Michael Treschow:

Good afternoon ladies and gentlemen and a very warm welcome to the Annual General Meeting of Unilever N.V. for 2016. Welcome again to Unilever’s Corporate Centre in the Netherlands.

We took the decision last year to host both the UK and Dutch AGMs for the first time— at Unilever’s own offices so that shareholders could enjoy the opportunity to personally experience our brands and our passion for the business. Following the success of those AGMs we have decided to return again to the Weena for this year’s AGM for Unilever N.V. Before we begin, though, I would ask that you all to make yourselves familiar with today’s security and safety information. This is on the back of the sheet that you will have been given when you registered. This sets out the action to be taken in the case of an emergency.

Let me briefly go through today’s agenda with you:

- The formal elements of today’s proceedings are set out in the agenda on page 3 of the Notice of Meeting.
- In total there will be 22 agenda items that we will be dealing with.
- There will also be a question and answer session.

Let me make some introductions.

On my right we have Paul Polman (our Chief Executive Officer), Graeme Pitkethly—(our Chief Financial Officer, who is being proposed for election as an Executive—Director today), John Rishton (Chair of the Audit Committee) and Louise Fresco (Chair of the Corporate Responsibility Committee).

On my left we have Tonia Lovell (our Group Secretary), Ann Fudge (Vice Chairman,—Senior Independent Director and Chair of the Compensation Committee) and Feike—Sijbesma (Chair of the Nominating and Corporate Governance Committee).

Sitting in the front row of the room we also have Vittorio Colao, Mary Ma, Hixonia—Nyasulu and Judith Hartmann.

Apologies have been received from Nils Andersen and Laura Cha.

Our directors who are offering themselves up for re-appointment today are all—distinguished in their respective fields and further information on their re-appointments—can be found on page 4 of the Notice of Meeting.

Hixonia Nyasulu and myself will be retiring from the Unilever Boards at the conclusion—of this AGM today having served for nine years. I would therefore like to thank—Hixonia for her contribution as a Unilever Non-Executive Director. She has brought—invaluable experience to the Unilever Board and has been a great source of advice and—guidance for the business, in particular in relation to Africa and her role on the Audit—Committee. She leaves with the best wishes of us all.

At last year’s AGM you elected Nils Andersen, Vittorio Colao and Judith Hartmann as—Non-Executive Directors. They have all brought additional expertise to the Board, in—particular in sustainability, digital, finance and food and nutrition.

This year the Board has again focussed on succession - appointing directors based on—their wide-ranging backgrounds, skills, knowledge and insight.

We announced in May last year that Graeme Pitkethly would succeed Jean-Marc Huët—as Chief Financial Officer with effect from 1 October 2015. Graeme joined Unilever in—2002 and was Executive Vice President of the Unilever UK and Ireland business prior—to becoming CFO. Graeme has also held a number of senior financial roles within—Unilever, including Head of Mergers and Acquisitions, Head of Treasury, Pensions and—Tax. He brings considerable internal and external experience to the role having spent—the earlier part of his career in senior corporate finance roles. Graeme is being proposed—for election as an Executive Director today. Having identified Strive Masiyiwa,—Professor Youngme Moon and Dr. Marijn Dekkers as potential Non-Executive—Directors, we are delighted that they have agreed to join your Board. Strive Masiyiwa—and Youngme Moon will bring distinguished international business and marketing—experiences to the Board. In addition, they bring unique perspectives into the impact—technology, particularly digital, is having on new business models for the future both in—
the developed and developing world. In a moment we will play a video from each of Strive and Youngme, but before I do—
that I would ask the two of them, who are in the front row today, to stand up and make—
themselves known to you.

Thank you to you both, and welcome.

We turn to Dr. Marijn Dekkers who is being proposed as my successor as Chairman of—
Unilever N.V. and Unilever PLC.

Marijn is one of Europe's leading global business figures. He is currently Chief——
Executive Officer of Bayer AG but will step down from that role at the end of this——
month. He is a highly successful businessman with a formidable track record gained in—
some of the world's most competitive industries.

Our Nominating and Corporate Governance Committee conducted a thorough search—
for my successor. We set the bar high and I'm delighted that our efforts have yielded—
such an excellent result.

I have no doubt that Unilever will greatly benefit from Marijn’s knowledge,—
international experience and his strong belief in driving business growth responsibly—
and in the long term.

In a moment we will play a video from Marijn, but again before I do that I would ask—
Marijn to stand up and make himself known to you. We will now play Marijn’s video.—
I hope you found all the videos we have played today to be informative.——

Before you hear from our CEO, Paul Polman, on the state of the business, I would like—
to give you a few personal observations.——

2015 was a good year for Unilever. A strong top and bottom line performance re——
affirmed the Group’s impressive reputation for delivering consistent, competitive,—
profitable and responsible growth.

The fact that these results were achieved in the face of another difficult year for global—
markets, with slowing growth and heightened instability in many parts of the world,—
merely serves to underline how far Unilever has come in its transformation to a——
sustainable growth company.

The results are also a testament to the efforts of Unilever’s 169,000 employees around—
the world, whose hard work and dedication it gives me great pleasure to recognise——
today on behalf of the Board.

As you know, throughout my chairmanship I have looked to engage the Board fully——
across the Group’s activities, and that was the case again in 2015.——

We spent time, for example, at Unilever’s state-of-the-art R&D facility in Connecticut,—
North America, reviewing the new technologies being developed to support——
breakthrough innovations in the Skin, Hair and Deodorants categories.

While in the United States, a number of Directors visited Silicon Valley to meet with——
some of the leading global companies Unilever is partnering with in order to stay ahead—

Mr M.J. Meijer c.s., notarissen
in the fast-moving world of digital technology. During the year, the Board also spent—
time in Brussels interacting with European Union policy-makers on the importance of—
making the EU an even more attractive and competitive environment in which to do—
business.

I was pleased myself to engage once more with the company’s principal shareholders in
Europe and the United States, discussing issues of strategy and governance. And I was—
particularly pleased to participate in Unilever’s annual investor conference – held in the-
Philippines and Singapore – where investors were able to see first-hand how a——
proximity to consumers, a competitive mind-set and a relentless focus on core brands—
are among the key factors behind Unilever’s success in South East Asia.——

2015 was another very full and positive year for Unilever and in a moment Paul will—
say more about the Group’s progress over the last year.——

Before I hand over to Paul, however, as this is my last AGM as your Chairman, I hope—
you will allow me a few minutes to reflect briefly on the development of the Group——
over a slightly longer period. Unilever today is a very different company from the one I—
joined in 2007. It has been on a remarkable journey.——

Today, it benefits from:——

- A robust and modernized governance structure, with one of the most diverse and—
talented Boards of any company its size;——

- A much sharper portfolio, focused on winning in the faster-growing areas of the——
market.——

- A dynamic management team, ably led by one of the most admired CEOs of his—
generation, and with a strong internal pipeline of talent, as shown by Graeme’s——
appointment to the Board;——

- And a more consistent and competitive performance, driven by sustained——
investment in innovation, brands, people and infrastructure.——

All of this has been reflected in the Group’s results.——

Over this time, Unilever has added another € 14 billion to its turnover and consistently—
gained market share. Shareholders have certainly benefitted.——

The share price has almost doubled and is now around an all-time high.——
Including dividends, the value of shareholder’s investments has gone up two and a half–
times during this period.——

The increase in market capitalisation means that over the last year Unilever has been, at—
times, the largest stock in the AEX. This is the result of consistent, good quality, year—
on-year growth – and a wonderful tribute to those who have worked so hard, under——
Paul’s leadership, to take the Group forward.——

One of the many things that attracted me to Unilever nine years ago was the strength of—
its values and its philosophy of ‘doing well by doing good’.——

It has been heartening to see those values – including respect, responsibility and——
integrity - given expression in so many different ways, not least in the Group’s——
commitment to developing its own people. I have been particularly pleased myself to——
take part – with other members of the Board – in programmes to promote diversity and——leadership development: both areas where Unilever has made huge strides in recent——years.——

Perhaps the thing of which I am most proud of, however is the extent to which the——
Group has shown how responsible growth and profitable growth can go hand-in-hand.—
The Unilever Sustainable Living Plan has inspired millions of people around the world—with its commitment to sustainable and equitable growth, and it has set Unilever apart—as an industry leader.--

So while there is a lot still to do and the journey continues, I leave Unilever full of——confidence about the future. I certainly leave it in very good hands.——

And although 2016 will undoubtedly be another tough year for global markets, the kind-of resilience and agility that Unilever has shown over recent years confirms that it is—well placed to go on delivering consistent, market-beating performance.——

And with that, I will hand over to Paul. After Paul has spoken there will be a full——question and answer session during which you will have the opportunity to ask about—
the progress of the business in more detail.——

So please Paul – the floor is yours.——

Paul Polman:

It is certainly my pleasure to welcome you back in our office at the Weena. The——overwhelming feedback actually last year when we had the opportunity to be in the——building for the first time was actually that you liked it, you liked to be amongst our——brands and amongst our people. You actually said overwhelmingly that you liked to——repeat it. So we obviously find it honourable and enjoyable to host you here again.—

Thank you as always for taking the time and trouble to be with us, because I know you—have other choices to spend your time at.——

As we look back to the business over the last few years, there is no doubt that 2015 was——another challenging year for the global economy. Global growth disappointed again,—
showing a low growth of 2.4%, with the World Bank warning of “substantial further——downward risks”.——

Despite negative interest rates in many places, the global economy is still struggling to——grow.——

Many of the emerging countries, in particular, continue to slow last year especially in—
the face of falling commodity prices and tighter financial conditions.——

Brazil, was for so long one of the fastest-growing emerging economies, and now it is—falling deeper and deeper in recession.——

Currency depreciations and continuing volatility on the world’s foreign exchange——markets impacted some of our biggest countries - from China to Argentina, Brazil to——
Russia, with the speed of devaluations often exceeding our capacity to price fully.---
In the developed world, there were some indications of the US economy picking up,---
slightly may I say, but consumer demand in Europe remained weak with deflation in a---
number of our Categories.---
Seven years of austerity in this part of the world have cut deep into the psyche if you---
want to or the wallets of the European consumer.---
These economic challenges were magnified by the effects of continuing geopolitical---
instability in many parts of the world, notably the Middle East or Russia, where---
Unilever has a big presence.---
We also saw the destructive effects of climate-related incidents and the havoc they---
wreak on communities and supply chains. Indeed, 2015 was the hottest year since---
reporting began. Fifteen of the hottest years have now been in the last 16 years.---
Heatwaves scorched countries as far apart as China, Russia, India, Australia, Ethiopia,—
the Middle East and many parts of South America, whilst in other parts of the world —
including here in Europe – we saw record rainfall and devastating floods.---
On the way to the maximum 2 degrees warming, we already have passed the one degree mark and Mother Nature is starting to send us the bills.---
Climate change is here. It effects Supply Chains, creates price volatility and above all,—
drives the poor back into poverty.---
Whilst we can never hope to insulate ourselves entirely from such external shocks,—
there is no doubt that Unilever's focus on building resilience on the one hand and agility—
on the other hand has allowed us to withstand these kinds of pressures and produce—
one more consistent results.---
It is also clear that whenever these tragedies happen Unilever people are often amongst—
the first to answer the call.---
We have seen that again and again over recent years, whether in responding for example, to:---
- The refugee crisis sweeping large parts of the Middle East;——
- Or the Ebola outbreak that brought such misery to West Africa;——
- The devastating earthquakes of the kind we have seen last year in Nepal;——
- Or, as recently as this week, with our people being quick to respond once more to—
the earthquake in Ecuador.——
In all these cases, and many others, unfortunately, Unilever people are there to offer—theyir time, their expertise, our products or financial resources to help bring a little bit of the much-needed relief.——
I was pleased and extremely humbled myself not long ago to visit Lebanon and Jordan,—
where I spent some time at the vast Zaatari refugee camp, in Jordan this is, with our—
partners from Save the Children, the World Food Programme and UNICEF.——
I was able to thank all of our people there on the ground who are doing amazing work —
whether it is in running facilities such as kindergartens that we donated or helping make our product or money go a little bit faster in education or other things—or through our Foundation - providing nutritious meals and shelter to the refugees and children.

