

Unilever's Basis of Preparation 2017 for those Unilever Sustainable Living Plan (USLP) and Environmental and Occupational Safety (EOS) performance measures selected for independent assurance

1. Introduction

PricewaterhouseCoopers LLP (PwC) has been appointed to provide limited assurance of selected USLP and EOS performance measures. This Basis of Preparation document sets out how these USLP and EOS performance measures, described in Section 2 below, have been prepared and reported, including their reporting periods.

The selection of USLP and EOS performance measures for limited assurance is explained in the "Independent Assurance" section of the online Unilever Sustainable Living Report.

Our USLP and EOS targets and the performance results achieved are described in full in the online Unilever Sustainable Living Report for 2017. A selection of targets and the performance results achieved are also described in the 2017 Annual Report and Accounts.

This document reflects our business objectives and processes and takes into account regulatory requirements applicable to our operations globally, industry codes of practice and voluntary guidance from external bodies. Unlike financial accounting standards, currently there are no industry norms or globally recognised established practices for measuring and evaluating performance data of this type. While these practices are evolving, it is important therefore to understand the approach we have taken with our data. We have established objective measurement techniques, including appropriate estimates and assumptions, for our performance data.

Scope

This document summarises the definition, scope and data preparation for the performance measures listed below. The preparation of the USLP and EOS performance measures is detailed in Sections 4 and 5 respectively.

Unless otherwise indicated, the performance data includes newly acquired businesses as soon as the appropriate processes and systems are implemented to enable consistent data collation and Unilever Group level consolidation.

Operations categorised as joint ventures or investments are excluded from the scope of all performance measures, unless otherwise indicated.

The results of disposed businesses are included in the performance measures up to the date of disposal.

We ensure that appropriate procedures are in place to report performance data, in all material respects, as set out in this document. These procedures ensure that:

- the reported information reflects our performance;
- the data is meaningful and is consistent with the stated definitions and scope;
- any specific exclusions are stated clearly and explained;
- any assumptions we make as well as our accounting and calculation methods are clearly described; and
- the level of transparency is sufficient to enable users to have confidence in the integrity of our reporting.

2.1. USLP performance measures

USLP indicator	Performance measured	2017 reported performance result
Nutrition (pillar commitment): Helping people to achieve healthier diets	<ul style="list-style-type: none">• The percentage of sales volume of Unilever food and refreshment products meeting the criteria for highest nutritional standards based on globally recognised dietary guidelines from 1 October 2016 and 30 September 2017.	<ul style="list-style-type: none">• 39% of our portfolio by volume met criteria for highest nutritional standards based on globally recognised dietary guidelines.
Greenhouse Gases (pillar commitment): Halve the greenhouse gas impact of our products across the lifecycle by 2030.	<ul style="list-style-type: none">• The percentage change in the greenhouse gas impact of our products across the lifecycle per consumer use between the period measured from 1 January 2010 to 31 December 2010 ("2010 baseline") and the period measured from 1 July 2016 to 30 June 2017 ("2017 footprint").	<ul style="list-style-type: none">• 9% increase in the greenhouse gas impact of our products across the lifecycle.

USLP indicator	Performance measured	2017 reported performance result
Water (pillar commitment): Halve the water associated with the consumer use of our products by 2020.	<ul style="list-style-type: none"> The percentage change in Unilever's water impact (water in the products and water associated with the consumer use of our products) per consumer use between the period measured from 1 January 2010 to 31 December 2010 ("2010 baseline") and the period measured from 1 July 2016 to 30 June 2017 ("2017 footprint"). 	<ul style="list-style-type: none"> 2% decrease in the water associated with the consumer use of our products.
Fairness in the workplace: Implement the UN Guiding Principles on Business and Human Rights.	<ul style="list-style-type: none"> Implementing the UN Guiding Principles on Business and Human Rights throughout Unilever's operations and publicly reporting on progress. 	<ul style="list-style-type: none"> A series of implementation activities have been carried out to continue embedding the UN Guiding Principles on Business and Human Rights throughout Unilever's operations.
Fairness in the workplace: Create a framework for fair compensation.	<ul style="list-style-type: none"> Create a framework for fair compensation. 	<ul style="list-style-type: none"> A series of activities have been carried out to create the Framework for Fair Compensation for Unilever.
Opportunities for women: Build a gender-balanced organisation with a focus on management.	<ul style="list-style-type: none"> The percentage of women who were in Unilever management roles as at 31 December 2017. 	<ul style="list-style-type: none"> 47% of women were in Unilever management roles as at 31 December 2017.
Opportunities for women: Promote safety for women in communities where we operate.	<ul style="list-style-type: none"> Number of women enabled to access initiatives aiming to promote their safety for the period 1 January 2017 to 30 September 2017. 	<ul style="list-style-type: none"> Enabled 7,000 women to access initiatives aimed at promoting their safety.
Opportunities for women: Enhance access to training and skills.	<ul style="list-style-type: none"> Number of women we have enabled to access initiatives aiming to develop their skills for the period 1 October 2010 to 30 September 2017. 	<ul style="list-style-type: none"> Enabled 1,175,000 women to access initiatives aimed at developing their skills.
Opportunities for women: Expand opportunities our retail value chain.	<ul style="list-style-type: none"> Number of women enabled to access initiatives aiming to expand their opportunities in our retail value chain for the period 1 July 2017 to 30 September 2017. 	<ul style="list-style-type: none"> Enabled 77,000 women to access initiatives aimed at expanding their opportunities in our retail value chain.
Inclusive business: Smallholder farmers improving agricultural practices.	<ul style="list-style-type: none"> Number of smallholder farmers in our supply network who we have enabled access to initiatives, aimed at improving their agricultural practices for the period 1 January 2011 to 30 September 2017. 	<ul style="list-style-type: none"> Enabled 716,000 smallholder farmers to access initiatives aimed at improving their agricultural practices.

