our growth and increasing our positive social impact.



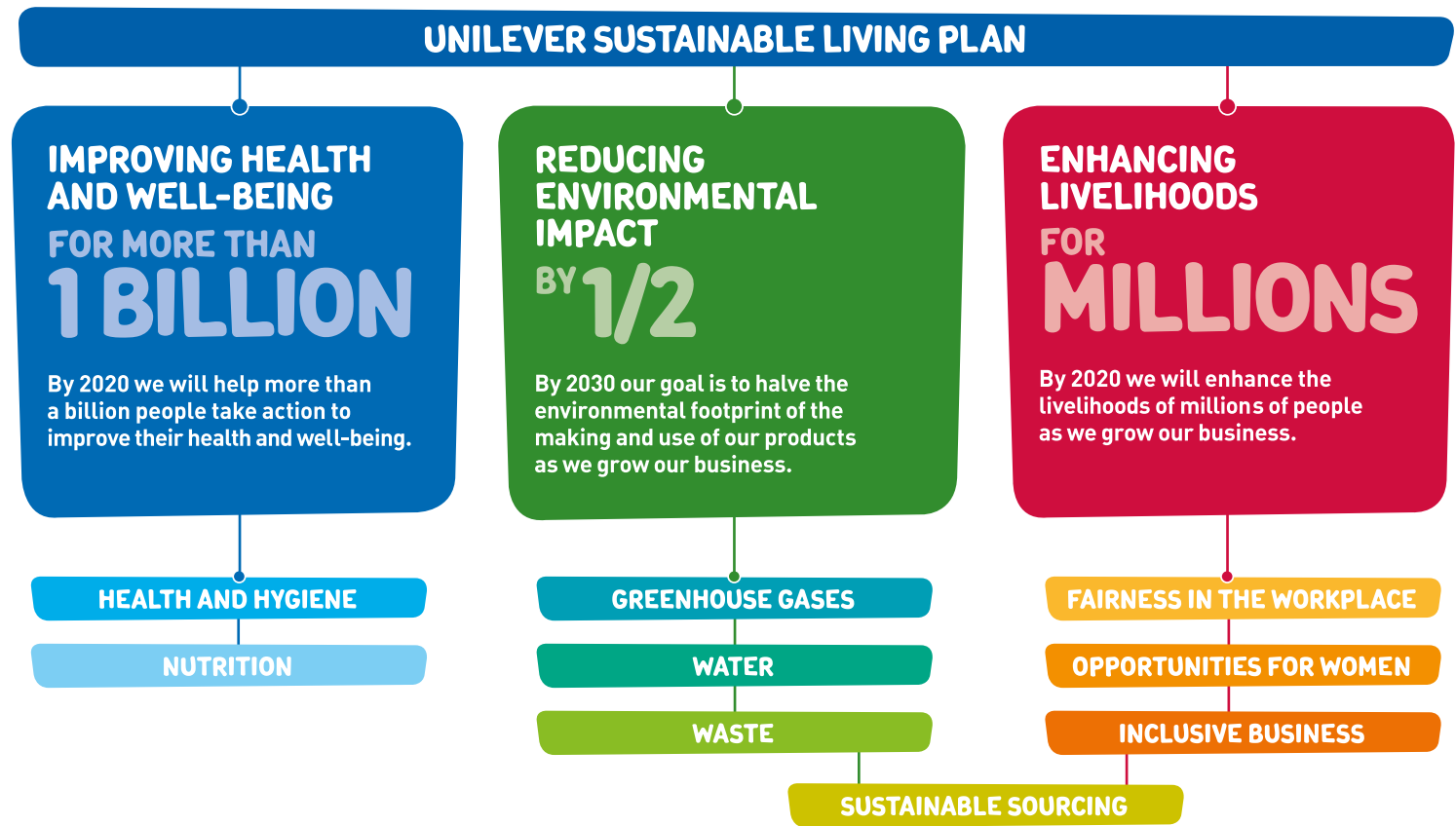
In an uncertain and volatile world, we cannot achieve our vision unless we find new ways to operate that do not just take from society and the environment.

Launched in 2010, the Unilever Sustainable Living Plan is our blueprint for sustainable growth. This Plan is helping to drive profitable growth, reduce costs and fuel innovation.

Our Plan sets out three big goals. Underpinning these are nine commitments supported by targets spanning our social, environmental and economic performance.

Our Plan is distinctive in three ways.

- It spans our entire portfolio of brands and all countries in which we sell our products.
- It has a social and economic dimension – our products make a difference to health and well-being, and our business supports the livelihoods of many people in the sourcing, production and distribution of our products.
- When it comes to the environment, we work across the whole value chain – from the sourcing of raw materials, to our factories and the way consumers use our products.



UNILEVER GREENHOUSE GAS FOOTPRINT 2014-15



SUSTAINABILITY IS DELIVERING VALUE FOR OUR BUSINESS AND SOCIETY

We have developed a simple four-point framework to help capture the ways in which sustainability contributes to our business success.



MORE GROWTH

Consumers are responding to campaigns by brands such as Hellmann's, Breyers and Omo on issues ranging from sustainable sourcing to water scarcity. Their interest and engagement are translating into sales growth and greater brand awareness.

In fact, our Sustainable Living brands accounted for nearly half our growth in 2015 and grew faster than the rest of our business.

Sustainability creates innovation opportunities, pushing us to rethink product design in a world of finite resources. It opens up new markets and allows our brands to connect with consumers in different ways to meet their changing needs.

LOWER COSTS

By cutting waste and reducing the use of energy, raw materials and natural resources, we create efficiencies and cut costs, while becoming less exposed to the volatility of resource prices. Cost avoidance and savings help to improve our margins.

We have achieved cumulative cost avoidance of over €600 million through eco-efficiency in our factories since 2008.

LESS RISK

Sustainable ways of doing business help us mitigate risk across our operations. Operating sustainably helps us to future-proof our supply chain against the risks associated with climate change and long-term sourcing of raw materials.

By 2015, 60% of our agricultural raw materials were sustainably sourced.

MORE TRUST

Placing sustainability at the heart of our business model strengthens our relationships with stakeholders and helps us succeed as a business. It helps us maintain our value and relevance to consumers, while inspiring Unilever's current and future employees.