With more and more displaced people and refugees in the world, in fact more than even in the history of mankind, the average length of people staying in refugee camps is 17—years, I believe it is these statistics that humanity has its job cut out if we don’t want to waste these precious resources. It could have been us. It is the simple thing we need to remind ourselves of. I am glad that a company like ours can help in its own humble way. After all, there is no business case in enduring poverty.

These are the values that mark Unilever people all around the world and we are certainly proud of their efforts.

Against this background, let me now briefly go to the performance of 2015.

Taking a longer term view of business, our 4G model calls for consistent, competitive, profitable and responsible growth, year in year out. Not easy to do year in year out, yet this is the 7th year in a row of consistent top and bottom line performance.

In 2015, underlying sales grew by a very solid 4.1%, well ahead of our markets and with 55% of the business gaining share. Our emerging markets businesses grew strongly, at 7.1%, in spite of the widespread slowdown that I just referred to. Growth was also profitable.

Core Operating Margin increased again, this time by 30 basis points, to 14.8%, even in the face of these significant currency headwinds.

We also delivered a particularly strong free cash flow, of €4.8 billion, that is up from €3.9 billion in 2014, thanks to our strong top line growth, further improvements in our operating margin and the active management of working capital. The return we make on these investments also continues to rise steadily, it is now 19% last year, putting us ahead of most of our peers. And that is with goodwill included for the accountants amongst us.

Our model is one of sound and sustained re-investment in the business, as illustrated by increased levels of capital expenditure, the investments we have made in bolt-on acquisitions and the purchase of minority interests.

These levels of Return on Invested Capital make sense for our shareholders, who indeed have seen the benefits as Michael has pointed out. The return has been very healthy last year and the share price hit an all-time high, just this last week alone. And dividends continued to increase simultaneously. Now at an average of 8% per year over the past 35 years.

All this is a measure of the confidence in Unilever to deliver consistent, long-term, value-creating and responsible growth. One of the most pleasing aspects of the performance last year was that growth was broad-based - across all of our four major—
Categories. As explained before, we have sharpened the strategies of each of the Categories in recent years and we saw that paying off in 2015. Let’s look at these four Categories for a second. Personal Care is our biggest Category, at €20 billion. Last year we accelerated growth through a focus on our core brands, an accelerating the pace of innovation and by building a presence in the faster-growing and more premium parts of the market. We expanded the core business, obviously our most important part, with fantastic innovations like the introduction of dry-spray deodorants across 5 brands in the United States.

This transformative technology behind this launch helped us to make this our biggest innovation yet, with sales in year 1 already in excess of €100 million. Another great example of expanding the core is Dove Men+Care, where we have taken a well-loved brand like Dove and moved it into the fast-growing area of male-grooming. In just five years’ time, Dove Men+Care has tripled its business to become over a half a billion euro business. We are doing the same with Baby Dove. Following the successful launch in Brazil just over a year ago, we are now in the midst of the next wave of roll-outs. A number of our Personal Care brands already compete successfully in the faster-growing premium segments of the market, like Dove Advanced Hair Series. We want to go on building our presence in these markets whilst also moving into the highly attractive, super premium Prestige range, which is a market valued at about €33 billion.

We did that last year with the addition to our family of four wonderful Prestige Skin brands - Dermalogica, Dr Murad, Kate Somerville and REN. With a combined turnover of €400 million, we now have the critical mass and the base of strong brands from which to expand rapidly. These strategic focus areas helped to accelerate growth in Personal Care last year to 4.1%. We now have a €20 billion business that compares with a €12 billion business only 7 years ago.

The next Category I want to briefly touch upon is Foods. We accelerated growth last year thanks to the positive effects of streamlining our business, rationalising the portfolio and shifting the focus even more towards the emerging markets, which are obviously faster growing. We are also re-igniting a passion for Foods to ensure we meet the rapidly growing trends for more authentic, fresh, natural and sustainably-sourced food products. I think this is well captured in this film I wanted to share with you. I hoped you enjoyed that and it gives you a little bit of the flavour of the direction we are taken Foods. It was a particularly good year for Savoury and Dressings, two of our magnificent businesses with strong innovations and global brands like Knorr and Hellmann’s, both of these brands were actually growing in mid-single digits. Last year we set up our new standalone Baking, Cooking and Spreads unit. This helped us to compete in these challenging markets in Europe and North America. It helped to bring—
management efficiencies and respond to the trends for baking and blends of vegetable—oils and butter.

Although it is a relatively small part of our total business, the unit is a great example of how we can flex our business model to create greater traction where it matters - with consumers in the marketplace. On this business we are growing share again, albeit in—declining markets.

Excluding the new unit, Foods grew by 3.8% in 2015, while continuing to deliver a—strong cash flow. Our next Category I wanted to briefly mention is Home Care. This—Category has been one of our strongest growing and most consistent growth drivers in—the Company. In the last seven years, this business has gone from €7 billion to over €10—billion, reversing a longer term declining trend. Now we have also been able to put the—focus on improving profitability. We made real progress in 2016. In fact, the Category—grew 5.9%, well above the market growth rates.

At the same time, profitability improved - by 130 basis points - thanks to programs like—simplification of our formula ranges, driving further efficiencies in our manufacturing—as well as in distribution. A strategic repositioning of the Category into the more—profitable parts of the market - including fabric conditioners, liquid detergents and——ancillary products like stain removers - also contributed towards these stronger margins.

Also here Innovation was the key.

In Fabric conditioners, for example, we grew over 10% last year, helped by the launch—of Comfort Intense, with its super-concentrated formula and new fragrance technology. - Even better freshness in smaller doses.

In Household Cleaning, our brand Cif grew double digit, thanks to great innovations—like ‘Power and Shine’ sprays, which was rolled-out across 15 markets and has helped—the brand to become a half a billion euro brand in total.

Turning last, but not least, to our fourth Category which is: Refreshment.

The strategic priorities here have been to improve our cash delivery and the return on—capital, while sustaining our growth in Ice-Cream and accelerating our growth in Tea.—How did we do? Pretty well overall, especially in Ice-Cream, which, last year, had its—best year ever. Growth was very strong and there was a significant step-up at the same—time in cash flow. Again, innovation was the key.

The launch across 20 European markets of the new Magnum Pink and Black ranges —Pink Raspberry and Black Espresso - proved to be one of Magnum’s biggest innovation—yet.

In Tea, our innovation pipeline is getting stronger, especially focussed on the faster—growing, more premium Tea segment. Last year, for example, we saw the launches of:—
- New ranges of Lipton green teas and speciality black teas;
- Tea capsules in Europe;
- Our own in-home tea machine, T.O. by Lipton, that we are testing and roll out in—
France.—

And the opening of another nine T2 stores, taking the total to 75 across the world.—Helped by all these innovations, Refreshment grew last year by 5.4%, indeed a strong—top-line performance and with healthier margins and improved cash delivery. Of course, there is more to go after in all our Categories, but these results show that we are getting—the right strategies in place to maximise the total of our portfolio. I am pleased to say—that the momentum we built last year - thanks to these sharper Category strategies - has—continued into 2016.—

Last week we announced underlying sales growth for the first quarter of 4.7%,—including a 8.3% growth in the emerging markets. Again, strong and broad-based—growth, with all of our four Categories gaining share in highly competitive markets.—Looking ahead, we believe the greater speed, agility and resilience we have built over—the last 7 or 8 years into the business are going to be needed more than ever in future.—We are living in a period of exponential change. Rapid advances in technology are—disrupting whole sectors, from hotels to transport to the medical world. Our industry is—not immune.—

We see considerable fragmentation in the way people shop and access information,—fuelled by the huge proliferation of shopping outlets, media channels and alike. And e-commerce has significantly reduced the barriers to entry for anybody. Digital platforms, for example, are enabling at an increasing rate smaller companies - even start-ups - to—participate easily in the global economy. There are now over ten million small—companies selling their products to the rest of the world through Alibaba, which is a—Chinese trading platform; and 2 million through Amazon, which you are well familiar—with. In many of the markets in which we operate, these local firms - with their——proximity to consumers, local insights and ability to act quicker – are becoming our——main competitors. Despite these obvious challenges, we still see ample opportunities in—this environment to build our business. Let me give you four examples.—

First, this period of exponential change - we may find confusing and it is to some extent—unsettling - reinforces the importance of our core brands. Our core brands have the——strength and the presence to cut through the clutter of competing and often overlapping—communication, and to meet a growing desire for brands that people can trust and——which answer a call of greater authenticity. Already, today, we have 20 brands or brand—platforms with a turnover of €1 billion or more. There are very few companies that can—say that. And these brands represent about 60% of the value of the company, most of—them in leading market positions. You see them on the screen behind me. Despite the—strength of these core brands, there are still many parts of the world where they are not—yet present, or where markets are still grossly underdeveloped. By taking them to more—places and making our innovations even bigger and stronger and rolling them out faster, we have a real opportunity to accelerate growth.—
The second area where we see a big opportunity for growth is to reach more consumers and drive sales by leveraging the power of digital technology. In recent AGMs, I have—shown you examples of how two of our biggest brands - Dove and Knorr - have taken—powerful insights and then used digital channels to reach hundreds of millions of people with inspiring messages, usually within a matter of days or weeks. Today, I want to—show you how our Unilever Food Solutions business in China uses the mobile messaging app, which is called WeChat there, to reach 1.6 million chefs during the—Chinese New Year. This is a very insightful story.