2.2. EOS performance measures

EOS indicator	Performance measured	2017 reported performance result
Water: <ul style="list-style-type: none"> Reduce water use in manufacturing. 	<ul style="list-style-type: none"> Water abstracted in m³ per tonne of production Change in the volume of water in m³ abstracted in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008)*. Percentage change in the water abstracted per tonne of production in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008)*. Emissions of chemical oxygen demand (COD) in kg per tonne of production. 	<ul style="list-style-type: none"> 1.80 m³/tonne. 19.8 million fewer m³ of water abstracted in 2017 than in 2008. 39% reduction in water abstracted per tonne of production in 2017 compared to 2008. 1.13 kg/tonne.
Energy and greenhouse gas emissions: <ul style="list-style-type: none"> Reduce GHG from manufacturing. 	<ul style="list-style-type: none"> CO₂ emissions from energy use in tonnes (market based). CO₂ emissions from energy use in tonnes (location based). CO₂ emissions from energy use in kg per tonne of production (market based). Change in the tonnes of CO₂ from energy (market based) in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008)*. Percentage change in CO₂ from energy use (market based) per tonne of production in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008)*. Energy use in gigajoules per tonne of production. 	<ul style="list-style-type: none"> 1,567,328 tonnes (market based) 2,083,196 tonnes (location based) 76.77 kg/tonne 1,218,554 fewer tonnes of CO₂ from energy use in 2017 than in 2008 47% reduction in CO₂ from energy use (market based) per tonne of production in 2017 compared to 2008. 1.30 GJ/tonne.
Waste: <ul style="list-style-type: none"> Reduce waste from manufacturing. 	<ul style="list-style-type: none"> Hazardous waste in kg per tonne of production. Non-hazardous waste in kg per tonne of production. Total waste sent for disposal per tonne of production. Change in the tonnes of total waste sent for disposal in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008)*. Percentage change in the total waste sent for disposal per tonne of production in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008)*. 	<ul style="list-style-type: none"> 0.16 kg/tonne. 0.02 kg/tonne. 0.18 kg/tonne. 147,444 fewer tonnes of total waste sent for disposal in 2017 than in 2008 98% reduction in total waste sent for disposal per tonne of production in 2017 compared to 2008.
Occupational safety: <ul style="list-style-type: none"> Reduce workplace injuries and accidents. 	<ul style="list-style-type: none"> Number of fatal accidents in 2017 (1 October 2016 to 30 September 2017). Accident rate: Total Recordable Frequency Rate (TRFR) per 1,000,000 man-hours in 2017 (1 October 2016 to 30 September 2017). 	<ul style="list-style-type: none"> 1 fatality. 0.89 accidents per 1 million man-hours worked.

* The baseline 12 month reporting period is considered to be comparable to the 12 month reporting period for 2017.

3. Data sources

Our objective is to gather and report reliable and robust data. We are committed to providing transparency on the quality of the data where we consider there are matters which are material to users of the information. The information we report is subject to internal review processes and, where relevant and/or required, peer review. All performance measures in the above tables, 2.1 and 2.2, are subject to external assurance unless specifically noted.

3.1. USLP performance measures

Our data reporting systems for Unilever Sustainable Living Plan targets and performance are evolving and we continue to work to align data recording and reporting methods across the Unilever Group. This includes working with third parties where we rely on their data to provide input and support our performance.

3.2. EOS performance measures

Every year we collect data on key measures of environmental performance. This is collated and analysed using a web-based Environmental Performance Reporting tool (EPR). Since 2008 we have reported our CO₂ emissions with reference to the GHG Protocol**.

For the reporting period 1 October 2016 to 30 September 2017, 274 manufacturing sites in 69 countries reported environmental performance data. In some cases multiple factories occupy one manufacturing site.

For the two occupational safety performance measures, we collect data from our manufacturing sites and non-manufacturing sites via our Occupational Safety (OS) tool. For the reporting period 1 October 2016 to 30 September 2017, 528 sites reported occupational safety performance measures.

*** The Greenhouse Gas Protocol Initiative is a multi-stakeholder partnership of businesses, NGOs, governments and others convened by the World Resources Institute (WRI), US-based environmental NGO, and the World Business Council for Sustainable Development (WBCSD), a Geneva-based coalition of 200 international companies. Launched in 1998, the Initiative's mission is to develop internationally accepted greenhouse gas (GHG) accounting and reporting standards for business and to promote their broad adoption.*

4. USLP performance data preparation

Sections 4.1 – 4.10 detail the basis of preparation for each USLP performance measure.

4.1 Nutrition (pillar commitment) – Helping people to achieve healthier diets

Performance measure: The percentage of sales volume of Unilever’s food and refreshment products meeting the criteria for highest nutritional standards, based on globally recognised dietary guidelines, at 30 September 2017 (this covers the period from 1 October 2016 to 30 September 2017).

Definitions

- Unilever’s food and refreshment products portfolio consists of the individual food and refreshment SKUs (stock-keeping units), as well as the products marketed under the joint ventures of Lipton with Pepsi, Suntory and Morinaga.
- The highest nutrition standards* refer to product levels of salt, saturated fat, trans fats, added sugar and kilocalories that are aligned with international dietary guidelines and are therefore the strictest within Unilever’s Nutrition Enhancement Programme. We evaluate the content of these nutrients in our food and beverage products on the basis of the nutritional specifications. These specifications are the basis for nutrient levels disclosure on our product packaging or websites. The nutritional content of ingredients in our specifications is determined in line with globally and/or locally accepted food regulator methodologies.

Scope

Food and refreshment products are ‘in scope’ of this performance measure, as well as the products marketed under the joint ventures of Lipton with Pepsi, Suntory and Morinaga. We report on all SKUs to the extent that we have the required nutritional information available. The number of SKUs which lack the required nutritional information represented approximately 6% of sales volume in 2017.

Performance data preparation and assumptions

The nutritional data for food and refreshment products including food service are taken from Unilever’s product specification management systems. Portfolio data of products marketed under the joint ventures of Lipton with Pepsi, Suntory and Morinaga is taken from the joint ventures’ data management systems.

The nutrient content of individual food and refreshment SKUs is compared to the standards in order to determine compliance. Each product must meet all the required nutrient standards per product to be determined as compliant.

All calculations are subject to internal review for accuracy and completeness before reporting, including the joint ventures data.

* The Unilever Highest Nutritional Standards can be found on Unilever.com: https://www.unilever.com/Images/unilever-highest-nutritional-standards_tcm244-510082_1_en.pdf

4.2 Greenhouse gases (GHG) – Halve the greenhouse gas impact of our products across the lifecycle by 2020

Performance measure: The percentage change in the greenhouse gas impact of our products across the lifecycle per consumer use between the period measured from 1 January 2010 to 31 December 2010 (“2010 baseline”) and the period measured from 1 July 2016 to 30 June 2017 (“2017 footprint”).

Definitions

- The GHG performance measure considers GHG emissions (Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydro fluorocarbons and Perfluorocarbons (F-gases) and Sulphur hexafluoride (SF₆)) resulting from our products.
- The GHG performance measure is expressed on a ‘per consumer use’ basis. ‘Per consumer use’ refers to the consumed amount per individual portion, single use or serving of a Unilever product by one person. It is based on the amount of product sold to the consumer, and either the recommended dose/use or habits data.

Scope

Our GHG performance measure calculates the GHG emissions related to our products

- In 14 key countries: Brazil, China, France, Germany, India, Indonesia, Italy, Mexico, Netherlands, Russia, South Africa, Turkey, UK, and USA.
- For our 12 sub-categories: Baking Spreading and Cooking, Beverages, Deodorants, Dressings, Hair Care, Household Care, Ice Cream, Laundry, Oral Care, Savoury, Skin Care, and Skin Cleansing.
- In six phases of the life cycle: raw materials (primary packaging, secondary packaging, ingredients), manufacturing, distribution, retail, consumer use, and disposal.

Products excluded from the GHG performance measure are:

- Those for which the required data is not available with sufficient detail and/or where Unilever does not have direct influence over the footprint of the finished product, namely: products developed and manufactured through our joint venture operations, products distributed to professional markets via Food Solutions, bulk items and export items that are sold to third parties as unfinished products, promotional items and complex packs, and tools and devices (including Pureit).
- Those which have exceptionally high sales volumes expressed in consumer uses and represent a negligible proportion of our absolute impact, thereby having the potential to distort the ‘per consumer use’ performance measure (namely Q Tips cotton swabs, Annapurna salt, and Vaseline lip balm).