In 2015, we maintained our status as the Graduate Employer of Choice in the fast-moving consumer goods sector among our target universities across 34 countries.

THE FRAMEWORK IN ACTION

The following examples illustrate the framework in action; whether it is through the choices we make in sourcing, in our factories or the way we engage with consumers, we are seeing more evidence that sustainability is contributing to our business success.



HELLMANN'S 'GROW WITH US' INSPIRES CONSUMERS

People are increasingly asking fundamental questions about the origins of their food. Rather than simply telling them that we use only natural, sustainable tomatoes in Hellmann's ketchup, we developed a fun and interactive campaign called 'Grow with Us' so they could see for themselves.

We opened the gates of our farm in Talca, Chile, placing cameras in key locations – even on farmers' hats – to live-stream how our tomatoes are grown. People could interact with the growers, getting to know them, asking questions and even 'adopting' tomatoes. We also partnered with Spotify to crowdsource playlists that were played to the tomatoes on our fields, inspired by the view that plants respond to sound waves.

In only two weeks, we recorded over 80 million interactions with consumers – sparking interest from over 3,500 cities in 110 countries.

The campaign reinforced our commitment to sustainable sourcing and transparency, building engagement and trust with consumers. And a 10% jump in market share transformed our ketchup business in Latin America in 2015.

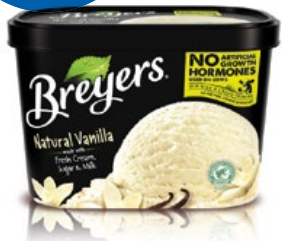
80 MILLION

interactions with consumers in two weeks

10% JUMP IN MARKET SHARE



**6%
SALES
GROWTH**



BREYERS' SUSTAINABLE VANILLA SUPPORTS FARMERS AND GROWTH

The island of Madagascar is home to 80% of the world's natural vanilla. However, 90% of its population live on less than \$2 per day.

We want to help secure the future of the Madagascan farmers who grow the high-quality vanilla we need for our Breyers ice creams and frozen desserts. That's why, with our supplier Symrise, we are providing income-boosting agricultural training, access to essential education and health insurance for farmers and their families. So far, we have helped over 3,300 farmers and their families.

Sourcing our Breyers vanilla sustainably – as certified by Rainforest Alliance – helps to secure our supplies for the future. In 2015 we reinvigorated Breyers by communicating our sustainability commitment and quality pledge to consumers. In 2015, sales grew by 6% marking a turnaround for the brand.



**15%
SALES
GROWTH**



OMO #1RINSEISENOUGH SAVES WATER

Towards the end of 2014 Brazil began suffering from the biggest water scarcity crisis in its history, affecting 70 million people. Residents had only limited supplies of running water for many weeks, so they had to cut down the number of laundry loads they could do.

We discovered that when they were able to do their laundry, most people were doing more than one laundry rinse, even though each rinse uses up to 60 litres of water. So to help people save much needed water, in 2015 our Omo detergent brand launched the #1RinselsEnough campaign to raise awareness of the volume of water used through extra rinsing.

The campaign helped Brazil save a potential 229 billion litres of water. And during the campaign period, Omo sales grew 15% in Brazil, nearly double the market growth rate.



229 BILLION

litres: potential water saving in Brazil



RENEWABLE ENERGY: RESILIENCE AND OPPORTUNITY

Climate change is one of the biggest challenges we face – as a society, and as a business. In 2015 we set a bold new target to be carbon positive in our operations by 2030. Our aim is that 100% of our energy will come from renewable sources, and we intend to generate more renewable energy than we consume and make the surplus available to the markets and communities in which we operate.

This is the first time we have put a deadline on our ambition of sourcing 100% renewable energy. We recognise that our success depends in part on the broader changes taking place in energy markets worldwide.

By becoming carbon positive, we aim to achieve lower operational costs, greater resilience in our energy supply and a closer relationship with our communities and consumers.

In May 2015, we reached a major milestone when for the first time our manufacturing network achieved an annual saving of 1 million tonnes of CO₂ compared to 2008. We have reduced CO₂ from energy by 39% per tonne of production since 2008, resulting in around €330 million in costs avoided.

€330 MILLION

costs avoided by using less energy

CARBON POSITIVE
in manufacturing by 2030



1 MILLION

tonnes CO₂ saved

SUSTAINABLE LIVING BRANDS DRIVE GROWTH

PUTTING SUSTAINABLE LIVING AT THE HEART OF OUR BRANDS IS INSPIRING OUR CONSUMERS AND GROWING OUR SALES.

SUSTAINABLE LIVING
PURPOSE

SUSTAINABLE
LIVING BRANDS

SUSTAINABLE LIVING
PRODUCTS



The concept of a 'purpose-driven' brand is not new. Among our own brands, Lifebuoy and Ben & Jerry's have had a social or environmental purpose at their heart since they were founded.

However, in today's complex and interconnected world, a powerful purpose alone is not enough and brands must look at their impacts across the board. Brands cannot do social good while harming the planet, or improve the lives of women who buy our products while ignoring the working conditions of the women who make them.

This is why Unilever has created a definition of what makes a true Sustainable Living brand. Such a brand must not only have a clear purpose that contributes to a social or environmental concern. The product itself must also contribute to one or more of the targets we have set in the Unilever Sustainable Living Plan.

To assess product and purpose, we developed a methodology to help us determine how, and to what extent, each brand delivers against the two criteria. It enables brands to generate a systematic view of their progress across social and environmental factors.

In 2016, we analysed our top brands using this methodology. Our analysis revealed that in 2015 Sustainable Living brands grew even faster than they did in 2014. They also delivered nearly half our growth and grew significantly faster - in fact 30% faster - than the rest of the business.

We believe that if we want to effect change at scale, we will achieve this by making large, successful, category-defining brands recognisably sustainable. Our five biggest brands, Dove, Dirt is Good, Knorr, Hellmann's and Lipton, are all Sustainable Living brands.

The examples from Domestos, Dove, Knorr and Lipton show how each has a purpose that addresses a specific social or environmental concern. And how they have made changes and improvements to their products to address a specific target in the Unilever Sustainable Living Plan.