What a great tribute to the people that make our lives enjoyable. In fact, I see Conny Braams sitting here in the first row. Conny has taken over from Frank Weijers who—unfortunately passed away. It would be a miss not to thank Frank for what he has done for our business. Conny has taken over for the Benelux. Before that, Conny was—actually running our Food Solutions business in the Far East.

Consumers are not only accessing information differently, they are also shopping differently. There has been a massive explosion particularly in what you call e-commerce. Last year our e-commerce sales grew by over 50%, well above the growth of the market.

And with the greater focus we are giving it - through our direct-to-consumer models — we see an opportunity to take e-commerce business from half a billion to well over € 4 billion.

The third, we believe that there are still plenty of opportunities to drive our core business higher, we are also ‘experimenting on the edges’ with new models on top of—our core businesses that I was talking about. A good example of that is our move into—the Prestige Skin Care. Brands like Ben & Jerry’s are run separately successfully.——Talenti, our ice cream business that we bought in the US last year, or Grom, are doing the same thing. And we see the same with our rapidly growing Premium Skin Care—Brands. We are also building our water purification business - another huge area of—potential growth - both organically through acquisition like we have done in China.

And we are trialling a number of new retail initiatives - what we call our ‘out-of-home’-business - especially in Refreshment. All this is recognising that people no longer have—the same reliance on traditional retail formats and want a much more tailored and——convenient shopping experience. Not all of these models will necessarily succeed or——win big, but by running these operations differently - and by experimenting with new—approaches - we are maximising, I believe, the chances of success, without diverting—resource or attention from the core business, which pays our bacon.

The fourth area, to be successful in today’s world and to be able to grow is that you—have to be able to adapt quickly to the changing forces around you, and that includes—your own organisation. We have done that well in the past, effectively adapting to——external changes. We need to continue to do that. With local players becoming more of—

Mr M.J. Meijer c.s., notarissen
our main competitors, it is important that we even stay closer to consumers and react—
fast to these fast moving changes in the market place. To keep us agile and competitive, we are therefore rolling out three big programmes—
across the company. The first is Net Revenue Management, or NRM. Known as the ‘art of pricing’, NRM gives us a structural approach to review our prices and portfolio strategies. It helps to identify opportunities to adjust pricing across different sizes, product formats, sales channels and regions and therefore deliver better value creation. In a deflationary environment like Europe, it is more important than ever. We are rolling it out in stages across the business and believe it can give us an additional 1% of turnover. 

Second, we are using a process we have developed - part of what is known as zero-based budgeting - to hone in on our cost base in a much more scientific and detailed way to ensure that every euro we spend is used to support and grow our businesses. And third, we are going to evolve our organisational model to make it even faster, simpler and more market-facing through the introduction of what we call New Functional Models. In a world that, on the one hand, is more inter-connected and global, and yet where people are much more local in their customs and cultures, we need a model that is flexible enough to ensure we get the best of both global and local resources. As well as giving us a more agile structure, we expect these programmes to deliver around €1 billion of savings by 2018 onwards to fully reinvest for future growth.

Underpinning everything we have done over the last year - and indeed over the last six years as you have heard Michael say - has been the Unilever Sustainable Living Plan, or USLP. Over that time, the relevance of the Unilever Sustainable Living Plan — and its commitment to equitable and sustainable growth - has grown in direct proportion to the scale of the challenges the world is facing. That was reinforced last year by two global agreements. Unilever played an important role in both.

The first was the adoption of the UN Sustainable Development Goals, with the commitment of a 193 countries to eradicate poverty once and for all in a sustainable way. The 17 global goals - with their commitments to tackle everything from food security to hygiene and sanitation to climate change - mirror very closely our own Unilever Sustainable Living Plan goals. This may explain why the UN Secretary General invited Unilever to contribute, first as part of the High Level Panel that formulated the goals, and now as Global Advocates to responsibly promote them. A proud moment and a wonderful testament to the Unilever Sustainable Living Plan and to all those who have worked so hard in the company to bring this to life. The first test of the SDGs, Sustainable Development Goals, came at the end of last year with the COP21 climate change talks in Paris.
The agreement of world leaders, in December of last year, to limit the rise of global—
temperatures to less than 2 degrees Celcius was an historic breakthrough, but it was—
also one that could not have been achieved - in my view - without the commitment of—
companies like Unilever to take bold decisions on climate action. That included, most—
recently in our own case, a commitment to be carbon positive by 2030. This kind of—
leadership was recognised again last year. After all, business has an interest and a key—
role to play in achieving these objectives. We were once more named industry leader in-
the rigorous Dow Jones Sustainability Index - the 15th time in 16 years. And, for the—
fifth consecutive year, Unilever was awarded top ranking in the________________
GlobeScan/SustainAbility survey of 800 experts across 82 countries.______________
And let me just quote the judges modestly. They said:_________________________
“Consistent with the past four years, Unilever’s global reputation among corporations is
judged by experts to be unparalleled, with the leadership gap this year widening even—
further. This is a remarkable achievement by the company”. And, just yesterday, we—
moved into the top spot in the Oxfam ‘Behind the Brands’ report ranking our company—in our sector that has done most to impact positively the lives of those living in poverty—
around the world._________________________________________________________

In conclusion, 2015 was a very good for the company in many respects. For the people—we serve, for the communities in which we live and operate, for our employees and yes—ultimately also for our shareholders. And we have got off to a positive start in 2016. We
couldn’t have achieved this without the dedication of the wonderful men and women—
who make up this great company. Today, we not only have one of the most able and—
committed workforces of any company our size, but also one of the most diverse——
workforces. Our proportion of female managers last year rose to 44.5% - the highest—
ever – and, I believe, a key factor in our continued success. We are also one of the most—
desired employers anywhere. Last week the number of those following us on the online—
network, called LinkedIn, exceeded two million people - the first consumer goods——
company to reach this milestone. And as the USLP is showing, Unilever people are—
driven by a strong sense of purpose and a desire to put our brands and our business to—
the service of society._____________________________________________________

These enduring values will continue to serve as our bedrock as we navigate what——
promises to be another volatile and uncertain year for the global economy. We will do—
so guided by a remarkably supportive and experienced Board of Directors, who have—
been so ably led over these last nine years by my friend Michael Treschow. I want to—
thank you Michael for all your backing, guidance and support over all these years. You—are, needless to say, held in very high regard - and great affection - by the many people—in Unilever around the world and many of the people you have come into contact with—
and that you have touched positively. We’d like to show a very short film, with your—
permission, that reflects this. And I’m pleased to ask your permission actually to show—
this, to thank you for all you have done, if I may, and then we can open it up. Thank you, Michael.

Michael Treschow:

We now move to the formal part of the agenda.

This meeting has been properly convened. The notice of meeting was published on 9 March 2016 on our website. The meeting is attended by representatives of our auditors, KPMG Accountants N.V., including lead-partner Mr Eric van Leeuwen.

We start with agenda item 1, which is Consideration of the Annual Report and Accounts for the 2015 financial year. We will also discuss the Director’s Remuneration Report within this first agenda item, as we are required to do by Dutch law.

We move to your questions.

As Chairman of the meeting I have to ensure a good order of the meeting and to keep a rein on speaking time where necessary to allow all of you the opportunity to ask any questions or to raise any issue you may have.

I would like to remind you that you can ask questions about any item on the agenda because we would like to answer all the questions in one go. After the Questions & Answers session we will vote on the resolutions so it is important that you raise all your questions at this time. During the voting session we will not take any new questions.

May I have your questions?

Carla Smits Nusteling:

My name is Carla Smits Nusteling. Ik treed hier op namens het Stichting Administratiekantoor van Unilever, dat, zoals u weet de belangen van de certificaathouders behartigt. Om te beginnen zouden wij graag onze waardering uitspreken over de goede resultaten die gehaald zijn in 2015 en eigenlijk ook in de jaren daarvoor, zeker ook de manier waarop dat is gebeurd. Dat is in elk geval altijd een mooie start. De vraag die wij als eerste hebben gaat over het kasgeld. Als u in het cashflowoverzicht kijkt dan ziet u eigenlijk de laatste jaren twee miljard aan kasgeld staan aan het einde van het jaar. Daar hebben wij eigenlijk twee vragen over, want in het jaar 2015 is het zelfs gelukt om dan nog voor ongeveer 2 miljard aan acquisities te doen, eigenlijk allemaal uit eigen portemonnee. En met de mooie groei die wij zien in de cash die uit de operaties komt, gaat dat de komende jaren toenemen. Wat ziet u als uw minimale kaspositie? Is dat een half miljard of is dat een miljard? Hoe kijkt u daarnaar en wat zou u willen doen met wat over is?

En als tweede, naar de toekomst toe: hoe ziet u de benutting van de cash de komende jaren. Wat voor plannen heeft u?

Graham Pitkethly:

What would we consider our minimum cash position. You are right, we had a strong cash year last year. We brought in about 4.8 billion in free cash-flow. Now, that is after having spent just over 2.1 billion in CAPEX and putting about 700 million into our...
pension plans. So it was a strong cash year last year. But in a group such as ours with—operations in so many countries, getting cash back to the centre is our priority, that is—really philosophically what we concentrate on every year. Trying to get as much——money, dividend, as possible into parent companies here in Holland and in the UK.—But in doing that, because there are minorities in a number of our overseas subsidiaries, there are various regulations in those countries about minimum reserves, and because—we have to be prudent and make sure we have enough cash to fund our operation in—those businesses, you are absolutely right, there is a minimum level of cash which will—sit within our system at any point in time.

This was a relatively normal year in terms of the level of cash that we had sitting on our balance sheet and existing in our businesses around the world. So I would not say half a billion or a billion, I think the two billion or so that we have at the moment is relatively normal and it very much reflects the situation that I described, with enough cash sitting—to make sure that our operations are secure going forward.

Now, the question of what future plans do we have for a strong cash-flow. First of all,—we need to fund our dividend and our dividend went up by 6% this year, our dividend—has gone up by about 8% over the last thirty years or so that is obviously a priority for—us. And during the course of the year we like to be able to make some acquisitions to—improve the portfolio of the company and we spent about 1.7 billion of our money last—year in doing that. There are two priorities after that. Thereafter we invest in the——business, as Paul said in his presentation, the return that we make from investing in the—company is about 19% at the moment which is a very nice return and that is pretty high—up relative to our peer group. Our priority with the cash we generate as to peer——dividend, is to continue to improve the portfolio of the company and thereafter invest—back in the business because that is where we get the best return.

Paul Polman:

We are running this for the long-term growth of the business, not as a bank, we are not—a bank fortunately, and we would like to keep the A+ rating in this volatile market and—our current capital management reflects that. We will continue to run it on that basis.

Conny Valkhoff (VBDO):

We are from the VBDO, the Dutch association of investors for sustainable development. I have a question on the sustainable living report. We read in the annual report that 54% of your procurement suppliers meet the mandatory standards of your—responsible sourcing policy. I have three questions on this.

