

# MAKING SUSTAINABLE LIVING COMMONPLACE



Unilever



SUSTAINABILITY REPORT 2015–2016



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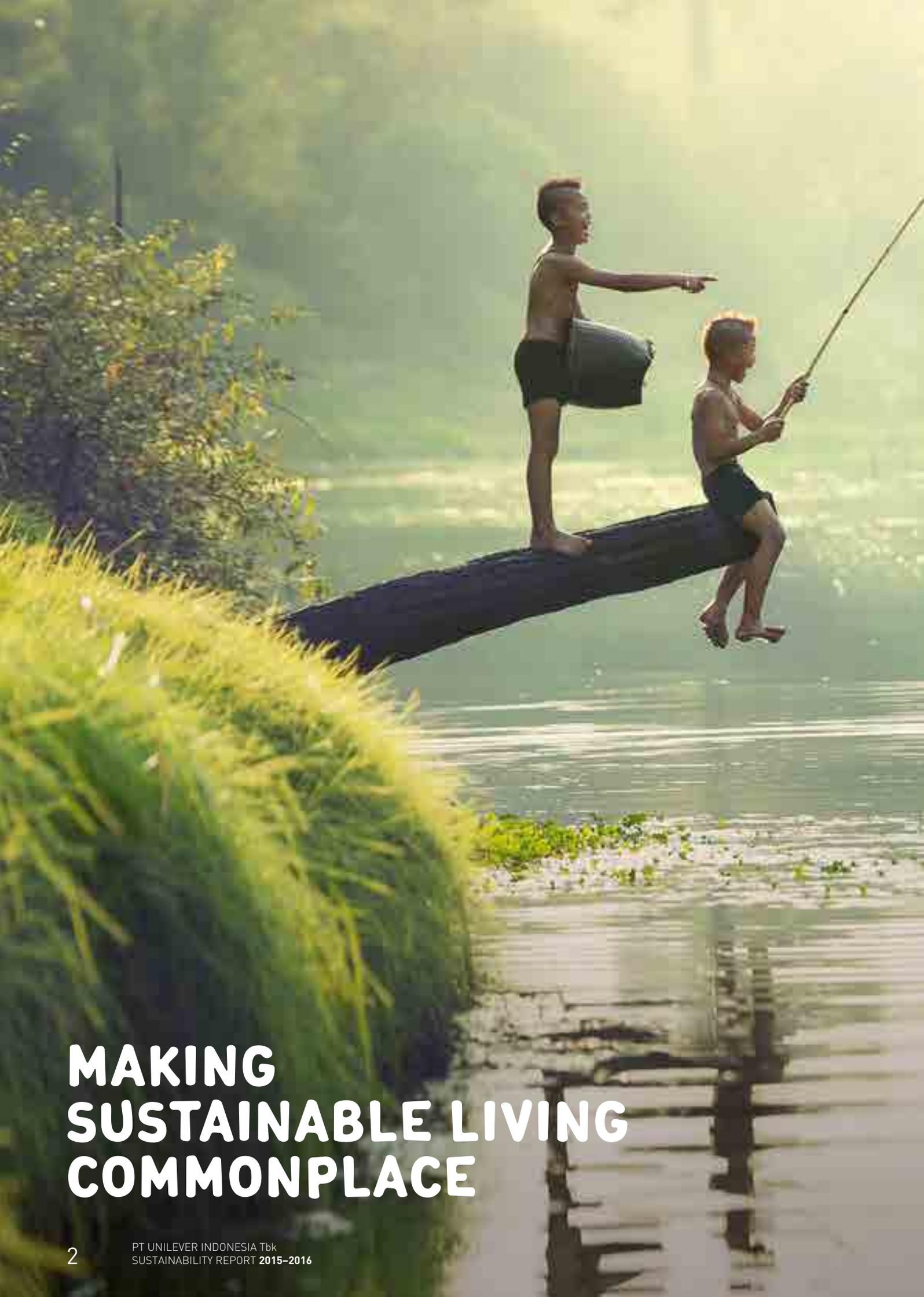
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**FORWARD LOOKING STATEMENT**

This report contains a forward-looking statement. These statements are based on various projections and estimations made by the management of Unilever Indonesia. The forward-looking statements are also coming from sources of common knowledge that used to be a reference to the business. Some or all of them are not guaranteed to be attainable. The statement includes acceptable predictions and assumptions when compiled.



# MAKING SUSTAINABLE LIVING COMMONPLACE



Making Sustainable Living Commonplace is the main goal of Unilever because we believe business growth should not cause adverse impact on humans and the planet. To achieve this goal, Unilever runs a business model that can drive growth to be consistent, profitable and responsible.

To that end, in 2010 Unilever launched the Sustainable Living Plan which consists of 3 primary goals to be achieved by 2020, i.e.:

- Helping more than 1 billion people to improve their health and well-being.
- Halve the environmental footprint of the products we produce, not only those related to product manufacturing but also when they are used in homes.
- Enhancing livelihoods of the people in our value chain.

This report presents what we have done at Unilever Indonesia to support the achievement of these targets with its accomplishments and challenges.

# SUSTAINABILITY OVERVIEW

Unilever Indonesia is one of the most environmentally friendly Indonesian companies selected by the Indonesia Green Companies Award 2016 from the Indonesian Biodiversity Foundation and one of the top 10 most innovative companies in the 2016 Forbes Lists.

## PEOPLE



**13.8** million people

DENTAL HEALTH BENEFICIARIES



**88** million people

AS BENEFICIARIES OF HANDWASHING WITH SOAP CAMPAIGN



**2,428** hours

NUMBER OF EMPLOYEE TRAINING HOURS

**3,320**

people  
EMPOWERED WOMEN (SARASWATI)

**35,500**

people  
SMALL FARMERS FOSTERED



**95%**

CONSUMER VOICE USER SATISFACTION SCORE

**No. 1**

EMPLOYER OF CHOICE IN THE FMCG INDUSTRY



# PROFIT

**RP16.8**  
trillion  
TOTAL ASSETS

**RP40.5**  
trillion  
NET SALES

**9.21%**  
PROFIT  
GROWTH

**35**  
Years  
LISTED IN THE INDONESIA  
STOCK EXCHANGE

**8** Years  
IN A ROW ARE LISTED IN  
SRI KEHATI INDONESIA  
SUSTAINABILITY INDEX

# PLANET



**6**  
Green Proper  
FOR UNILEVER  
INDONESIA FACTORY

**2**  
Blue Proper  
FOR UNILEVER  
INDONESIA FACTORY

**28.53%**

REDUCED GREENHOUSE GAS  
EMISSIONS FROM ENERGY PER  
TON OF PRODUCT

**30.04%**

SAVING ENERGY PER TON  
OF PRODUCT

**100%** plants

SUCCESSFUL PLANT APPLYING  
NON-WASTE TO FINAL DISPOSAL

**1,630**  
NUMBER OF UNILEVER'S  
WASTE BANKS



**4,363** tons  
AMOUNT OF  
WASTE COLLECTED  
AT WASTE BANK

**RP6,450**  
million  
ECONOMIC VALUE OF  
WASTE BANK

# FOREWORD FROM PRESIDENT DIRECTOR



FOR US SUSTAINABILITY AND BUSINESS PERFORMANCE ARE INEXTRICABLY LINKED, THEY ARE NOT TWO INDEPENDENT ISSUES. WE TRULY BELIEVE THAT THE SUCCESS OF OUR BUSINESS CAN BE ACHIEVED BY DOING THE RIGHT THINGS TO OUR CONSUMERS, CUSTOMERS AND SOCIETY, IF WE DO THE RIGHT THINGS FOR THEM, IT WILL BRING BENEFIT TO THE BUSINESS.

**HEMANT BAKSHI**  
President Director of  
PT Unilever Indonesia Tbk



## SUSTAINABILITY AT UNILEVER INDONESIA

In Unilever Indonesia, sustainability program is implemented with a clear link with the inspiring mission in 2010 in the form of the Unilever Sustainable Living Plan (USLP), that is halving our environmental footprint while growing the business and at the same increasing the impact of our brands. It means sustainability is part of Unilever business strategy as well as its business model.

We have been operating in Indonesia for more than 83 years, and with the sustainable business model that we had, the brand had a significant role in our business. Globally, we have 'Sustainable Living Brands' with strong intention to provide social and environmental benefit and make a real contribution to one or more Sustainable Living Plan. These brands have contributed more than 60% of our growth globally in 2016. For that, we continue to develop our brands to promote health and hygiene, as well as community empowerment in our value chain including women.

Such achievement was supported by many sustainability programs, such as fostering sustainable farming in our supply chain for key products and improving livelihood through customer and consumer development program. In the environmental area, we implement zero packaging waste program that newly introduced globally, Unilever Indonesia itself have had meet zero waste factory for several years.

## INTERNALIZING SUSTAINABILITY INTO BUSINESS

Unilever has set 4 pillars of the business strategy of brilliant execution, transformational value, winning organization and sustainable future. Sustainability is part of Unilever corporate strategy at the top.

The strategy is translated into performance target for individuals, that is reviewed on a periodical basis at senior management level and in turn cascaded to all level of employee. Therefore, every person in Unilever Indonesia plays a relevant role in meeting sustainability and business strategy. With this comprehensive plan, business will not only do well but also do good.

## SUSTAINABILITY HIGHLIGHT

Unilever Indonesia had achieved many accomplishments in sustainability, one of worth mentioning is our School Health Program. In 2016, the School health program, at primary and secondary level, reached approximately 2 million Indonesian school-aged children, as we targeted accumulatively 100 million Indonesian people being educated by 2020.

The School Health Program, which a school-based health and hygiene education and promotion, is important as it may bring significant habitual changes for the children. Not only creating the better future generation but also affecting others in surrounding such as parents and neighbors to improve their health and hygiene to increase productivity and welfare of society.

## SUSTAINABILITY CHALLENGES

Indonesia, as well as global economy, faced volatility due to climate change, it is taking the form of environmental pollution, haze, change of weather pattern that happened more frequent in the region. Challenge also rise from natural resource scarcity, such as water. Therefore we also focused our work to reduce water footprint in manufacturing as well as during use by consumers.

In the social area, we also see the increase in income disparity that may affect our business and community where we function. Within our sphere of influence, Unilever Indonesia has work to improve the livelihood of more people. We develop thousands of black soybean and coconut sugar farmers through responsible sourcing and over a million small retailers on the distribution side. These initiatives are aimed to improve their livelihood, promoting sustainability as well as strengthen our value chain.

Since Unilever had set our ambitious USLP target for 2020, we also set an explicit target for several sustainability areas that we considered necessary for our business model worldwide. From the management point of view, the implementation of our sustainability strategies are on track, we enjoy an increase of sustainable living brand and able to improve health and sanitation in the society, reduce environmental impact from manufacturing and product footprint and at the same time improve the livelihood of communities.



## PLAN FOR THE FUTURE

We need to approach these challenges by working together both internally and externally by involving our business partners as well as consumers. Reducing the adverse impact of Unilever Indonesia activities and product is required to improve long-term business sustainability.

For us, sustainability and business performance are inextricably linked, not two independent issues. We believe that the success of our business can be achieved by doing the right things to our consumers, customers and society, if we do the right things for them, it will bring benefit to the business. There is synergy between sustainability values and business growth.

## THIS REPORT

The purpose of this report is to communicate our strategy, achievement, and challenges that we had in managing sustainability in Unilever Indonesia, our success in implementing USLP and as our Communication of Progress under United Nations Global Compact Initiatives.

We also would like to invite you to join our sustainability initiatives by providing input and comment to this report or to our program to improve our future strategy to make sustainable living a common place.



**HEMANT BAKSHI**  
President Director of  
PT Unilever Indonesia Tbk

# 1 ABOUT US

A photograph of four young women in a modern, multi-story office lobby. They are sitting on chairs and talking and laughing. One woman is standing and leaning on a chair. The background shows glass railings and office spaces on different levels.

Unilever Indonesia at a Glance  
Unilever Indonesia Supply Chain  
History of Unilever Indonesia  
Vision and Mission of Unilever Indonesia  
Values of Unilever Indonesia



# UNILEVER INDONESIA AT A GLANCE

**Established on 5 December 1933, now Unilever Indonesia has grown to become one of Indonesia's leading Fast Moving Consumer Goods (FMCG) companies.**

The Corporate mission has remained unchanged, which are to create a better future every day; to help consumers feel good, look good and get more out of life with brands and services that are good for them and for others.

In doing business, we adhere to the Unilever Sustainable Living Plan (USLP). USLP is our big plan that integrates sustainable living principles in every aspect throughout our business process. This is done beginning with sourcing, manufacturing process, how can our product contribute to improving health and well-being, as well as on how to recycle product disposal.

For more than 83 years operating in Indonesia, Unilever Indonesia operates 9 factories and distribution centers to supply 39 core brands and almost 1,000 Stock Keeping Units (SKU), are marketed through a network of more than 800 independent distributors reaching out to all people in Indonesia.





**83**

Years operating  
in Indonesia

Each home use  
at least

**1**

Unilever  
Product

**39**

Core brands of Unilever  
in Indonesia

**9**

Factories

Almost

**1.000**

Stock Keeping Units  
(SKU)

**2**

Distribution  
Centers

More than

**800**

Independent  
Distributors

# UNILEVER INDONESIA SUPPLY CHAIN

## AGRICULTURE AND FARMING

**763**  
Hectares of farm

Closely cooperate between small farmers, RSPO and WWF produced the first certification for small farmers' palm oil that meets the standards of sustainable management.

**10,500**  
Black soybean farmers and  
**25,000**  
coconut sugar farmers are developed to supply raw materials of Kecap Bango in a sustainable way, through cooperation with universities and received technical and financial assistance to improve farmers' productivity and income



## PROCESSING PLANTS



## LOGISTICS



## DISTRIBUTION CENTERS

**2**  
Distribution Centers



## SUPPLIER FACTORIES

**16**  
Third-party supplier factories



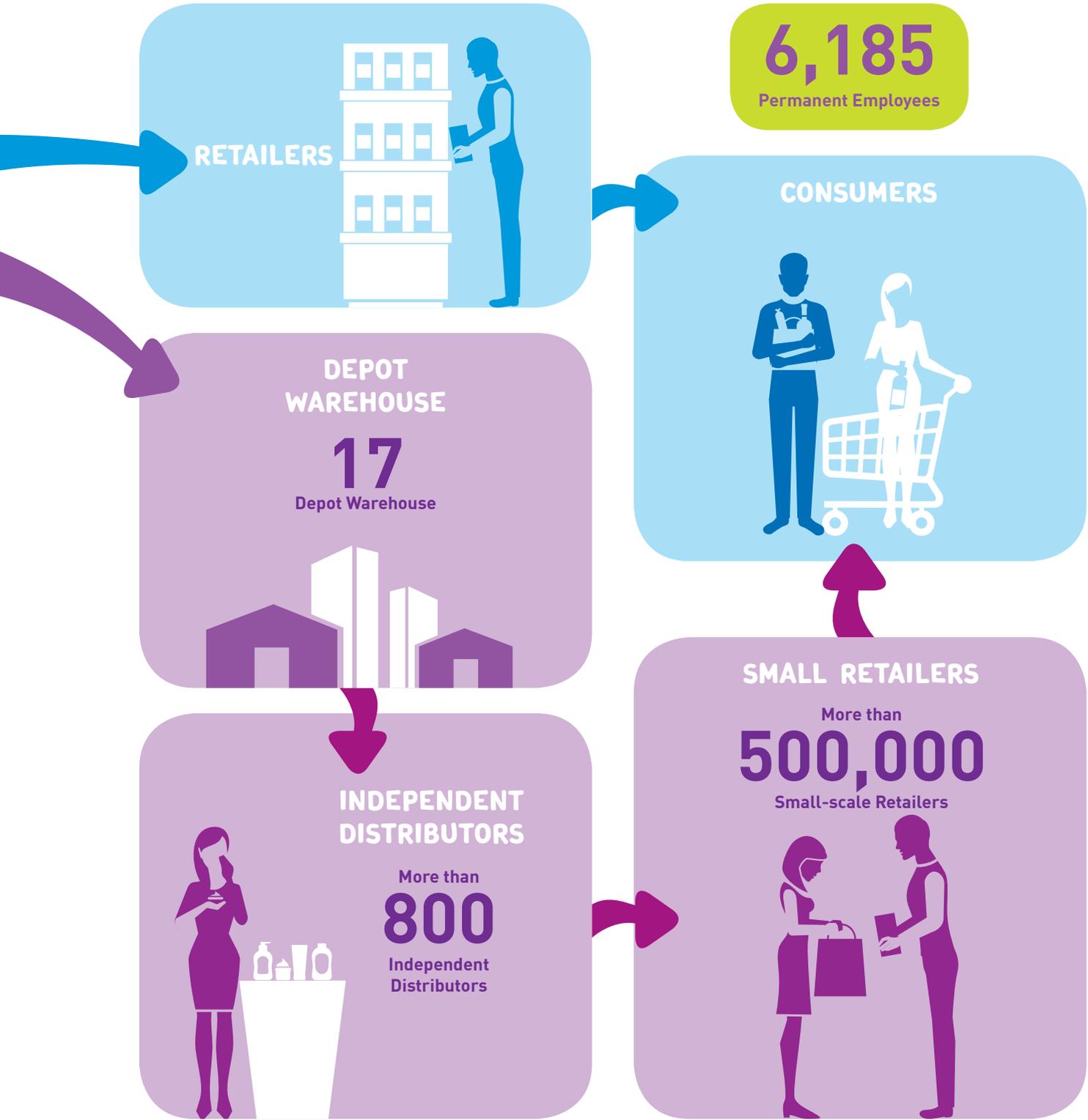
## UNILEVER'S FACTORIES

**9**  
Owned factories



Unilever is committed to play as a major leading role in reducing carbon footprint along our value chain, including eliminating deforestation from the supply chain.