In 2015, we carried out research to understand whether consumers' views on sustainability translate into actual purchasing choices. The majority of people we spoke to not only believe that sustainability is important but also take action to live more sustainably. Our research revealed that sustainability issues are relevant to consumers in both developed and emerging markets. This supports our thinking that sustainability presents a growth opportunity for business.



PURPOSE

To help 25 million people gain improved access to a toilet by 2020 by promoting the benefits of using clean toilets and by making toilets accessible.

PRODUCT

We have reduced the plastic used for our Domestos bottles by up to 15%, making them lighter yet maintaining their strength. Once rolled out across the range worldwide, this will save around 1,000 tonnes of plastic a year.

Up to **15%** less plastic needed for our Domestos bottles



PURPOSE

To make beauty a source of confidence not anxiety for women everywhere by reaching over 15 million young people with our Dove Self-Esteem Project.

PRODUCT

Dove was one of our first brands to introduce compressed aerosol deodorants in 2013. Consumers can enjoy the same protection and fragrance in the same spray time as before, but in a can half the size. This innovation cuts the carbon footprint per can by about 25%.

25% cut in the carbon footprint of Dove compressed aerosol can



PURPOSE

To unlock flavour and goodness from everyday food from *farm*, through sourcing 100% of ingredients sustainably, to *fork*, through nutritious cooking.

PRODUCT

Already 92% of the top 13 vegetables and herbs used in Knorr sauces, soups and seasonings are grown sustainably, and a 'sustainably grown' label on pack is making it easier for people to make responsible choices in the supermarket.

92% of the top 13 vegetables and herbs used in Knorr's sauces, soups and seasonings are grown sustainably



PURPOSE

Lipton supports farmers by working to improve their livelihoods and those of their families while protecting the planet for the future.

PRODUCT

By the end of 2015, all the tea for our Lipton tea bag blends was sourced from Rainforest Alliance Certified™ estates, a major step for the world's biggest tea brand.

100% of the tea for our Lipton tea bag blends is sustainably sourced



DELIVERING OUR PLAN

WE CONTINUED TO ACHIEVE STRONG PERFORMANCE FOR TARGETS WITHIN OUR DIRECT CONTROL.

We are currently on track to deliver the vast majority of the targets in our Plan. We have updated some of our strategies to help us drive bigger changes and progress faster towards our goals.

But the targets outside our direct control are proving more difficult and we have extended the timeframe for achieving some of these to allow time for wider systems changes to take effect.

On the following pages we summarise our progress under each of our three big goals: improving health and well-being, reducing environmental impact and enhancing livelihoods.



KNORR IRON-FORTIFIED BOUILLON CUBES HELP TACKLE ANAEMIA



3/4

of under-fives in Nigeria suffer from anaemia

IMPROVING HEALTH AND WELL-BEING

IMPROVING HEALTH AND WELL-BEING FOR MORE THAN **1 BILLION**

Through our campaigns and partnerships, and by

providing quality, affordable products, we are progressing well towards our goal of helping more than 1 billion people take action to improve their health and well-being. By the end of 2015, we had succeeded in reaching 482 million people.

Our brands such as Lifebuoy, Pureit, Domestos and Signal are helping to improve health by promoting better health and hygiene habits.

Lifebuoy runs the world's largest handwashing programme and has scaled up its programmes year on year; around 337 million people have been reached since 2010.

Pureit, our innovative water purifier, can help prevent disease, ultimately helping to save lives. Our immediate priority is to strengthen and expand in existing markets and to make purifiers more affordable to low-income consumers.

Our Signal brand has reached 71 million people through innovative partnerships and campaigns and Dove, our largest personal care brand, has continued to grow while helping millions of young people around the world to build body confidence and self-esteem.

In our Foods and Refreshment categories, 34% of our portfolio of brands meet the highest nutritional standards, based on globally recognised dietary guidelines.

Providing quality, affordable products is only part of the solution to improving health through hygiene and nutrition - people need to change their habits too. Using our expertise in delivering behaviour change campaigns at scale, we promote enduring change in the everyday habits that matter to health. We also recognise that we can have a bigger impact by working with others. By sharing best practice, and by encouraging transparency and meaningful monitoring, together we can drive real change.

KNORR TACKLES MALNUTRITION IN NIGERIA

In Nigeria, almost half of women of reproductive age and three quarters of children under five suffer from anaemia. This can result in tiredness, dizziness and a lack of concentration, impacting development and quality of life. Half the cases of anaemia come from a lack of iron in the body, which is often diet related. So in 2015, our biggest brand, Knorr, launched a behaviour change programme 'Follow in My Green Food Steps' to help tackle iron-deficiency anaemia.

Knorr has launched bouillon cubes fortified with iron, accompanied by a nutritious cooking programme for mothers and teenage girls, to help increase iron levels. We are training Unilever saleswomen to become ambassadors for good nutrition and smallholder farmers to grow our ingredients sustainably, so that we can be a force for good from 'farm to fork'.

Soon after launch, we began to see an increase in sales of our bouillon cubes, showing that doing good can also be good for business.

HOW AN ORDINARY JAR OF VASELINE CAN MAKE AN EXTRAORDINARY DIFFERENCE

Skincare is not the first thing that springs to mind for people living in conflict zones or facing natural disasters. But for millions of refugees in crowded camps, or for people without access to basic healthcare, skin problems are often debilitating and degrading - and left untreated.

In 2015, our Vaseline brand committed to help heal the skin of 5 million people in need by 2020. With aid organisation Direct Relief, The Vaseline Healing Project is providing dermatological care, medical supplies, Vaseline products and local health worker training.

In 2015, we donated 1.2 million units of Vaseline and sponsored three dermatological missions to Jordan, the Philippines and Kenya. The same jar of Vaseline Jelly that is in your medicine cabinet is now helping to heal the skin of people in crises and emergencies.