What does it mean? Do you have any insight in the other 46% who do not yet meet——these requirements? Is there a violation of the human rights in these supply chains? Do—you know this? Is it about child labour bad payment, etcetera?

The second question is: what are you going to do, what is the target; do you want 100%—being assessed, making sure that they meet the requirements, and how are you going to—
reach the target? If it is a 100%, which I hope it is, how are you going to achieve this?— Are you going to look for better suppliers or are you going to help the suppliers who do not meet the requirements?

Paul Polman:

Since we have published that, we are moving close to 60% already. I just want to— remind you that five, six years ago we were at 10%. There is no company that gets even close to us. We have our sustainable agricultural code published on our website. We— actually do ‘open sourcing’; anybody who thinks it can be better: please contribute to it. I’m glad to see that the UN is using that now as a standard, and many others. We are— very happy with the sustainable agriculture code, but we go further than this, we use— our own responsible sourcing code and the responsible sourcing code goes to the— treatment of women, of indigenous people, land rights, so we have a much broader— definition of what we would call an acceptable supply chain, not only looking at the— environmental, but also the social aspects of it. The reason that this number is 60% is— that some of these supply chains are not totally controlled by us. Some of them are— small players and it sometimes takes time to convert them. Partly because of the— enormous volumes that we require with the scale of our business and partly because we— are small players in a big system. And increasingly, we are obviously converting at the— speed at which we are doing now, which earns us the number 1 spot on any of the— rankings, including the Dow Jones Sustainability Index. Many people in the company— are working on this and the goal that we have set in our Unilever Sustainable Living— Plan is to be 100% sustainably sourced. But we have given ourselves the time frame to— do this responsibly. And that would be good for the world, it would be good for— everybody, both on the environmental and the social side. What is the challenge in all— of this? Obviously, the challenge is to do this at scale in a system that is not 100%— under your control and boundaries need to be moved, but also our capacity to work with our suppliers. We have picked the first 2000 top suppliers and have audited those, but— we have 76,000 suppliers and it is obviously a capacity issue of what we can do and— how fast we can do it. That will always be the bottleneck. We would have to hire an— infinite amount of people that would make this company very unprofitable. We rely on— self auditing, we rely on grievance procedures and other things to move the standards— higher. I don’t think we have seen any other company driving the standards so fast, but— also setting the standards so high. And if they are, please direct them to us because we— would love to learn from them.

André Olijslager:

Mijn naam is Olijslager en ik ben ook lid van het bestuur van de Stichting— Administratiekantoor en wij hebben nog een aantal vragen over de strategie van— Unilever. Op de eerste plaats heeft de heer Polman een aantal innovaties laten zien met— ook omzetten erbij. Kun u toch nog aangeven wat u de meest succesvolle innovatie—
vindt van het afgelopen jaar, ook op het gebied van omzet en winstgevendheid? De tweede vraag gaat over Prestige. U heeft aangegeven dat er een soort aparte unit is gevestigd voor premium products. Wij zouden graag willen weten hoe apart die is. Is dit een aparte divisie of is dat een aparte business unit? Staat die buiten de normale organisatie? En hoe wordt die aangestuurd? Gebruikt die ook andere distributiekanalen? U liet ook zien dat u in retail gaat met de theewinkel. Hoe diep bent u dat van plan, want dat zou toch ook voor een conflict of interest kunnen opleveren met de retail. Dus graag wat meer informatie over die specific unit Prestige.

Een derde en terugkerende vraag is die over Cooking & Spreads. Die is apart gezet en die heeft ook een nieuwe CEO. Daar blijft voor ons een vraagteken boven hangen. Wij zien daar ook de stappen vooruit maar wat is op lange termijn de bedoeling met Cooking & Spreads?

De volgende vraag gaat over de emerging markets. Over het algemeen heeft China toch een behoorlijk economische weerstand en toch blijf je daar een omzetgroei zien met betrekking tot de producten van Unilever. Wat gaat daar dit jaar gebeuren? En als laatste complimenteren wij u dat u ook aandacht blijft geven vooral aan de interne beheersing van de bedrijfssprocessen en kosten. Dat wordt vaak in een expansief bedrijf wel eens vergeten. En dat blijft u goed doen.

Paul Polman:

Ik waardeer het enorm deze vier vragen. Ik zal deze misschien niet in dezelfde volgorde behandelen, maar laat ik snel naar de beantwoording gaan daarvan. The first one is really our retail operations: it is really clear that consumers are now shopping at different occasions and e-commerce is growing very fast. In the UK or in the Netherlands where you have bol.com or some of the other online shopping outlets, are now 5, 6, or 7% of the total turnover. And we as a company have always had a very simple strategy, and this is: to be where the consumer shops. They are competitors, to some extent of retailers, but one retailer is also a competitor of another retailer. And obviously they cannot block you to make your products available, in fact, that would be against European law. We want to be sure that our products are there where the consumers want to shop and that definition of shopping is broader. Indeed, increasingly as part of our business, albeit on a very small and modest scale, we are going to own retail stores as well for some of the premium brands. We have the Maille Store, we have some of the Magnum stores now, we have the T2 store, which is the premium store. We have Dermalogica or REN, our products in the premium prestige that are distributed outside of retail and that is a normal practice that has always been there. Where some brands need to grow in certain channels that fit with their brand, their strategy, and their equity. That in itself is not a problem. We will continue to see more in that sense of a proliferation of channels. But in the big scheme of things, it is a small percentage of Unilever’s overall business. I want to put that in perspective. On BCS:
our famous margarine business, our Baking, Cooking & Spreads; by having carved it—
out as a separate unit, we have a little bit of experience doing that. It is not that it is so—
new. We have actually always run Ben & Jerry’s as a separate unit, we are running the—
Prestige business as a separate unit. And what this allows us to do is to be a little bit—
 faster and closer to the market than perhaps the big ship can do. Baking and Spreads is—
not a complex business in terms of footprint. The business that we are talking about—
here is basically in Europe and the US. And in Europe, five big countries make up—
about 75% of our turnover, of our sales. It is a very concentrated business and we can—
run that with a much leaner structure. This is very appropriate to do because the market—
has become much tougher than before. Because of the boycott in Russia of importing—
dairy products, we have seen the European dairy market actually collapse in price. Not—
good news for many people. And butter prices have come down, so there is stress in—
that market. But we are able to navigate this fairly well. You can see it in the results—
that we have just published, but the part of these results is also managing the—
profitability of Spreads whilst we are dealing with a declining market. And it is a little—
better too early to claim whether this new structure is working or not, and I don’t want to—
do that. The future will tell us. We are seeing our market share increase. Both in the US—
last year, and in Europe, we have actually increased our market shares. And that is a—
fairly good thing. Especially from the strong shares that we have already. We are—
moderately satisfied that the strategy that we have put out there is a strategy that we—
think is the right one at the moment with the challenges that we have to deal with. Then—
your question about the innovations. What is the innovation that you are most proud of?—
I don’t really do this because when people ask me: what is the product you like the—
most, I’m exposing myself too much. Calling one out over another is not what I’m paid—
for. We have to make the total work. And what you see in innovations is: our innovations are getting bigger. The average incremental innovation that we are getting—
has doubled in terms of incremental turnover. The incremental margins that we are—
 getting out of these innovations - which I think is a good indicator of how strong the—
innovation is - how much you can differentiate in the market has actually gone up—
significantly as well. And our innovation pipeline is very strong. For the first time we—
can sit here and say: we have several innovations that have given us a 100 million in—
turnover in a relatively short period of time. Compressed deodorants would be a good—
example of this. The compressed deodorants which we launched with significantly—
reduced cans. This came really from the environmental benefits with our Unilever—
Sustainable Living Plan, and turns out to be a great hit with consumers who also like—
the handy format. It lasts twice as long for the size of that can, the consumer gets the—
benefits, the environment and the world get the benefits, we get the benefits; and you—
can see quite a good take-off. Ben & Jerry’s has great innovations, it is growing very fast. Our hair care business is—
now number one in most places in the world, growing very fast behind some super—innovations across our total line of products. We would like to see this as a total in the—company and not just one or the other. We continue to set the bar higher there. China is—actually a success story, and it will continue to be an important market, not only by the—size of its population but even China is growing 6.5% which people are very excited—about, that it is only 6.5% versus 12% ten years ago or so, or eight years ago. But the—12% eight years ago was an economy that was one-third the economy that is now. The—6.5% is an absolute good growth. If you take the next three years, the growth in——consumer goods in China is the same as the total consumption of Germany or the UK.—Important is that the Chinese market is also changing. The young consumers are——coming up, Internet is growing very fast, they like imported products, they are worried—about food security, the B cities are taking off or the C cities, while the A cities are—slowing down. You have to fish where the fish is, and you have to bring different——fishing gear. And if you do this well, and if you keep your company agile, you can——grow. Last year we were growing quite reasonably in China, compared to the market—and building share in most of our categories and we plan on continuing this.—The way we run the Prestige businesses, which we are very happy about, were four——businesses that were built by their owners, who obviously understand this business——enormously well. We spent a lot of time with them to try and understand them and in—doing so, understanding the business. And we felt it was very important for us to enter—into a partnership with them where we actually encourage these owners to keep running—it. And to have an equity stake in it. And as a result we see that, since we have associat—ourselves with them, we are doing very well. We apply the same technique on T2 or on—Talenti, our premium ice cream, which has doubled, by the way, in total size since we—bought them only less than two years ago. These people understand it, they have skin in—the game, they have the ownership mentality, they are very close to their customers and—the markets they serve, and we say very modestly: use Unilever where you think——Unilever can be of value to you. Product quality, innovations, sometimes cost——efficiencies where possible. We are very mindful of not having the big elephant sit on—them and squeezing the air out of them. That is how we manage them and I think that is—a fairly successful thing, and over time we will continue to reassess what the best way—is of running them.—

Michael Treschow:

I would like to offer the next question to Mr Korthals Altes but before I do that, I would like to make some comments. First, Mr Korthals Altes, we are happy that you are here,—and we do appreciate your passion for our company. I believe that you have been——corresponding with us on the preference shares for the last six years. And you can rest—assure that management and the board continues to give careful consideration to our——preference shares. In this last year you have written to us a number of times and we——
have taken extensive legal advice and invested considerable management time and money to work through the issues that you have raised. And with respect, we are firmly of the opinion that the issue you are raising are not substantiated. We are very clear that the 75% vote in a General Meeting like this, cannot overrule the dividend payment to the preference shares and cannot take away any of the rights of those shares. This can only be done by over 75% of the preference shareholders voting for this to happen in a separate meeting of preference shareholders. In addition, we have checked the articles thoroughly, we have confirmed that the position of the preference shares of the articles of the company was not changed, as you suggest between 1950 and 1981. I know that—Michiel Roovers, our deputy secretary sitting here in front row, wrote to you only this week to explain once again our position on this. With respect, if you still want to pursue these issues, we believe you should follow other legal routes. And with that said: are there any other issues that you would want to raise here and now?

