

Unilever’s Basis of Preparation 2014 for those Unilever Sustainable Living Plan (USLP) and Environmental and Occupational Safety (EOS) performance measures selected for independent assurance

1. Introduction

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

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

Our USLP and EOS targets and the performance results achieved will be described in full in the online Unilever Sustainable Living Report for 2014, in May 2015. A selection of targets and the performance results achieved are also described in the 2014 Annual Report and Accounts.

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

Scope

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

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

Operations and sites where we do not have management control and operations categorised as joint ventures or investments are excluded from the scope of all performance measures, unless otherwise indicated. Sites that are being decommissioned are excluded as they are non-producing. We also do not include environmental data from third-party companies that manufacture or pack our products except in the case of the Greenhouse Gas pillar commitment.

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

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

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

2.1. USLP performance measures

USLP indicator	Performance measured	2014 reported performance result
Health & Hygiene: <ul style="list-style-type: none">• Reduce diarrhoeal and respiratory disease through handwashing.	<ul style="list-style-type: none">• Number of people reached by Lifebuoy handwashing programmes since 2010.	<ul style="list-style-type: none">• 257 million people reached by Lifebuoy handwashing programme since 2010, of whom 74 million were reached in 2014.
Health & Hygiene: <ul style="list-style-type: none">• Provide safe drinking water.	<ul style="list-style-type: none">• Number of litres of safe drinking water provided through sales of Pureit devices and Germ Kill Kits since 2010.	<ul style="list-style-type: none">• 56 billion litres of safe drinking water provided since 2010, of which 13 billion litres were provided in 2014.
Nutrition (pillar)	<ul style="list-style-type: none">• The percentage of sales volume of Unilever food and	<ul style="list-style-type: none">• 33% of our portfolio by volume

USLP indicator	Performance measured	2014 reported performance result
commitment): <ul style="list-style-type: none"> Helping people to achieve healthier diets. 	refreshment products meeting the criteria for highest nutritional standards based on globally recognised dietary guidelines from 1 October 2013 and 30 September 2014.	met criteria for highest nutritional standards based on globally recognised dietary guidelines.
Greenhouse gases (GHG) (pillar commitment): <ul style="list-style-type: none"> Halve the greenhouse gas impact of our products across the lifecycle by 2020. 	<ul style="list-style-type: none"> The percentage change in the greenhouse gas impact of our products across the lifecycle per consumer use between the period measured from 1 January 2010 to 31 December 2010 ("2010 baseline") and the period measured from 1 July 2013 to 30 June 2014 ("2013 footprint"). 	<ul style="list-style-type: none"> 4% increase in the greenhouse gas impact of our products across the lifecycle.
Water (pillar commitment): <ul style="list-style-type: none"> Halve the water associated with the consumer use of our products by 2020 	<ul style="list-style-type: none"> The percentage change in Unilever's water impact (water added to the products and water associated with the consumer use of our products) per consumer use between the period measured from 1 January 2010 to 31 December 2010 ("2010 baseline") and the period measured from 1 July 2013 to 30 June 2014 ("2013 footprint"). 	<ul style="list-style-type: none"> 2% decrease in the water associated with the consumer use of our products.