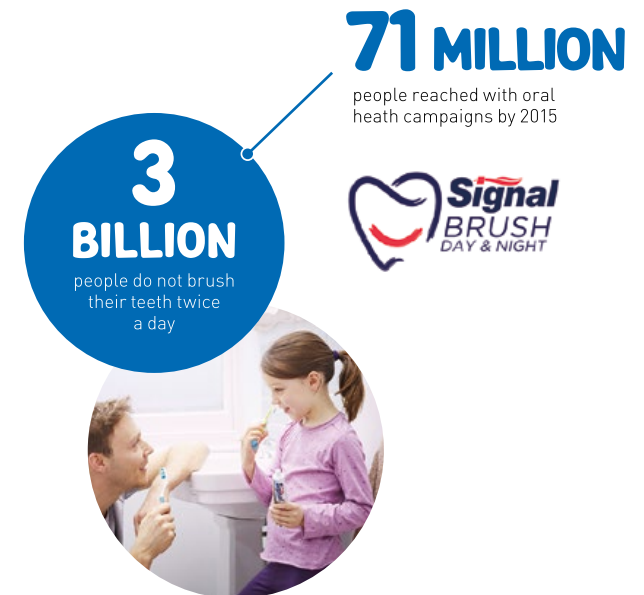
The Project is also enabling consumers to get involved by creating a relief kit via our Vaseline website www.vaseline.us/thehealingproject.

SIGNAL LAUNCHES FIRST TOOTHBRUSHING CAMPAIGN CREATED BY CHILDREN

Over 3 billion people do not brush their teeth twice a day as recommended - that's more than all the people in China and India together. Whilst most parents are good at telling their children to brush day and night, many don't practise what they preach.

So how could Signal find a way to help adults change their brushing habits? The answer was a bit unexpected: through their children! By tapping into kids' unique ability to inspire those around them, we realised we can get whole families and communities thinking about improving their oral care.

Signal initiated its first-ever campaign created by children to get people to brush day and night. Our 'Kids Can Change the World' campaign ran in 13 countries in 2015, highlighting the ingenuity of children as change agents in the home to deliver our toothbrushing message to adults.



REDUCING ENVIRONMENTAL IMPACT

REDUCING ENVIRONMENTAL IMPACT BY **1/2**

While progress on our second big goal has been mixed,

we continue to find new ways to tackle the most critical environmental issues for our business and for society.

During 2015, we refreshed our climate change, waste and water strategies. Reducing our environmental impact is a multi-faceted task, and our Plan is helping us take positive action in our value chain.

OUR SOURCING

By 2015 we sourced 60% of our agricultural raw materials sustainably, as well as all the tea for our Lipton tea bag blends. In March 2015, we announced that all palm oil bought for our European and Australian food businesses is traceable to certified plantations.

In addition, 92% of the top 13 vegetables and herbs used in Knorr's sauces, soups and seasonings are grown sustainably. To achieve this, we have made up to €1 million per year available to farmers to co-invest in sustainable agricultural practices and enabled thousands of farmers to gain access to training and support.

OUR OPERATIONS

We have made good progress in reducing CO₂ emissions from energy in manufacturing since 2008, achieving a 39% reduction per tonne of production by 2015. Our factories abstracted 19 million fewer cubic metres of water in 2015 than in 2008 – a reduction of 37% per tonne of production.

In November 2015 we announced bold new targets to make our operations carbon positive by 2030. Our aim is that 100% of our energy will come from renewable sources and we intend to generate more renewable energy than we consume and make the surplus available to the markets and communities in which we operate.

OUR PRODUCTS

A large part of our environmental footprint comes from people using our products. Since 2010, the water impact of our products has reduced by 1%, while the waste associated with consumers' disposal of our products has reduced by rather more – 29%. This means we are more than half way towards halving packaging waste. But the greenhouse gas impact of our products across the lifecycle, including consumer use, continues to edge up and has now increased by 6% since 2010.

We will continue to pursue innovations that will help people reduce their environmental impacts. We are designing products and packaging, such as compressed deodorant sprays and lightweight bottles, which reduce greenhouse gas impacts and inspire consumers to live more sustainably.

THE NEED FOR SYSTEMS CHANGE

Large-scale systems transformation is needed to drive change faster on our greenhouse gas target in particular. We continue to advocate global, binding commitments to achieve long-term reductions in greenhouse gas emissions and financing for the process of change. We have extended the timeframe to achieve our goal to halve the greenhouse gas impact of our products across the lifecycle to 2030, which will allow time for wider systems changes to take effect. We intend to refine the commitment for the water pillar of our Plan so that it aligns better with the ambitions of the Sustainable Development Goals, in particular SDG 6 on clean water and sanitation provision.

LESS PHOSPHATE, LESS GREENHOUSE GAS

Phosphates improve laundry cleaning by softening the water, allowing detergents to work more quickly. However, carbon emissions caused by phosphates can be higher than alternative ingredients because of associated sourcing and transport activities.

We have been removing phosphates from our products since 2008, while continuing to meet consumer expectations on product performance. By the end of 2015, we had reduced global use of phosphates across our laundry powders by 90%. This has lowered greenhouse gas emissions by up to 50% per laundry load.

RETHINKING OUR SUNSILK BOTTLES

We purchase over 2 million tonnes of packaging every year. However, increasing resource scarcity means that it is more important than ever to reduce packaging and use materials with a lower environmental impact wherever we can.

We continually innovate to reduce the amount of resources used in our packaging. In 2015, we launched our redesigned plastic Sunsilk shampoo and conditioner bottles in Brazil. To save plastic, we made the caps lighter, reduced the number of cap designs from ten to four and also halved the variety of bottle sizes manufactured from 44 to 22.

These new designs mean savings of around 2,300 tonnes of plastic in Latin America per year. The redesigned bottles also mean we can fit more bottles onto a pallet, taking around 300 trucks off the road each year. The business case is clear: reducing packaging creates efficiencies, lowers costs and reduces our environmental impact.



fewer trucks on the road

2,300
TONNES OF
PLASTIC

saved in
Latin America



MAINTAINING OUR ZERO-WASTE MOMENTUM

In January 2015 we announced a significant milestone when our global factory network of over 240 factories sent zero non-hazardous waste to landfill.

Through collaboration and capitalising on our 'zero waste mindset', we have extended our ambition beyond our factories. By February 2016, nearly 400 more Unilever sites worldwide – such as warehouses, distribution centres and offices – had achieved zero non-hazardous waste to landfill.

So now over 600 sites across 70 countries have found alternative routes for their waste and are proving that it's a resource with many potential uses – from converting factory waste to building materials to composting food waste from staff cafeterias.