De heer P. Korthals Altes:

Ik waarde het dat u mij zo introduceert. Ik ben een oud-commissionair in effecten en 40 jaar actief in effecten. Omdat Unilever afgelopen jaar niet inhoudelijk heeft gereageerd op mijn kritiek, ook niet in de voorgaande jaren, terwijl ik vind dat ik het bewijs heb geleverd dat in de jaren ’30 driekwart van de pref-houders in de algemene vergadering van aandeelhouders, zowel gewone als pref-houders, kon zorgen dat de condities van de pref-houders werd veranderd. Waarom was dat zo? Omdat ongeveer 45% van het uitstaande kapitaal uit gewone aandelen bestond en 55% uit cumpref-aandelen. De oprichters en eerste bestuurders van Unilever, die wilden rekening houden met cumpref-houders, hebben er voor gekozen om dat te doen met deze clausule van driekwart van de uitgebrachte stemmen in de gezamenlijke vergadering. Dit om te voorkomen dat je twee vergaderingen houdt bij een beursgenoteerde vennootschap, waar je eerst met de gewone aandeelhouders, die vandaag 99% van het vermogen hebben, een vergadering houdt en een tweede vergadering houdt voor cumpref-houders. Dat is niet reëel want uiteindelijk praat je over Unilever. Voor zowel de gewone aandeelhouders als de cumpref-houders zijn de algemene ontwikkelingen en de zaken van Unilever van belang. Nu komt daarbij dat driekwart tot 1950 - dit stond in de statuten - één algemene vergadering van aandeelhouders was. In 1961 heb ik voor het eerst gezien dat het niet meer de algemene vergadering van aandeelhouders was, maar dat het driekwart van de pref-houders was. Ik heb gevraagd om mij de wijziging in de vergadering tussen 1950 en 1961 te overhandigen. Dit is nooit gebeurd. Terzijde merk ik nog op dat het strategisch een rare situatie is. Want twee grote aandeelhouders van pref’s, de NN-groep en ASR, die samen ongeveer 20% van de zeggenschap hebben in deze vergadering met slechts 60 miljoen nominaal aan cumprefs. Blackrock heeft 67 miljoen aandelen gekocht en heeft met de huidige beurskoers daarmee een investering van 2,5 miljard euro gedaan en heeft daarmee stemrecht in de algemene vergadering—
van aandeelhouders van slechts 4%. Dat betekent dus dat de pref-houders die nog niet—eens 1% vertegenwoordigen van het eigen vermogen van de vennootschap Unilever—N.V. met meer dan 8 miljard vermogen, meer te zeggen hebben - 5 keer zoveel - als—Blackrock die dus 2,5 miljard op de beurs heeft geïnvesteerd. Nu ben ik hier niet om—Blackrock te beschermen, want de heer Polman heeft een functie bij Blackrock, dus dat—is niet mijn rol, maar waar ik wel op wil wijzen is dat dit strategisch een zwakte is.—Want dat kan betekenen dat andere aandeelhouders of grote fondsen die geïnteresseerd—zijn in Unilever zullen zeggen: wanneer ik een paar miljard investeer minder—zeggenschap heb in de algemene vergadering van aandeelhouders dan twee houders die—60 miljoen hebben geïnvesteerd. Wat is dat dan voor een beleid van het management?—Waar moet ik dan nog meer rekening mee houden? Dus het gaat mij niet om u lastig te—vallen of om oude koeien uit de sloot te halen. Het gaat mij om twee zaken. Ik heb nooit—het bewijs gezien in welke algemene vergadering van aandeelhouders de bevoegdheid—is overgegaan van de algemene vergadering van aandeelhouders naar de preferente—vergadering? En ten tweede is het strategisch niet een goede positie voor Unilever om—dit te laten voortgaan. Daarvoor heb ik ook een oplossing geboden, want ik werk net—zoals u en denk aan innovatie. Die oplossing is een ruil in 2.650.000 certificaten en dat—is een heel klein aandeel op de totale gewone uitstaande aandelen en daarme—geheel opgelost zijn.—Er zou ook een einde komen aan de, naar mijn mening, nog steeds onterechte uitkering—aan dividend aan deze twee institutionele houders. Dit is inmiddels sinds september—2011 16 miljoen euro. Ik ben hier niet om te plagen en ook niet om mijn gelijk te—krijgen. Ik heb alleen de feiten onder uw aandacht gebracht en die zijn tot nu toe,—helaas, na 6 jaar nog steeds niet weerlegd. Dat is de reden dat ik nu ook weer de tijd heb—gevraagd in deze algemene vergadering van aandeelhouders. Uw lawyers hebben mijn—voorgelegde zaken tot nu toe niet kunnen weerleggen. Ik heb alle respect voor uw—prestaties en voor Unilever – ik vind het zeer indrukwekkend – maar ik heb geen——waardering tot nu toe voor de manier waarop deze kwestie behandeld wordt voor een—beursgenoteerde vennootschap die, terecht zoals de heer Polman zegt, thans de grootste—qua marktwaarde in Amsterdam is. Ik ben een vakman op dat gebied en ik had——verwacht dat ik ook als vakman behandeld zou worden en dat doet u niet.—Michael Treschow:—Thank you, Mr Korthals Altes, I think we can agree to disagree at the moment and in—that sense and if there needs to be more discussion with both our internal legal people—and external legal people in order to try to make sure if there is a common—understanding. So far, I thank you for your views and I think the discussion will—continue.—De heer P. Korthals Altes:—Het is de bestuurder die hier aandacht aan moet besteden, of dat nou de heer Polman is—
of dat u dat bent of uw opvolger. Ik zal de documenten overhandigen en dan kunnen wij daar een uur over praten. Ik praat niet meer met medewerkers die de afgelopen twee jaar mijn brieven hebben behandeld alsof ik een één of andere raar figuur ben. En de lawyers weten niets van effecten, althans hebben niet de 40 jaar ervaring die ik heb. Dus ik praat met de bestuurder en ik kan aan de bestuurder uitleggen waarom ik dat vind. Dat zou ik op prijs stellen en dat is ook in het belang van de aandeelhouders, want die strategische kwestie van die 20% wordt steeds belangrijker. Dat verzekert ik u.

Paul Polman:

Om duidelijk te zijn, als u het niet erg vindt, stel ik het op prijs dat u het thema telkens naar boven brengt. Het is een thema dat geregeld gedurende het jaar in de board-vergaderingen wordt besproken. Dus het is niet een thema waar wij licht overheen gaan. In het begin heeft u van mij en ook van anderen antwoorden gehad. Dus om te zeggen: er zijn bepaalde medewerkers binnen Unilever die belangrijker zijn of die minder belangrijk zijn, als voorzitter van Unilever, accepteer ik dat niet. Iedereen die uw vragen behandelt, behandelt u met respect en op de juiste wijze. Wij hebben heel veel mensen ook in Nederland benaderd die ook experts zijn. U bent niet de enige expert in Nederland die kan zeggen: ik weet alles en de rest weet niks. Daar moet u voorzichtig mee zijn. Wij hebben een boel mensen gevraagd die ook heel veel weten, die ook soms een beetje ouder zijn en die ook in de effectenwereld hebben gewerkt en die hebben ons duidelijk en continue advies gegeven. Er is niks veranderd tussen 1950 en 1981 volgens ons en ten tweede, in de voortdurende onderhandelingen met de pref-houders zelf zijn zij niet bereid om die oplossing - wat voor creativiteit of innovatie u ook heeft - te accepteren. Zij hebben een keuze om te zeggen: wij veranderen of wij veranderen niet. En u neemt aan dat zij dat automatisch doen. Zij hebben een stemrecht dat zij waarderen op een veel hogere basis dan de rest van onze aandeelhouders zou toestemmen om daarvoor te betalen. Het verschil is veel te groot. En het verschil moet worden voorlegd aan alle aandeelhouders.

Michael Treschow:

I think that we are not coming any further today on that issue. I thank you for your views. And I can assure you that it is not only the different legal people that have been looking at this, it is actually also the Board and myself. In that sense you can rest assure that it is not delegated away from the reality. I think we can close this discussion here and now and then continue the discussion afterwards, I will give other shareholders the possibility to say something, too.

Paul Polman:

And just for the record: I have nothing to do with Blackrock. I don’t know where that comes from. Other than that I have a great respect for them, as they are also trying to move this market out of short-termism and a little bit of a longer term focus, which I think is very healthy. But other than that: I can spell the name but I have nothing to do—
with them.

**De heer P. Korthals Altes:**

Thank you very much indeed. I just want to close by saying that: of course - ik heb de—wijsheid niet in pacht – that is not what I am saying. All that I am saying is that in the—past years on the two points that I have mentioned, I have not seen any proof that this—change has occurred. That is my point.

**Willemijn Verdegaal:**

My name is Willemijn Verdegaal, werkzaam bij MN, vermogensbeheerder voor o.a.—PME en PMT en vandaag heb ik tevens de eer om te spreken namens Achmea—Investment Management, APG, De Goudsche, Menzis, PGGM en haar klanten, Robeco—en de Stichting Telegraaf Pensioenfonds 1959. Hartelijk dank voor uw toelichting over de resultaten van Unilever over het afgelopen—jaar. Voordat ik verder ga met de inhoud van mijn punten, zou ik graag nog even mijn—persoonlijke, diepe waardering als burger van deze wereld willen uitspreken voor uw—toewijding aan de grote uitdagingen van onze tijd: duurzame, inclusieve ontwikkeling—en klimaatverandering. Ook de institutionele investeerders van Nederland hebben hun—bijdrage geleverd in Parijs, en wij kijken echt met heel veel trots terug op wat daar door—de wereldgemeenschap is bereikt. Dit brengt mij tot mijn overige punten: strategie en—resultaten, kostenbesparingen.