2.2. EOS performance measures

EOS indicator	Performance measured	2014 reported performance result
Water: <ul style="list-style-type: none"> Reduce water use in manufacturing. 	<ul style="list-style-type: none"> Change in the volume of water in m³ abstracted in 2014 (1 October 2013 to 30 September 2014) compared to 2008 (1 January 2008 to 31 December 2008)*. Water abstracted in m³ per tonne of production. Emissions of chemical oxygen demand (COD) in kg per tonne of production. 	<ul style="list-style-type: none"> 16 million fewer m³ of water abstracted in 2014 than in 2008 (a reduction of 32% per tonne of production). 2.01 m³/tonne. 1.10 kg/tonne.
Energy and greenhouse gas emissions: <ul style="list-style-type: none"> Reduce GHG from manufacturing. 	<ul style="list-style-type: none"> Change in the tonnes of CO₂ from energy use in 2014 (1 October 2013 to 30 September 2014) compared to 2008 (1 January 2008 to 31 December 2008)*. Energy use in gigajoules per tonne of production. CO₂ emissions from energy use in tonnes. CO₂ emissions from energy use in kg per tonne of production. 	<ul style="list-style-type: none"> 935,000 fewer tonnes of CO₂ from energy use in 2014 than in 2008 (a reduction of 37% per tonne of production). 1.41 GJ/tonne. 1,850,837 tonnes. 92.02 kg/tonne.
Waste: <ul style="list-style-type: none"> Reduce waste from manufacturing. 	<ul style="list-style-type: none"> Change in the tonnes of total waste sent for disposal in 2014 (1 October 2013 to 30 September 2014) compared to 2008 (1 January 2008 to 31 December 2008)*. Hazardous waste in kg per tonne of production. Non-hazardous waste in kg per tonne of production. Total waste sent for disposal per tonne of production 	<ul style="list-style-type: none"> 127,000 fewer tonnes of total waste sent for disposal in 2014 than in 2008. This represents an 85% reduction per tonne of production. 0.07 kg/tonne. 1.12 kg/tonne. 1.19 kg/tonne.
Occupational safety: <ul style="list-style-type: none"> Reduce workplace injuries and accidents. 	<ul style="list-style-type: none"> Number of fatal accidents in 2014 (1 October 2013 to 30 September 2014). Accident rate: Total Recordable Frequency Rate (TRFR) per 1,000,000 man-hours in 2014 (1 October 2013 to 30 September 2014). 	<ul style="list-style-type: none"> 4 fatalities. 1.05 accidents per 1 million man-hours worked.

* The baseline 12 month reporting period is considered to be comparable to the 12 month reporting period for 2014.

3. Data sources

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

3.1. USLP performance measures

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

3.2. EOS performance measures

Every year we collect data from each of our manufacturing sites on key measures of environmental performance. This is collated and analysed using a web-based Environmental Performance Reporting tool (EPR). Since 2008 our CO₂ emissions data reporting has been aligned to the internationally accepted Greenhouse Gas Protocol**.

For the reporting period 1 October 2013 to 30 September 2014, 259 manufacturing sites in 71 countries reported environmental performance data. In some cases multiple factories occupy one manufacturing site and these report separately in our EPR system.

For the two occupational safety performance measures, we collect data from our manufacturing sites and non-manufacturing sites, e.g. head offices, research laboratories and marketing/sales organisations via our Occupational Safety (OS) tool. For the reporting period 1 October 2013 to 30 September 2014, 521 sites reported occupational safety performance measures.

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

4. USLP performance data preparation

Sections 4.1 – 4.4 detail the basis of preparation for each USLP performance measure.

4.1 Health & Hygiene – Reduce diarrhoeal and respiratory disease through handwashing

Performance measure: The number of people reached by Lifebuoy handwashing programmes since 2010 (this covers the period 1 January 2010 to 31 December 2014).

The Lifebuoy behaviour change handwashing programmes are designed to reach children through schools, to reach mothers through health clinics and women’s groups, and to reach people in remote areas via rural outreach programmes such as ‘Khushion Ki Doli’ (KKD) in India. KKD is a multi-brand marketing initiative which reaches out to consumers in media dark villages to promote messages from a variety of Unilever home and personal care brands including Lifebuoy. Lifebuoy features in this programme via a brand film which illustrates Lifebuoy’s role in germ protection and Lifebuoy’s glow germ demonstration.

Definition

Reach is the total number of people influenced to change their handwashing habits as a result of Lifebuoy’s handwashing programmes.

Reach is calculated as the total number of direct contacts per handwashing programme (excluding KKD outreach programme) multiplied by the average number of individuals in a household (“household multiplier”) applicable in each of the ‘in scope’ countries.