At the upstream, we cooperate with relevant stakeholders to ensure the supply of raw materials from sustainable sources, both for the environment and for the livelihood of the farmers.



# HISTORY OF UNILEVER INDONESIA



- We inaugurated our 9<sup>th</sup> factory in August 2015. The Foods factory with an area of 63 hectares has a production capacity of 7 billion cooking spices and soy sauce per year.
- Launched Unilever brightFuture as a platform for people who believe and want to create a better future where everyone can live in a comfortable and sustainable way. Unilever brightFuture is replacing the previous platform 'Project Sunlight.'

2015



- Launch of '1001 Ramadhan Inspiration' for the first time to unify brands in inspiring more than 40 million people in Indonesia.
- Relocate headquarter to new location of 3 hectares area with more environmentally friendly design, to Bumi Serpong Damai.

2016

Unilever Indonesia celebrated 80 years of Unilever Indonesia's journey, launching "Project Sunlight" to inspire people to join in creating a brighter future not only for children but for generations to come as well.

2013



- Built the largest skin care factory in Asia at Cikarang.
- Penetrated into fruit juice business by acquiring the Buavita and Gogo brands.
- SAP is implemented in all Unilever Indonesia.

2008



- Acquired Knorr Indonesia from Unilever Overseas Holding Ltd and merged it with Unilever Indonesia.
- Relocate hair care products factory from Rungkut to Cikarang.

2004

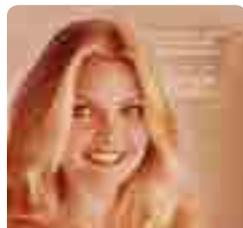


Wall's ice cream factory opened in Cikarang. Conello and Paddle Pop launched in the market.

1992

Unilever was founded under the name Lever's Zeepfabrieken N.V. in Angke area, Jakarta.

1933



Blue Band Margarine and Lux bath soap are marketed in Indonesia.

1936

Unilever Indonesia became an open corporation and released shares to the public with registering 15% of shares in Indonesia Stock Exchange.

1982

# VISION AND MISSION OF UNILEVER INDONESIA

## VISION

To earn the love and respect of Indonesia by touching the lives of every people in Indonesia every day.

## MISSION

- We work to create a better future every day.
- We help people to feel good, look good and more enjoy life with good brands and services for them and others.
- We will inspire people to take small actions every day that can bring up to a big difference for the world.
- We will develop new ways of doing business that will allow us to double the size of our company while reducing our environmental impact.

# VALUES OF UNILEVER INDONESIA

## INTEGRITY

We are committed to integrity because it creates our reputation, so we never compromise on it. It defines how we behave, wherever we are. It guides us to do the right thing for the long-term success of Unilever.

## RESPECT

We are committed to respect because people should be treated with dignity, honesty, and fairness. We celebrate the diversity of people, and we respect people for who they are and what they bring.

## RESPONSIBILITY

We are committed to responsibility because we want to take care of our consumers, customers, and employees, as well as the environment and the communities in which we operate. We take this personally and always do what we say we will do

## PIONEERING

Created us and still drives us as a business. It gives us the passion for winning and for creating a better future. It means that we are always willing to take intelligent risks.

# 2 SUSTAINABILITY AS CORE BUSINESS

**The Objective of Unilever  
Unilever Sustainable Living Plan (USLP)  
Unilever brightFuture  
Unilever and Sustainability Initiatives**



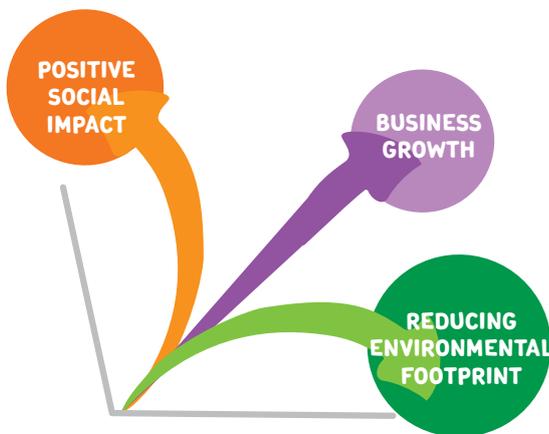
Jeep

*SeKedak*

*kedelai hitam*

# THE OBJECTIVE OF UNILEVER

Since its establishment, Unilever is engaged by the goal. Unilever has a simple yet clear goal - it is a necessity for sustainable living. We believe that this is the best way to achieve long-term business goals.



With clear objectives and broad business operational capabilities, both will support the achievement of our vision of accelerating business growth, while reducing environmental footprint and enhancing positive social impacts.

Unilever's goals and vision are in line with changing attitudes and demands from customers. Unshakable commitment to creating sustainable lives has increased consumer's confidence and built a robust business with lower risk and consistent, competitive, and profitable growth in the long term for shareholders.

## FRAMEWORK OF HOW SUSTAINABILITY SUPPORTS BUSINESS SUCCESS



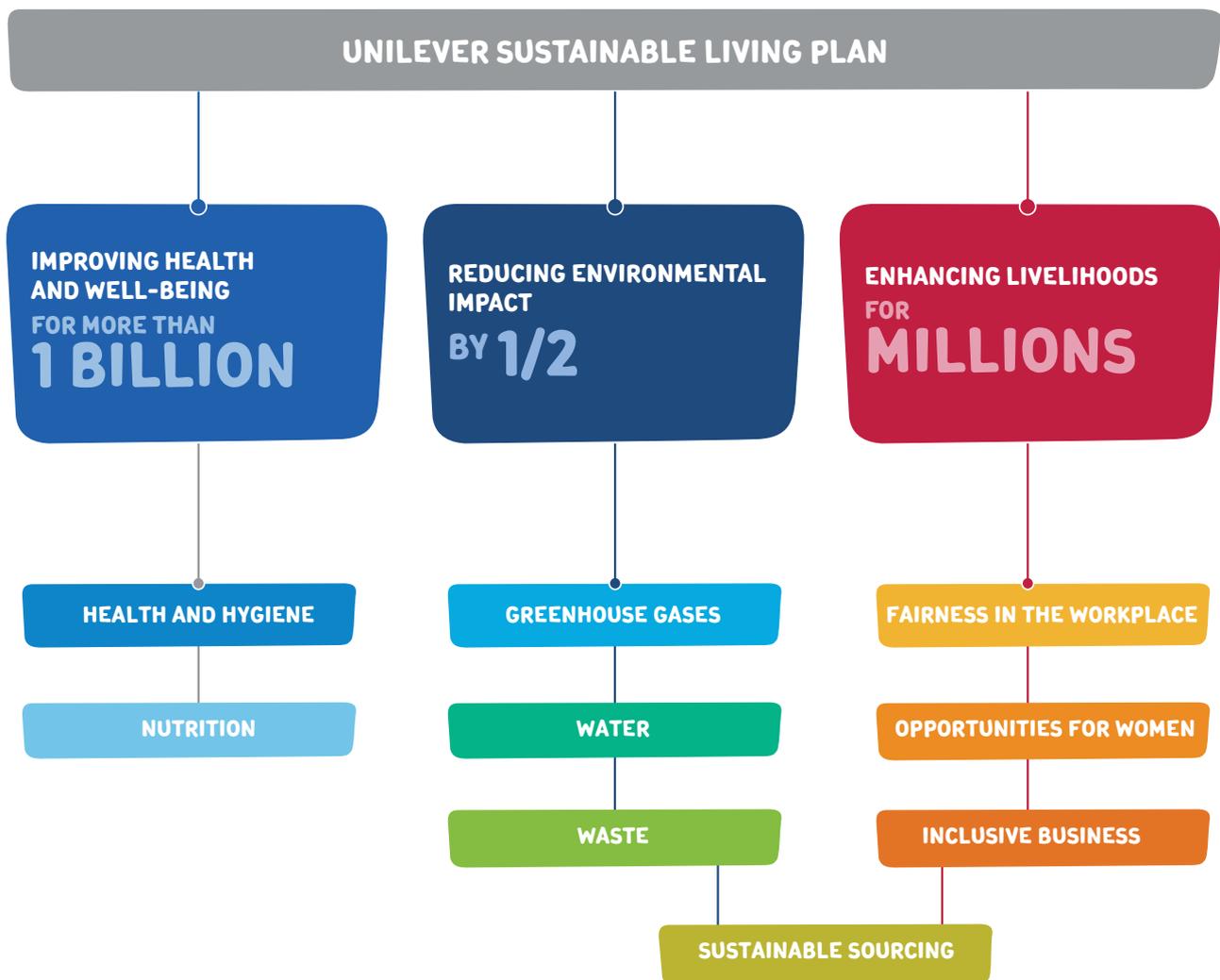


In conducting its business activities, Unilever fully understands that profitable growth can only be obtained if it is done responsibly. In its application, Unilever makes continuous efforts to create a Sustainable Living and Unilever Sustainable Living Plan. Both are at the core of the Company's vision to accelerate business growth while lowering environmental footprint and improving positive social impacts.

# UNILEVER SUSTAINABLE LIVING PLAN (USLP)

Unilever Sustainable Living Plan (USLP) is a Unilever global's long-term strategic initiative implemented by each market that began to be implemented in 2010. USLP is a blueprint for the Company in order to achieve a sustainable business.

## PILLARS OF UNILEVER SUSTAINABLE LIVING PLAN



Particularly in Indonesia, Yayasan Unilever Indonesia (YUI) is the primary medium in implementing Unilever Sustainable Living Plan. YUI was founded on November 27th, 2000, have a mission to seek and empower community potential, provide added value for the community, unite forces with its partners and act as a catalyst for partnership formation.



More information about Yayasan Unilever Indonesia can be found at [www.unilever.co.id/about/who-we-are/yayasan-unilever-indonesia/](http://www.unilever.co.id/about/who-we-are/yayasan-unilever-indonesia/)

**TARGET AND ACHIEVEMENT OF USLP IN INDONESIA**

**Improving Health and Well-Being**

“By 2020, we will help more than a billion people take action to improve their health and hygiene.”	View on page
Health and Hygiene	31-43
Improving Nutrition	45-47

**Reducing Environmental Impact**

“By 2030 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.”	View on page
Greenhouse Gasses	57-59
Water	60-61
Waste	62-65
Sustainable Sourcing	53-55

**Enhancing Livelihoods**

“By 2020 we will enhance the livelihoods of millions of people as we grow our business.”	View on page
Fairness in the Workplace	77
Opportunities for Women	93
Inclusive Business	90-92

# UNILEVER BRIGHTFUTURE

Unilever brightFuture is a call for millions of people in the world to move together to create brighter future for the next generation.

The brightFuture campaign, previously known as Project Sunlight, is an implementation of USLP. This is our effort in inspiring people to take small steps every day that altogether will create real changes. Every year, this campaign, through partnership, focuses on various issues in the community, from sanitation, deforestation, environment, to children health and happiness.



**THE JOURNEY OF UNILEVER BRIGHTFUTURE CAMPAIGN**

Project Sunlight  
**2013**

**BEARING CHILD TO THE WORLD**

Digital campaign in partnership with World Food Programme (WFP) in providing 1 million school meals for students.

Project Sunlight  
**2014**

**SUNLIGHT LIVING CHALLENGE**

Involving 50 families in 5 major cities in implementing clean and healthy lifestyle.



Project Sunlight  
**2014-2015**

**SUNLIGHT SPEECHES**

Campaigns to obtain 8 million signatures for improving sanitation in West Nusa Tenggara. This activity involved volunteering communities, Save the Children, LotteMart, and local NGOs.



brightFuture  
**2015**

**ACT FOR CLIMATE CHANGE NOW**

Inspiring 28 million people in digital media in combating climate change and deforestation towards United Nations Climate Change Conference COP 21 in 2015. This activity was in partnership with WWF Global in protecting 1 million trees in Indonesia and Brazil.



brightFuture  
**2016**

**#BELIYANGBAIK**

Partnering with WWF Indonesia and Hypermart to involving consumers to purchase responsible products to environment, and successfully planted 15,500 trees in 3 river upstreams in Java.

brightFuture  
**2016**

**SO LONG OLD WORLD**

Inviting 77 million people to help creating healthier and happier new world for children through renovating parks and community education in 5 major cities. Consumers' active roles in Hypermart and blibli.com made the initiative successful.



Further information and activities documentations of brightFuture can be found at [brightFuture.unilever.co.id](http://brightFuture.unilever.co.id)

# UNILEVER AND SUSTAINABILITY INITIATIVES

“For whatever reason, poverty cannot be tolerated. We have the opportunity to use trillions of dollars from new markets, investments and innovations that we can achieve. But to achieve that goal, we must question ourselves about what has been done and how to deal with poverty, injustice and environmental challenges. All businesses will get profit if their activities are done fairly, and the world becomes stronger if we achieve the sustainable development goals.”

**PAUL POLMAN, CEO OF UNILEVER GLOBAL**

The Sustainable Development Goals (SDGs) or the Global Goals contain 17 Goals were adopted by the United Nations in 2015. SDGs become a true commitment of world leaders to build a better future and aimed at creating a future of safer and healthier planet. For Unilever, USLP is an approach to achieve SDGs.

In an effort to achieve the Global Goals, Unilever has identified various areas within Unilever’s range of influence in line with the achievement of the SDGs, such as Holistic Water Goals, WASH4Works, Unilever Sustainable Living Plans, Sustainable Living Brands, and Transformational Change.

## **UNILEVER’S ACTIVE PARTICIPATION IN GLOBAL GOALS**

Unilever directly and actively involved in the formulation and implementation of SDGs along with all stakeholders from around the world. For Unilever, this Global Goal is important because it also transforms on how business should be done.

## 2012-2013

Unilever is active in the formulation of a Global Goal involving Unilever CEOs as Eminent Persons in the UN SDGs high-level panel.

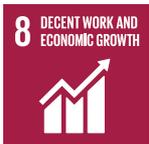
## 2014

Unilever co-ordinates the Post 2015 Business Manifesto development in 2014 of which there are 20 Business leaders involved to support SDGs.

## 2016

CEO Unilever and the UN Secretary-General set up the Business and Sustainable Development Commission.