And it's paying off - since 2008 our waste programme has contributed to costs avoided of around €250 million and created hundreds of jobs.



A MILESTONE FOR LIPTON

Tea is the most popular beverage after water. To make sure people can continue enjoying it in the future, sustainable sourcing is crucial.

As the world's number one tea producer, in 2007 we became the first company to commit to sustainably sourcing tea on a large scale. By 2015, we reached a milestone – 100% of the tea for our Lipton tea bag blends is now certified sustainable by Rainforest Alliance.

Overall, 66% of our teas are from sustainable sources. This includes brands such as the UK's market leader, PG tips, and the black tea in other local favourites such as Lyons in Ireland, Red Rose in Canada and Saga in Poland.

As well as mitigating the effects of climate change and securing supplies, this is helping to improve the quality of life for millions of smallholder farmers who grow our tea.



100%
OF TEA FOR
LIPTON'S
TEA BAG BLENDS
IS SUSTAINABLY
SOURCED

66%

of all our teas are
sustainably sourced



ENHANCING LIVELIHOODS

ENHANCING
LIVELIHOODS
FOR
MILLIONS

**Our third
big goal is
to enhance
the livelihoods**

of millions of people as we grow our business. During 2015, we made good progress in our social and economic contributions to many communities through employment, training and advancing human rights.

We are embedding our commitment to respect human rights in our operations as well as with suppliers and other business partners. In 2015, we published our first human rights report using the UN Guiding Principles Reporting Framework. To help embed these Principles, we trained 860 employees as human rights ambassadors, and 19,000 people on ending sexual harassment and related topics.

In partnership with others, over 2006-2015 we enabled around 800,000 women to access initiatives that aimed to develop their skills, made up of 70,000 micro-entrepreneurs in India and around 730,000 women on tea smallholdings in Kenya and India. We also enabled around 600,000 smallholder farmers and 1.8 million small-scale retailers to access initiatives that aimed to improve their agricultural practices or increase their sales.

Within our business, we continue to promote diversity and inclusion. By the end of 2015, 45% of our total management were women, up from 38% in 2010, and 25 countries have reached their gender balance targets for management. Our Konya ice cream factory in Turkey, which produces Cornetto, Max and Twister, is a leading example of how the gender equality of our workforce is improving – 40% of engineers employed are women.

In 2015 we reviewed and strengthened our strategy on women's empowerment. In addition to our existing commitments, our brands will take a leading role in addressing topics such as access to training and skills.

Although we have made good progress across many areas, challenges still exist. We need to tackle widening inequality and decreasing labour and health and safety conditions in many parts of the world, as well as endemic human rights issues and their root causes.

Measuring impact is critical. However, the large diversity of our supply chain makes it hard to set simple measures. Similarly, in our efforts to empower women, finding common definitions and suitable metrics is challenging. We are working in industry and multi-stakeholder partnerships to share insights about impacts, build consensus and drive up standards and awareness.



RIN AND BRILHANTE HELP WOMEN TO SHINE

Women and girls are often left behind when it comes to education in developing countries, so providing access to training and skills is critical to empowering women economically.

Our detergent brands Rin and Brillhante help clothes to shine. But now the brands have extended their thinking beyond clothes. They believe everybody deserves the opportunity to shine and are helping women develop the skills and confidence needed for the workplace. In India, the Rin Career Academy helps women to improve their spoken English, personal grooming and interview techniques, while in Brazil women are developing the entrepreneurship skills needed to start their own business through Escola Brillhante. Around 114,000 women are benefiting from these initiatives.

SUPPORTING WOMEN FARMERS

In developing countries, women comprise 43% of the agricultural workforce and this proportion is growing. However, women often face particular challenges, such as smaller farms that are less productive. This is because many of them have more limited access to resources than men.

In 2014 we began tracking the number of women farmers in our supply chain. We started with farmers growing black soy beans in Indonesia, gherkins and tomatoes in India, vanilla in Madagascar and tea in Kenya, where we found that around a quarter of the smallholder farmers are women. We are supporting them by educating them on increasing yields and improving quality and efficiency. Importantly, the training is held at convenient times for the women, and is helping to boost their incomes.



BY 2020
WE WILL EMPOWER
**5 MILLION
WOMEN**



Fair & Lovely

PARTNERING FOR THE FUTURE OF FARMING

Today, people across the world are leaving the farming sector to work in other industries, and fewer young people are choosing farming as a career. Supplies of agricultural raw materials for our business will be threatened if new farmers do not join the farming sector.

Our three-year strategic partnership with civil society organisation Solidaridad aims to develop the entrepreneurial skills of young farmers and support smallholders. We are providing training to encourage sustainable farming and new approaches to support farmers' efforts. In 2015, we piloted a programme in Ghana to develop and validate tools that can help rejuvenate and professionalise the cocoa sector.

Together, we are aiming to improve the lives of 1 million people in our extended supply chain in Africa, Latin America and Asia. With this scale, we have the potential to drive real change and help to attract, retain and improve the livelihoods of a new generation of farmers.

I AM WALL'S: NEW JOBS FOR MICRO-ENTREPRENEURS

The slowdown in economic growth over the past few years has been bad news for millions of people looking for work.

In 2015, we relaunched I am Wall's, our mobile vending initiative to help tackle unemployment and expand sales of our ice cream. We invest in training people who are traditionally excluded from the workplace to sell our popular Wall's ice creams.

The programme provides vendors with help to become self-sufficient micro-entrepreneurs selling ice cream on the street. It equips people with skills such as sales, customer service and problem solving and also provides many young people with work experience as they step into the job market.

In 2015, the programme ran in 15 countries. In India alone it grew 30%, generating turnover of €18 million and contributing 20% to our Indian ice cream business.



I AM WALL'S
ENTREPRENEURS IN
15
COUNTRIES

€18 MILLION

turnover in India



MOBILISING COLLECTIVE ACTION

GOVERNMENTS FROM AROUND THE WORLD HAVE REACHED GROUND-BREAKING AGREEMENTS ON SUSTAINABLE DEVELOPMENT AND CLIMATE CHANGE. NOW BUSINESS NEEDS TO MOBILISE AND TAKE ACTION.