Direct contact is defined as an individual who has attended a handwashing behaviour change programme consisting of interactive elements such as educational videos, flip chart or comic book stories as well as demonstrations regarding handwashing, games, and/or continuous practice. These elements align to the five non negotiables that we have identified as being important principles of Lifebuoy’s behaviour change interventions. They are informed by behaviour change best practice, and are grounded in a deep understanding of the target and their soap-use behaviour. They are: 1) programme drives sustained practice of handwashing with soap (HWWS) for 21 days, 2) mother-child interaction, 3) glo germ demo, 4) reward, 5) pledge. We strongly encourage programmes to cover all five non negotiables and direct contacts are only counted once they have completed a minimum of three of these five non negotiables. Since most schools cover these elements through multiple sessions, the average number of attendees over the duration of these sessions are counted as direct contacts for the programme.

Scope

The countries ‘in scope’ of this performance measure in 2014 are: Bangladesh, Brazil, Cameroon, China, Côte D’Ivoire, Egypt, Ghana, India, Indonesia, Kenya, Malaysia, Malawi, Myanmar, Nepal, Pakistan, Rwanda, South Africa, Sri Lanka, Sudan and Vietnam.

Performance data preparation and assumptions

Total reach is calculated as the total number of direct contacts per handwashing programme (excluding KKD outreach programme) multiplied by the average number of individuals in a household (“household multiplier”) applicable in each of the ‘in scope’ countries.

The average number of attendees of the intervention sessions (direct contacts) are logged and consolidated into the total number of direct contacts per programme in each ‘in scope’ country.

The household multiplier is only applied when the specific programme has met at least three of the five non-negotiables, one of which being that programmes must drive sustained practice of handwashing with soap for 21 days. Based on evidence from previous research, we have established that each individual will take back to their household the learning from attending the intervention programme.

In the case of multi-brand rural intervention programmes, such as KKD in India, we count the total number of direct contacts attending i.e. we do not apply the household multiplier to these programmes.

For the calculation of reach in Bangladesh, it is considered appropriate to include all students in the schools as direct contacts as those children who were absent during the 21 day course get hand outs or are taken through the course for

the days they have missed. This approach is undertaken specifically in Bangladesh where school absenteeism rates are high.

For the countries which have been running programmes before 2014, the average number of individuals in a household in each 'in scope' country is based on national census data or recognised survey data. For countries in which the programmes have been executed for the first time in 2014, average number of individuals in a household is based on the latest census data taken from Euromonitor International.

Where different handwashing programmes are run in the same locations, contact with more than one family member of a single household could result. Where this occurs, we exclude the direct contacts reached of a programme according to the following policy:

- Direct contacts of a programme run in the same area as another programme which meets a lesser number of the behaviour change non-negotiables will be excluded.
- Where two programmes are run in the same area and both meet behaviour change non-negotiables to the same degree, the programme with lower reach (by direct contact) is excluded.

No adjustment is made for siblings from the same household reached directly by programmes due to lack of accurate sibling data.

4.2 Health & Hygiene – Provide safe drinking water

Performance measure: The number of litres of safe drinking water provided by Pureit since 2010. The reporting period is from 1 January 2010 to 31 December 2014.

This performance measure was revised in 2014, following an internal review, to report the number of litres of safe drinking water provided. For the period 1 January 2005 to 31 December 2013 the performance measure reported was the number of people who have gained access to safe drinking water from Pureit since its launch in 2005.

Definition

Pureit offers a range of in-home water purifiers that provide safe drinking water and meets stringent safety standards. The number of litres of safe drinking water provided is through Pureit devices and its consumables.

Scope

There are 12 countries “in-scope” of this performance measure where Pureit is currently available: Brazil, Bangladesh, China, Ghana, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Philippines and Sri Lanka.

Performance data preparation and assumptions

The numbers of devices and replacement filters (or “consumables”) sold are obtained from the relevant Unilever sales management systems in each ‘in scope’ country.

The number of litres of safe drinking water provided is calculated as:

The total number of devices and consumables sold multiplied by the total purification capacity (in litres) of each device or consumable during its lifetime, as applicable to each of the ‘in scope’ countries.