### CORRELATION OF GLOBAL GOALS AND USLP

Global Goals	Related USLP Pillar	Global Goals	Related USLP Pillar	Global Goals	Related USLP Pillar
 <p><b>1 NO POVERTY</b></p>	<ul style="list-style-type: none"> <li>• FAIRNESS IN THE WORKPLACE</li> <li>• INCLUSIVE BUSINESS</li> <li>• OPPORTUNITIES FOR WOMEN</li> </ul>	 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<p><b>GREENHOUSE GASES</b></p>	 <p><b>13 CLIMATE ACTION</b></p>	<ul style="list-style-type: none"> <li>• GREENHOUSE GASES</li> <li>• SUSTAINABLE SOURCING</li> <li>• WATER USE</li> </ul>
 <p><b>2 ZERO HUNGER</b></p>	<ul style="list-style-type: none"> <li>• IMPROVING NUTRITION</li> <li>• INCLUSIVE BUSINESS</li> <li>• OPPORTUNITIES FOR WOMEN</li> <li>• SUSTAINABLE SOURCING</li> </ul>	 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<p><b>ALL USLP PILLARS</b></p>	 <p><b>14 LIFE BELOW WATER</b></p>	<p><b>WASTE AND PACKAGING</b></p>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<ul style="list-style-type: none"> <li>• FAIRNESS IN THE WORKPLACE</li> <li>• HEALTH AND HYGIENE</li> <li>• IMPROVING NUTRITION</li> </ul>	 <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p>	<ul style="list-style-type: none"> <li>• GREENHOUSE GASES</li> <li>• INCLUSIVE BUSINESS</li> <li>• OPPORTUNITIES FOR WOMEN</li> <li>• WASTE AND PACKAGING</li> <li>• WATER USE</li> </ul>	 <p><b>15 LIFE ON LAND</b></p>	<p><b>SUSTAINABLE SOURCING</b></p>
 <p><b>4 QUALITY EDUCATION</b></p>	<ul style="list-style-type: none"> <li>• INCLUSIVE BUSINESS</li> <li>• OPPORTUNITIES FOR WOMEN</li> <li>• SUSTAINABLE SOURCING</li> </ul>	 <p><b>10 REDUCED INEQUALITIES</b></p>	<ul style="list-style-type: none"> <li>• FAIRNESS IN THE WORKPLACE</li> <li>• INCLUSIVE BUSINESS</li> <li>• OPPORTUNITIES FOR WOMEN</li> </ul>	 <p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p>	<p><b>FAIRNESS IN THE WORKPLACE</b></p>
 <p><b>5 GENDER EQUALITY</b></p>	<p><b>OPPORTUNITIES FOR WOMEN</b></p>	 <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p>	<ul style="list-style-type: none"> <li>• HEALTH AND HYGIENE</li> <li>• WASTE AND PACKAGING</li> </ul>	 <p><b>17 PARTNERSHIPS FOR THE GOALS</b></p>	<p><b>ALL USLP PILLARS</b></p>
 <p><b>6 CLEAN WATER AND SANITATION</b></p>	<ul style="list-style-type: none"> <li>• HEALTH AND HYGIENE</li> <li>• WATER USE</li> </ul>	 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>	<ul style="list-style-type: none"> <li>• GREENHOUSE GASES</li> <li>• WASTE AND PACKAGING</li> <li>• WATER USE</li> </ul>		

# **3 IMPROVING HEALTH AND WELL-BEING**

The background of the page is a photograph of a body of water, possibly a lake or a wide river. The water is dark and calm, with some ripples. In the foreground, there are several reeds or tall grasses growing out of the water. A bird, possibly a heron or a similar large wading bird, is visible in the water, partially obscured by the reeds. The overall scene is somewhat somber and naturalistic.

**Health and Hygiene  
Improving Environmental Sanitation  
Improving Nutrition  
Partnering with Global Organizations**



Photo source: NGO HEARTINDO, Partner of Yayasan Unilever Indonesia

The United Nations Development Program (UNDP) in the 2016 Human Development Report noted that the Indonesia's Human Development Index (HDI) for 2015 is 0.689. This position made Indonesia in the intermediate of human development category and ranked in 113 out of 188 countries and regions.

The grade of Indonesia's HDI has increased by 30.5 percent compared to 1990. This is shown that Indonesia has made a progression in terms of life expectancy at birth, average school year, long-term schooling and per capita gross national income (GNP) in the period. Increased HDI indicates that improvements have been made as well as opportunities to make the welfare more inclusive and equitable.

In improving HDI, health is one important factor in improving the welfare that is also a development capital. This issue becomes relevant for Unilever Indonesia which has been reached almost all households



in Indonesia through a variety of products, including sanitation and nutrition products.

### OUR BIG GOAL

Unilever Indonesia keeps their focus constantly on the health and welfare of the community. Portfolio of Unilever's food, beverages, body treatments, and home care products has encouraged millions of people to build healthy habits in



maintaining health, hygiene, and enhancing confidence.

In the context of Indonesia, Unilever Indonesia, in collaboration with relevant stakeholders, focusing activity in this area through USLP on encouraging the development of healthy behavior in the community and improving their nutrition better with our products. With these two approaches, we contribute to improve the well-being of society.



# HEALTH AND HYGIENE



## Global Goals-3. Good Health

Based on the 2013 Basic Health Research, it is known that diseases (diarrhea and hepatitis) can be transmitted by airborne, vector, food, water, and another transmission medium. These diseases are also correlated to the Public Health Development Index and Sustainable Development Goals (SDGs).

Mostly illness and death caused by diseases can be prevented by applying Healthy and Clean Lifestyle (Pola Hidup Bersih dan Sehat or PHBS) which has been declared by the Indonesia Ministry of Health. Within this framework, Unilever Indonesia seeks to foster community's awareness and improve their knowledge about health and hygiene issues through various programs across Indonesia.

## UNILEVER'S STRATEGY FOR HEALTH AND HYGIENE

Through Unilever Sustainable Living Plan (USLP), globally, Unilever has established a target to assist more than one billion people all over the world to improve their health and sanitation.

To support USLP, Unilever Indonesia combines various program and campaign, done by Unilever Indonesia Foundation itself as well as in collaboration with other departments to realize Unilever Indonesia commitment namely HEALTHY INDONESIA.

## SUPPORT THE BRIGHT FUTURE OF INDONESIAN CHILDREN

In the year 2016, brightFuture take "So Long Old World" as the theme with the core message to influence the community to leave a pessimistic view of our current troubled world; and as one to build a new better world, especially for children to grow in a healthy and sustainable environment and live their childhood with joy.

In 2016, brightFuture is initiated with an invitation to all direct consumers' participation by donating Rp500,- on every purchase of Unilever products which will be collected to repair or provide playground facilities spread across five cities in Indonesia; Jakarta, Bandung, Medan, Makassar, and Yogyakarta.

Improved or equipped facilities also include hand washing facilities/additional education about hand washing, hygienic toilet facilities/hygiene kits, playground facilities and also some educational materials about nutrition and tooth brushing.

We involve the local communities and local governments to utilize and maintain the facilities that have been built and educate 300 women and children to carry out educational programs about health and environmental sanitation.

## UNTUK INDONESIA SEHAT

Unilever Indonesia organized the program Untuk Indonesia Sehat as an application medium of the USLP's Pillar of Health and Well-being. This program is integrating initiatives in areas of health, sanitation, and nutrition undertaken by the Company throughout Indonesia through four major initiatives as illustrated below.



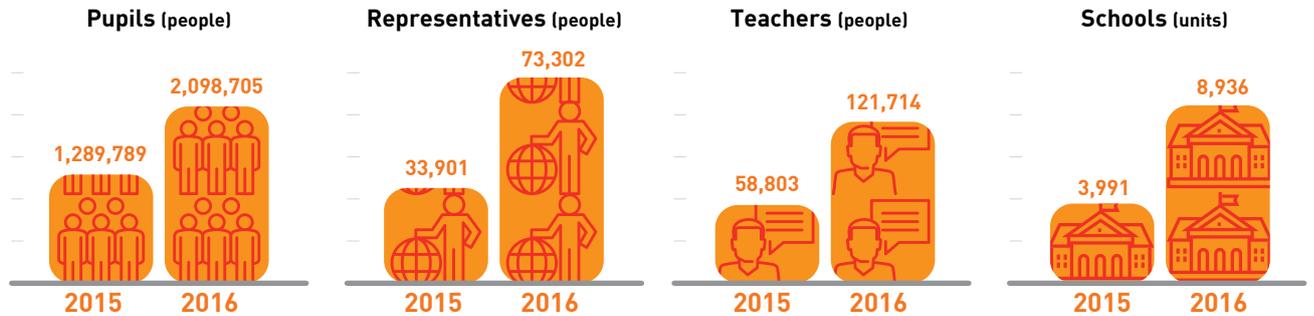
### SCHOOL HEALTH PROGRAM

Unilever Indonesia emphasizes most programs to improve the health and hygiene of the community through education to school children and young people in general.

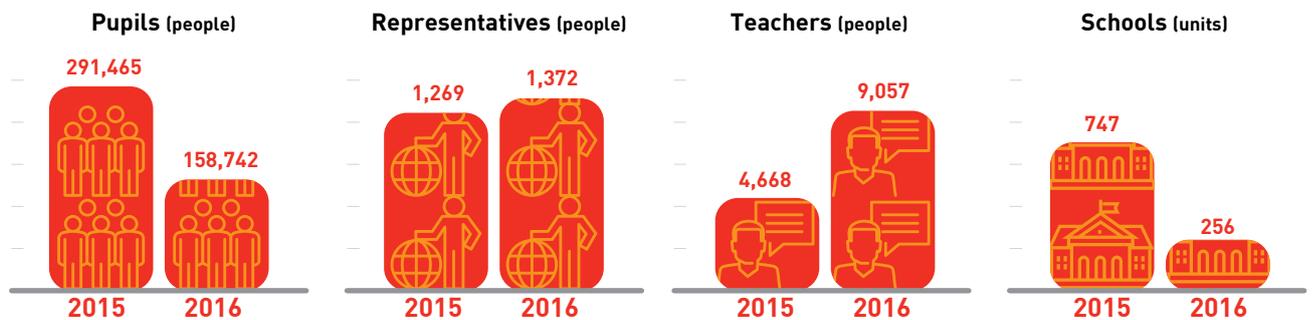
The purpose of this program is to build an energetic and bright generation through promotion and improvement of Healthy and Clean Lifestyle (*Pola Hidup Bersih dan Sehat* or PBHS) so that students can learn better and to reach brighter success. We designed health promotion activities according to age and education level of the young generation.

For children in elementary school, the activities are focused on 6 Healthy Living Habits, while for children aged 13-18 years are more aimed at increasing self-confidence and reproductive health associated with personal hygiene. Through these activities, we also invigorate School Health Unit and activate the role of Little Doctor as a peer educator.

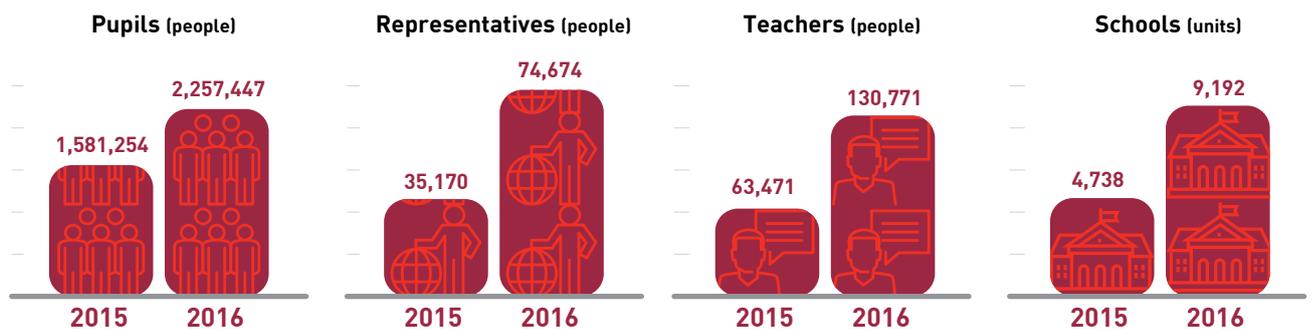
## SCHOOL HEALTH PROGRAM



## TEENAGERS DARE TO LIVE HEALTHY (RBHS)



## TOTAL



Our target on this program in 2016 is reaching up to 2 million pupils.

Unilever Indonesia through YUI is involving many stakeholders both national and local levels to become partners in implementing this initiative. In the partnership, each stakeholder gives relevant contributions with their competency into the program.

## 6 HEALTHY LIVING HABITS

1



### WASH HANDS WITH SOAP

We must wash our hands with soap when we bathe, before breakfast, lunch, and dinner, after using the toilet with soap under running water.

3

### DRINKING CLEAN WATER

We must ensure the availability of potable germ-free drinking water in all places, including schools.



2

### DIVERSE, NUTRITIOUS, BALANCED, AND SAFE FOODS

We have to get the kids to eat a nutritious breakfast before 9 am.

Ensure safe and nutritious schools snack consumption.





## **TOOTH BRUSHING IN MORNING AND NIGHT**

We are obliged to brush our teeth at least twice a day after breakfast and before bedtime. Use a toothbrush and toothpaste that suit our needs.

# 4



## **CLEAN AND HYGIENIC TOILET, BATHROOM, AND FLOOR**

# 5

We all have to keep the toilet clean in order to create a healthy environment for all of us.

# 6

## **MANAGE WASTE AT SCHOOL**

Cultivate the practice to sort out the garbage in school to keep the school environment clean, healthy, and to improve understanding of the economic value of waste.



## TEENAGERS DARE TO LIVE HEALTHY

Remaja Berani Hidup Sehat (RBHS) or Teenagers Dare to Live Healthy program is an educational program for teens in schools, product sampling & installment, and school challenge. The goal is to provide an understanding of healthy lifestyles to all teens so that they can undergo the changes that occur in them well and responsibly to avoid the problem of teen's vulnerability so as to maximize their own potential.

In 2016, RBHS collaborated with Pond's and Rexona to educate teens regarding physiological changes especially in facial skin condition caused by puberty, a phase of teen development. With a good understanding of what is happened and how to take actions, young people become more comfortable with their own personal appearance and hygiene.



## COMMUNITY HEALTH PROGRAM

Program Komunitas Sehat (Community Health Program) is involving community groups incorporated at local levels like Pos Layanan Terpadu (Posyandu) and traditional market traders. On this program, we are integrating activities to support of healthy living habits, community sanitation, and nutrition improvement programs.

Program Komunitas Sehat aimed to build an active and productive community in the promotion of healthy, hygiene and nutrition practices at the community level, which manifested through several activities, such as: Program Ibu (Mother's Program) in Posyandu and Pasar Sehat Berdaya (Healthy Smart Market) to 1, 2 million community members by 2016.

## SUPPORTING HEALTHY COMMUNITY MOVEMENT

In 2016, Ministry of Health launched Healthy Community Movement (Gerakan Masyarakat Hidup Sehat - GERMAS) coincided with the celebration of National Health Day. GERMAS was launched simultaneously in 10 regencies/cities and attended by stakeholders from health area and representatives from various ministries/institutions. Unilever Indonesia supported GERMAS launching in Bantul, Yogyakarta by providing complete installation and equipment for hand washing with soap and tooth brush, 2,000 nutritious breakfasts and 2,000 goodie bags for GERMAS participants, we also established a mini exhibition presenting the theme of Clean and Healthy Living Behavior (PHBS).

GERMAS is a national movement initiated by the President of Republic of Indonesia in responding to change of lifestyle in the society that became one of the causes of Major Disease changes into Non-Communicable Diseases, since 2015. GERMAS contained the following activities:

1. Do physical activity
2. Consume vegetables and fruits
3. Not smoking
4. Not drinking alcohol
5. Periodical health check
6. Clean the environment
7. Use of toilet

This activity was part of Healthy Indonesia Program that aimed to improve partnership to support government program in meeting Sustainable Development Goals (SDGs) in particular for Global Goals-6 "Clean Water and Sanitation." GERMAS is in line with Unilever commitment in promoting Clean and Healthy Living Behavior.