Adoption of the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change in 2015 set out the global intent to end poverty and prevent runaway climate change. Realising this ambition will require a step-change in the way that the private sector, governments and civil society work together.

2015 SET A NEW AGENDA FOR ACTION



The SDGs provide a roadmap and a common vision for sustainable development. Achieving the SDGs by 2030 will require concerted collective action and new forms of partnership. Acting on the belief that business can be a game-changer in the delivery of the SDGs, Paul Polman and Lord Mark Malloch-Brown, former UN Deputy Secretary-General, created the Business and Sustainable Development Commission. The Commission brings together international leaders from business, labour, financial institutions and civil society to show how, through an evidence-backed case, mainstreaming development can spark business opportunities.

The climate agreement signed by world leaders in Paris in December 2015 created an unprecedented movement of private sector action in support of the ambitious global deal. We now move from pledges to action, working with governments and civil society.

Within our own activities we have identified where Unilever has the biggest potential to contribute to the climate and development challenge, given the nature and scale of our business, and how this will add value to our business. Our Sustainable Living Plan, Sustainable Living brands and transformational change agenda are all ways in which we are seeking to help achieve the overarching goal of a 'zero poverty and zero carbon' world.

ELIMINATING DEFORESTATION

We have set out to make a difference to the big issues that matter most to our business and to the world.

To do this, we need to create 'transformational change' – fundamental change to whole systems, rather than incremental improvements.

We are focusing on three areas where we have the scale, influence and resources to make a big difference:



eliminating deforestation



sustainable agriculture and smallholder farmers



and water, sanitation and hygiene.

In all three areas, the role of women is crucial, both as partners in change and as beneficiaries. Empowering women is critical to eradicating poverty and accelerating global development. We are empowering women by creating opportunities for their greater involvement in our value chain.

To achieve change at scale, we need to go beyond what we can achieve in our own operations and with our suppliers. Collective action is key to driving the whole-system change needed. We are stepping up our engagement with governments, NGOs and others in our industry, and forming partnerships to demonstrate the change we want to see.

By focusing on these three issues and working in this way, we believe we can help achieve transformational change.



We aim to work with others to eliminate deforestation from the world's commodity supply chains, tackling the climate change threat and helping to deliver SDG 15 Life on Land.

2015 was an important milestone in the fight to eliminate deforestation. The Sustainable Development Goals set out an explicit target on halting deforestation. The Paris climate agreement acknowledged the vital role that forests play in combating climate change.

Four commodities are the major drivers of deforestation: palm oil, soy, paper and pulp, and beef. Growing populations, with increasing incomes, have sent demand for these soaring. Our particular focus is on palm oil sourcing, where we have the scale to make a difference.

Our approach towards eliminating deforestation has three elements. First, transforming our supply chain, so our own purchases are fully traceable and certified sustainable. Second, encouraging the whole industry to set and meet high standards. Third, working with others to embed no-deforestation pledges into national and international policies.

TRANSFORMING OUR SUPPLY CHAIN

Many intractable challenges remain in the sourcing of sustainable palm oil. These include the agreement of common definitions in driving sustainable practices among growers, and transparency and traceability in hugely complex supply chains, as well as the availability of enough physically certified palm oil.

In response to some of these concerns, in early 2016 we updated our palm oil sourcing policy to include:

- a time-bound implementation plan with clear annual milestones to achieve 30% physically certified oil by 2016, 50% by 2017, 80% by 2018 and 100% by 2019 – bringing the end target forward a year;
- transparency: our new policy encourages suppliers and their third parties to be transparent about their supply chains, including disclosing any complaints and reporting breaches of our Responsible Sourcing Policy;
- 'zero-tolerance' and enhanced verification: a new grievance mechanism will now be activated if any of our suppliers do not comply with our strict principles.

Our partnerships are also supporting us in addressing some of these challenges. Working with the World Resources Institute (WRI), Proforest and Daemeter, we are implementing a robust traceability and risk verification system with WRI's Global Forest Watch Platform. This is a dynamic online monitoring and alert system using the latest satellite technology to allow more informed sourcing decisions.

We believe these measures will help drive change through the supply chain and will encourage other companies to adopt similar policies.

SETTING HIGH STANDARDS

Key to achieving large-scale improvements is agreeing a common set of sustainability standards for vital commodities.

For palm oil, the Roundtable on Sustainable Palm Oil (RSPO) made

an important first step, but has led to a great deal of variability in practice. We are supporting the development of RSPO Next, which will raise the bar for the industry.

WORKING WITH OTHERS TO EMBED NO-DEFORESTATION PLEDGES

Momentum is now building. We have encouraged other consumer goods companies on their deforestation commitments through collaborations such as the Consumer Goods Forum, Tropical Forest Alliance and the New York Declaration on Forests.

Together with others in our industry, we have committed to achieving zero net deforestation associated with key commodities no later than 2020. Today, the majority of globally traded palm oil is covered by sustainability commitments.

In December 2015, together with several other consumer goods companies, we signalled an intent towards preferential sourcing from jurisdictions that have adequate no-deforestation policies in place which both increase production and protect the environment and communities. This enables agricultural production and human development goals to be achieved side by side.

Our focus in 2016 will be to develop some concrete partnerships which demonstrate the success of this approach.

MAINSTREAMING SUSTAINABLE AGRICULTURE

 We are working with partners to make sustainable agricultural production mainstream, to help to end hunger, achieve food security and improve nutrition. This is central to achieving SDG 2 Zero Hunger. We are amongst the largest purchasers of crops such as tea, palm oil and vegetables and have a significant role to play.

Feeding the world's growing population requires a profound change in agricultural practices, especially for the 2.5 billion people who are involved in smallholder agriculture globally. These people account for an estimated 500 million small farms, producing 80% of the food consumed in emerging markets from Southern Asia to sub-Saharan Africa.

IMPROVING SUSTAINABILITY AND SMALLHOLDER FARMER LIVELIHOODS

We are engaged in several partnerships that aim to improve the livelihoods of smallholder farmers, while introducing them to sustainable agriculture best practice.

Our five-year partnership with the International Fund for Agricultural Development (IFAD) will leverage our expertise in sustainable agriculture and integrate farmers into markets with IFAD's knowledge of working with small-scale farmers and rural enterprises. IFAD helps over 78 million rural people receive services to move out of poverty, around half of whom are women.