We make the following assumptions in our calculations:

- Unilever’s range of water purifying devices and consumables sold to Unilever customers are sold to consumers.
- All consumables and devices sold are being used.
- The full purification capacity of each consumable is used within one year.
- The full purification capacity of each consumable is used before replacement.
- There is a zero percent failure rate in Pureit devices and consumables, as all returns to Unilever can be repaired and returned to consumers.

The purification capacity of each SKU (stock-keeping unit) has been determined by product certificates which contains information on the capacity and tests to confirm the purity which have been reviewed and signed-off by Research and Development.

The number of litres of safe drinking water provided from devices and consumables has been rounded down to the nearest billion.

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

Performance measure: The percentage of sales volume of Unilever’s food and refreshment products meeting the criteria for highest nutritional standards, based on globally recognised dietary guidelines from 1 October 2013 to 30 September 2014.

Definition

Unilever’s food and refreshment products portfolio consists of all the individual food and refreshment SKUs including food service marketed by Unilever worldwide, as well as the products marketed through the Pepsi Lipton joint venture.

The highest nutrition standards refer to product levels of salt, saturated fat, trans fats, added or total sugar and kilocalories that are aligned with international dietary guidelines and are therefore the strictest within Unilever’s Nutrition Enhancement Programme. We evaluate the content of these nutrients in our food and beverage products on the basis of the nutritional specifications. These specifications are the basis for nutrient levels disclosure on our product packaging or websites. The nutritional specifications are determined in line with globally and/or locally accepted food regulator methodologies.

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

The standards used are shown below

PRODUCT GROUP	ENERGY	SODIUM	SATURATED FAT	SUGARS	TRANS FAT from Partially Hydrogenated Vegetable Oils
Spreads and Cooking Products	NA	470 mg/100g 600mg/100g salted spreads countries ¹ or 1.3 mg/kcal	33% tot fat	NA	≤1g/100g
Emulsion-based sauces	NA	750 mg/100g mustards 2000mg/100g spritizers: 1250mg/100g	33 %tot fat	15 %en total sugars	≤1g/100g
Water-based sauces	NA	750 mg/100g	NA	15 %en total sugars	≤1g/100g
Dairy cream alternatives	NA	1.3 mg/kcal	33 %tot fat	NA	≤1g/100g
Cream cheese	NA	675 mg/100g	15g/100g	NA	≤1g/100g
Main dishes	2 kcal/g or 700 kcal/serve	1.6 mg/kcal	10 %en	15 %en total sugars	≤1g/100g
Side dishes	2 kcal/g or 400 kcal/serve	250 mg/100g	10%en	15 %en from total sugars	≤1g/100g
Processed meat and fish	2 kcal/g or 400 kcal/serve	800mg/100g	25 %tot fat	NA	≤1g/100g
Meal sauces	NA	340 mg/100g	2g/100g	NA	≤1g/100g
Bread and breakfast cereals	NA	375mg/100g	NA	20g added sugars/100g	≤1g/100g
Filled sandwiches/rolls	2 kcal/g or 400 kcal/serve	1.4mg/kcal	10 %en	15 %en total sugars	≤1g/100g
Seasonings	NA	265mg/100g	NA	NA	≤1g/100g
Soups	NA	265mg/100g	2g/100g	NA	≤1g/100g
Ice cream & Water Ices	110 kcal/serve	NA	3g/serve (1.5g/serve if ≤ 60kcal/ serve)	20g added sugars/100g	≤1g/100g
Savoury snacks	110kcal/serve	300mg/100g	13 %en	NA	≤1g/100g
Sweet snacks	110kcal/serve	300mg/100g	3g/serve	20g/100g	≤1g/100g
Beverages	NA	NA	NA	RTD tea: 5g total sugar/100mL; Other: 5g added sugar/100g	≤1g/100g
All other products	NA	100mg/100g or 1.3mg/kcal	1g/100g or 25 %tot fat or 10 %en	3 g added sugars/100g or 15 %en total sugars	≤1g/100g

1. Salted spread countries = UK & Ireland, Sweden, USA, Canada, Trinidad, Tobago, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay, South and Central Africa

We report the percentage of sales volume (in tonnes) meeting these standards.