Sustainability en duurzaam ketenbeheer. Wat Unilever presteert in een supply chain is—imposant, zowel op milieu- als op sociaal terrein. Echter de zorgen rondom slechte—arbeidsomstandigheden op theeplantages en de gerelateerde kwetsbaarheden in—certificeringprocedures van de Rainforest Alliance hebben dit jaar wederom aangetoond dat de supply chain aandacht blijft vragen. Wij zien en waarderen de stappen die—Unilever neemt om de Rainforest Alliance-standaard aangepast te krijgen. En kijken uit—naar de verdere dialoog, voortgang en resultaten. Ook ten aanzien van palmolie heeft—het nodige gespeeld. Unilever heeft een duurzaam palmoliebeleid. Dit jaar is gebleken—dat de IOI-groep daar niet meer aan voldoet en Unilever heeft de afname van deze—

Michael Treschow:_____________________________________________________

Perhaps we should clear up the last point first. Ann, would you comment on that?—

Ann Fudge:_________________________________________________________

Your comment is absolutely appropriate, 2017 will be the year that we come forward—again. Coincidentally, at the RemCo meeting this week we have started the———conversation, we have looked it from a philosophical standpoint around areas of———simplicity, how we can potentially rebalance and get people more engaged with share—ownership. No conclusions at this point but as you also stated we plan to come and talk—to our key stakeholders and get their input in the process. So stay tuned.—

Paul Polman:_________________________________________________________

I am going to group some questions because they are a little bit related, which is all the—things we are doing in the supply chain and that is incredibly important to us.———Obviously, when you get to an agricultural supply chain, above all, there is a lot of——work that still has to happen globally. Often, the farmer doesn’t have any bargaining—power in the value chain. Parts of the world where lots of these materials come from——have living standards or conditions that we all know need to be improved and that is—one of our goals of the Unilever Sustainable Living Plan. Let there be no doubt about—that. If we take the tea plantations for example; one of the reasons that we have decided, with the Board’s help, to keep our tea plantations - we have 60,000 people in Kericho—and 40,000 people in Mufindi in Tanzania - is to show that we can actually have a good—tea business but also significantly improve our living standards. The best school in——
Kenia is located at our tea plantation. In fact, everybody wants to send their kids to this school – it is free. We have housing, sanitation, and other things. We have invested just in the last three years alone over 50 million to bring these standards up to a higher standard and at the same time we bring the tea quality up and the premium tea in order to create more value. That is the right strategy also for mankind. We are working with the Dutch development agency, Lilianne Ploumen, and others, as well as DFID in the UK with the Clinton Giustra Foundation, with US Aid, to actually look at these joint partnerships where we can lift these people out of poverty and strengthen our value chain and the same is true for palm oil.

It is not an easy industry; we have made a commitment to be sustainable in palm oil, we are sustainable already, certified sustainable, increasingly source sustainable and we are also, obviously, looking at the human rights. Which is a more difficult thing to do; we are working with Human Right Watch, we are working with many other organisations: Fair Wage Network in Geneva and others that you might be familiar with, to even help to define what often a lack of definition is, or a lack of common standards and procedures. In our auditing that we have done of our total value chain, we have spent considerable time on that, we find that about 90% is 100% compliant to them and on the other 10% it is a definition issue where regional differences are there and national data are only available. What we are trying to do is to move the whole industry forward. On palm oil for example, we have picked Malaysia which has a lot of migrant labourers to see if we can work with them. And we work with different organisations, like the Instituut Duurzame Handel in the Netherlands, or Unicef, or GAIN to actually go beyond this. We bring financial inclusion to women in our value chain. In fact, Vittorio is here. He’s on our board with Vodafone. And we have one of the best programmes there to use mobile technology to empower especially women in our value chain. With GAIN we do the nutritional aspects. Because, if you look at the nutritional issue or the issues of food security, it is actually 80% in agriculture. And mono-culture actually not only results in malnutrition but also mono-nutrition that they have an often under— nutrition, so bringing that in our value chain for us is important. And we will continue to set the standard high there. On the other issue, BCS I think we talked about, I don’t have to come back to.

On the other hand, on palm oil we were actually one of the founders of the roundtable of sustainable palm oil, we have upped the ante by putting the new code out there that we are working on now in Indonesia and in fact, as I am talking here to you today, we are meeting with president Widodo who is in the UK today. I had to excuse myself for being here but our Chief Procurement Officer is meeting him to really see how we can learn from what has been happening in the last 12 months again in Indonesia. The president is very committed, restoring the dried land and restoring the peat, reflooding it. Reforestation for us is very important. Providing the livelihood in a sustainable way.
And for that reason we have created our own fractionation unit in north Sumatra:—
25,000 small-holder farmers sustainably farming there with us to show that these—
models actually can work. We are very much in your camp, and if there are violations—
that we can see, and that is certified, confirmed, and if they fall outside of the code —
the minimum code, which is the roundtable sustainable palm oil – we take action. That—
will not be the first time. Now, how we deal with that is for us in the total. And we can—
manage that because you see the overall results. We will find other suppliers if needed,—
but we also like to work with suppliers to drive their standards up, which is obviously a—
more constructive way of doing.—

Peter de Koning:
Mijn naam is De Koning, bestuurslid van het Stichting Administratiekantoor van——
Unilever N.V. Ik zal op één punt het verhaal mevrouw Verdegaal willen aanvullen en—
dan gaat dat over het beloningsbeleid. Wij hebben als Administratiekantoor al jaren——
erop aangedrongen dat de criteria uit het Sustainable Living Plan worden opgenomen in—
de eisen van een bonus en wij zouden dat als dringend advies aan de commissie willen—
meegeven.—

Henk Rienks:
Mijn naam is Henk Rienks en ik wil graag twee dingen onder de aandacht brengen. Het—
eerste is bio-producten. Als je in Nederland in de supermarkt stapt, Albert Heijn——
bijvoorbeeld, dan zie je vaak naast het gewone product ook een product staan,——
vergelijkbaar, en dan staat daar ‘bio’ op. Iets van 20, 30, 40% duurder dan het gewone—
product en in ruil daarvoor belooft dus de leverancier van het product jou dat hij beter—
aan het milieu denkt, de boer wat meer geld geeft, dat er niet gespoten is op de akkers—
waar de grondstoffen vandaan komen of wat dan ook. Zulk soort beloftes koop je dan in—
feite voor dat extra geld. Maar als je dan bijvoorbeeld kijkt naar een Unox rookworst,—
dan ligt daar wel een runderrookworst naast en een magere rookworst maar geen Unox—
bio-rookworst. En naast de potten Calvé pindakaas staan wel bijvoorbeeld potten met—
stukjes noot erin maar geen Calvé bio-pindakaas. Wat denkt u eigenlijk van dat hele—
concept bio-producten? Waarom zijn er geen Unilever bio-producten in de winkel?——
Waarom laat u dat aan de kleine concurrent over? Want, het is toch kennelijk lonend,—
anders zou Albert Heijn de bio producten echt niet meer in de winkel hebben staan.—
Mijn andere punt: in het jaarverslag waar de hoogtepunten worden opgesomd over wat—
er al bereikt is met het Sustainable Living Plan staat dat met het verminderen van afval—
al heel mooie resultaten zijn bereikt, maar wat me nou tegenviel is dat de verminderin—
van het waterverbruik nog zo gering is. In uw eigen fabrieken schijnt nog geen 10%——
minder water gebruikt te worden per hoeveelheid product. Het lukt u niet de consument—
minder water te laten gebruiken als ze een Unilver-product gebruiken, terwijl u dacht—
dat dat mogelijk was, anders had u dat niet in de doelstellingen opgenomen. Gaat u——
deze doelstelling halen in 2020?—
Michael Treschow:

Two questions. One is about organic products, or organic sourcing, and the other one—about water in our ambitions of driving the Unilever Sustainable Living Plan.

Paul Polman:

Ik stel het op prijs dat u elk jaar ons jaarverslag volledig doorleest. U heeft altijd grote—aandacht voor het succes van het bedrijf en u weet waar u het over heeft en komt altijd—met goede marketingideeën. As far as water is concerned, we obviously with our—Unilever Sustainable Living Plan have taken a position to try to influence the total—value chain, which is from farm to fork, which is the consumer. We think we can have a bigger impact in making this a better world for all if we take the total value chain—approach. We do the same with climate change, we do the same with waste, we do the—same with sustainable sourcing. On water, in our own shop, which is what most——companies only report, we have actually come down 40% since 2008. In fact, we will—use less water in 2020, per tonne of production even than we were using in 2008. I was—in India just a few weeks ago and we have been to factories that support rainwater——harvesting and are ‘water positive’. I think that is the type of thing that is possible, just—like we have made the commitment to be ‘carbon positive’ by 2030.——

In agriculture, we do that as well. Part of our sustainable agriculture code is for——example protecting biodiversity. In our tea plantations we have big areas of——biodiversity. We do reforestations; we protect forests where they are in danger. We——move agriculture to drip irrigation – to keep it in perspective: 70/75% of the world’s—water is being used in agriculture. If we want to solve the world’s problems, we need to—move from flood irrigation to drip irrigation. And this is all part of our sustainable——agriculture code, which is available online and it includes pesticides and all that. As—regard the water basis, the consumer is a challenge. If you have teenagers to tell them to take a five-minute shower when they are used to taking 10 to 15-minute shower. It is——very important and difficult to change these habits. We do this with products. Because—we realise that some of our products are increasingly in water-scarce areas. There are—1.8 billion people living in water-scarce areas right now. The demand for water has——actually doubled over the last 20 years and it is going to double again over the next 20——years. Water is a serious issue in this world. We anticipate this because the growth of——our products in the future will be limited by water. We have produced waterless——shampoos, we have one-rinse fabric softeners, we have detergents that require less——rinsing from the suds than you would otherwise have. We put these technologies in all—of our products; self-forming soaps, so you don’t have to run the tap: you can just get it—out of the pump and wash your hands.——

When it gets to bio, organic, ‘natural’ or green, or whatever word has been invented,—there is confusion out there. It is confusing for the consumers as well, because there—isn’t a standard. What we are trying to do is, is to look at it holistically: labour standard.
water, carbon footprint, sustainable pesticide, which are not captured in a simple word—such as ‘bio’.

Now, where we bring our products into consumer relevance, we are trying to make it—more natural, like we have done with Knorr, taking the ingredients out that aren’t—needed, moving away from artificial colourings, the things consumers are rightfully—asking for less sugar, fat or salt. That is the direction we are taking. That is one of the—reasons why our food business is doing reasonably well. Our Knorr brand is going—faster than it has been growing in the last seven years, or Hellman’s brand is growing—faster, so, we will continue to move in that direction.

De heer J. C. Vermeulen:

Recentelijk las ik dat de RIVM te veel schadelijke stoffen in margarines en vetten—aantreft voor kinderen, met name 3-mcpd. Verder studerend daarop werd het zelfs als—een chemisch middel om knaagdieren onvruchtbaar te maken genoemd. Hoe zit dat bij—de Unilever producten?

Paul Polman:

We are aware of that, of the study as well. Obviously, all of our products are safe. We—have European standards. They actually have been issued as a coincidence last week,—not surprising that it is in the papers. In all of the oils you will find this and the question—is: what are the quantities and what do you do with the oils that you get, and the oil that—we produce are well within the safety standards of what the regulatory authorities have—put down. We are aware of the concerns of these ingredients but we are within the limits in using them. They are in every ingredient. You will find it in every oil that is—there.

De heer J.C. Vermeulen:

Dat heb ik begrepen maar het stapelt zich op en bij kleinere kinderen schijnt het slecht—te zijn. Het zit in brood, het zit in andere producten.