## HEALTH, WELL-BEING, AND NUTRITION PROGRAM COVERAGE 2016



### COVERAGE

### SCHOOL HEALTH PROGRAM

16

PROVINCES

+60

CITIES

+9

THOUSAND  
SCHOOLS  
(Elementary to  
Junior High)

2.3

MILLION  
STUDENTS



More information about Health & Well Being Program can be found at:  
<https://www.unilever.co.id/about/who-we-are/yayasan-unilever-indonesia/program-peningkatan-kesehatan-dan-kesejahteraan/>



### COMMUNITY HEALTH PROGRAM

**30**  
TRADITIONAL  
MARKETS IN  
8 PROVINCES

**1.2**  
MILLION  
MOTHERS WITH UNDER  
5 YEARS CHILDREN  
IN 34 PROVINCES

### PARTNERS

**8**  
LOCAL NGOs

**4**  
INTERNATIONAL NGOs

## MONTH OF NATIONAL DENTAL HEALTH

Pepsodent, a family toothpaste brand by Unilever Indonesia in collaboration with the Indonesian Dentists Association (Persatuan Dokter Gigi Indonesia or PDGI) and the Association of Indonesian Dentistry Faculty (Asosiasi Fakultas Kedokteran Gigi Indonesia or AFDOKGI) held the seventh Month of National Dental Health (Bulan Kesehatan Gigi Nasional or BKGN). BKGN 2016 was taking place at 21 Dentistry Faculties that owned Dental and Oral Hospital and in 30 cities where PDGI branches are located.

BKGN 2016 raised an issue about the importance of the parents' role, particularly mothers to discover and know how to prevent bad habits on their children's oral and dental health condition. As a result to avoid dental problems as early as possible. At every BKGN event, people can get benefits to get more information about dental care and free services of dental and oral care.

# 2010

BKGN event launched at the first time.



# 2.3%

Only 2.3% of people who brushed their teeth at the right time (after breakfast and before bedtime) (RISKESDAS 2013)

# BKGN

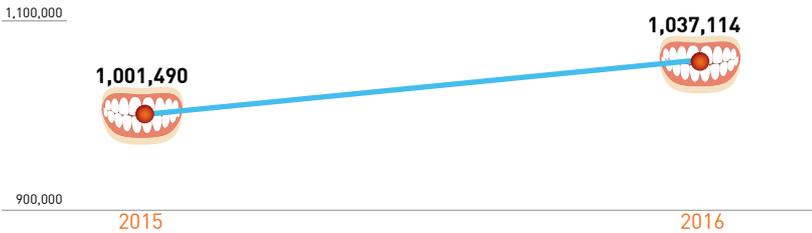
is an initiative to improve the dental health of 100 million people by 2020 and create a healthier Indonesia Smile.

### USLP Scorecard

#### Unilever Sustainable Living Plan: IMPROVING ORAL HEALTHCARE

Target 01

We will use toothpaste and toothbrush brands and health improvement programs to encourage children and parents to brush their teeth every day and night. We set a target to reach 50 million people by 2020.



For 21 years, Pepsodent, a brand of Unilever Indonesia has committed to creating a healthy smile in Indonesia. In this year, we reach more than 1 million children, adding to the total of nearly 14 million children that Pepsodent has reached since 1995 in more than 250 cities from all over Indonesia.





#### USLP Scorecard

#### Unilever Sustainable Living Plan: **REDUCE DIARRHEAL AND RESPIRATORY DISEASES THROUGH HAND WASHING**

By 2020, our Lifebuoy brand aims to change the hygiene behavior of 1 billion consumers across Asia, Africa, and Latin America by promoting the benefits of washing hands with soap at crucial moments.

#### EDUCATING PERSONAL HYGIENE WITH LIFEBOUY

Unilever Indonesia through Lifebuoy brand consistently continues their commitment to support the government's program, Clean and Healthy Behavior (Perilaku Hidup Bersih dan Sehat or PHBS) by educating the importance of Handwashing with Soap (Cuci Tangan Pakai Sabun or CTPS) through Healthy Hand Sharing campaigns that reached more than 88 million people by 2016.

**88**  
MILLION

Until 2016, Lifebuoy has reached more than 80 million healthy hands in Indonesia

**100**  
MILLION

This education is targeted 100 million healthy hands of Indonesia in 2020.

In the 2016 CTPS campaign, Lifebuoy provides an opportunity for the community to participate in giving supports by doing high-5 pledging and sharing messages of 1 (hand) to 5 (five) Indonesian children through #BerbagiTanganSehat (sharing healthy hands) in social medias specifically in Facebook @LifebuoyIndonesia and Instagram @LifebuoyID. Starting with one support, Lifebuoy will educate five Indonesian children about the importance of handwashing with soap.

At this year as well, Lifebuoy introduces the '21 Days Movement' which is believed to be the ideal time period required to instill a habit. About 9 million Indonesians make a pledge to join the 21 Day Program. The 21 Day Movement is an indispensable component of School Health and Community Programs that led by 'Little Doctors' in primary schools, 'Health Ambassadors' in high schools and nurses at community health posts.

Education in the CTPS is done through 9,192 schools spread across 70 cities in 16 provinces, Counseling and training at Integrated Services Post to women at Family Welfare Development in 34 provinces, and 300 thousand hospital health workers in 12 provinces in collaboration with the Indonesia Ministry of Health and Indonesian Hospital Association (Perhimpunan Rumah Sakit Seluruh Indonesia or PERSI).

In addition to the CTPS campaign, Lifebuoy also promotes a campaign for personal hygiene to the community about Lifebuoy's how to bathe properly to the children and also Sehat ada di Tangan Kita (Healthy is in Our Hands) campaign for health workers to reduce the number of hospital-acquired infections (HAI).

# IMPROVING ENVIRONMENTAL SANITATION

Sanitation is an important issue that often diminishes the child's dream for a brighter future. The availability and access to proper sanitation are the basic resources in creating a healthy life that to be needed to learn and grow well. This also includes access to clean water and facilities such as school toilets.



## Goal 6. Clean Water and Sanitation for All

Based on Millennium Development Goals (MDG) Indonesia, in 2015 the target of fulfillment proper sanitation should reach 62.41%. In Indonesia, only 56.24% of households have access to proper sanitation. In Sustainable Development Goals (SDGs), Indonesia targets universal access to sanitation or 100% coverage of sanitation access by the end of 2019.

## REACHING OUT EASTERN INDONESIA

In 2015, Unilever brightFuture, in partnership with Save The Children and supported by local government, has initiated several activities, including improving access to clean water and sanitation facilities, educating and training teachers, principals, and pupils, and also distributing health and hygiene educational materials and other supportive programs.

The education supply and sanitation facilities construction will be reached by 21 schools and 5,388 children in West Sumba District, East Nusa Tenggara Province (*Nusa Tenggara Timur* or NTT). NTT itself is one of five provinces in Indonesia with inadequate sanitation.

## ENVIRONMENTAL SANITATION

In addition, in giving education to the community, in 2015, Unilever provides education of 'Aksi Anti Kuman' ('Anti-Germs Action') in collaboration with the Jakarta Provincial Health Office and community of environmental hygiene observer, *Bersih Nyok!* that aimed to implement clean and healthy home environment and free of germs especially in the rainy season and to anticipate flood that often occurred in the residencies.

Infectious diseases such as leptospirosis and diarrhea are often hitting the community post-flood; in this case, the 'Anti-Germ Action' team was ready to help clean the houses of the flood victims using a disinfectant fluid, Wipol, to prevent the spread of the disease.





## IMPROVING NUTRITION

According to Prof. Dr. Nila F. Moeloek., the Minister of Health of Indonesia, nutrition is having an important role to manifest our life to be healthier and more prosperous. The importance of nutritional adequacy in our daily life is to support a productive and worthwhile life.

In Sustainable Development Goals, the progression in nutrition-related targets will be contributed positively to the accelerated achievement of these goals. Results in efforts to eradicate extreme poverty and hunger, to reduce child mortality rates, and other health and education related targets of SDGs; much depends on how far we are progressing in the field of nutrition.

Unilever really understands the importance of food products for the community welfare and become one of the leading supporters of UN Global Goal of Zero Hunger as a food manufacturer which the products have been enjoyed over 1 billion people worldwide, Unilever also participating in aspects related to the overnutrition and malnutrition. Therefore, the Company provides food products that are not only tasty and appealing but also healthy and high quality.

### UNILEVER COMMITMENT TO IMPROVE NUTRITION

Through the Unilever Sustainable Living Plan, globally, Unilever has set a target to continue to improve the taste and nutritional quality of all our products.

Most of our products have met, or even better than, the standard is based on national nutrition recommendations.

Our further commitment will be: by 2020; we will double the proportion of our portfolio that meets the highest nutritional standards, based on globally recognized food composition guidelines. This will help hundreds of millions of people to get healthier food.

## NUTRITION IMPROVEMENT PROGRAM IN FOOD

As one of the largest food companies in the world, Unilever adopts a simple strategy in nutrition that better products will help people to enjoy a better diet and live a better life.

Unilever's food products in Unilever Food Solutions are developed and enriched with essential vitamins and minerals, reduced salt, saturated fat, sugars and calories in various brands through the global strategy of Nutrition Enhancement Program to achieve the best nutrition standards.

Unilever has set targets to improve nutrition in our products:

- Reduce salinity
- Reduce saturated fat
- Eliminate trans-fat
- Reduce sugar
- Reduce calories
- Provides healthy food information

Unilever applies a tool called Vitality Passport in a nutrition improvement program in food. An individual product will receive Pink & Purple Passport if it meets the strict internal requirements in trans-fat, saturated fat, sugar and sodium.

## NEW BLUE BAND MULTIPURPOSE. MARGARINE WITH OMEGA 3 AND 6

In 2015, the Blue Band Multipurpose created an innovation with essential fatty acids of Omega 3 and 6 that can be stored at room temperature. This product is the only and the first one in Indonesia. Essential fats of Omega 3 and 6 have a significant role in child growth, but can not be produced by the body itself so must be obtained from food intake.

The launch of this product is one of the manifestations of USLP commitment, on the pillars of Improving Health and Welfare to help Indonesians enhance their healthy lifestyles by continuing to improve the taste and nutritional quality of all Unilever products by 2020.

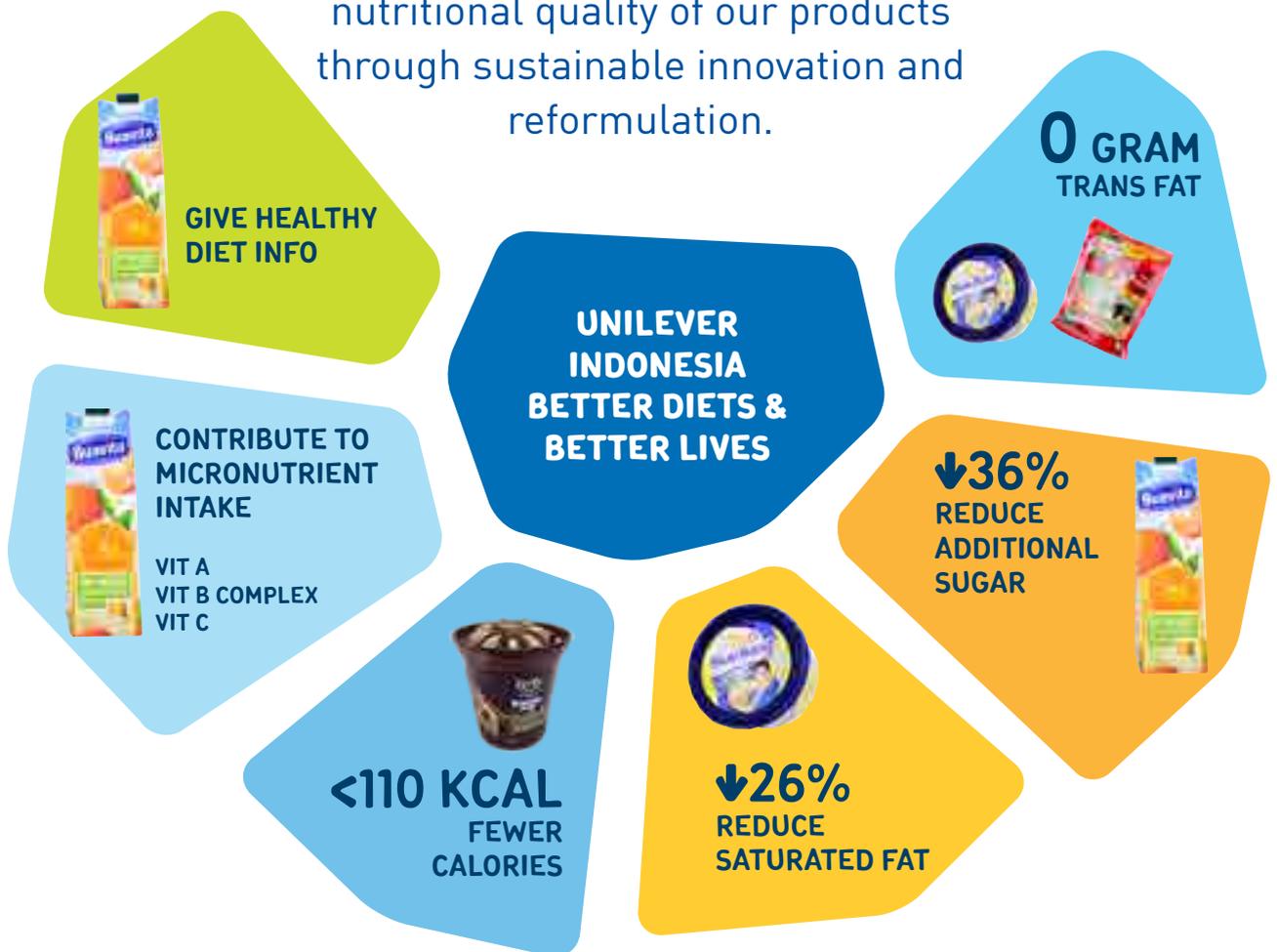
Globally, Unilever is committed to reduce saturated fats, sodium (salt), increasing nutrients of Omega 3 and Omega 6, and consistently removing trans fats from Unilever margarine products.

By launching this product is also in line with the Indonesia Regulation of the Minister of Health (*Peraturan Menteri Kesehatan or Permenkes*) No. 75 Year 2013 on Nutrition Adequacy Rate recommended for the Indonesian. Permenkes recommended consuming about 0.9 grams of Omega 3 and 10 grams of Omega 6 for children aged 7-9 years. While children aged 10-12 years are encouraged to get intake 1.2 grams of Omega 3 and 12 grams of Omega 6 per day; and for adults, 1 gram of Omega 3 and 10 grams of Omega 6.



# WE BELIEVE THAT HIGH-QUALITY PRODUCTS WILL SUPPORT A BETTER DIET FOR A HEALTHIER LIFE.

The healthy life is one of 9 focus in health pillar of Unilever Sustainability Living Plan (USLP). We keep continuing to improve taste and nutritional quality of our products through sustainable innovation and reformulation.







## CARE FOR AREA SURROUNDING

This program contains activities to improve the health and quality of community sanitation facilities which implemented for communities who live nearby Unilever Indonesia factories. The area includes Cikarang - West Java, Rungkut - Surabaya and Sei Mangke - North Sumatra.

# PARTNERING WITH GLOBAL ORGANIZATIONS

Partnerships are a key strategy because we realized that Unilever could not stand alone to do all activities to give more beneficial act to all people. For that reason, we have to find best partners who shared the same vision in implementing and developing initiatives in the areas of health, welfare, and nutrition.