Scope

All food and refreshment products including food service sold by Unilever globally in all countries are ‘in scope’ of this performance measure as well as the products marketed through the Pepsi Lipton joint venture.

Performance data preparation and assumptions

The nutritional data for all food and refreshment products including food service are taken from Unilever’s product specification management systems. Ready-to-drink tea portfolio data is taken from the relevant Pepsi Lipton Joint Ventures data management systems.

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

Performance measure

The percentage change in the greenhouse gas impact of our products across the lifecycle per consumer use between the period measured from 1 January 2010 to 31 December 2010 (“2010 baseline”) and the period measured from 1 July 2013 to 30 June 2014 (“2013 footprint”).

Definitions

- The GHG performance measure considers GHG emissions (including Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydro fluorocarbons and Perfluorocarbons (F-gases) and Sulphur hexafluoride (SF₆)) resulting from our products.
- The GHG performance measure is expressed on a ‘per consumer use’ basis. ‘Per consumer use’ refers to the consumed amount per individual portion, single use or serving of a Unilever product by one person. It is based on the amount of product sold to the consumer, and either the recommended dose/use or habits data.
- GHG emissions are measured across the lifecycle and include the following phases of a product: ingredients, packaging, manufacturing, distribution (which includes warehousing and retail), consumer use and disposal.

Scope

Our GHG performance measure calculates the GHG emissions related to our products in 14 countries: Brazil, China, France, Germany, India, Indonesia, Italy, Mexico, Netherlands, Russia, South Africa, Turkey, UK, and USA.

Products excluded from the GHG performance measure are:

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

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

Performance data preparation and assumptions

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

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

In 2014, we recalculated the 2010 baseline to reflect our better understanding of consumer habits data where available and applicable. Therefore, our 2014 GHG performance measure result is not comparable to those results reported in prior years.

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

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

Performance measure

The percentage change in the water impact (water added to the product and water associated with the consumer use of our products) per consumer use between the period measured from 1 January 2010 to 31 December 2010 (“2010 baseline”) and the period measured from 1 July 2013 to 30 June 2014 (“2013 footprint”).

Definitions

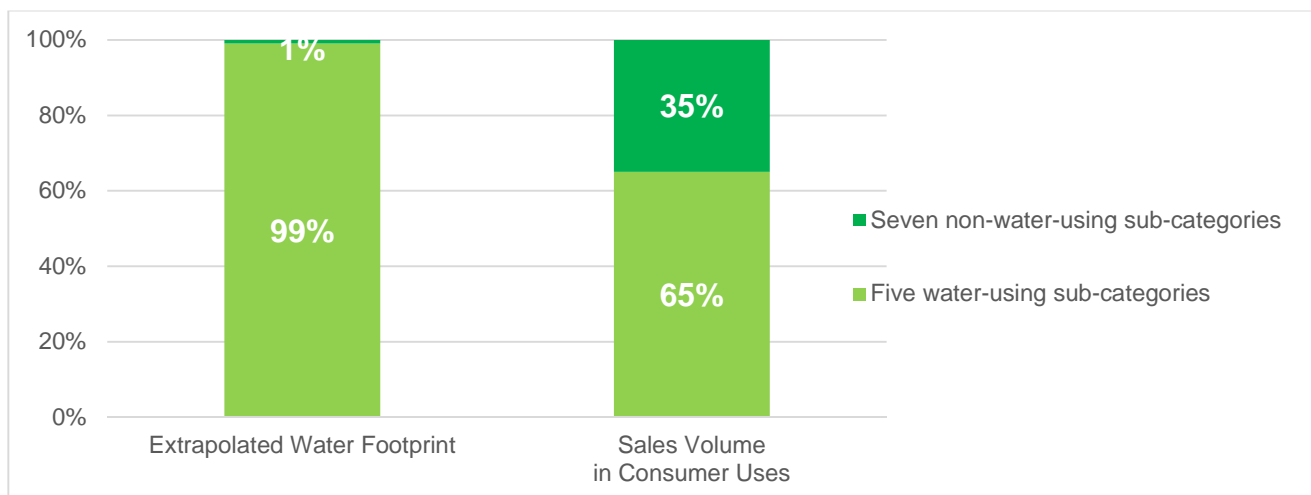
- The water performance measure considers the water we add to the product (ingredients phase) plus the water used by consumers for our products (consumer-use phase). Agricultural water and water use related to non-renewable materials (raw material phase), and water used in manufacturing are not included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