Paul Polman:

It is in everything that has been baked and the issue is not there, the issue is obviously—as it is with everything else: what is the quantity? And we are well within the acceptable guidelines. Too much of anything is not good.

Andreas Breijs:

I am speaking for shareholders who transferred their voting rights to the Deutsche—Schutzvereinigung für Wertpapierbesitz, Germany’s biggest and most influential—shareholders representation group. Mr Treschow, first I would like to thank you for—your nine years of dedication for the company and what you have achieved. One—question I have is: in June we might see Brexit happening, the exit of UK from Europe.—What would this mean for this company or this group and how are you prepared to face—this? I think we all hope that it is not going to happen but you have to be prepared.—Then, coming to sustainability and waste management: I just saw outside that you are—
now selling tea capsules. And I think it is common sense that the capsuled coffee that—Nestlé is selling has the worst waste balance you can imagine. I don’t know who is—responsible for this decision but how does this product fit in with your sustainability—and waste-reducing concept and why do you do this? Only because Nestlé does it? I—think they should be condemned for doing this and you shouldn’t do it either. Then, we—also support the one share, one vote principle. Another question: the shops you have—opened, 75 as I heard. Are they kind of flagship stores? Or are they meant to be-----profitable? Are they profitable by itself or is it more a marketing measure?__________

Paul Polman:
I won’t spend too much time on Brexit because I have given an extensive answer—yesterday, so you would probably agree with me. Overwhelmingly on the European—side, people would love to have the UK to stay within the EU, it would make a lot of—sense for the EU as well. The EU would be much stronger, when you have a strong—global trading block. We all agree that the English have the right to vote the way they—want to, and at the same time we also realise that Europe needs to reform. But that is—not a reason to run away from it. And in the UK itself, most of the trade associations or—the companies or the Bank of England and many others are actually making it very——clear what the downside would be of leaving, and the price to pay seems too high for——us.________________________

For a company like ours, we will always survive because we operate in 190 countries in—the world and many of them are not in the EU so, we will serve the consumers but it——will result in inefficiencies that require careful consideration, after all, we are an Anglo-Dutch company and we are very proud of that heritage and we have always been——looking more at uniting people, respecting people and bringing them together than——driving them apart. We have infrastructures that we have set up around that, that have—become very efficient. And if the UK would exit, which is obviously something that we—would not hope to happen, then a lot of these relationships are going to change; trade—negotiations need to happen. These are protracted processes that can take ten years or—or more and never end up in a better position than where we are today. Regulations will——divert and it will become more difficult to reach these economies of scale or the speed,—or the efficiency that we are able to get from our current operations from which the—consumer ultimately benefits. We look at the plans on what it means to be out, because—that is the responsibility that you demand from us as we run these businesses, and——hopefully successfully. At the same time we also work very hard to ensure that people—know what this decision actually means for them, and why we think, from a company—point of view, that is it better to stay in. That is where we are on Brexit, between now—and 23 June the papers will be full of many people with their arguments and emotions,—and I hope that common sense prevails when people are going to the voting booths.—In terms of the stores that we have: we sometimes have flagship stores, like the one we—
opened for Magnum, to create awareness. We run these stores basically at a break-even. But they are brand-building activities. We do this when we launch in new countries. They are very popular things by the way. And sometimes we own them and sometimes—we have third parties operate them. Our T2 stores are part of our model. They are part—of building our total T2 brand. They are not temporary stores or not just brand building. Obviously they are part of the brand building because the store is there and the people—go in. They need to get an impression about the brand and product you sell, but they are part of our business strategy and we continue to look at opening more stores.

On ice cream: we also have separate stores because a lot of the ice cream consumption,—in fact, the bulk of the ice cream consumption in Europe is outside of the home, in the—US it is actually the opposite. It is more seen as a dessert there. But we want to be outside of the home with our ice cream, we rapidly are expanding what we call the—Happiness Stations, and they are doing very well. Some are franchised again, and some are owned by us. As far as the tea and capsules are concerned: there is a tremendous demand for that. Everybody has these installed machines at home and a lot of people—are actually looking for the convenience of that and we have deliberately made a choice—
to say: you cannot run away from something that the consumer is asking for but can we actually deliver it in a very responsible way. And unlike some of the other products that you mentioned that I don’t want to get into, ours is a fully recyclable plastic capsule, it is very easy to put it in with the other things and recycle. It is actually made of recycled material and we are actively working with companies such as TerraCycle and others, to—be sure that this closed loop happens. As we put these capsules out, which are minimal—in the grand scheme of things, we also work our overall packaging projects. In perspective: we have introduced our packaging use in the company despite the growth—that you have seen, which is not negligible; we have reduced it since 2008 by 38%, by—light weighting, by technology changes, by moving to refills and other packages, we—will continue to work our total packaging bill down quite aggressively and continue at—the same time to work on a global level to stimulate the industry and governments to set up lasting recycling systems. It is one of the main reasons why we are founding members of the Ellen McArthur circular economy, or why we work with Europe on—getting rules and regulations on circular economy to stimulate this recycling industry. The sad statistic is that only 10% of the world’s packaging gets reused and the rest ends—up in landfills or oceans. Neither of them are good alternatives. Not for you not for me.—It has nothing to do with Unilever. But we happen to be able to make a positive contribution to change that. If we don’t, we cannot continue this consumption pattern in the globe. We simply don’t have enough materials. We are one of the key ones that—actually change that cycle. And hopefully have other industries follow.

De heer A.A.M. Heinemann:

Elk jaar hoor je van enorme bosbranden in Indonesië, met name in Borneo en Sumatra.
En die hebben een verwoestend gevolg. Niet alleen worden grote stukken oerwoud afgebrand, wat tot een zeer grote luchtvervuiling leidt, in Maleisië en de stadstaat Singapore, maar ook wordt daardoor de productie van zuurstof eigenlijk verminderd door de verminderde fotosynthese. Dat is een wereldwijd probleem en ook een gevaar voor de gezondheid. Unilever heeft ook grote plantages in Sumatra en Borneo voor palmolie teneinde de productie van margarine en zeep mogelijk te maken.

Kan Unilever aan deze verwoestende bosbranden, die vaak door kleine boeren aangestoken worden en dan out of control raken, iets doen door druk op het gouvernement uit te oefenen? En worden de plantages van Unilever niet zelf hierdoor ook in gevaar gebracht?

En de tweede vraag heeft betrekking op de verpakking.

Maar toen ik economie studeerde leerde ik bij Marketing dat verpakking toch heel belangrijk is. Nou, sommige Unilever producten zoals Magnum ijs, hebben een ideale verpakking – dat is bijna hapklaar verpakt. Je hebt ook producten zoals Ben & Jerry’s waar de verpakking abominabel is en door kleine kinderen met name, wanneer het ijs in de koelkast heeft gelegen, bijna niet open te maken is. Kan Unilever hier iets aan doen?

Mijn laatste vraag heeft betrekking op het geleidelijk aan veranderende voedselpatroon in zuidoost Azië. Liggen daar kanssen voor Unilever? Er zullen ongetwijfeld lokale mensen zijn die het Europese eten ook wel erg lekker vinden en te bedenken dat daar in 2050, wanneer de wereldbevolking 9 miljard bedraagt, in zuidoost Azië de helft van de wereldbevolking, dus, 4,5 miljard inwoners zal hebben, ligt daar misschien wel een enorme kans.

Paul Polman:

Onze voedselgroei in de ontwikkelingslanden is 8 á 9 %, dus wij zien heel veel mogelijkheden. Wij zien heel veel mogelijkheden om onze huidige merken meer en meer op de markt te brengen in de ontwikkelingslanden. U heeft absoluut gelijk, daar ligt een mogelijkheid.

De tweede vraag ging over het openen van de verpakking. Wij moeten zorgen dat de verpakking veilig is, dat wij het product beschermen, maar dat wij het ook voor de consument makkelijk maken om te openen. IJs is moeilijk vooral als het uit de vriezer komt.

Palm oil: it is absolutely important that we stop deforestation. 50% of the global demand for food leads to deforestation. If you see 16% of the global warming coming from deforestation, the enormous demand for food needs to take responsibility for that, or at least half of it. We have put all the big consumer goods companies together, think about big retailers like Ahold, or Tesco, or Carrefour, think about big manufacturers like Nestlé, or Coca Cola, or Kraft, and we have said: by 2020 we will not sell anymore products that come from deforestation. Unilever is already there. But as I always say to my kids: if we are the only ones doing it and nobody else does it, it doesn’t make a

Mr M.J. Meijer c.s., notarissen
difference. This is very important moment, now that we get closer to 2020, to ensure—
that those agreements are being held. In Indonesia specifically, or in Malaysia, there are
challenges, and you rightfully said these challenges are with the small-holder farmers.—
They often don’t have the money to properly clear their land. Nor to buy the equipment
to do this. Which would be a proper way of doing it if you would agree on clearing that
land. So they burn it, which is a quick way of saving that money with disastrous effects
and spill-overs. We don’t want any of that in our value chain and we work very hard to
avoid that, but we have to find solutions for these small-holder farmers. We have set up
systems with the industry where we have land rights and concessions and we have set—
up systems of monitoring to match where the fires are with these land rights and——
concessions, so that we can move very fast in taking action and help on the ground. The
government is very receptive to this and is increasingly trying to find solutions in a——
country that, as you well know, stretches out from well, half the world. All these things
are being worked on with the industry, with actually the global community: the World—
Bank is very active there, the Norwegian government helps because it cannot be done—
by just one institution. This is again why we created the round table of sustainable palm
oil, we have the New York declaration on forestry and in Paris with the negotiations on
climate change. This has got a lot of prominence. I think that we are on the right track,—
recognising that last year was a setback. This setback when it happens is very——
unfortunate but you need to use this opportunity and then accelerate the improvements
you need to make, and that is what is currently going on. We are moderately optimistic—
there._________________________________________________________

De heer A.A.M. Heinemann:_____________________________________
Is er geen mogelijkheid druk uit te oefenen door een gezamenlijke reclamecampagne—
van alle betrokken ondernemingen en de bevolking dus in te lichten als ze daarmee——
doorgaan, uiteindelijk hun eigen graf graven?________________________

Paul Polman:_____________________________________________________
There is a high awareness of it and what we would like to see is differential tariffs——
between sustainable and unsustainable palm oil. The French have just done that. We are
working with the Indians on that. Every time I see the Dutch government, I might as—
well use the opportunity that I’m here. One of the biggest trading ports for palm oil is—
actually Rotterdam and for government policies to have differential tariffs between——
something that is source sustainable or non-sustainable is very important. Europe needs
to do this also on forest products. Does it come from deforestation or not? When we get
these frameworks in place, things tend to move faster. Working on the consumer alone,—
doesn’t work, there are too many things going on. We are thinking in the same direction
with different tools,_______________________________________________

Michael Treschow:______________________________________________
We start to get to the end of the Questions & Answers session. You have the right for—
David de Kruif (VBDO):
I would like to compliment and thank Unilever for these, both financial and sustainable, results. On your water targets and on your carbon emission targets, your take up the broad perspective of the consumer use in this target. This really shows a broad perspective. But I hear you also talk about water and changing consumer behaviour that is actually quite a challenge. Is the target still feasible, both on carbon emissions and on water to be halved by 2020? In consumer use?