	2014	2015
 <p>United Nations International Children's Emergency Fund</p>	<p>Cooperation to support knowledge management in National Secretariat for Community Based Total Sanitation. The collaboration between two parties was focused in North West Sumba (SBD) to accelerate Community Approaches Total Sanitation (CATS).</p>	
 <p>United Nations World Food Programme</p>	<p>The partnership took place in the form of Provision of Supplementary Food for Students with local food. This program gave benefit to about 14,000 students from 71 elementary schools. The students got supplementary foods for three times per week cooked by mothers trained by WFP.</p>	
 <p>Save the Children</p>	<p>The program is aimed to improve the access and usage of clean water and sanitation facilities in school.</p> <p>21 of 37 junior high schools (SMP) in West Sumba are targeted to be in the program. But along the way, the local government adopted the program to be held in all regions.</p> <p>In 2016, the program succeed to foster 84 junior high school students to become Little Doctor and also selected 74 teachers to share knowledge of health and hygiene from schools to schools.</p>	
	<p><b>126 teachers, 5,388 students in 21 Junior High Schools, and indirectly: 3,000 children and 6,000 community members</b></p>	

In addition to various local partners, Unilever Indonesia has been working with global partners. Until 2017, partnerships with our international organizations are conducted in Water, Sanitation, and Hygiene (WASH) and Nutrition programs involving 4 organizations. The partnership that started in 2014 and by 2017 is entirely submitted to the respective regional governments.

	2014	2015
 <p><b>OXFAM</b> OXFAM International</p>	<p>The partnership aimed to support 'Beyond Availability' program in South Sulawesi, one of its targets is to improve food security in village households in Takalar and Pangkep Residency by strengthening their skill in processing food with proper sanitation and better fresh water use.</p> <p>The program, intended to women empowerment, provides direct benefit to 200 members from ten women group and seaweed farmers in 5 villages.</p> <p>They obtained empowerment to be able to produce and process quality seaweed that acceptable to the market.</p> <p>This program also gave benefit to 200 students and ten teachers in two pilot elementary schools in the two regencies as well as 900 men and women from vulnerable households. It also reached one hundred key stakeholders and 30 government officials in improving their capacities in developing food security policy and the budget plan which is gender sensitive.</p>	

In 2016, the program enters the monitoring phase.

# 4 PRESERVING NATURE, REDUCING FOOTPRINT

A vertical garden system is shown, featuring a central bamboo pole. Various plants, including green leafy herbs and purple-leafed plants, are growing in colorful, recycled plastic bottle planters. The planters are suspended from the pole and are decorated with vibrant patterns in red, purple, blue, and green. The background is filled with lush green foliage, creating a dense and vibrant garden scene.

**Sustainable Sourcing**  
**Reducing Green House Gas Emissions**  
**Reducing Water Footprint**  
**Reducing Waste and Packaging**  
**Engaging with Suppliers to Drive Efficiency**





By 2015, Governments from many countries have agreed on important commitments for sustainable development to adopt Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change. This commitment requires the involvement of the private sector, government and society to make it happen.

We have identified where the Company can make a real contribution to respond these sustainability challenges with Unilever activities. Our response is Unilever Sustainable Living Plan (USLP). USLP and Sustainable Living Brand aimed to take in sustainable development while providing added value for Unilever Business.

### **OUR GREAT TARGET**

Unilever is committed to continuously improving the management of environmental impacts and toward the long-term goals of the sustainable business. We work together in partnership with others to support environmental awareness, improve understanding of the environment, and socializing the best practices.

**In an environmental aspect, Unilever set in 2030 to reduce by half the environmental footprint of the manufacture process and usage of our products, along with business development.**

Unilever Indonesia carries out environmental impact management of activities, products, and services throughout the entire lifecycle. The environmental management strategy starts from the acquisition of raw materials, operations, to the use of products and waste generated after Unilever products are used or consumed.

## **UNILEVER MISSION**

**WE ALWAYS DEVELOP NEW WAYS  
IN THE BUSINESS THAT ALLOWS US  
DOUBLED UP IN UNISON WITH  
EFFORT TO REDUCE ENVIRONMENTAL  
IMPACT.**

# SUSTAINABLE SOURCING

The Company's policy on purchasing process is to seek to purchase raw materials from local sources wherever possible and adhere to the procurement standards and follow implementation in the Responsible Sourcing Policy, Guidelines and Sustainable Agriculture Code (USAC). Responsible Sourcing Policy is designed to ensure well-mannered working conditions across the supply chain. At this stage, we look at the management of environmental and social impacts arising from agricultural and plantation activities.

To become a recognized supplier of the Company, all potential suppliers undergo an audit process for performance assessment based on endurance test, quality management, environmental management, human rights and other social issues as set out in our standards. All suppliers are required to comply with the Company's health, safety, and environmental protection standards completely.

Unilever Indonesia needs agricultural raw materials in significant quantities to produce a variety of food and beverage products. The Unilever principle is to acquire raw materials from sustainable agricultural sources and in the long term to make the effort of systematic changes to agriculture sustainable by reducing deforestation and developing smallholder farmers.

Unilever also encourages suppliers and farmers who grow our raw materials to follow the Sustainable Agriculture Code to implement sustainable farming practices.

In 2016, we renewed our Palm Oil Policy and targeted to purchase 100% physically certified palm oil in 2019. Globally, in 2016 we bought 36% of palm oil that physically certified (representing 9% of total crop materials). Currently, we strive to invest in the location based partnership; this is aimed to improve the availability of sustainable certified palm oil and increase direct procurement from smallholders.

The supply of raw materials for Unilever Indonesia was obtained from 22 suppliers in Indonesia and 53 plantations in Africa, India, Sri Lanka and Vietnam. Now we are working on soybean oil, vegetables, and fruits from sustainable agriculture in 2020.

Since 2015, as an effort to develop the supply chain, Unilever Indonesia in cooperation with the Climate Policy Initiative and IDH Indonesia are supporting smallholder palm farmers in North Sumatra in developing a plan for long-term land management to improve productivity and sustainable livelihoods while ensuring traceability and prevent deforestation.





## **IMPLEMENTATION OF SUSTAINABLE SOURCING FOR BLACK SOYBEAN**

In 2016, we continue to strengthen our commitment to black soybean farmers to meet the target of 100% black soybean from sustainable sourcing in 2020.

For that, we work together with relevant stakeholders to improve adherence to Unilever Sustainable Agriculture Code (USAC). USAC is an independent verification method that guides the farmers in implementing sustainable agriculture practice.

USAC certification preparation activities in 2016 include strengthening the main structure of Internal Control System (ICS) that function as USAC implementation team where Unilever Indonesia's cooperative partners operate.

The ICS team will provide regular training and re-training for aspects included in USAC by inviting farmers from the various area. Control Union (CU) will work together with ICS and cooperative partners in providing training and conducting a gap analysis.

Sustainable Agriculture Act (SAC) is communicated consistently by our field team in farmers group meeting. The team makes a routine field visit to monitor planting areas, assisted by the expert from Faculty of Agriculture - Gadjah Mada University Yogyakarta.



**4,800**

**HECTARES**

Total area planted with Black Soybean

ON **25** CITIES IN  
**6** PROVINCES

**10,500**

**FARMERS**

through 7 partner cooperatives

Unilever Indonesia always strives to be the pioneer in sustainable agriculture in the national forum using experience sharing gained from the above initiatives. Our leadership in Soybean Task Force in Partnership for Indonesia Sustainable Agriculture (PISAgro) program enable us to utilize sustainable and inclusive business model, using black soybean program, as a basis to promote a public-private partnership to support yellow soybean sustainable production.

In 2016, we also participated in Innovative Value Chain Schemes to improve farmer productivity and income. This initiative, also part of PISAgro program, was aimed to improve integrated public-private partnership that involved the Government of Indonesia, Indonesia Chamber of Commerce (KADIN), and Financial Service Authority (OJK).

## OPERATIONAL ACTIVITIES

Environmental impact management at the operational stage is a testament to the systematic change implementation that has done by Unilever to make every component in the supply chains are more sustainable, in line with the objectives Unilever Sustainable Living Plan.

Each plant site of Unilever Indonesia undertakes continuous efforts to improve the environmental performances based on the nature and scale of impact. This effort is made by implementing the ISO 14001 Environmental Management System and participating in the Government's environmental initiatives, including the Corporate Environmental Performance Rating Program (*Program Penilaian Peringkat Kinerja Lingkungan Hidup Perusahaan* or PROPER).

Now, all Unilever Indonesia plant sites have certified ISO 14001 certificates and by 2016 one plant is rated Green and 8 (eight) plants are rated Blue in PROPER that held by the Ministry of Environment and Forestry.



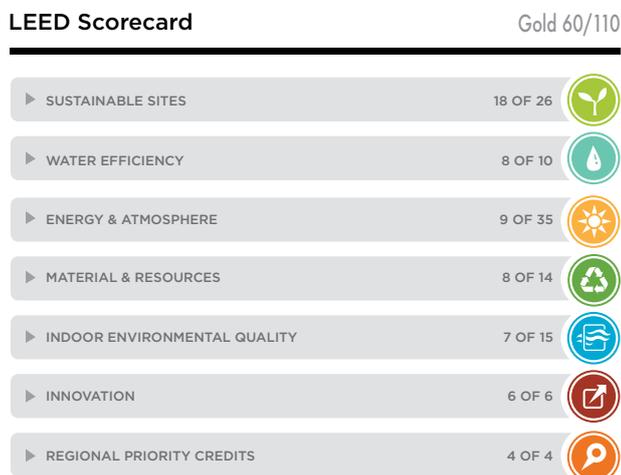
Particularly, all Unilever plants have complied with relevant environmental laws and regulations.

Also, Unilever has developed a series of Key Performance Indicators (KPIs) at every plant sites worldwide, which monitored and reported online monthly in the Environmental Performance Report (EPR), from time to time the data is autonomously audited.

The monitoring aimed to evaluate and manage performance and obtain comparisons for improvement opportunities. There are seven environmental parameters that monitored, i.e.:

1. Chemical Oxygen Demand (COD) requirement,
2. Carbon Dioxide (CO<sub>2</sub>),
3. Energy Usage,
4. Hazardous and Toxic Waste,
5. Non-B3 waste,
6. Sulfur Oxides in air (SO<sub>x</sub>), and
7. Water Usage.

## GREEN FACTORY AND GREEN BUILDING OF UNILEVER INDONESIA



On August 25, 2015, Unilever Indonesia inaugurated a new plant of 63,000 square meters in Cikarang that has the capacity to produce 7 billion of soy sauce and mixed spices units.

This is the first plant that built following the strict environmental standards, which can reduce water consumption by 70% and carbon emissions by 30%, and do not dispose of waste at all to the landfill (zero waste to landfill).

With such characteristics, the plant was awarded the Silver Certificate for Leadership in Energy and Environmental Design (LEED) and was upgraded to Gold in May 2016. In addition, the operation of this plant meets the requirements of FSSC 22000 (Food Safety System Certification), ISO 14000 and OHSAS 18000 standards, and has been certified Halal by Majelis Ulama Indonesia (MUI).

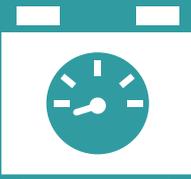
In August 2016, our plant in Rungkut was awarded the first prize of PEEN Award from the Ministry of Energy and Mineral Resources for the 'Energy Conservation for Retrofitted Building' category, because it has reduced energy consumption in Rungkut office building to 112 KWh /m<sup>2</sup> per year, 30% lower than the average energy consumption of office buildings.

Moreover, by 2017 Unilever Indonesia will fully occupy the new building in BSD Green Office Park. The new office combines 4 Unilever Indonesia office locations into one location that make operational activities more efficient. The application of green building concept is awarded Gold Plus Certification from Green Mark Certification U, as a building with good environmentally friendly design.

# REDUCING GREEN HOUSE GAS EMISSIONS

Greenhouse Gas (GHG) emission mitigation efforts are undertaken by Unilever Indonesia on an ongoing basis in line with USLP commitments. To deal with climate change, Unilever has set a new bold ambition that is becoming carbon positive in our operations by 2030. That means in net, Unilever will become a carbon sink instead of as a greenhouse gas emitter.

**Through Unilever Sustainable Living Plan, at a global scale, Unilever has set a target to reduce by half the impact of Greenhouse Gases from our products in the overall product life cycle by 2030.**

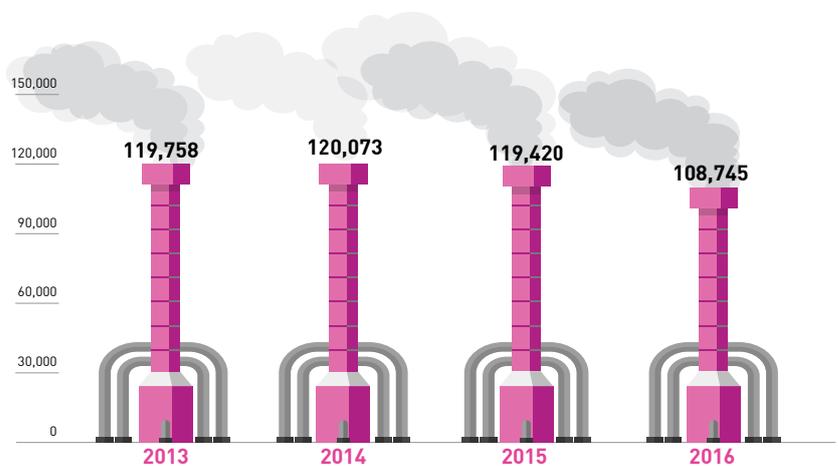


**ONE WAY TO REDUCE THE ENERGY INTENSITY IS TO USE REAL-TIME ANALYTICS TO UNDERSTAND BETTER OF ENERGY CONSUMPTION PATTERNS AT EACH SITE AND IDENTIFY OPPORTUNITIES FOR FURTHER EFFICIENCY.**

## USLP Scorecard Unilever Sustainable Living Plan: GREENHOUSE GAS

**Target 01** By 2030, CO<sub>2</sub> emissions from our plant's energy will be at the level or below 2008 despite a much larger volume.

Unilever Indonesia Achievement (kg/ton)



## MANUFACTURING

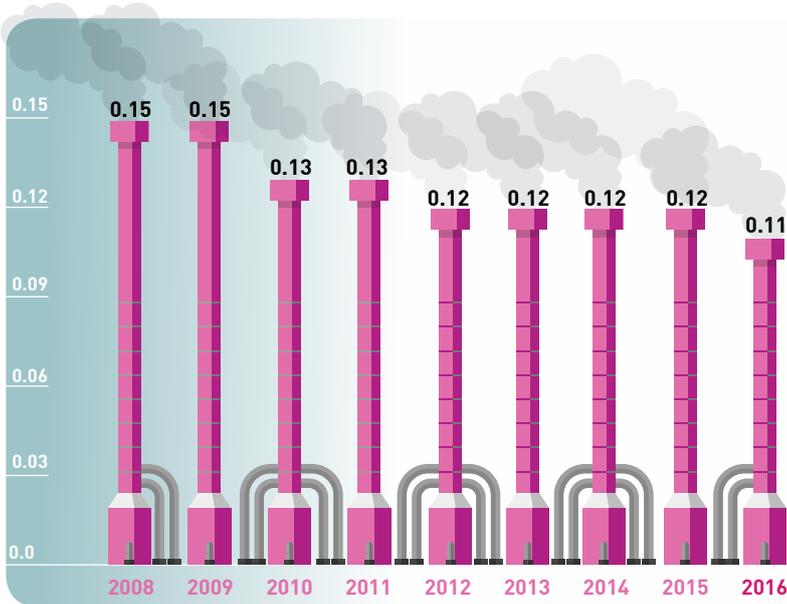
The initiatives to reduce GHG emissions by Unilever Indonesia are carried out in tandem with energy efficiency efforts in operational activities. It includes the use and management of factory equipment to be more efficient and flexible, for example:

- Use the Variable Speed Drive and replace the compressor with a blower at the Skin Care Factory to save energy.
- Set up Solar Cell Installation at Foods and Savory Plants as a renewable energy source, as well as using natural light (skylights).
- Optimize AHU and Chiller operations at the Savory Factory.
- Use of Hot Water Generator to replace Steam Boiler at Foods Factory.
- Increase utilization of waste heat from the water heater at Skin & Deo Factory.
- Optimizing the nozzle spray configuration and reusing sulphonation heat at the NSD plant that capable of reducing the natural gas consumption by 13% in the spray drying tower.
- Improve NH<sub>3</sub> compressor efficiency to reduce CO<sub>2</sub> emissions by 7%;
- Replacing lighting system at Ice Cream and Tea factory with 50% more energy-efficient LED lamps in the packaging, office, RMS and Mixing Plant.
- In addition, we continue to encourage savings by reducing losses by installing conveyors that have an auto shut-off system and use a Gemba approach during machine stops.