Scope

Our water performance measure is calculated for the seven countries we have identified as water-scarce (China, India, Indonesia, Mexico, South Africa, Turkey and the USA). These seven water-scarce countries were identified as water-scarce based on an assessment in 2008 (updated in 2011) of domestic water used with our products in the 14 key countries.

This year the water performance measure is calculated against our five water-using sub-categories (laundry, hair care, oral care, skin cleansing, and household care). Of Unilever’s 12 sub-categories, these five represent 99% of our absolute water impact (as measured by our performance measure). See figure 1. Prior to 2014, the water performance measure was calculated against all 12 sub-categories.

Figure 1



Products excluded from the water performance measure are:

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

product in our portfolio, Q Tips cotton buds.

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

Performance data preparation and assumptions

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

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

In 2014, we recalculated the 2010 baseline to reflect our better scientific understanding of the consumer habits data where available and applicable. Therefore, our 2014 water performance measure result is not comparable to those results reported in the prior years.

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

5. Environmental and Occupational Safety performance data preparation

Sections 5.1 – 5.8 detail the basis of preparation for each EOS performance measure.

5.1 Water – Quantity of water (in cubic metres) abstracted by manufacturing sites (part of USLP)

Performance measure: The amount of water abstracted in cubic metres by manufacturing sites in 2014 (this covers the period 1 October 2013 to 30 September 2014). The quantity of water abstracted in cubic metres during the reporting year compared to the quantity of water abstracted in cubic metres in the baseline year (2008).

Definition

Water abstracted is defined as water imported by Unilever manufacturing sites from municipal supplies, bore hole, river, sea etc. Each factory records water abstracted as either potable water (drinking water quality) or non-potable water (non-drinking water quality). Total water abstracted is the sum of potable and non-potable, measured in cubic metres. Examples include water used as an ingredient in products, uncontaminated non-contact cooling water and waste water.

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

Scope

Water abstracted by manufacturing sites does not include rainwater captured and treated on the manufacturing site. Water contained in raw materials is not included. However, water abstracted for use as an ingredient in products is included. Water abstracted by third parties that manufacture or package products for Unilever is excluded.

Performance data preparation and assumptions

Measuring water abstracted by Unilever manufacturing sites when it enters the factory boundary is more specific than 'use' of water resources which can have multiple meanings. All imported water as recorded on meter reads/invoices is captured by each manufacturing site in the EPR system. All data is recorded in cubic metres.

The EPR system summarises and aggregates the data into standard reports by manufacturing site and at regional and global levels.

5.2 Emissions of chemical oxygen demand (COD) in kg per tonne of production

Performance measure: Chemical oxygen demand (COD) in kg in 2014 (this covers the period 1 October 2013 to 30 September 2014).

Definition

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

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

Scope

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

Performance data preparation and assumptions

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

Where direct measurement of COD is not carried out, estimated COD concentration is calculated by reference to previously taken samples.

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

5.3 and 5.4 Greenhouse gases:

- **CO₂ emissions from energy use in kg per tonne of production and change in the tonnes of CO₂ from energy use in the year ended 30 September 2014 compared to the 2008 baseline (part of USLP); and**
- **Total energy consumption in GJ per tonne of production**

Performance measure: Tonnes of CO₂ emissions from energy used in manufacturing in 2014 (this covers the period 1 October 2013 to 30 September 2014). Absolute emissions during the reporting year compared to absolute emissions in the baseline year (2008).