These exclusions are applied consistently across the GHG, water and waste pillar commitment performance measures.

Performance data preparation and assumptions

Calculating this performance measure requires a detailed analysis of the GHG impacts of thousands of products spread across 14 key countries. The results are calculated at a corporate level on a per consumer use basis. The GHG impact is calculated for a representative sample of products, based on a clustering of products. The clustering aims to account for at least 80% of our sales volume in the 14 key countries. The representative product assessment is then extrapolated at a category and country level to account for the un-clustered products in each of the 14 key countries.

For each representative product, a number of internal and external data sources are used to describe the various life cycle activities and inputs (e.g. specification of product, energy for site of manufacture, consumer use data). Consumer use (i.e. the consumed amount per individual portion, single use or serving of a Unilever product by one person) is determined based on either consumer habits studies or on-pack recommendations. In cases where relevant consumer habits studies are unavailable, internal expert opinion is also used where necessary. Consumer use data often varies by country. The data on the GHG emission impact of ingredients and packaging are obtained from external databases (based on industry averages) or internal expert studies. Information on the GHG impact of ingredients, packaging, and consumer use is analysed and combined with the GHG impact of manufacturing and distribution (based on internal data sources) to calculate our GHG performance measure.

The GHG performance measure is subject to internal review to identify and correct material anomalies before it is reported.

4.3 Water – Halve the water impact associated with the consumer use of our products by 2020

Performance measure: The percentage change in the water impact (water in our products and water associated with the consumer use of our products) per consumer use between the period measured from 1 January 2010 to 31 December 2010 (“2010 baseline”) and the period measured from 1 July 2016 to 30 June 2017 (“2017 footprint”).

Definitions

- The water performance measure considers the water in our products (ingredients phase) plus the water used by consumers for our products (consumer-use phase). Agricultural water and water use related to non-renewable materials (raw material phase), and water used in manufacturing are not included as these data are not yet available at the required quality or accuracy level.
- The water performance measure is expressed on a ‘per consumer use’ basis. ‘Per consumer use’ refers to the consumed amount per individual portion, single use or serving of a Unilever product by one person. It is based on the amount of product sold to the consumer and either the recommended dose/use or habits data.
- Our definition of domestic water scarcity based on an assessment in 2008 (updated in 2011) is based on:
 - a) an evaluation of the number of people in each country experiencing physical water scarcity
 - b) the number of people who lack access to an improved water source
 - c) countries which have watersheds with WSI1>0.4 and/or where less than 80% of the population has access to sanitation/clean water.

Scope

Our water performance measure is calculated for our products:

- In seven countries: China, India, Indonesia, Mexico, South Africa, Turkey and the USA. These seven countries were identified as water-scarce countries based on an assessment in 2008 (updated in 2011) of domestic water used with our products in 14 key countries (Brazil, China, France, Germany, India, Indonesia, Italy, Mexico, Netherlands, Russia, South Africa, Turkey, UK, and USA)
- For five sub-categories: Hair Care, Household Care, Laundry, Oral Care, and Skin Cleansing. Of Unilever’s 12 sub-categories, these five represented 99% of our absolute water impact.
- In two phases in our life cycle: raw materials (ingredients) and consumer use.

Products excluded from the water performance measure are:

- Those for which the required data is not available with sufficient detail and/or where Unilever does not have direct influence over the footprint of the finished product, namely: products developed and manufactured through our joint venture operations, products distributed to professional markets via Food Solutions, bulk items and export items that are sold to third parties as unfinished products, promotional items and complex packs, and tools and devices (including Pureit).
- Those which have exceptionally high sales volumes expressed in consumer uses and represent a negligible proportion of our absolute impact, thereby having the potential to distort the ‘per consumer use’ performance measure (not applicable to the 2017 footprint for water).

These exclusions are applied consistently across the GHG, water and waste pillar commitment performance measures.

Performance data preparation and assumptions

Calculating this performance measure requires a detailed analysis of the water impacts of around one thousand products. The results are calculated at a corporate level on a per consumer use basis. The water impact is calculated for a representative sample of products, based on a clustering of products. The clustering aims to account for at least 80% of our sales volume in the 14 key countries, of which seven have been identified as water-scarce. The representative product assessment is then extrapolated at a category and country level to account for the unclustered products in each of the seven water scarce countries.

For each representative product, a number of internal and external data sources are used to describe the two life cycle activities and inputs (specification of products and consumer use data). Data on the water impact of the ingredients phase is obtained from internal product specification systems. Data on the water impact of the consumer use phase (i.e. the amount of water used with one dose of a Unilever product by one person) is determined based on either consumer habits studies or on-pack recommendations. In cases where relevant consumer habits studies are unavailable, internal expert opinion is also used where necessary. Consumer use data often varies by country.

The water performance measure is subject to internal review to identify and correct material anomalies before it is reported.

4.4 Fairness in the Workplace - Implement UN Guiding Principles on Business and Human Rights

Performance measure: A series of implementation activities have been carried out to continue embedding the UN Guiding Principles on Business and Human Rights throughout Unilever's operations.

Definitions

The United Nations Guiding Principles on Business and Human Rights ("UN Guiding Principles") is a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity.

Unilever's human rights approach is formed with reference to the UN Guiding Principles. The Human Rights Policy Statement document describes Unilever's commitment to respect global principles and the associated due diligence processes and governance of respect for human rights.

Implementation means the ongoing embedding of these principles into Unilever's policies and processes, in response to changing requirements and identification of issues, so that they are followed by the business. Implementation focuses on eight (8) salient human rights issues for Unilever (as set out in the Human Rights Report 2015). These are:

- **Discrimination:** This is addressed in the Code of Business Principles ("COBP") and Respect, Dignity and Fair Treatment ("RDFT") Code Policy.
- **Fair wages:** This is addressed in the COBP, RDFT Code Policy and Framework for Fair Compensation.
- **Forced labour:** This is addressed in the COBP and RDFT Code Policy.
- **Freedom of association:** This is addressed in the COBP and RDFT Code Policy.
- **Harassment:** This is addressed in the RDFT Code Policy.
- **Health and safety:** This is addressed in the COBP and the Occupational Health and Safety Policy.
- **Land rights:** Principles and Guidance were finalised in December 2017 and will be implemented in 2018.
- **Working hours:** This is addressed in the RDFT Code Policy.

Description of implementation activities

The continued embedding of the UN Guiding Principles is the responsibility of business units and regional/global teams. The Unilever Integrated Social Sustainability (iSoSu) team co-ordinates this implementation and provides expert assistance to the business units and regional/global teams. The iSoSu team drives the human rights strategy and advocacy for Unilever and is led by the Global Vice President for Integrated Social Sustainability.

During 2017, the iSoSu team performed awareness raising, capacity building and integration of the 8 salient human rights issues into business decision-making and processes through the following implementation activities:

1. Review of global policies and codes

- Where a human rights issue was identified and was not covered by a specific policy, the iSoSu team worked with the relevant business units to revise policies or create new standards, where necessary.
- The iSoSu team created Unilever's Human Rights Policy Statement in 2014; reviewed the RDFT Code Policy in 2016 and the COBP in 2015 with code policy owners to ensure that relevant salient human rights issues were addressed. There were no changes to these specific policies during 2017. Similarly, respective Unilever functions have also created or reviewed relevant policies such as the creation of the Global Maternity Standard in 2017.

