

Unilever Green Sustainability Bond Independent Limited Assurance Report to Unilever PLC

KPMG LLP ('KPMG' or 'we') were engaged by Unilever PLC ('Unilever') to provide limited assurance over the Selected Information described below for the period from 26 March 2014 to 31 January 2015.

Our conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular this report's intended use.

Selected Information

The scope of our work includes only the information included within Unilever's Green Sustainability Bond ('UGSB') report for the period from the issuance of the UGSB on 26 March 2014 to 31 January 2015 ('the Report') marked with the symbol ** ('the Selected Information').

We have not performed any work, and do not express any conclusion, over any other information that may be displayed in the Report or on Unilever's website for the current year or for previous periods.

Specifically, our engagement was not designed to assess whether or not the Nominated Projects have passed the Sustainability Criteria (both as defined in the Reporting Criteria) of the UGSB, and, accordingly, we do not express a conclusion thereon.

Reporting Criteria

The Reporting Criteria we used to form our judgements are Unilever's Use of Proceeds Criteria and Supplementary Information 2015 attached as Appendix 1 ('the Reporting Criteria'). The Selected Information needs to be read together with the Reporting Criteria.

Directors' responsibilities

The Directors of Unilever are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Our responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Unilever in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

Assurance standards applied

We performed our work in accordance with International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE3000') issued by the International Auditing and Assurance Standards Board.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower

than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independence, professional standards and quality control

We comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and we apply the International Standard on Quality Control (UK and Ireland) 1. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

Summary of work performed

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;
- conducting interviews with management and key staff responsible for the UGSB to obtain an understanding of the processes, systems and controls in place for the use of proceeds of the UGSB;
- checking documentation which supports processes, systems and controls in place for the use of proceeds of the UGSB;
- examining the processes, systems and controls in place to manage the use of proceeds of the UGSB, which included:
 - for a limited selection of transactions, tracing funds from UGSB investors, through the Unilever Wall Street and Unilever SAP systems;
 - checking the set-up of dedicated portfolios for the UGSB proceeds in Wall Street;
 - comparing the total funds received by Unilever with those spent by the Nominated Projects;
- performing limited testing to source documentation (i.e. invoices) to support the funds spent by Nominated Projects; and
- reading the Report and narrative accompanying the Selected Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

This report's intended use

This assurance report is made solely to Unilever in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties solely for the purpose of Unilever showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than Unilever for our work, for this assurance report, or for the conclusions we have reached.

Paul Holland

for and on behalf of KPMG LLP
Chartered Accountants
London

11 February 2015

Appendix 1: Use of Proceeds Criteria and Supplementary Information 2015

#	Category	Criteria	Supplementary information
1	Project Nomination	The nominated projects of the Unilever Green Sustainability Bond must be identifiable as those that have passed the sustainability criteria.	Nominated projects are defined as those listed in the Unilever Green Sustainability Bond Report for the period from the issuance of the bond on 26 March 2014 to 31 January 2015. The sustainability criteria is defined as the Environmental Criteria as set out in the Unilever Green Sustainability Bond Environmental Criteria.
2	Project Nomination	The treasury project list (“CAPEX overview”) must contain information about the financing needs of the nominated projects.	Financing needs is defined as forecast amount and timing of anticipated expenditure (as defined below).
3	Management of use of proceeds	The proceeds from the Unilever Green Sustainability bond must be placed with the nominated projects.	Proceeds refer to net proceeds, which are the gross proceeds less cost of issuing the bond. Proceed placement refers to the Unilever Green Sustainability Bond proceeds which have been transferred to the portfolio and bank account of a nominated project for use for actual or anticipated short-term project expenditure. Expenditure is that which meets the Unilever criteria for cost capitalisation under the Unilever IFRS accounting policy. Actual expenditure refers to amounts defrayed to suppliers as at 31 January 2015 ('spent'). Anticipated short-term expenditure is payments that are expected to be defrayed to suppliers within a six month period of 31 January 2015.
4	Management of use of proceeds	Dedicated green bond portfolios must be established.	Dedicated portfolios are established by the use of unique reference numbers in the Unilever treasury system.
5	Management of use of proceeds	UL Companies can only use green bond proceeds on the nominated projects.	Proceed usage refers to the use of funds for expenditure as defined above.
6	Management of use of proceeds	The value of the bond should be smaller than or equal to the financing needs of the nominated projects.	
7	Management of use of proceeds	A list of replacement projects should be drawn up, in case of force majeure preventing the initial nominated projects to go ahead. A list of replacement projects should be drawn up, when a initial nominated project will not meet the criteria.	
8	Temporary Holdings	Bond proceeds not yet placed in the nominated projects should not be placed in activities that would not be in keeping with the sustainability principles of the bond: dedicated portfolios	The Unilever Green Sustainability Bond proceed placement is monitored through establishing dedicated portfolios in the Unilever treasury system.
9	Temporary Holdings	Bond proceeds not yet placed in the nominated projects should not be placed in activities that would not be in keeping with the sustainability principles of the bond: only short term deposits	Activities that are considered to be in keeping with the sustainability principles of the bond include placing the bond proceeds in on demand deposits with one or more specified banks that are on a list maintained by Unilever which at present include Rabobank and Mizuho.
10	Temporary Holdings	Bond proceeds not yet placed in the nominated projects should not be placed in activities that would not be in keeping with the sustainability principles of the bond: Intention to spend all bond proceeds by Q4 2015. Bond proceeds not placed in time with the nominated projects. Intention to spend all bond proceeds by Q4 2015	An intention to spend the bond proceeds is measured by the financing needs (amount and phasing) of the nominated projects.