Does Unilever have a policy on combating negative effects from mono-cultural farming and attempting to increase bio diversity and therefore flourishing the national capital that your company works so importantly with?

Paul Polman:
The easiest one is the second one in our sustainable agricultural code, and our responsible sourcing code. We actually include bio diversity in there from many angles, so in the interest of time, may I refer you to the code and come back to us. A lot of the efforts that are happening there are about protecting the bio diversity. Because when we talk about sustainable agriculture or sustainable palm oil or sustainable tea, bio diversity is an integral part of that. Not to get side-tracked there but for example on pesticide use, protecting the bee for pollination for us is absolutely important. We have standards there for what we accept and what we don’t accept. Are they strong enough? They certainly are ahead of the industry but we continue to develop that.

Your second question about the water targets. Are our water targets and carbon targets feasible by taking the responsibilities of the total value chain, the biggest challenge being the consumer. We think if you want to change the consumer, the move to green energy is rapidly happening. For example, a lot of the carbon footprint in showering, is warming up the water. Or in cooking, is warming up again the water. We count that as carbon footprint on our products. The moment you walk into the shower, we take responsibility of your warm water because you wash your hair with our products. We bring our products that are self-foaming, or waterless, as I said, but it doesn’t keep you from taking the shower. If you would have green energy, like Unilever, Unilever has moved a 100% to green energy on the grid in Europe, then your carbon footprint would be quite low. We need the conversion in the energy sector and it is taking a little bit more time. It is not fully within our control. We also need a price on carbon: what we don’t measure, we don’t treasure. Feike Sijbesma runs a company very capably, DSM, also leads the global coalition, which we all belong to, is asking for carbon pricing and actually making great progress in doing that. If the government would put a price on carbon, we would move faster. There is a challenge on that part. I don’t know if the 2020 goal that we have set, we would hit that all. Our own carbon reductions by the
way, 65% since 1995, and if the whole world would have done that, we wouldn’t even—
have needed a Paris COP21. We are all well on track in getting to positive carbon as a—
total company. For water it is the same thing. If you look at the water-using consumer’s—
at home, very difficult to attack that, for the same reasons I have mentioned. But in—
agriculture there is great progress in our own shop. What we are now thinking about is—
redefining that goal, not to run away from it, but we set a goal with Pureit, our water—
brand, to give by 2020 150 billion litres clean water to people who are in need of clean—
water. The 2.8 billion people who don’t have access to clean drinking water. It would—
give the same amount of water as all the bottled water in the world combined being—
sold, which is incredible. We are doing it already in India and in China and are rapidly—
expanding in the rest of the world. If we count that in, plus all the other efforts that we—
are talking about, I will sleep peacefully at night but we still have a lot to do globally to—
solve the water problem but Unilever can be proud of its contribution.

Michael Treschow:
Let us now move to the approval of the resolutions related to agenda-items 2 – 22. Full—
explanations of all proposed resolutions are set out in the Explanatory Notes to the——
Notice of Meeting.

Before we do that I hand over to our Company Secretary, Tonia Lovell, who will say a—
few words about the attendance of shareholders and certificate holders at this meeting—
today and about the voting process.

Tonia Lovell:
Each year we give you an overview of the total voting rights present at the meeting and—
the percentages of the votes that can be cast by holders of ordinary shares and holders—
of depositary receipts, holders of preference shares and the Trust Office. Ms Cora——
Hagendijk will supervise the registration and voting processes as independent notary—
public.

The shares represented today have a total nominal value of € 300,001,669, which is——
good for 1,875,010,429 votes, and represents 84.07% of our share capital.

At this meeting 51.03% of the votes can be cast by holders of ordinary shares and——
depositary receipts, 20.11% by holders of preference shares and depositary receipts——
thereof and the remaining 28.86% by the Trust Office.

Let me now explain the voting process. As in previous years, we will vote using the——
handsets. Let me explain how they work.

Michael Treschow:
I now propose to adopt the Company’s accounts for the year ended 31 December 2015,—
including the appropriation of the profit for the year 2015 [agenda item 2]. So using——
your handsets, prepare to vote. Please vote now.

For: 1,870,908,692

Against: 3,047,281

Mr M.J. Meijer c.s., notarissen
I propose that the Executive Directors in office in 2015 be discharged for the fulfilment of their task in the year ended 31 December 2015 [agenda item 3].

Please vote now.

For: 1,842,665,833
Against: 20,118,775
Vote withheld: 12,190,586

The resolution is carried.

I propose that the Non-Executive Directors in office in 2015 be discharged for the fulfilment of their task in the year ended 31 December 2015 [agenda item 4].

Please vote now.

For: 1,842,655,807
Against: 20,127,630
Vote withheld: 12,200,303

The resolution is carried.

I will now propose the re-appointment of Executive and Non-Executive Directors.

I propose that Nils Andersen be re-appointed as a Non-Executive Director of the Company [agenda item 5].

Please vote now.

For: 1,867,753,856
Against: 6,575,506
Vote withheld: 651,001

The resolution is carried.

I propose that Laura Cha be re-appointed as a Non-Executive Director of the Company [agenda item 6].

Please vote now.

For: 1,868,883,406
Against: 5,476,286
Vote withheld: 622,293

The resolution is carried.

I propose that Vittorio Colao be re-appointed as a Non-Executive Director of the Company [agenda item 7].

Please vote now.

For: 1,871,742,075
Against: 2,592,831
Vote withheld: 648,825

The resolution is carried.

I propose that Louise Fresco be re-appointed as a Non-Executive Director of the Company [agenda item 8].

Please vote now.

For: 1,877,587,299
Against: 2,540,654
Vote withheld: 648,825

The resolution is carried.
Company [agenda item 8].

Please vote now.
For: 1,873,211,280
Against: 1,125,897
Vote withheld: 646,364
The resolution is carried.

I propose that Ann Fudge be re-appointed as a Non-Executive Director of the Company [agenda item 9].

Please vote now.
For: 1,872,205,490
Against: 2,146,704
Vote withheld: 630,936
The resolution is carried.

I propose that Judith Hartmann be re-appointed as a Non-Executive Director of the Company [agenda item 10].

Please vote now.
For: 1,870,134,424
Against: 4,178,640
Vote withheld: 670,078
The resolution is carried.

I propose that Mary Ma be re-appointed as a Non-Executive Director of the Company [agenda item 11].

Please vote now.
For: 1,872,110,883
Against: 1,985,170
Vote withheld: 887,498
The resolution is carried.

I propose that Paul Polman be re-appointed as an Executive Director of the Company [agenda item 12].

Please vote now.
For: 1,872,070,107
Against: 2,259,580
Vote withheld: 654,145
The resolution is carried.

I propose that John Rishton be re-appointed as a Non-Executive Director of the Company [agenda item 13].

Please vote now.
For: 1,872,874,898
Against: 1,383,730

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Mr M.J. Meijer c.s., notarissen
Vote withheld: 724,724
The resolution is carried.
I propose that Feike Sijbesma be re-appointed as a Non-Executive Director of the Company [agenda item 14].
Please vote now.
For: 1,868,274,869
Against: 6,036,564
Vote withheld: 672,018
The resolution is carried.
I propose that Marijn Dekkers be appointed as a Non-Executive Director of the Company [agenda item 15].
Please vote now.
For: 1,871,794,268
Against: 2,511,103
Vote withheld: 676,671
The resolution is carried.
I propose that Strive Masiyiwa be appointed as a Non-Executive Director of the Company [agenda item 16].
Please vote now.
For: 1,871,121,546
Against: 3,177,499
Vote withheld: 684,787
The resolution is carried.
I propose that Youngme Moon be appointed as a Non-Executive Director of the Company [agenda item 17].
Please vote now.
For: 1,870,914,408
Against: 3,302,368
Vote withheld: 766,676
The resolution is carried.
I propose that Graeme Pitkethly be appointed as an Executive Director of the Company [agenda item 18].
Please vote now.
For: 1,866,982,329
Against: 7,280,745
Vote withheld: 711,146
The resolution is carried.
Now we come to the appointment of the auditors.
I propose that KPMG Accountants N.V. be appointed to audit the Annual Accounts for—
the 2016 financial year [agenda item 19].

Please vote now.

For: 1,872,837,735
Against: 1,615,668
Vote withheld: 530,239
The resolution is carried.

I propose to designate the Board as the corporate body authorised in respect of the issue of shares in the Company as set out in the Notice of Meeting [agenda item 20].

Please vote now.

For: 1,705,923,491
Against: 168,032,469
Vote withheld: 1,026,521
The resolution is carried.

I propose to authorise the Board to purchase shares and depositary receipts thereof in the share capital of the Company as set out in the Notice of Meeting [agenda item 21].

Please vote now.

For: 1,857,697,458
Against: 15,740,733
Vote withheld: 1,545,301
The resolution is carried.

I propose to reduce the issued share capital of the Company with respect to shares and depositary receipts thereof held by the Company in its own share capital as set out in the Notice of Meeting [agenda item 22].

Please vote now.

For: 1,872,221,868
Against: 1,446,006
Vote withheld: 1,299,802
The resolution is carried.

That concludes our meeting today - thank you for your attention. I confirm that the final results will be announced to Euronext Amsterdam and displayed on our website.

Finally, the last nine years have passed very quickly and are full of great memories. I have met some wonderful people and made many good friends. I want to thank my Board colleagues – and all the men and women of Unilever – for their tireless commitment to this great company. And I want to thank you, as shareholders, for the trust and support you have shown the company – and for your unfailing courtesy to me as Chairman. It has been a privilege to serve you.

It just leaves me the final words to wish my successor, the Board, the management team and all the people of Unilever, every best wish and success for the future.

And with that I wish you all a safe journey home.
Vervolgens heb ik, notaris, een concept van de notulen laten plaatsen op de website van Unilever N.V. en welke concept notulen overeenkomstig artikel IV 3.10 van de Corporate Governance Code sedert zeven juni tweeduizend zestien meer dan drie maanden ter inzage heeft gelegen. De vennootschap heeft op zeven september tweeduizend zestien blijkens aangehechte email verklaart dat geen aandeelhouder of certificaathouder opmerkingen hebben gemaakt. Van al hetwelk is opgemaakt dit proces-verbaal te Amsterdam op zeven september tweeduizend zestien. (Volgt ondertekening door notaris)

UITGEGEVEN VOOR AFSCHRIFT