We also convert fuel into gas and other improvements so that emissions can be reduced. By reducing fuel use as an energy source and converting from steam boilers to boilers using natural gas, the emission of sulfur oxide to air (SOx) from factory boilers are significantly decreased from 0.0006 to 0.0001 kg SOx or decreased six times compared to the previous year.

Meanwhile, throughout our office locations, the energy savings are made through various initiatives, including turn off lights start from 7 pm, less paper usage and using energy-efficient lighting. By 2016, these initiatives have an outcome in a 3.9% reduction of overall CO<sub>2</sub> emissions in non-manufacturing work sites.

**CO<sub>2</sub> EMISSION INTENSITY (THOUSAND KG CO<sub>2</sub>E/TON PRODUCT)**

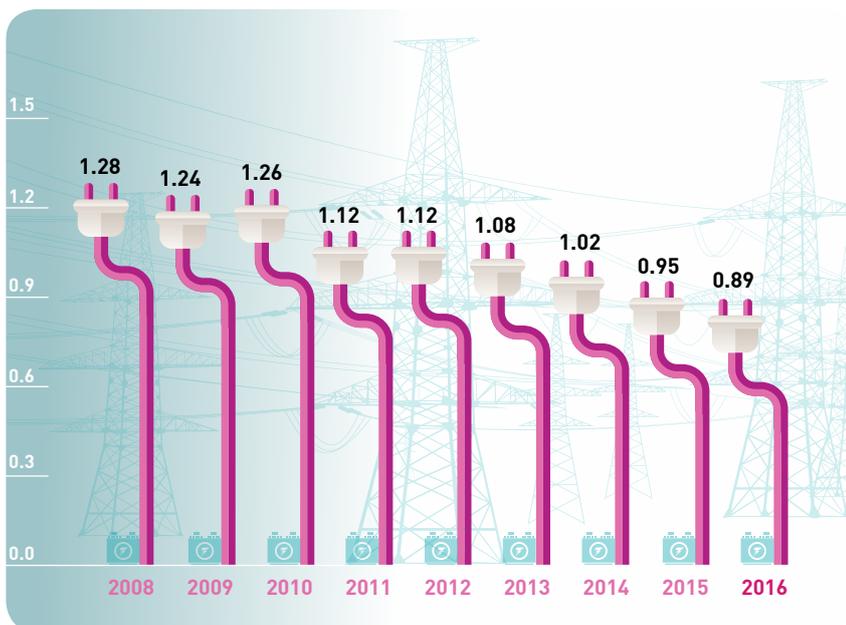


**28.53%**

Decrease in GHG intensity compared to 2008 baseline.

**#9 lowest** of all factories worldwide.

**ENERGY INTENSITY (GJ/TON PRODUCT)**



**30.04%**

Decrease in Energy Intensity compared to 2008 baseline.

**#8 lowest** of all factories worldwide.

Note:

By 2016, Unilever's new factory in Cikarang has already operated Greenhouse Gas Emissions that calculated are energy consumption of Coverage-2.

**81.4%**

utilization of  
transportation trucks.

**45.8 KG**

**CO<sub>2</sub>/TON SOLD**

The logistic GHG emission  
intensity, down from 66,5 kg CO<sub>2</sub>e  
per ton (2012).



**ENERGY EFFICIENCY MEASURES TO REDUCE GHG EMISSIONS IS DONE IN THE DISTRIBUTION AND TRANSPORTATION PROCESS. THIS IS DONE BY INCREASING THE TRANSPORT LOAD BY 90%. REDUCING THE FLEET FROM THE WAREHOUSE TO CIKARANG FACTORY UP TO 22% AND THE ELECTRICITY SAVINGS IN OFFICE CAMPAIGN TO THE EMPLOYEES CAN SUPPRESS THE ELECTRICITY CONSUMPTION IN THE WAREHOUSE UP TO 50%.**

**832 KM**  
**TRAVEL/TON**

Down from 1,001 km on 2012.

## **PROTECTING FORESTS, PROTECTING THE FUTURE**

Forests are very important for life on earth. 1.6 billion people depend on forests directly for food, shelter, fuel, and income. Forests also regulate our climate, eliminate harmful CO<sub>2</sub> emissions, and can also help to slow down the global warming.

Unilever is cooperating with WWF to fund the protection of one million trees in Brazil and Indonesia which are the two countries most threatened by deforestation. Together with WWF and their partners, Birdlife International and Wildlife Conservation Society, we want to involve the community to be aware of forests better and the important role of forests in our daily lives.

Moreover, in 2015 Unilever Indonesia held an event called Unilever brightFuture Volunteer Day. About 500 people participated as BrightFuture volunteers who planted 5,000 mangrove trees and provided environmental education to hundreds of children in elementary school and Jakarta communities.



# REDUCING WATER FOOTPRINT

In the manufacturing process, water is an essential component of Unilever's various products, in addition to raw materials; water is also an important auxiliary material for both production and domestic activities.

Water is also an important aspect of utilizing our products in the hands of consumers, almost every household in Indonesia uses at least one Unilever product, including household care products that require more or less water.

In Indonesia, the availability and access to clean water are some of the sustainability challenges; climate change has resulted in floods in some areas and experience drought in other areas. Even in the capital area, has to deal with water shortage because most of the ground water is contaminated.

As we know it, water is not only considered as a drink from the daily consumption but also imply to implicit usage directly. 95% of the water is implicitly used for clothing, food and daily activities. (National Geographic, 2016)

Through Unilever Sustainable Living Plan, globally, Unilever set a target to reduce by half the water consumption of our products by consumers by 2020.

## PRODUCT APPLICATION

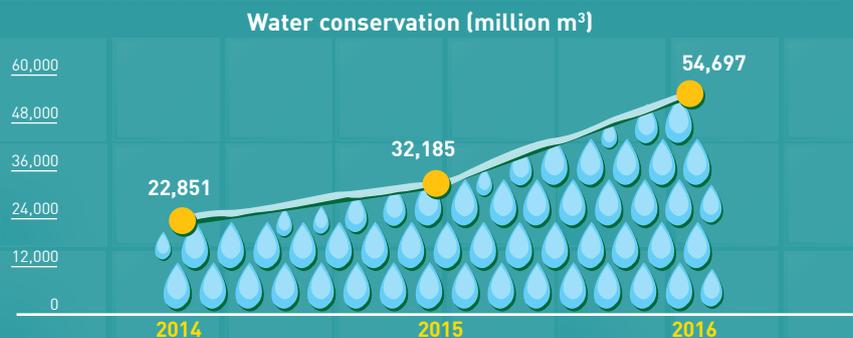
Significant water footprints also occur when the product is used e.g. household care products or soaps. Unilever will keep innovating continuously so that our products can have less water footprint throughout their lifecycle.

### SIMPLE STEPS EVERY DAY



We educate consumers to conserve water, for example by Molto softener brand to encourage consumers to save water through a 'one-time rinse' message. Through a simple change in their daily routine can save water up to two-thirds when doing laundry with an innovative product by Molto Sekali Bilas.

### THE CONTRIBUTION OF 'MOLTO SEKALI BILAS' ON WATER CONSERVATION



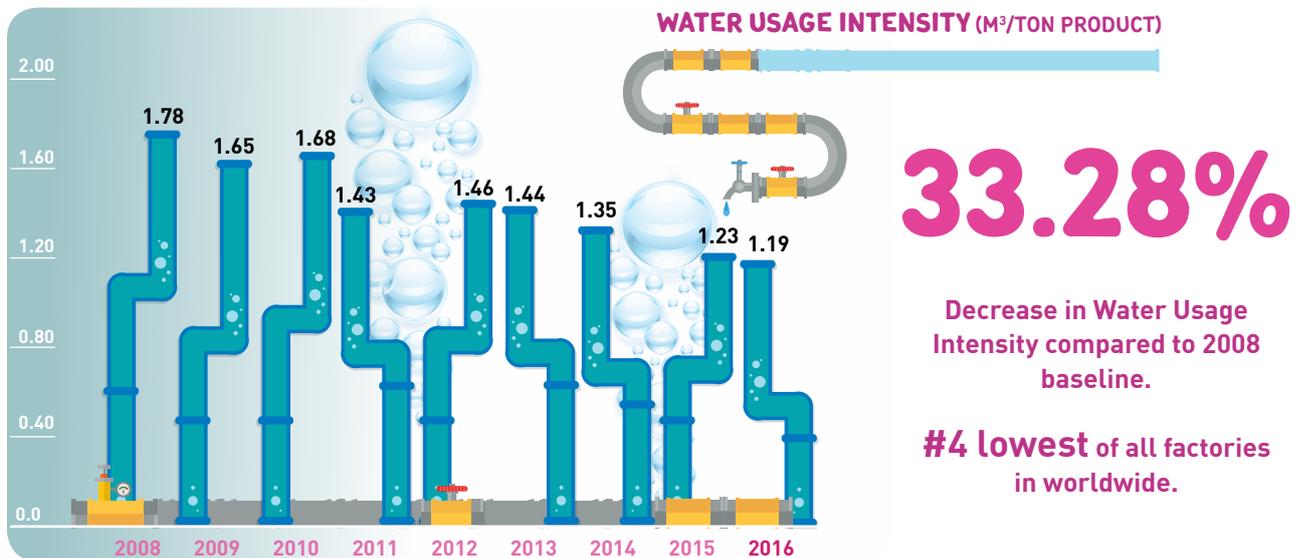
## MANUFACTURING

In factories, most of the raw water is obtained from water supply companies and rainwater utilization. Water is also obtained by recycling and reusing wastewater from treated water in wastewater treatment plants.

Since 2015, at Cikarang factory we started using Ultra Filtration and Reverse Osmosis technology and also setting hot water boilers installation which significantly reduces raw water consumption and maximizes the reuse water, although production volume increases with the operation of the savory factory at Cikarang.

Additionally, in 2016, the efforts to reduce water consumption at the plant are done by recycling and reusing the remaining process water for other purposes, such as using processed water to water the plants at the Ice Cream Factory at Cikarang. We also improve the cooling process with water treatment that reduces make-up water usage at Skin Care and Household Care factory at Cikarang.

Using water wisely is also applied in agriculture and plantations that supply raw materials to the factories. The efforts to conserve water are carried out with eliminating deforestation approaches and the application of good farming patterns so that water sources can be conserved, water usage can be more efficient, and harvests remain productive.



Our other efforts to reduce water consumption include:

- Establish a 600 m<sup>3</sup> rainwater storage system at the Skin & Deo factory in Cikarang. In addition, our efficiency at the factory has been able to reduce water consumption in compressor cooling towers by 60% in 2016.
- In NSD factory which completely recycles waste, and reuses 100% of water in the making Liquid Dish Washing Soap process has been able to reduce water consumption by 23%.
- Installation of a reverse osmosis system and Belt Press in Waste Water Treatment Plant (WWTP) at Ice Cream and Tea Factory had reduced water usage by 12.5% in Ice Cream factory and resulted in zero claims from Jababeka Industrial Estate as COD was always under the requirement of 800 ppm.

## JUST ONE DROP FROM LIFEBOUY CONCENTRATE

Lifebuoy brings the first innovation in the world: the bath soap in the form of Shower Gel Concentrate which is simply used with just use one drop (2-3 ml) for the whole body that can give 10 times better protection against germs.

This product also saves the use of soap by consumers because it has the right dose, different from other liquid soap. With this product, the use of water to apply the product is fewer and less waste generated by consumers, because the application can be more controllable.

This product may reduce carbon footprint from production process of 49%, and reduce 63% of waste by reducing packing size.



# REDUCING WASTE AND PACKAGING

Unilever has conducted a Life Cycle Analysis on over 1,600 products, and one of the conclusions is the biggest waste generated from product packaging. So, the innovation must be done to reduce the environmental footprint it generated.

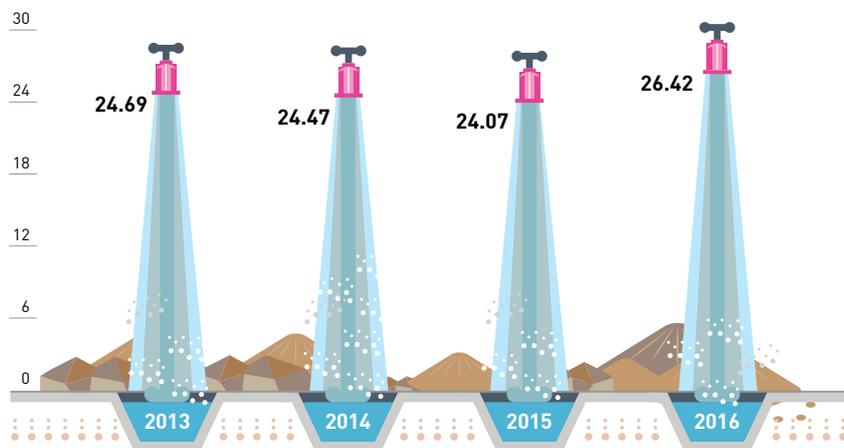
**Through the Unilever Sustainable Living Plan, globally, Unilever set a target to reduce up to half the amount of waste associated with disposing of our products by 2020.**

## USLP Scorecard Unilever Sustainable Living Plan: WASTE

**Target 01**

Our manufacture:  
By 2020, the total waste disposal will be at the level of or under disposal in 2008 despite a much greater volume.

Achievement of Unilever Indonesia (kg/ton)



## MANUFACTURING

Each Unilever Indonesia plant undertakes waste management using the Reduce-Reuse-Recycle (3R) approach to all waste generated. This approach applies to non-hazardous waste as well as hazardous waste.

With zero waste to landfills, all solid non-hazardous waste generation is reused, recycled, composted or disposed of in other environmentally friendly ways. Unilever works with suppliers to change their shipping packaging to be returned and reused.

