Supply Chain Transformation
Towards a Purpose Led Future Fit
Supply Ecosystem

Marc Engel
Safe harbour statement

This announcement may contain forward-looking statements, including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as ‘will’, ‘aim’, ‘expects’, ‘anticipates’, ‘intends’, ‘looks’, ‘believes’, ‘vision’, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (the ‘Group’). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever’s global brands not meeting consumer preferences; Unilever’s ability to innovate and remain competitive; Unilever’s investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth including to plastic packaging; the effect of climate change on Unilever’s business; significant changes or deterioration in customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain and distribution; increases or volatility in the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; execution of acquisitions, divestitures and business transformation projects; economic, social and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters.

These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Further details of potential risks and uncertainties affecting the Group are described in the Group’s filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Annual Report on Form 20-F 2018 and the Unilever Annual Report and Accounts 2018.
Unilever Supply Chain

- 150 billion units sold per annum
- Reach 2.5 billion consumers daily
- 30 million outlets
- Available in 190 countries
- 5.3 million shipments per annum
- 3,327 production lines
- 48,000 suppliers
- 580 copackers
- 30 million outlets
The Unilever supply chain footprint
Focus on fundamentals

**Cost (Annual savings)**

€2bn+

**Cash (Working Cap.% turnover)**

- 2008: 2.8%
- 2018: -5.8%

**Service (Dispatch rate)**

- 2011: 92.5%
- 2018: 95.5%

- +210bps
Fuel for growth

Material costs

Production costs

Distribution costs
The fundamentals of FMCG are changing fast.

- Mass communication
- Mass distribution
- Mass production
Supply chains need to change too...

<table>
<thead>
<tr>
<th></th>
<th>FROM</th>
<th>TO</th>
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<tbody>
<tr>
<td>Portfolio</td>
<td>Mass &amp; popular heavy</td>
<td>Hyper-segmented</td>
</tr>
<tr>
<td>Minimum order quantity</td>
<td>1 pallet or 1 case</td>
<td>1 unit and/or customized</td>
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<tr>
<td>Distribution points</td>
<td>300,000 customers</td>
<td>7 billion consumers</td>
</tr>
<tr>
<td>Lead time to service an order</td>
<td>c.2-10 days</td>
<td>c.30 mins - 1 day</td>
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<tr>
<td>Impact on people and planet</td>
<td>Good to have</td>
<td>Must have + social impact</td>
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The Connected Supply Chain

Deliver today, transform tomorrow

Agility for a changing market

Reshape the asset and cost base

Care for people and the planet

Partnerships

Future fit people
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Future fit people
Planning agility

- Real time POS (Point of Sale) data
- "No touch planning" through artificial intelligence & machine learning
- Daily and concurrent planning
- Produce tomorrow what we sold yesterday
Mastering complexity
Supply chain for new channels

Enabling e-route to market

Design for channel
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Future fit people
Reshape the asset and cost base

Manufacturing network design
- Consolidate
- Outsource
- Streamline

Digital manufacturing
- Drive out cost and waste
- Automation and digital twin

Digital voice of consumer
- Real time data for fast response
- Early warning of serious issues
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- Reshape the asset and cost base
- Care for people and the planet

Partnerships  Future fit people
Brands with purpose require a supply chain with purpose

- Fair value distribution
- Gender and equality
- Plastic
- Decarbonisation
- Nature
Climate strategy
How does Unilever’s commitment stack up?

Paris Agreement
made all the nations to come together

1.5 DEGREES: NET ZERO BY 2050
100% Renewable electricity at no incremental cost

The journey at Unilever
Net zero carbon in all operations

Unilever journey to 2030

Conversion to biogas, biomass, electrification
Using digital to drive sustainability

Lead a revolution in traceability and transparency of key commodities

Past: assumptions based

Today: digital native approach
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Future fit people
Future fit people

Learn – Unlearn - Relearn

The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.

Alvin Toffler

Investment in future readiness

Citizen Data Scientist Foundation 1
This certifies that

Marc Engel
Has successfully passed Citizen Data Scientist (Foundation 1)

16/07/2019

Build – Buy - Borrow

Responsible automation
The Connected Supply Chain

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