In 2015, Unilever, Acumen and the Clinton Giustra Enterprise Partnership launched the Enhanced Livelihoods Investment Initiative, which aims to improve the livelihoods of as many as 300,000 people in smallholder communities across Africa, South Asia, Latin America and the Caribbean. This is a three-year \$10 million investment to spur economic growth. The Initiative backs private enterprises that link smallholders to Unilever's global supply chain and distribution networks.

In 2015, we also developed our Enhancing Livelihoods Fund in partnership with Oxfam and the Ford Foundation. This provides a mix of loans, guarantees, and grants to incentivise investment in new processes that aim to improve agricultural practices and crop yields, and at the same time empower women.

CHANGING AGRICULTURAL PRACTICES IN SOY CULTIVATION

Following progress in scaling up sustainable soy production in the US, during 2015 we focused on partnerships in Latin America where we are the first global foods manufacturer to commit to source 100% of our soy sustainably. We are working with the Round Table for Responsible Soy (RTRS) and others to develop standards for sustainable soy.

We have also launched a new initiative with Bayer CropScience, Santander and Yara Fertilizers, called Produzindo Certo (Producing Right). This will boost sustainable soy cultivation by supporting growers to reach RTRS certification. It is aligned with the Stockholm Convention, which regulates the use of agrochemicals, and is managed by the NGO Aliança de Terra.

In 2015 we became the first company in Latin America to feature an on-pack RTRS logo to show consumers that our AdeS soy drinks are sustainably sourced.

100%
of our soy beans are sustainably sourced



43%
of our soy oil is sustainably sourced

BY 2015 WE HAD ENABLED
600,000
SMALLHOLDER FARMERS
to access agricultural improvement initiatives



60%
of our agricultural raw materials are sustainably sourced



ACCESS TO WATER, SANITATION AND HYGIENE



Our ambition is to improve people's health and well-being by supporting the delivery of sustainable access to safe drinking water, sanitation and hygiene (WASH).

With our portfolio of health and hygiene brands, expertise in behaviour change and global reach, Unilever is uniquely placed to help governments deliver this fundamental human right.

Good WASH provision underpins progress across all other development priorities – including improving nutrition, productivity, gender equality and tackling poverty.

Through our brands we are working with partners to promote life-saving behaviours. Since 2010, Lifebuoy's handwashing programmes have reached 337 million people, and since 2005 Pureit has provided 78 billion litres of safe drinking water through its purification devices. Our Domestos toilet cleaner brand is also working with governments and partners to help support access to clean, safe toilets.

Yet, we know that this is not enough. Tackling the WASH challenge will also require robust policies, innovative solutions and citizen engagement. We are working to leverage our scale, R&D expertise and advocacy to help support the transformational change needed – at a policy and implementation level.

CREATING A ROADMAP FOR SUCCESS

In the lead-up to the UN's Sustainable Development Goal (SDG) summit in September 2015, Unilever worked with a diverse range of organisations to campaign for a holistic water goal (SDG 6) that includes measurement of handwashing with soap facilities. We are now looking to support countries in implementing SDG 6, with a particular focus on promoting behaviour change as a means of realising the benefits of improved facilities.

MOBILISING GREATER PRIVATE SECTOR ACTION

In recognition of the vital role that the private sector can play in delivering SDG 6, we helped establish the WASH4Work coalition which aims to mobilise greater business action to address WASH challenges in the workplace, in communities where workers live and across supply chains.

DEVELOPING MARKET-BASED SOLUTIONS

We are also looking to develop market-based solutions which will provide opportunities for economic empowerment and sustainable business growth. For example, in partnership with Oxfam and Technoserve, our hand dishwash brand Sunlight has created Water Centres in Nigeria. The centres make clean water more accessible in water-scarce regions, helping reduce the time spent collecting water, as well as preventing the use of dirty water. We train local women to run

the centres, so providing skills and an opportunity to earn an income. Following the success of our first two Sunlight Water Centres, we opened five more in Nigeria in 2015.

NEW BUSINESS MODELS TO DELIVER WASH

During 2015 we launched Transform, a partnership with the UK's Department for International Development and the Clinton Giustra Enterprise Partnership. The partnership will identify and develop business models that serve low-income households and fund behaviour change research. By 2025 the partnership aims to help 100 million people adopt behaviours and access products and services that have been shown to improve health, livelihoods, the environment or well-being.

ENGAGING CITIZENS

Raising awareness and providing people with the tools and knowledge to engage with their governments will be key to solving the WASH challenge.

In India, we launched the Swachh Aaad, Swachh Bharat programme – a mass media campaign combined with an on-the-ground behaviour change programme to promote good hygiene habits. Bringing together Lifebuoy, Domex (Domestos) and Pureit, the programme supports the government of India's Swachh Bharat (Clean India) mission to improve sanitation for all Indians by 2019.



By 2015

78 BILLION

litres of safe drinking water provided by Pureit



337 MILLION
REACHED WITH
LIFEBUOY'S
HANDWASHING
PROGRAMME

7

Sunlight Water Centres providing clean water and jobs



UNILEVER SUSTAINABLE LIVING PLAN: PROGRESS IN 2015

The Unilever Sustainable Living Plan sets out to decouple our growth from our environmental footprint, while increasing our positive social impact.

Our Plan has three big goals to achieve, underpinned by nine commitments and targets spanning our social, environmental and economic performance across the value chain. We will continue to work with others to focus on those areas where we can drive the greatest change.

Over 2015-2016 we reviewed our strategies and as a consequence we have made a number of changes to our Plan, including the extension of our big goal of halving our environmental impact from 2020 to 2030 (see page 12). More detail on our progress can be found in our online Sustainable Living Report 2015 at www.unilever.com/sustainable-living.

IMPROVING HEALTH AND WELL-BEING

By 2020 we will help more than a billion people take action to improve their health and well-being.

We have helped 482 million people take action to improve their health and well-being.

FOR MORE THAN 1 BILLION

REDUCING ENVIRONMENTAL IMPACT BY 1/2

By 2030 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.*

HEALTH AND HYGIENE

By 2020 we will help more than a billion people to improve their health and hygiene. This will help reduce the incidence of life-threatening diseases like diarrhoea.