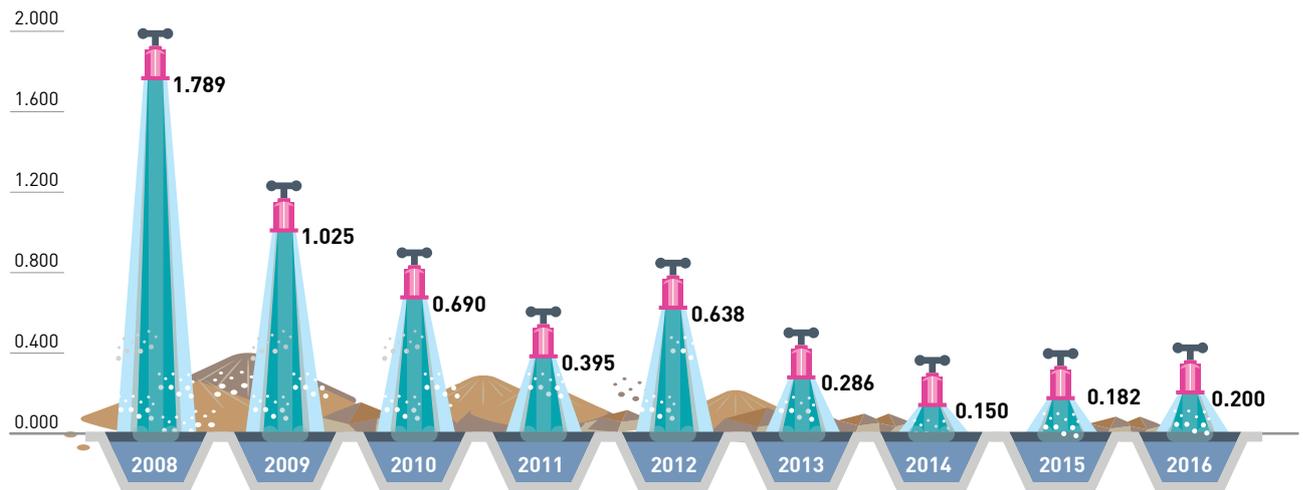
**100% ZERO WASTE TO LANDFILL**

**SINCE 2014 ALL UNILEVER INDONESIA FACTORIES HAVE APPLIED ZERO WASTE TO LANDFILL WITH NO MORE WASTE OF FACTORY WASTE TO FINAL DISPOSAL FOLLOWED BY DISTRIBUTION WAREHOUSES AND HEAD OFFICE STARTING IN 2015.**

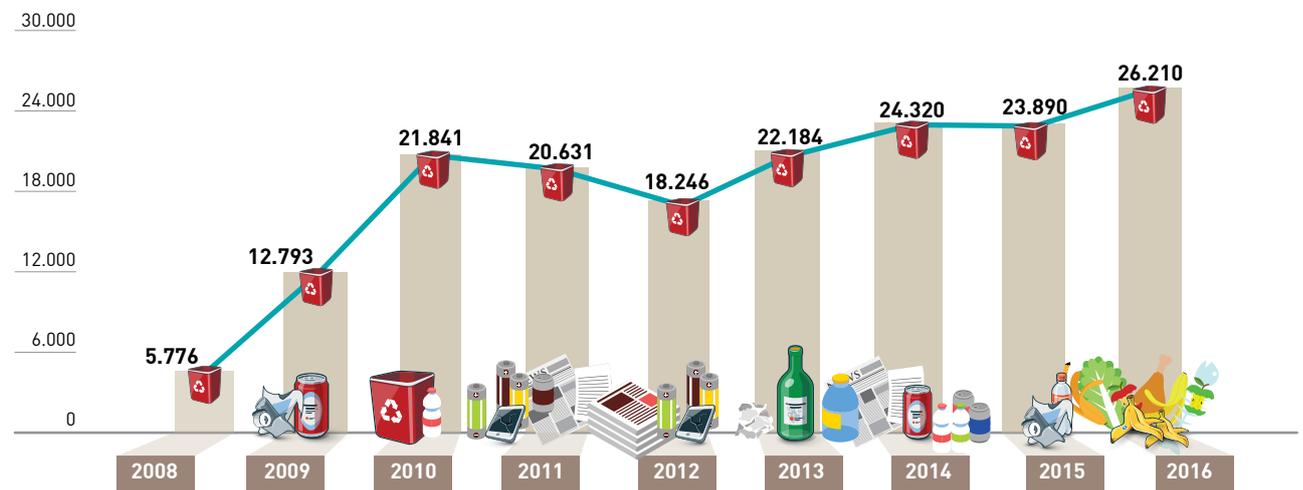
Hazardous waste treatment methods include collaborating with Holcim Geocycle to treat waste sludge as an alternative fuel in cement kilns, replacing mercury lamps into LEDs, and improving waste treatment systems to minimize generation.

Compared to the previous year, Unilever Indonesia's waste intensity increased in 2016. This increase occurred due to product changes. At present, there is a trend for us to produce more products in a smaller packaging and launch several innovations, even though not very significant, but in the case of volume, a ton of products involve more pieces of products.

### COD INTENSITY (KG/TON PRODUCT)



### RECYCLE INTENSITY (KG/TON PRODUCT)



THE WASTE FROM ROYCO, WALLS, AND TEA POWDER FACTORY GENERATED IN CIKARANG IS USED AS ORGANIC FERTILIZER AND COMPOST WHICH IS THEN USED BY FARMERS IN CIKAMPEK AND SUBANG AREA. IN THIS WAY, FARMERS GET ACCESS TO CHEAPER FERTILIZER.

## **UPSTREAM AND DOWNSTREAM APPROACH TO REDUCE PRODUCT PACKAGING WASTE**

The consumers, in the downstream of our business value chain, are parties that have to be included should we want to create a sustainable livelihoods, as 68% of Unilever's carbon footprint were generated from the way our consumers use our products, such as cooking, washing, bathing up to discarding product packaging.

As the key component of Unilever business, sustainability is taking in through innovation in product packaging, including among others: replacing smaller bottle cap of Sunsilk shampoo and conditioner products that may reduce plastic consumption of 123 ton/year.

In 2016, through innovation in the form of smaller packaging and optimizing packaging weight, we have successfully reduced plastic and paper waste totaling 582 tons of plastic and 1,950 tons of paper. From this effort, cost saving obtained from packaging were EUR1.95 million for plastic and EUR800,000 for the paper.

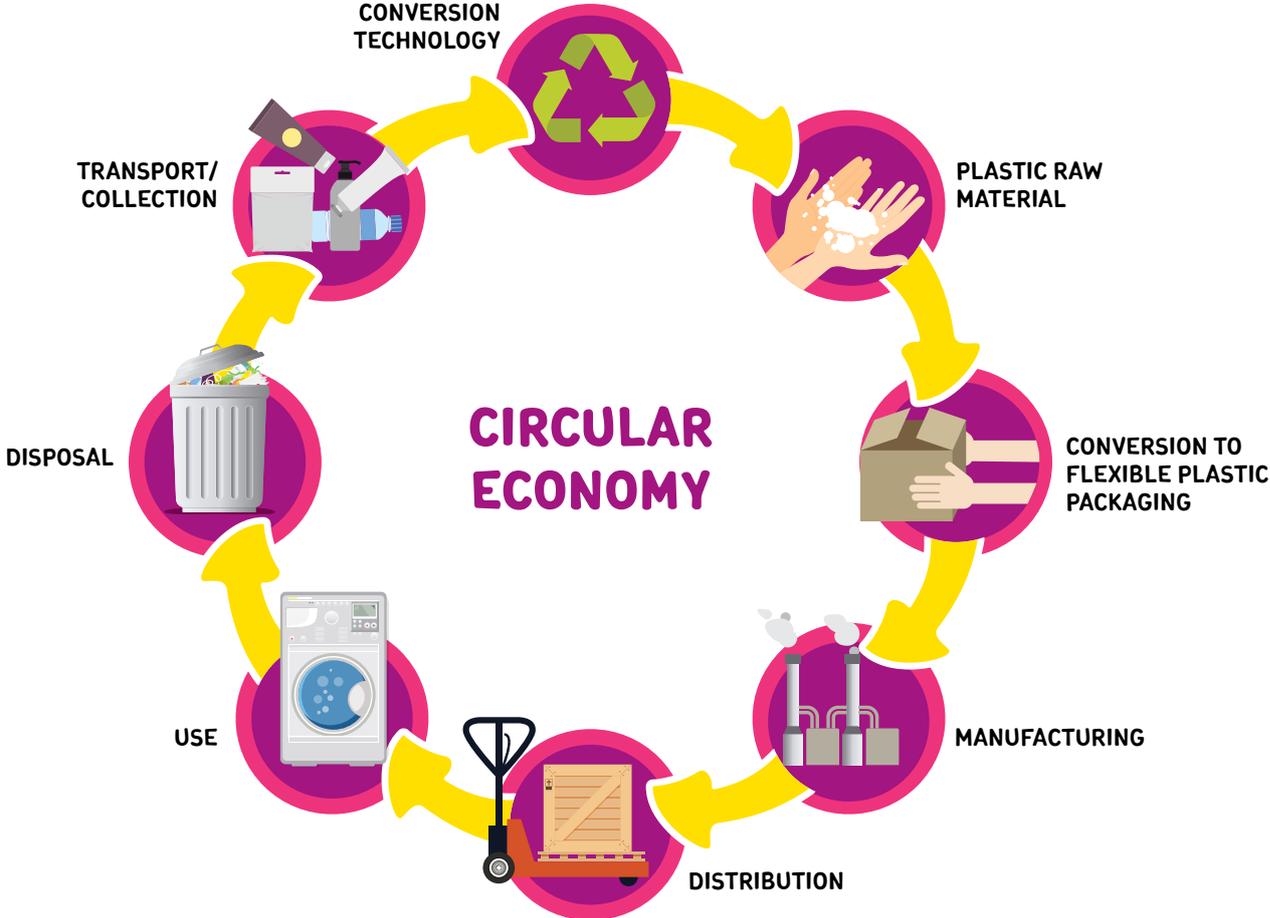


## CIRCULAR ECONOMY APPROACH IN FLEXIBLE WASTE MANAGEMENT

Furthermore, we have adopted 'Circular Economy' approach to reduce environmental impact, especially from our packaging waste.

Since 2016, Unilever began the research to identify suitable technology to manage flexible packaging waste. Several technologies had been tested until finally, we invented CreaSolv® technology.

In cooperation with Fraunhofer Institute UVV, CreaCycle GmbH developed CreaSolv® Process. The so called "Selective Extraction" is based on standard technology process (patented by Fraunhofer Institute). There is no pollution issues arise from it - since the solvent is safe and soluble.



## MOBILIZING WASTE RECYCLING ECOSYSTEM

In realizing circular economy for packaging waste management, it requires not only appropriate technology but also mobilization of the entire ecosystem in the production value chain as well as waste value chain from the source to recovery. On the community side, we educate and assist communities in segregating waste, through Green and Clean program.

We also made a series of studies to learn the best way to recover flexible packaging waste. Some research in the area are as follows:

- Waste generation and composition study in TPA Benowo (SWI, 2014)
- Flexible waste on site recovery rate study (SWI, 2014)
- Flexible waste from Waste Bank recovery rate study (2015)
- Plastic waste value chain study (SWI, 2014-2015)

Other than studies, Unilever also collaborates with other consumer-good companies including PT Coca Cola Indonesia, PT Tirta Investama, PT Nestle Indonesia, PT Indofood Sukses Makmur Tbk, and packaging company such as PT Tetra Pak Indonesia, in providing examples of good waste management. We also actively involved in various circular economy discussions.

## GREEN AND CLEAN PROGRAM

Unilever keenly participates in expanding their influential range to involve communities in reducing waste generation and utilizing waste to be economically viable. Unilever is a leading company that pioneered a massive community waste bank programs in several cities in Indonesia.

Through the Green and Clean Program, we encourage people to manage waste more comprehensively. The program promotes a sustainable waste collection program by establishing a community waste bank and partnering with waste scavengers to establish waste banks at the city level.

The Waste Bank program promotes community empowerment through recycling of inorganic waste, including Unilever packaging. Today there are 1,630 unit in 18 cities in 12 provinces.



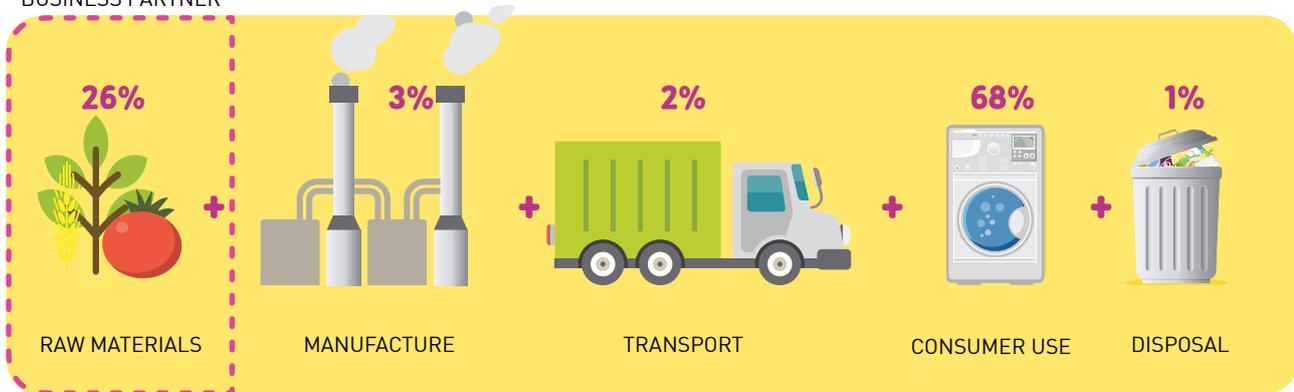


# ENGAGING WITH SUPPLIERS TO DRIVE EFFICIENCY

In 2008, Unilever undertook a baseline study of 1,600 types of products which distributed in 14 countries related to the environmental impacts of products in their lifecycle. The aspects that studied are greenhouse gases, waste, and water.

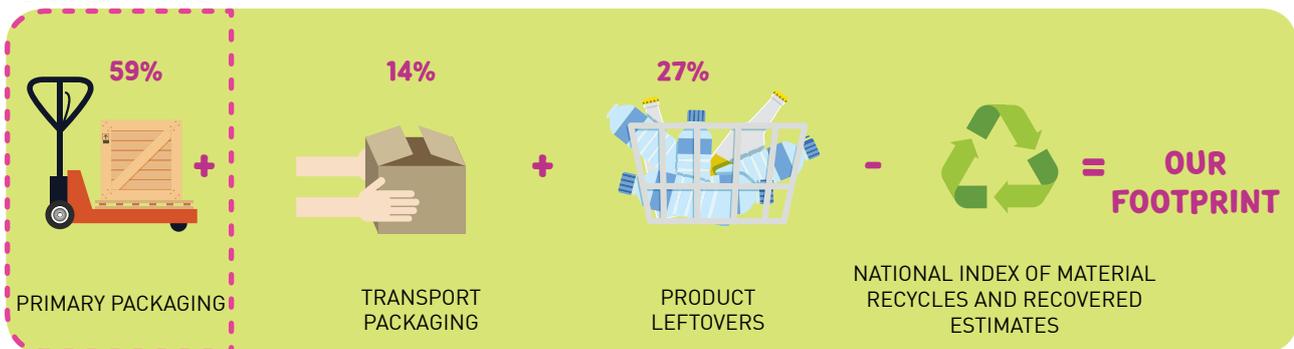
## GREENHOUSE GAS

BUSINESS PARTNER



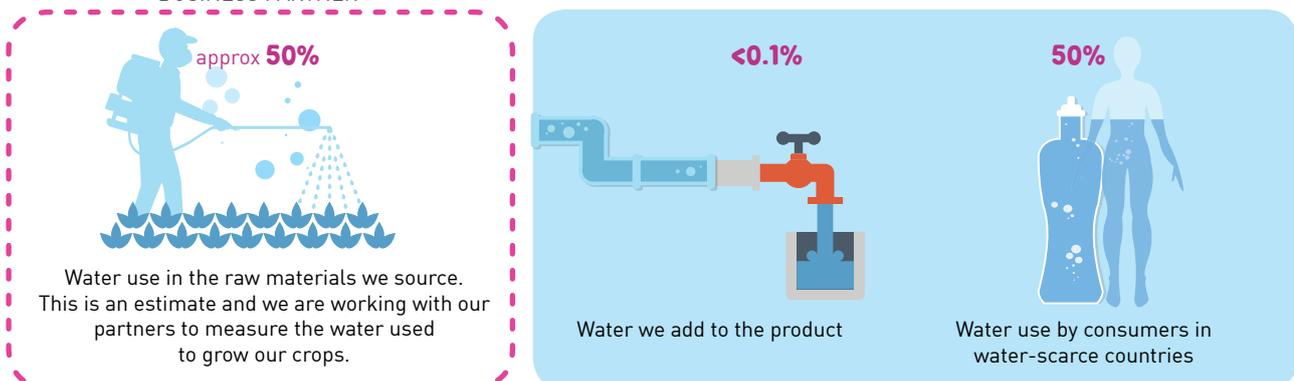
## WASTE

BUSINESS PARTNER



## WATER

BUSINESS PARTNER

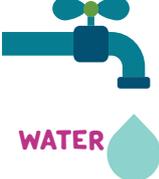


Source for footprint and breakdown below. Unilever 2008 baseline study across 14 countries. Total in tonnes.