2. Training

- The iSoSu team provided guidance to the business on understanding and interpreting the eight salient human rights issues, including through face to face and online training which was developed by the global learning team or other internal or external subject matter experts.
- Human rights principles have been included in the COBP training, which is required to be completed by all employees, third parties and contractors working at Unilever operational sites.
- Corporate Audit monitored internal controls to ensure that new employees have read and understood the COBP.

3. Review of legal requirements

- Unilever regional teams reported on human rights locally where legally required according to local legislation – e.g. Unilever published the Modern Slavery & Human Trafficking Statement in January 2017 in response to the UK Modern Slavery Act 2015.

4. Risk assessments, remediation and mitigation

- The Board completed an annual review of significant risks that could have an impact on Unilever in November 2017.
- The iSoSu team and Business Integrity team carried out country risk analyses using a risk assessment tool provided by an independent third party, undertook a review of non-compliances and obtained local business and external knowledge to identify which countries had a high risk of not complying with human rights principles (“high risk countries”).
- Detailed country / site risk assessments were performed for high risk countries using an independent third party, which identified specific areas that required a remediation or mitigation plan.
- The iSoSu team, working with the relevant function/site created a detailed mitigation plan to address identified issues and support implementation.

5. Remediation and mitigation of business specific issues

- The iSoSu team were made aware of human rights issues that arose through internal escalation (e.g. from business units, regional/global teams, legal or human resources functions), or through external sources such as the media.
- The iSoSu team worked with the relevant business teams to create a plan to mitigate or remediate issues.

Public reporting of progress on implementing the UN Guiding Principles is performed with reference to the UN Guiding Principles Reporting Framework. Progress is reported on an annual basis in the USLP online report, periodically in a separate Human Rights Progress Report, and in separate reports which are legally required, such as the Modern Slavery & Human Trafficking Statement which requires Unilever to state the measures put in place to eradicate slavery in the supply chain.

Scope

The performance measure covers a person employed by Unilever.

4.5 Fairness in the workplace – Framework for Fair Compensation

Performance measure: A series of activities have been carried out to create the Framework for Fair Compensation for Unilever.

Definitions

'Fair Compensation' means ensuring the pay for employees is set at a level that is both fair and liveable, and provides equal pay for equal work.

The Framework for Fair Compensation ("Framework") covers the overall compensation process (although it does not in itself form part of any contract with employees). It provides a structured way for a company to outline how the various elements of its compensation packages deliver fair compensation to its employees.

Description of activities

The creation of the Framework required the following activities to be carried out:

- The Unilever Global Reward team created the Framework applicable to all Unilever direct employees, which the Unilever HR leadership team approved in December 2015.
- The Framework has been published on Unilever's external website: (https://www.unilever.com/Images/unilever-framework-for-fair-compensation-2015-final_tcm244-502647_en.pdf).
- The Chief HR Officer circulated the finalised framework to all global HR Directors during February 2016.

Scope

All Unilever employees except for those listed below are in scope of the performance measure:

- Contractors (non-employees); and
- Third parties.

4.6 Opportunities for women - Build a gender-balanced organisation with a focus on management

Performance measure: The percentage of women who were in Unilever management roles as at 31 December 2017.

Definitions

A Unilever management role is a position where employees are at a work level of 2, 3, 4, 5 or 6. Employees at work levels 1 are not in Unilever management roles. Work level ("WL") definitions are:

WL1: Below Management Roles

WL2: Manager Roles

WL3: Director Roles

WL4: Vice President (VP) Roles

WL5: Senior Vice President (SCP / EVP) Roles

WL6: Unilever Executive Board (ULE) Roles

Scope

All Unilever women employees are in the scope of the performance measure. This includes joint ventures such as Pepsi Lipton.

Performance data preparation and assumptions

The performance measure is reported annually as at 31 December.

The gender of employees as female and male is recorded by human resources ("HR") in Unilever's Online Global System for Human Resources ("HR global system") based on official identification (such as a passport or national identity card). Work levels are maintained in Unilever's HR global system based the role and position in which women are employed.

A list of all employees at WL2 to WL6 is extracted on the last working day of the year from the HR global system by the HR team. The list of female employees in management roles is then extracted and summed up by HR team to calculate the percentage of women in management roles.

Some of Unilever's employees are not captured in HR's global system. These are:

1. Plantation workers;
2. Employees of companies purchased by Unilever that have not yet been fully integrated into Unilever;
3. Employees of Unilever entities operating in embargoed countries.

The gender and work levels for these employees is manually collected at year end by the global HR team from local HR contacts at the respective Unilever entities, where the data is maintained on separate local HR systems.

4.7 Opportunities for Women - Promote safety for women in communities where we operate

Performance measure: Number of women enabled to access initiatives aiming to promote their safety for the period 1 January 2017 to 30 September 2017.

Definitions

We measure the number of women (which can include any female persons from 14 years upwards) who have been enabled to access an initiative which aims to promote their safety.

Promotion of safety for women is defined as 'improving the physical and psychological safety of women, including protection from sexual and gender-based violence (SGBV), especially sexual harassment in the workplace'.

The initiative includes direct ongoing face to face training on a number of safety related topics, including Domestic Violence and Sexual Harassment. The content for this training was developed in partnership with Dr Mutuma Ruteere, Director at Centre for Human Rights and Policy Studies in Kenya, based on a baseline study and research which demonstrated that this content would be likely to result in the improvement of safety for women.

The training provided as part of this initiative is delivered by the Unilever Tea Kenya welfare office and we deem the level of commitment made by Unilever is significant enough for all women in this initiative to be counted in our performance measure.

The initiative included in this performance measure (and its reporting period) is:
Safety for Women and Girls initiative in Kenya (1 January 2017 to 30 September 2017)

We enable women to access this initiative through face to face training courses e.g. classroom, school, workshop, presenter led training courses.

For a woman to be counted in the performance measure they have to have attended at least one face to face training session.

The Metric Owner at Unilever will apply the following tests to determine that all initiatives are appropriate to be included under the definition of promoting safety:

- the subject matter and duration of the initiative is appropriate and relevant to the specific geography or situation
- the level of Unilever commitment is appropriate, through a significant commitment of financial/other resource contribution and/or provision of staff/people who direct or implement the initiative.

The Metric Owner at Unilever obtains a list of new initiatives to be included in the performance measure on an annual basis. Metric owner performs the following checks for each initiative:

- The initiative content is likely to result in the improvement of safety for women.
- All initiatives are appropriate to be included under the definition of promotion of safety.
- The initiative counts a woman only if she has attended at least one face to face training session.
- There are at least 1,000 women who have accessed the initiative.

If all above are met, the Metric Owner confirms which initiatives can be included and sets up the data collection, data aggregation and approvals processes with the initiative owner.

Scope

The country in scope of this performance measure in the current reporting period is Kenya.

An initiative is included in this performance measure when at least 1,000 women have accessed the initiative.