Definition

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

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

Absolute CO₂ emissions during the reporting year is the sum of CO₂ emissions for each energy source.

We calculate CO₂ emissions per tonne of production, based on absolute CO₂ emissions divided by the sum of production volume in tonnes reported by each manufacturing site.

Scope

The energy sources that result in CO₂ emissions include electricity, coal, natural gas, heavy fuel oil, light fuel oil and steam used in manufacturing sites.

CO₂ emissions from the following uses/sources at our manufacturing sites are excluded:

- diesel/LPG used in forklifts, fire trucks and testing power generators;
- third parties that manufacture or package products for Unilever;
- biogenic fuels (biomass, wood pellets, etc.); and
- renewable electricity purchased from verifiable certification schemes.

Our GHG data does not include minor emissions sources that are beyond our boundary of financial control and that are not material. For example, emissions of CO₂ from energy used in our offices and warehouses are excluded, although we continue to drive improvements in these areas.

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

Performance data preparation and assumptions

Primary energy use data is taken from meter reads/invoices and captured for each manufacturing site in the EPR system. The EPR system contains factors to convert common units of energy (e.g. cubic metres of gas or tonnes of oil) to a standard unit of energy (GJ).

Carbon emission factors are used to convert energy used in manufacturing to emissions of CO₂. Carbon emission factors for fuels are provided by the Intergovernmental Panel on Climate Change (IPCC). Carbon emission factors for electricity reflect the country or sub-region where each manufacturing site is located and are provided by the International Energy Agency (IEA) and local regulatory authorities, for example the United States Environmental Protection Agency (US EPA). Consistent with the USLP metric, this is based on CO₂ emissions as opposed to GHG emissions.

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

5.5 and 5.6 Waste –

- **Hazardous; and**
- **Non-hazardous waste in kg per tonne of production and change in tonnes of total waste in the year ended 30 September 2014 compared to the 2008 baseline (part of USLP)**

Performance measure: The amount of hazardous and non-hazardous waste sent for disposal in kg per tonne of production in 2014 (this covers the period 1 October 2013 to 30 September 2014). The change in the tonnes of total waste sent for disposal in the year ended 30 September 2014 compared to the baseline year (2008).

Definition

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

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

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

Scope

The metric does not include:

- liquid effluent wastes that are discharged from a site typically via pipeline or road tanker – where the chemical oxygen demand (COD) is measured. (These liquid effluent wastes are recorded and reported separately internally);
- waste from building/demolition projects that are not directly related to production;
- waste that is kept permanently on-site through recycling, for example, waste that is mixed with concrete and used as building materials;
- waste temporarily held on site until an economic batch quantity is available for transportation off-site;
- waste generated by third parties in fulfilment of their work which is not related to Unilever production;
- waste disposed by third parties that manufacture or package products for Unilever.

Performance data preparation and assumptions

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

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

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

Performance measure: The number of occupational injury or work-related ill-health (WRIH) events which results from exposure to an occupational health and safety hazard(s), in the course of employment which results in death in 2014 (this covers the period 1 October 2013 to 30 September 2014).

Definition and scope

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

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

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

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

Performance data preparation and assumptions

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

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

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

Performance measure: The number of occupational accidents per one million hours worked (this covers the period 1 October 2013 to 30 September 2014).

Definition and scope

Accidents are measured as a Total Recordable Frequency Rate (TRFR) per 1,000,000 (one million) man-hours. TRFR is defined as all workplace accidents, excluding only those that require simple first-aid treatment.

The TRFR calculation is the sum of all lost-time accidents (LTA) plus restricted work cases (RWC) plus medical treatment cases (MTC) expressed as a rate per one million hours worked.

TRFR is the preferred reporting performance measure for accidents at work.

In line with industry best practice, we include in our definition of an 'employee', temporary staff and contractors who work under our direct supervision.

Performance data preparation and assumptions

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

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