482 M⁺
people reached by end 2015



- Reduce diarrhoeal and respiratory disease through handwashing
- Provide safe drinking water ⁺
- Improve access to sanitation
- ✓ Improve oral health
- ✓ Improve self-esteem

NUTRITION

We will continually work to improve the taste and nutritional quality of all our products. The majority of our products meet, or are better than, benchmarks based on national nutritional recommendations. Our commitment goes further: by 2020, we will double the proportion of our portfolio that meets the *highest* nutritional standards, based on globally recognised dietary guidelines. This will help hundreds of millions of people to achieve a healthier diet.

34%⁺
of our portfolio by volume met highest nutritional standards in 2015



- Reduce salt levels
- Saturated fat:
 - Ⓢ Reduce saturated fat
 - Ⓢ Increase essential fatty acids
 - Reduce saturated fat in more products
- ✓ Remove trans fat
- Reduce sugar
- Reduce calories:
 - ✓ In children's ice cream
 - ✓ In more ice cream products
 - Ⓢ Provide healthy eating information

GREENHOUSE GASES

Our products' lifecycle:
Halve the greenhouse gas (GHG) impact of our products across the lifecycle by 2030.

+6%⁺
our greenhouse gas impact per consumer use has increased by around 6% since 2010*



Our manufacturing:
By 2020 CO₂ emissions from energy from our factories will be at or below 2008 levels despite significantly higher volumes.

-39%⁺
reduction in CO₂ from energy per tonne of production since 2008

Become carbon positive in manufacturing:

- Source all energy renewably
- Source grid electricity renewably
- Eliminate coal from energy mix
- Make surplus energy available to communities
- New factories

Reduce GHG from washing clothes:

- ✓ Reformulation
- Reduce GHG from transport
- ✓ Reduce GHG from refrigeration
- Reduce energy consumption in our offices
- ✓ Reduce employee travel

WATER

Our products in use:
Halve the water associated with the consumer use of our products by 2020.⁺

-1%⁺
our water impact per consumer use has reduced by around 1% since 2010*



Our manufacturing:
By 2020 water abstraction by our global factory network will be at or below 2008 levels despite significantly higher volumes.

-37%⁺
reduction in water abstraction per tonne of production since 2008

Reduce water use in manufacturing process:

- New factories

Reduce water use in the laundry process:

- ✓ Products that use less water
- Reduce water use in agriculture

Our greenhouse gas impact has increased and our water and waste impacts per consumer use have reduced since 2010.

ENHANCING LIVELIHOODS

By 2020 we will enhance the livelihoods of millions of people as we grow our business.

We have made good progress across our Enhancing Livelihoods commitments.

FOR MILLIONS

WASTE

Our products:

Halve the waste associated with the disposal of our products by 2020.

-29%[†]
our waste impact per consumer use has reduced by around 29% since 2010*



Our manufacturing:

By 2020 total waste sent for disposal will be at or below 2008 levels despite significantly higher volumes.

-97%[†]
reduction in total waste per tonne of production since 2008

Reduce waste from manufacturing:

- ✓ Zero non-hazardous waste to landfill
- New factories
- Reduce packaging

Recycle packaging:

- Increase recycling and recovery rates
- Increase recycled content
- 66 Tackle sachet waste
- 99 Eliminate PVC

Reduce office waste:

- Recycle, reuse, recover
- ✓ Reduce paper consumption
- 73 Eliminate paper in processes

SUSTAINABLE SOURCING

By 2020 we will source 100% of our agricultural raw materials sustainably.

60%
of agricultural raw materials sustainably sourced by end 2015



Palm oil:

- ✓ Sustainable
- Traceable
- Paper and board
- Soy beans and soy oil
- Tea
- 67 Fruit †
- 92 Vegetables †
- Cocoa
- Sugar †
- Sunflower oil
- Rapeseed oil
- Dairy
- 77 Fairtrade Ben & Jerry's
- Cage-free eggs
- ✓ Increase sustainable sourcing of office materials

FAIRNESS IN THE WORKPLACE

By 2020 we will advance human rights across our operations and extended supply chain.

54%
of procurement spend through suppliers meeting our Responsible Sourcing Policy's mandatory requirements; published our first Human Rights Report



- Implement UN Guiding Principles on Business and Human Rights
- Source 100% of procurement spend in line with our Responsible Sourcing Policy
- ✓ Create framework for fair compensation
- ✓ Improve employee health, nutrition and well-being
- Reduce workplace injuries and accidents †

OPPORTUNITIES FOR WOMEN

By 2020 we will empower 5 million women.

800,000
women enabled to access initiatives aiming to develop their skills



- Build a gender-balanced organisation with a focus on management
- Promote safety for women in communities where we operate
- Enhance access to training and skills
- Expand opportunities in our value chain

KEY

- ✓ Achieved by target date
- On-plan for target date
- Off-plan for target date
- 66 % achieved by target date

INCLUSIVE BUSINESS

By 2020 we will have a positive impact on the lives of 5.5 million people.

2.4 MILLION
smallholder farmers and small-scale retailers enabled to access initiatives aiming to improve agricultural practices or increase sales



- Improve livelihoods of smallholder farmers
- Improve incomes of small-scale retailers
- Increase participation of young entrepreneurs in our value chain

† PricewaterhouseCoopers (PwC) assured. For details and the basis of preparation, see www.unilever.com

* Our environmental targets are expressed on a 'per consumer use' basis. This means a single use, portion or serving of a product.

† In seven water-scarce countries representing around half the world's population.

UNILEVER N.V.

Head Office and Registered Office

Weena 455, PO Box 760
3000 DK Rotterdam
The Netherlands
T +31 (0)10 217 4000
Commercial Register Rotterdam
Number: 24051830

UNILEVER PLC

Head Office

100 Victoria Embankment
London EC4Y 0DY
United Kingdom
T +44 (0)20 7822 5252

Registered Office

Unilever PLC
Port Sunlight
Wirral
Merseyside CH62 4ZD
United Kingdom
Registered in England and Wales
Company Number: 41424

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For further information on our
social, economic and environmental
performance, please visit our website
www.unilever.com/sustainable-living