Performance data preparation and assumptions

The reporting period for the initiative is 1 January 2017 to 30 September 2017.

Women who attend the training courses, aimed at promoting their safety, is input by the initiative owner into Unilever's Electronic Measurement and Analytics Solution ("ELMA"), which aggregates and stores a list of women who attend training courses. The Unilever data team extracts the list of women who have attended training courses into excel and checks that each woman is only counted once. The total list of women who have attended the training courses is summed in excel and reviewed by the Metric Owner.

There is no risk of counting women attending initiatives in Kenya (the Kenya Safety for Woman and Girls programme and the Kenya Tea Development Agency Sustainable Agriculture Initiative) more than once because the training delivered through the Kenya Safety for Women and Girls programme is to Unilever employees and their family members living on the Unilever tea

estates who are separate from the smallholder farmers participating in the KTDA initiative. The smallholder farmers are not employed by Unilever and don't live on Unilever estates.

4.8 Opportunities for Women – Enhance access to training and skills

Performance Measure: Number of women we have enabled to access initiatives aiming to develop their skills for the period 1 October 2010 to 30 September 2017.

Definitions

We measure the number of women (which can include any female persons from 14 years upwards) who have been enabled to access an initiative which aims to develop their skills.

We provide women with training which enables them to develop new or additional skills in the following areas:

- a) Improving women's aptitude for work i.e. enable women to be better at their jobs or better able to secure a job through the provision of training on professional skills, vocational skills, office skills, business skills, agricultural skills and entrepreneurship skills.
- b) Improving women's skills in nutrition and health and wellbeing.

This can be achieved through training and development which meets one of the following three criteria:

- a) training curricula that is formally accredited with a recognized body or organization;
- b) training and skills courses delivered by qualified individuals or a recognized body or organization;
- c) training curricula which has been peer reviewed.

The initiatives included in this performance measure (and their reporting periods) are:

- Black Soy for Bango Initiative (31 December 2016 to 30 September 2017)
- Brilhante Cycle Initiative (15 August 2017 to 30 September 2017)
- Cargill Cocoa Promise (31 August 2015 to 30 September 2017)
- Fair & Lovely Foundation Online Training (31 December 2016 to 30 September 2017)
- Fair & Lovely Foundation Scholarships Initiative (1 October 2010 to 30 September 2017)
- GAIN Partnership (30 September 2016 to 30 September 2017)
- Guddi Baji Beautician Initiative (1 January 2012 to 30 September 2016)
- KTDA Sustainable Agriculture Initiative (1 January 2014 to 30 September 2016)
- Prabhat Enabling Livelihoods Initiative (30 September 2014 to 30 September 2017)
- Rin Career Academy Initiative (31 July 2016 to 30 September 2017)
- SUPER!store (Kabisig Summits) Initiative (1 January 2016 to 30 September 2017)
- Surf School of Shine Initiative (23 November 2016 to 30 September 2017)
- Sustainable Tea Vietnam Phase II Initiative (30 September 2016 to 30 September 2017)
- Tea Vietnam Initiative (1 November 2013 to 30 September 2016)
- Trustea Plantation Workers Initiative (10 July 2013 to 30 September 2017)
- Trustea Smallholder Farmers Initiative (10 July 2013 to 30 September 2017)
- Unilever Learning Hub Initiative (1 October 2016 to 30 September 2017)
- Upscaling Vanilla Madagascar Initiative (1 November 2016 to 30 September 2017)
- WE-Care Partnership (30 September 2016 to 30 September 2017)

We enable women to access initiatives in the following ways:

- Face to face programmes or training courses, or
- Virtual/remote training courses or programmes, or
- Through being a member of a farm household which has achieved certification through sustainable farming certification made possible by Unilever.

For a woman to be included they have to have attended at least one face to face training session, to have enrolled in at least one virtual/remote training course or programme, or be a member of a farm household that has achieved certification. We count women who have enrolled in virtual/remote training courses or programmes but may not have completed the courses or programmes. This is because course completion data is not always available for virtual/remote training courses or programmes.

The Metric Owner at Unilever will apply the following tests to determine that all initiatives are appropriate to be included under the definition of developing skills:

- the subject matter and duration of the initiative is appropriate and relevant to the specific geography or situation;
- the level of Unilever commitment is appropriate, through a significant commitment of financial/other resource contribution and/or provision of staff/people who direct or implement the initiative.

The Metric Owner at Unilever obtains a list of new initiatives to be included in the performance measure on an annual basis. The Metric owner performs the following checks for each initiative:

- The training and development meets one of the three criteria outlined above (i.e. accredited organisation, or qualified individual or peer reviewed).
- The tests are performed to determine that all initiatives are appropriate to be included under the definition of developing skills. (i.e. duration of the course and level of commitment).
- The initiative counts a woman only if she has attended at least one face to face training session, enrolled in at least one virtual/remote training course or programme, or is a member of a farm household that has achieved certification.
- There are at least 1,000 women who have accessed the initiative.

If all above are met, the Metric Owner confirms which initiatives can be included and sets up the data collection, data aggregation and approvals processes with the initiative owner.

Scope

The countries in scope of this performance measure in the current reporting period are Bangladesh, Brazil, Côte d'Ivoire, India, Indonesia, Kenya, Malaysia, Nigeria, Pakistan, Philippines, South Africa, Vietnam, Zimbabwe and all other countries where Unilever has operational sites. Operational sites cover manufacturing, non-manufacturing (offices, research and development facilities and data centres) and logistics sites such as warehouses.

An initiative is included in this performance measure when at least 1,000 women have accessed the initiative.

Performance data preparation and assumptions

The reporting period for each of the initiatives are noted above. There are different data preparation processes for the initiatives:

KTDA Sustainable Agriculture Initiative

The number of women enabled is an extrapolation based on the number of farms certified by the Rainforest Alliance and an estimate of the number of adult female household members on these farms. The extrapolation is calculated using the method below:

- The number of farms completing certification (which is based on data from the Sustainable Agriculture Network (SAN) multiplied by the average number of adult household members on farms [3.2] (which is based on research from the Rainforest Alliance) multiplied by the national average percentage of women involved in farming [34%] (which is based on research conducted by the Kenyan Bureau of Statistics). Therefore the calculation is number of certified farms x 3.2 x 34% = number of adult female farm household members.

Farms must be compliant with the training requirement of the Sustainable Agriculture Standard to achieve certification, and Rainforest Alliance audit a sample of farms to verify that each farm has met all the requirements of certification.

We assume that the adult female household members on these farms have been given access to the training that has been provided as part of the certification process, either through direct attendance at training or indirectly through knowledge passed on from those who have attended. This is based on the nature of smallholder farms, where in most instances all household members are involved in the farming.

Unilever Learning Hub

Virtual and face to face training is made available through the Human Resources ("HR") learning system. A list of employees who have completed training courses is extracted from the HR learning system. The Unilever HR team tags the employees as male or female. Only women completing online courses, curriculum courses, training events and sessions which are aimed at developing their skills, are counted.

The number of women completing at least one training session during the reporting period is calculated on an excel spreadsheet. The supporting documentation and calculation is uploaded into Unilever's Electronic Measurement and Analytics Solution ("ELMA") for review and approval by the Metric Owner.

All other initiatives

The number of women who have been enabled to access initiatives, aimed at developing their skills is calculated for each initiative by Unilever or its implementation partners by aggregating the individual women who have accessed the initiative. Where the number of women for an initiative is calculated by the implementation partner, it can be reported by the implementation partner to Unilever either as a cumulative number for the full reporting period or as an incremental number for the most recent year of reporting period which Unilever will aggregate to the previous year's cumulative results for the initiative. The cumulative results of the initiatives are then aggregated into a total number of women. The supporting documentation and calculation is uploaded into ELMA for review and approval by the Metric Owner.

The risk of double counting exists where i) women can access more than one initiative because the initiatives are run in the same country or are targeted at the same group of women or ii) women can access the same initiative more than once in one year or over a number of years. The Metric Owner performs an assessment of this risk during the reporting period by checking for any instances where different initiatives have been run in the same locations and by checking if any repeated initiatives have been run in the same location since the start of the reporting period of the initiative. Where the risk of double counting is identified, the Metric Owner manually reviews the list of women who have accessed the initiatives to identify if any women have been counted twice. The women who have attended twice are removed from the attendance lists of the most recent initiatives.

4.9 Opportunities for Women – Expand opportunities in our retail value chain

Performance measure: Number of women enabled to access initiatives aiming to expand their opportunities in our retail value chain for the period 1 July 2017 to 30 September 2017.

Definitions

We measure the number of women (which can include any female persons from 14 years onwards) who have been enabled to access an initiative which aims to expand their opportunities in our retail value chain (which includes all activities related to selling or distributing our products).

Expanding opportunities is defined as ‘gaining employment, starting or growing a business in our retail value chain’. We expand opportunities in a number of ways, either directly or in partnership with civil society organisations, governments or financial institutions:

- Through securing employment of women in a business, or helping them to set up or grow their own business, which is selling Unilever products either directly to the public, or to retail outlets. For example, by providing start-up capital.
- Through improving access to markets, information and financing. For example, women small-scale retailers obtaining credit through our distributors.

The initiatives included in this performance measure (and their reporting periods) are:

- Shakti (1 July 2017 to 30 September 2017)
- Shakti Nigeria (1 July 2017 to 30 September 2017)

For women to be included they have to be actively involved in an initiative selling or distributing Unilever products. For women selling or distributing Unilever products, this means that they must have recorded at least one transaction with Unilever in the previous three months prior to the end of the reporting period.

The Metric Owner at Unilever will apply the following tests to determine that all initiatives are appropriate to be included under the definition of expanding opportunities for women in our retail value chain:

- The subject matter and duration of the initiative is appropriate and relevant to the specific geography or situation
- The level of Unilever commitment is appropriate, through a significant commitment of financial/other resource contribution and/or provision of staff/people who direct or implement the initiative.

The Metric Owner at Unilever obtains a list of new initiatives to be included in the performance measure on an annual basis. Metric owner performs the following checks for each initiative:

- The tests are performed to determine that all initiatives are appropriate to be included under the definition of expanding opportunities.
- The initiative is aimed at expanding opportunities within Unilever’s retail value chain.
- The initiative counts a woman only if she is actively involved selling or distributing Unilever products.
- There are at least 1,000 women who have accessed the initiative.

If all above are met, the Metric Owner confirms which initiatives can be included and sets up the data collection, data aggregation and approvals processes with the initiative owner.

Scope

The countries in scope of this performance measure in the current reporting period are India and Nigeria.

An initiative is included in this performance measure when at least 1,000 women have accessed the initiative.

Performance data preparation and assumptions

The reporting period for each of the initiatives are noted above.

The number of women who have been enabled to access initiatives, aimed at expanding their opportunities are calculated for each initiative by Unilever or its implementation partners by aggregating the individual women who have accessed the initiative and reported as a cumulative number for the full reporting period into Unilever’s Electronic Measurement and Analytics Solution (“ELMA”). The supporting documentation and calculation is uploaded into ELMA for review and approval by the Metric Owner.

The risk of double counting exists where i) women can access more than one initiative because the initiatives are run in the same country or are targeted at the same group of women or ii) women can access the same initiative more than once in one year or over a number of years. The Metric Owner performs an assessment of this risk during the reporting period by checking for any instances where different initiatives have been run in the same locations and by checking if any repeated initiatives have been run in the same location since the start of the reporting period of the initiative. Where the risk of double counting is

identified, the Metric Owner manually reviews the list of women who have accessed the initiatives to identify if any women have been counted twice. The women who have attended twice are removed from the attendance lists of the most recent initiatives.

4.10 Inclusive Business – Improve livelihoods of Smallholder farmers

Performance measure: Number of smallholder farmers in our supply network who we have enabled access to initiatives, aimed at improving their agricultural practices for the period 1 January 2011 to 30 September 2017.

Definition

A smallholder farmer is a person which farms a plot of land to support their own household. A plot of land is a smallholding up to 25 acres (10.12 hectares) of land or is defined to be a smallholder farm by the national government or partnership organisation in the country where we have the initiatives.

For this performance measure, our supply network is defined as those smallholder farmers who we engage directly or indirectly through our suppliers.

Improving agricultural practices is defined as improving the methods and activities used by smallholder farmers to farm effectively. These practices are improved by developing the capabilities of smallholder farmers, for example, through improving their skills and understanding of sustainable agriculture to enable more effective irrigation, promote crop diversification and rotation and increase crop yields.

This can be achieved through training which meets one of the following three criteria:

- a) training curricula that is formally accredited with a recognized body or organization;
- b) training and skills courses delivered by qualified individuals or a recognized body or organization;
- c) training curricula which has been peer reviewed.

The initiatives included in this performance measure (and their reporting periods) are:

- Barry Callebaut RA Initiative (4 January 2016 to 30 September 2016)
- Black Soy for Bango Initiative (31 December 2016 to 30 September 2017)
- Cargill Cocoa Promise (31 August 2015 to 30 September 2017)
- KTDA Sustainable Agriculture Initiative (1 January 2014 to 30 September 2016)
- India Tomatoes Initiative (1 January 2017 to 30 September 2017)
- Marcatus Smallholder Farmers Initiative (1 June 2015 to 30 September 2017)
- Rainforest Alliance Tea Turkey Initiative (1 January 2011 to 30 September 2016)
- Tea Sri Lanka Initiative (1 January 2015 to 30 September 2017)
- Tea Turkey Suppliers Initiative (1 January 2014 to 30 September 2017)
- Tea Vietnam Initiative (1 December 2013 to 30 September 2016)
- Sustainable Tea Vietnam Phase II Initiative (30 September 2016 to 30 September 2017)
- Tea Tanzania Initiative (31 December 2016 to 30 September 2017)
- Trusteia Smallholder Farmers Initiative (28 November 2013 to 30 September 2017)
- Upscaling Vanilla Madagascar Initiative (1 November 2016 to 30 September 2017)
- Vanilla Madagascar Initiative (1 January 2014 to 30 September 2016)

We enable farmers to access initiatives in the following ways:

- Face to face programmes or training courses, or
- Through being a member of a farm household which has achieved certification through sustainable farming certification made possible by Unilever, or
- Provision of access to improved technology such as drip-irrigation or improved planting varieties.

For a farmer to be included they have to have attended at least one face to face training session, have been provided with access to improved technology or be a member of a farm that has achieved certification.

The Unilever procurement team applies the following tests to determine that initiatives are aimed at improving livelihoods:

- the subject matter and duration of the initiative is appropriate and relevant to the specific geography or situation
- the level of Unilever commitment is appropriate, through a significant commitment of financial/other resource contribution and/or provision of staff/people who direct or implement the initiative.

The Metric Owner at Unilever obtains a list of new initiatives to be included in the performance measure on an annual basis.

Metric owner performs the following checks for each initiative:

- The training and development meets one of the three criteria outlined above (i.e. accredited organisation, or qualified individual or peer reviewed).
- The tests are performed to determine that all initiatives are appropriate to be included under the definition of improving agricultural practices. (i.e. duration of the course and level of commitment).

- The initiative counts a person only if she has attended at least one face to face training session, has been provided with access to improved technology or is a member of a farm household that has achieved certification.
- There are at least 1,000 people who have accessed the initiative.

If all above are met, the Metric Owner confirms which initiatives can be included and sets up the data collection, data aggregation and approvals processes with the initiative owner.

Scope

The countries in scope of this performance measure are Côte d'Ivoire, India, Indonesia, Kenya, Madagascar, Sri Lanka, Tanzania, Turkey and Vietnam.

An initiative is included in this performance measure when at least 1,000 smallholder farmers have accessed the initiative.

Performance data preparation and assumptions

The reporting period for each of the initiatives are noted above.

The number of smallholder farmers or certified farms, who have been enabled to access initiatives aimed at improving their agricultural practices are recorded by the third party running the initiative. A reasonable assumption is made that there is one smallholder farmer on each certified farm.

This data is input by the third party into Unilever's Electronic Measurement and Analytics Solution ("ELMA") and reviewed by the Unilever procurement team. When the data for each initiative has been approved by the Procurement Team, the data is aggregated into a final list of smallholder farmers who we have enabled to access initiatives. The supporting documentation and calculation is uploaded into Unilever's Electronic Measurement and Analytics Solution ("ELMA") for review and approval by the Metric Owner.

The risk of double counting exists where i) smallholder farmers can access more than one initiative because the initiatives are run in the same country or are targeted at the same group of smallholder farmers or ii) smallholder farmers can access the same initiative more than once in one year or over a number of years. The Metric Owner performs an assessment of this risk during the reporting period and ensures that a smallholder farmer isn't counted twice in the performance measure.

5. Environmental and Occupational Safety performance data preparation

Sections 5.1 – 5.6 detail the basis of preparation for each EOS performance measure.

5.1 Water – Quantity of water abstracted by manufacturing sites

Performance measures:

- Water abstracted in m³ per tonne of production.
- Change in the volume of water in cubic meters (m³) abstracted in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008).
- Percentage change in the volume of water abstracted per tonne of production in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008).

Definition

Each factory records water abstracted for use in manufacturing from various sources. These sources are classified as; municipal/piped sources, groundwater (direct abstraction by site), surface water (direct abstraction from river or lake), brackish/saline sources (direct abstraction from estuary or sea), water delivered to site by tanker, non-contact cooling water (any source).

Total water abstracted is the sum of these sources, measured in cubic metres.

We calculate water abstracted per tonne of production, based on total water abstracted in cubic metres divided by the sum of production volume in tonnes reported by each manufacturing site.

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.
 - Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

Water used at our manufacturing sites from the following sources are excluded from total water abstracted:

- Rainwater captured and treated on the manufacturing site; and
- Embedded water or water contained in raw materials.

Performance data preparation and assumptions

Water abstraction data is taken from meter reads/invoices and captured by each manufacturing site in the EPR system. All data is recorded in cubic metres. The EPR system summarises and aggregates the data into standard reports by manufacturing site and at regional and global levels.

5.2 Water - Emissions of chemical oxygen demand (COD) by manufacturing sites

Performance measure:

- Chemical oxygen demand (COD) in kg per tonne of production in 2017 (this covers the period 1 October 2016 to 30 September 2017).

Definition

COD represents the ingredients and product lost from our manufacturing processes in process wastewaters. It arises mainly during cleaning operations.

COD is widely used by regulatory bodies to control industrial wastewaters and to calculate the correct level of charges for downstream municipal wastewater treatment, which is designed to remove most of the COD before the wastewater is discharged to the environment.

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.
 - Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

The Unilever COD data represents the effluent load discharged from the boundary of the manufacturing site. It is typically calculated from a representative concentration of COD in the wastewater and volumetric flow of the wastewater.

Reuse of COD on-site, for example through irrigation of land on the Unilever site, is excluded from reported COD.

Performance data preparation and assumptions

The COD load is typically calculated using COD concentration data measured in on site laboratories or those of wastewater treatment companies and volumetric flow data from effluent flow meters on site.

Where direct measurement of COD is not carried out, estimation methodologies are applied by applying a standard conversion factor to COD measurement with reference to BOD (Biological Oxygen Demand) measurements and COD:BOD ratios for sites with similar product output or by using an average COD concentration per tonne of production based on similar manufacturing sites or those obtained during production trials.

The data does not make any allowance for the fact that based on individual site data we estimate that around a further 90% of this material is removed in municipal wastewater treatment plants. Consequently the COD load which actually reaches the environment is much lower.

5.3 Greenhouse gas emissions and energy use by manufacturing sites

Performance measures:

- CO₂ emissions from energy use (market and location based) in tonnes in 2017 (this covers the period 1 October 2016 to 30 September 2017).
- CO₂ emissions from energy use in kg per tonne of production (market based) in 2017 (this covers the period 1 October 2016 to 30 September 2017)
- Change in the tonnes of CO₂ emissions from energy use (market based) in 2017 (1 October 2016 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008).
- Percentage change in CO₂ from energy use (market based) per tonne of production in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008).
- Total energy use in GJ per tonne of production.

Goal setting and tracking is performed using market based CO₂ emissions.

Definition

Each factory records energy used in manufacturing under various energy sources e.g. gas, oil (Scope 1 sources), purchased electricity and steam (Scope 2 sources) etc. Each energy use is converted to gigajoules (GJ), using standard conversion factors and calorific values.

CO₂ emissions from energy used in manufacturing sites is calculated from energy use in GJ multiplied by the carbon emission factor for each energy type (in kg CO₂ per GJ).

The carbon emission factors for scope 2 emissions are applied in terms of the two methods provided by the GHG Protocol:

1. Location-based: All electricity purchased is converted into CO₂ emissions using the average grid emissions factor for electricity in the country in which it is purchased. Renewable Energy Certificates (“RECs”) are not applied to the total Scope 2 emissions.
2. Market-based: All electricity purchased is converted to CO₂ using emissions factors from contractual instruments which Unilever has purchased or entered into.

The total amount of CO₂ emissions is the sum of CO₂ emissions for each energy source. This is measured in tonnes.

CO₂ emissions per tonne of production is the total amount of CO₂ emissions divided by the sum of production volume in tonnes reported by each manufacturing site. This is measured in kg per tonnes of production.

Energy from diesel/LPG used in forklifts, fire trucks and testing power generators on our manufacturing sites is excluded. CO₂ emissions from use of biogenic fuels (biomass, wood pellets, etc.) is also excluded.

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.

- Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

We measure the reduction in CO₂ which is one of the four main GHGs. We do not measure the three other main GHGs because our emissions are negligible. These are: nitrous oxide (produced mainly in nitric oxide manufacture), perfluorocarbons (mainly associated with aluminium and magnesium production) and sulphur hexafluoride (used in some electrical equipment). GHG emissions associated with fugitive losses of HFC refrigerants are not included within the scope of CO₂ emissions from energy used in manufacturing. These are not material compared to emissions from energy used.

Performance data preparation and assumptions

Energy use data is taken from meter reads/invoices and captured for each manufacturing site in the EPR (Environmental Performance Reporting) system. The EPR system contains factors to convert common units of energy (e.g. cubic metres of gas or tonnes of oil) to a standard unit of energy (GJ). The EPR system summarises and aggregates the energy data into standard reports by manufacturing site and at regional and global levels. The total GJ of all energy used is calculated as the sum of all energy used.

Carbon emission factors are used to convert energy used in manufacturing to CO₂ emissions. Carbon emission factors for Scope 1 energy sources such as fuels are provided by the Intergovernmental Panel on Climate Change (“IPCC”). Carbon emission factors for Scope 2 energy sources such as grid electricity, applied according to the location-based method, reflect the country where each manufacturing site is located and are provided by the International Energy Agency (IEA). Carbon emission factors for grid electricity calculated according to the ‘market-based method’ are determined by contractual instruments which Unilever has purchased or entered into such as RECs, guarantees of origin, power purchasing agreements and utility contracts. Where supplier-specific emissions factors are not available a location-based factor is used.

The most recent IEA/EPA data set, which usually has a 3 year time lag, is applied to each reporting year e.g. national grid electricity emissions factors used in the calculation of 2017 emissions comes from 2014 IEA data. There are no annual changes to the IPCC factors.

Total production volume is obtained from the EPR system.

5.4 Waste – Total waste (hazardous and non hazardous) disposed by manufacturing sites

Performance measure:

- The amount of total waste (hazardous and non-hazardous) sent for disposal in kg per tonne of production in 2017 (this covers the period 1 October 2016 to 30 September 2017).
- Change in the tonnes of total waste sent for disposal in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008).
- Percentage change in total waste sent for disposal per tonne of production in 2017 (1 October 2016 to 30 September 2017) compared to 2008 (1 January 2008 to 31 December 2008).

Definition

Waste is defined as hazardous or non-hazardous as classified under local legislation where the manufacturing site is located.

Disposal of waste refers to solid or liquid wastes that are exported by vehicle from a Unilever manufacturing site to landfill or to incineration without energy recovery.

We calculate kg disposed waste per tonne of production, based on total tonnes of disposed waste divided by the sum of production volume in tonnes reported by each manufacturing site.

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.
 - Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

The metric does not include:

- Waste from building/demolition projects that are not directly related to production;
- Waste that is kept permanently on-site through recycling, for example, wastes that are mixed with concrete and used as building materials.
- Waste temporarily held on site until an economic batch quantity is available for transportation off-site.
- Waste from innovation and product trials carried out at manufacturing sites.
- Medical, sanitary or clinical waste.

Performance data preparation and assumptions

Sites have access to primary waste data. This is typically from weighbridge tickets and invoices from waste providers and is captured by each manufacturing site in the EPR system.

This metric is measured in the same way for all manufacturing sites. The EPR system summarises and aggregates the data into standard reports by manufacturing site and at regional and global levels.

5.5 Occupational safety – Reduce workplace injuries and accidents (fatalities)

Performance measure: The number of occupational injury or work-related ill-health (WRIH) events which results from exposure to an occupational health and safety hazard(s), in the course of employment which results in death in 2017 (this covers the period 1 October 2016 to 30 September 2017).

Definitions and scope

The following are referred to as Class A fatalities and are included in the scope of this performance measure:

- Fatal occupational injuries and/or fatal work-related ill-health (WRIH) cases which occur on, or across the immediate external perimeter, of a Unilever site to a Unilever employee, while he/she is on duty, a contractor while he/she is working for Unilever (including on-site third-party operations) or a person visiting the Unilever site.
- Fatal occupational injuries or work-related ill-health (WRIH) which occur while a Unilever employee is away from a Unilever site but on company business (i.e. while on duty).

We record any of the following types of fatality, categorised as Class B and C separate to those described above. They are not included in the scope of the fatal accident performance measure but are reported separately internally:

- All fatal accidents involving members of the public which are associated with Unilever's own operations and/or associated with a Unilever employee while they are on duty. This does not include outsourced activities undertaken for us by third parties other than any fatal accidents at contract manufacturers/packers which occur while their employees are engaged in work for Unilever.
- In 2013, we introduced the recording of deaths from natural causes and suicides of anyone within a Unilever site. These incidents are only reportable internally.

Occupational safety metrics are recorded for all Unilever manufacturing and non-manufacturing sites (offices, research laboratories and marketing/sales organisation).

Performance data preparation and assumptions

We collect data and report on three categories of fatal accidents: employee on-site, employee off-site and contractor on-site.

In addition to this fatality data, where such accidents may be deemed to be associated with our operations, Unilever also requires its individual organisations/units to report fatal accidents involving members of the public and those which occur at third-party contract manufacturers where they are producing goods and services for us. In common with other companies in our industrial sector, these incidents are only reportable internally.

5.6 Occupational safety – Reduce workplace injuries and accidents (Accident rate: Total Recordable Frequency Rate)

Performance measure: The number of occupational accidents per one million hours worked (this covers the period 1 October 2016 to 30 September 2017).

Definitions and scope

- Accidents are measured as a Total Recordable Frequency Rate (TRFR) per 1,000,000 (one million) man-hours. TRFR is defined as all workplace accidents, excluding only those that require simple first-aid treatment.
- The TRFR calculation is the sum of all lost-time accidents (LTA) plus restricted work cases (RWC) plus medical treatment cases (MTC) expressed as a rate per one million hours worked.
- TRFR is the preferred reporting performance measure for accidents at work.
- In line with industry best practice, we include in our definition of an 'employee', temporary staff and contractors who work under our direct supervision.

Occupational safety metrics are recorded for all Unilever manufacturing and non-manufacturing sites (offices, research laboratories and marketing/sales organisation).

Performance data preparation and assumptions

Recordable accidents include recordable occupational injuries occurring to Unilever employees and lost-time accidents occurring to contractors working on behalf of, but directly supervised by, Unilever. Injuries which occur while travelling on business must be included in the organisation's (site's) safety statistics, unless the injured person is travelling between their home and their normal place of work.

Man-hours worked includes the total number of paid hours worked by all Unilever site employees. Information on man-hours worked is obtained directly from personnel in our Human Resources (HR) function or estimated via employee numbers, average number of hours worked, absences and overtime information provided by HR if actual data is not readily available.