In all three aspects, we observed there are significant environmental footprints arising at the raw material stage. In the value chain, raw materials are obtained from Unilever’s business partners to be used in our factories. Therefore, we consider it as an important thing to encourage suppliers to be partners to work with in terms to reduce their environmental footprint.

In this regard, Unilever Indonesia established an environmental club with our suppliers in cooperation to reduce adverse environmental impacts through sustainable consumption and production (SCP) efforts. This initiative has been started since 2012 which is a place for Unilever Indonesia and supplier partners to exchange ideas and create SCP programs in their respective companies.

Partners’ suppliers who participate in this initiative are Dynaplast, DNPI, and Evonik that are able to reduce the intensity of electricity consumption, conserve water consumption, greenhouse gas emissions and waste consistently. In this program, they also adopted the associated USLP targets as exemplified by Unilever Indonesia.

	UNILEVER	DYNAPLAST	EVONIK	DNPI
	50% reduction CO <sub>2</sub> emission impact. Per ton product by 2020 against 2008.	20% reduction CO <sub>2</sub> emission impact. Per ton product by 2020 against 2011.	20% reduction CO <sub>2</sub> emission impact. Per ton product by 2020 against 2014.	20% reduction CO <sub>2</sub> emission impact. Per ton product by 2020 against 2013.
	50% reduction water consumption. Per ton product by 2020 against 2008.	20% reduction water consumption. Per ton product by 2020 against 2011.	20% reduction water consumption. Per ton product by 2020 against 2014.	20% reduction water consumption. Per ton product by 2020 against 2013.
	50% reduction total waste per ton product by 2020 against 2008. 100% ZWTLF by 2014	20% reduction total waste per ton product by 2020 against 2011.	20% reduction total waste per ton product by 2020 against 2014.	20% reduction total waste per ton product by 2020 against 2013.
	<p><b>DYNAPLAST</b></p> <p>Apply SAP System that saves more than 1 ton of paper per year</p>		<p><b>DNPI</b></p> <p>Installation of Booster Pump and Faucet Timer as well as water recycling from STP</p>	

# 5 NURTURING OUR PRECIOUS TALENTS



**Managing Human Resources  
Fairness in Workplace  
Connecting with Passion and Purpose  
Creating a Secure and Healthy Workplace**



Human resources (HR) is an important element for Unilever, for that Unilever set the vision of human resources is to develop human resources to double the business and reduce environmental impacts and maximize social benefits.

For Unilever, human resources are central to all of the Company's activities. We have a priority to invest in improving the professionalism, balance of life and competencies of our employees, which are more than 6,000 people in total, to contribute to the Company.

To achieve those goals, Unilever encourages the creation of a fair and secure working environment, where the rights of each party are respected, and everyone can reach their best potential.



# MANAGING HUMAN RESOURCES

To achieve the vision of human resources which can support growth, Unilever must be a company that is able to invite talented candidates to join us.

**Unilever Indonesia was awarded as one of the Top 10 Companies that became the people's ideal based on the 2016 Indonesia Employers of Choice (EOC) conference held by SWA Magazine together with HayGroup Indonesia and the previous year was awarded as the No.1 Employer of Choice in Indonesia at FMCG industry based on a survey conducted by Universum on nearly 24,000 students from 22 universities.**

Title/Category	Surveyors
Indonesia Employers of Choice 2016	SWA & Hay Group Indonesia
Best Corporation based on Employees' Assessment	Jobplanet
Best Career Development based on Employees' Assessment	Jobplanet
Best Salary and Compensation based on Employees' Assessment	Jobplanet
Best Company Management based on Employees' Assessment	Jobplanet
Most Attractive Company for Jobseekers	Jobplanet
Top 10 Most Sought-after Companies by Jobseekers (based on a survey of 42,000 job seekers in Indonesia)	Jobstreet.com
No. 1 Employer Brand amongst undergraduates in the following categories: <ul style="list-style-type: none"> <li>• All Industry</li> <li>• FMCG Companies</li> <li>• Female Candidates</li> </ul>	Universum – survey of selected universities

## RECRUITMENT

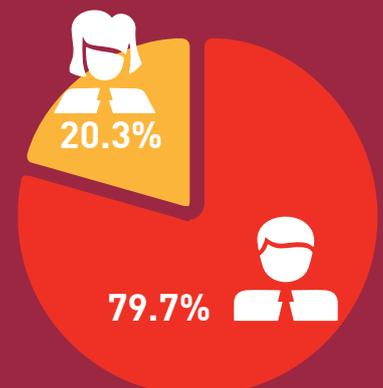
The candidates are obtained through open recruitment and internship programs - Unilever Leadership Internship Program (ULIP) which has been held since 2012. In accordance with the Company's plan, potential candidates will be included in Unilever Future Leaders Program (UFLP) as the basic preparation to acquire the middle and senior management positions in the future. For students who meet certain criteria in following ULIP may have an opportunity to follow UFLP through a particular course.

In addition to ULIP and UFLP intended to fresh graduates and students, Unilever also conducts recruitment for professionals to fill the needs of talents at various levels and functions.

**71**  
**PARTICIPANTS**  
of ULIP 2015

**74**  
**PARTICIPANTS**  
of ULIP 2016

**631**  
**NEW EMPLOYEES ARE**  
**ACCEPTED 2016**



**CONTINUOUS LEARNING**

Unilever is a company that prioritizes ongoing learning to all employees. To facilitate it, we continue to organize various training throughout 2015-2016, whether professional, general or leadership training so that employees have the knowledge, skills, and confidence to support business growth.

There are three main types of training we provided, include:

- Professional, functional or technical training designed to enhance the key skills and competencies that individuals need to work effectively. The training is delivered through various globally managed 'virtual academies,' including Supply Chain Academy, Customer Development Academy, Finance Academy and Marketing Academy.
- Soft skill competencies, such as personal effectiveness, time management, and leadership, through direct training by instructors and e-learning.

- Professional qualification or certification training, for example in finance, we prepare some candidates for Certification from the Association of Chartered Certified Accountants (ACCA).

Most of the training took place at our international-standard training facility at Unilever Learning Center in Mega Mendung, West Java. Other than that, we also provide training through online Learning Hub. The employees can access 24 hours of daily learning resources, including online books, TEDx Talks, and face-to-face learning classes. It is our endeavor to provide sufficient resources and its accessibility to all Unilever employees, at any time and according to their own rhythm and comfort.

We also invest in launching training to over 800 external business partners and distributors as part of our Customer Development operations.



## FORMING A FUTURE LEADER

Unilever Future Leaders Program (UFLP) is one of our methods to create leaders in Unilever through a 3-year management trainee program from recruitment.

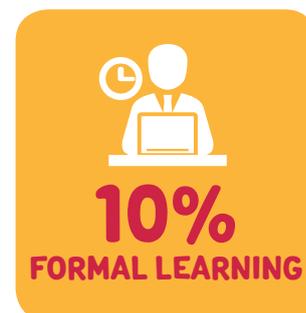
Successful candidates that joined UFLP will undergo challenging programs through structured training, continuous learning, mentoring with world-class standards and experience in various disciplines, both in Indonesia and abroad.

**UFLP is aimed to prepare employees with rotation to various divisions and international rotations as well as direct professional development from Unilever leaders.**

## INDIVIDUAL DEVELOPMENT, REMUNERATION, AND INCENTIVES

Unilever Indonesia provides career schemes for every employee which has been reviewed annually. This career plan follows the 70-20-10 concept, where individual development is achieved from 70% by daily on-the-job experience, 20% mentoring or mentored by senior leaders to give support and guidance on future career, and 10% by training or formal learning.

Our approach to give compensation is embodied in the Total Reward Strategy, which is designed to ensure high involvement, job satisfaction, commitment and performance of the employee by ensuring that high-achieving individuals and teams are awarded equally.



In all aspects of human resource management, including career development, remuneration, and incentives, Unilever treats everyone fairly and equally and without discrimination. This commitment is written in the Unilever Code of Business Principles and Code Policies on the point of 'Respect, Dignity and Fair Treatment.'

For Unilever, diversity in organizations is required to grow; diversity of mind and heart, as well as talent, is capital to open business opportunities.

## STAY CONVERSATION

In 2016, we launched a new program called 'Stay' conversation, which identifies the early signs of discontent within an employee that can cause them to leave the company. With this program, we can deal with the source of the problem and reduce the number of resigned employees.

The end result of this strategy is the employee's resignation rate is reduced by 20% lower than the average market.





# FAIRNESS IN THE WORKPLACE

Fairness in the workplace is a condition whereby the right of everyone working with Unilever is properly respected. This condition is necessary for a business to grow and develop well as well as the fulfillment of human rights.

As part of the Workplace Justice pillar of the Unilever Sustainable Living Plan, we have set ambitious targets to promote human rights, pay fairly, improve employee health, nutrition, and well-being, and reduce workplace injuries and accidents.

**By 2020, we will promote fairness in the workplace by promoting human rights throughout our operations, promoting human rights throughout the supply chain, developing sustainable improvement maps, and encouraging best practice. We will create a framework for fair compensation, and help employees act to improve their (physical and mental) health, nutrition, and well-being. We will reduce injuries and accidents at work in our factories and offices.**

Unilever has set relevant targets for fairness in the workplace, i.e.:

1. Applying the UN Guiding Principles on Business and Human Rights.
2. Utilize 100% procurement budget in line with responsible procurement policies.
3. Create a framework for fair compensation.
4. Improve the health, nutrition, and welfare of employees.
5. Reduce injuries and accidents at work.

## WOMEN IN MANAGEMENT LEVEL AT UNILEVER INDONESIA

Gender equality has been implemented by Unilever Indonesia. In 2016, there are 1,057 female employees working at Unilever. Among them, 38.3% of women are in management, and we have 4 female Directors or 50% of the Company's Board of Directors.

We have strategies to achieve a balanced number of women throughout the organization, including (1) expanding opportunities for women across the entire Unilever Indonesia value chain, (2) increasing access to training and skills, and (3) female employees having equal opportunity to advance by further supporting them to maintain a balance between career and family life.

## INDUSTRIAL RELATIONS

Unilever Indonesia deeply understands the importance of creating and maintaining a harmonious industrial relationship. Formally, this relationship is manifested in the Collective Labor Agreement (CLA).

The Collective Labor Agreement is a reflection of Unilever Indonesia's business conduct that performed responsibly from the upstream to downstream.

For more than 83 years of operation, Unilever Indonesia and the Trade Union have signed 21 Unilever's CLAs that means more than 42 years of Unilever upholds workers' rights. In 2017, we will sign the 22<sup>nd</sup> Unilever Collective Labor Agreement.

# CONNECTING WITH PASSION AND PURPOSE

We fully understand the importance of connectivity and getting insight from consumers and customers (shops). Not only improving Unilever brand and product but also helping society to make a sustainable living. For that, we encourage our employee to stay connected with consumers, shops, and communities through the 3C program (Consumers, Customers, and Community Connected).

In 2016, we started the '3C' (Consumers, Customers, and Community Connection) initiative with the headline '3C Dare You to Move'. It was initiated by the CEO and top management to start making connections and uploading the insight they get on the 3C portal, and then everyone makes 5 connections and so on. Since the launching of '3C Dare You to Move', it has recorded an insight growth of over 1,000%.

To strengthen community relationships, we give opportunities for employees to do volunteer activities in the Unilever Sustainable Living Plan program. Participation in the USLP program is also aimed to increase the sensitivity and closeness of employees with the community and to have a better understanding of their needs.

## LIFESAVERS VOLUNTEERS

The volunteering program where employees can spend their time on helping the surrounding community is initiated in 2015.

They work in teams and then compete with other employee teams based on the reach, benefits, and more.

The winners were sent to Southwest Sumba, West Nusa Tenggara, and Bihar, India to conduct similar activities.





## WORK-LIFE BALANCE

It begins with the understanding that a very dynamic working climate and conditions can lead an employee having an estranged feeling from his family and need more time to enjoy together. We undertake initiatives and provide flexibility for employees to realize these aspirations so that employees can work quietly and productively in the long term.

## AGILE WORKING

Agile working offers flexibility for employees with technological and communications support so that they can still perform effectively. Nursery services are also available for employees who work in the office, so they will not miss the opportunity to watch the children grow. Agile working is practiced by senior managers to be emulated by all employees and to give an understanding that Unilever strongly supports this initiative.

## NURSERY AND DAYCARE

Unilever Daycare was originally a Daycare program for employee's children as a solution to support employee's productivity especially when the household assistant are left for homecoming on Lebaran or Idul Fitri holiday provided by the Company for approximately 21 days.

In advance, the program became a permanent Nursery and Daycare program at the headquarters. This facility allows all working moms to bring the baby to the workplace with adequate supervision, so they can work more quietly.

## FUN VITALITY

An enjoyable working environment will allow our employees to balance their work and lives. With Fun Vitality program, our employees can join in more than 23 clubs according to their interest and hobby. Here at Unilever, is a fun place to work and share a culture of happiness.

**FLEXIBLE WORKING HOURS ARE DETERMINED BY THE EMPLOYEE HIM/HERSELF, THE TEAM AND THE AGREEMENT WITH THEIR SUPERIORS.**

**21 DAYS THE OPERATIONAL DAYS OF DAYCARE SERVICE DURING LEBARAN 2016 IS NOW OPEN PERMANENTLY.**

**23 CLUBS ARE FACILITATED BY UNILEVER INDONESIA.**

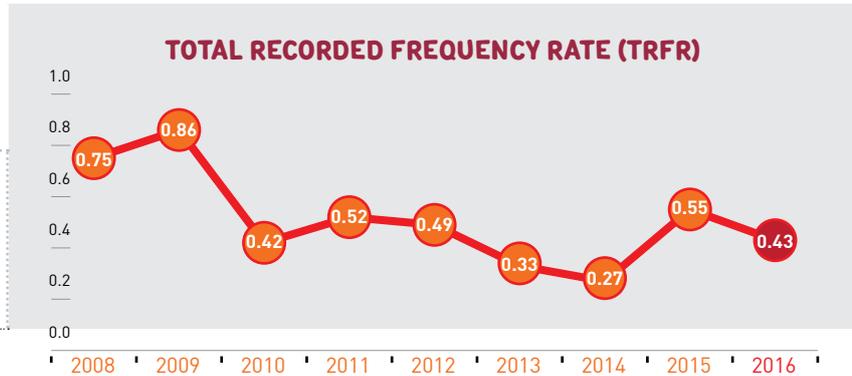
# CREATING A SECURE AND HEALTHY WORKPLACE

## USLP Scorecard

### Unilever Sustainable Living Plan: PURCHASING OF SUSTAINABLE RAW MATERIALS

Target  
01

By 2020, we will reduce our Total Recorded Frequency Rate (TRFR) for accidents in factories and offices by 50% compared to 2008.



Unilever Indonesia is committed to become a zero accident company, both to employees and to all persons who are working on behalf of the Company, including contractors.

**Our goal is to eliminate workplace injuries. By 2020, we will reduce our Total Recorded Frequency Rate (TRFR) for accidents in factories and offices by 50% compared to 2008.**

Occupational health and safety and environmental management or Safety, Health and Environment (SHE) are intensified. This is in line with the business growth and higher activity that leads to increased risks related to hazards in employment.

The Central Safety, Health and Environment Committee (CSHEC) manages the whole aspects of SHE in Unilever Indonesia, from compiling and implementing the policies, procedures, and standards for emergency preparedness; safety outside the working environment; managing the safety of contractors; employees' welfare and environmental sustainability.

## UNILEVER INDONESIA'S SIX CARDINAL RULES OF SAFETY

It is the main key to support employees on making decisions while working. These rules include procedures and manners while driving a vehicle while doing the business activities, working at height, working in a confined space, using electrical equipment, and lifting weights or goods.





**SHE MANAGEMENT SYSTEM**

Unilever Indonesia has implemented a Health and Safety System called Medical Occupational Health at all plant sites. This system is designed to meet the 18001 OHSAS (Occupational Health and Safety Assessment System) criteria.

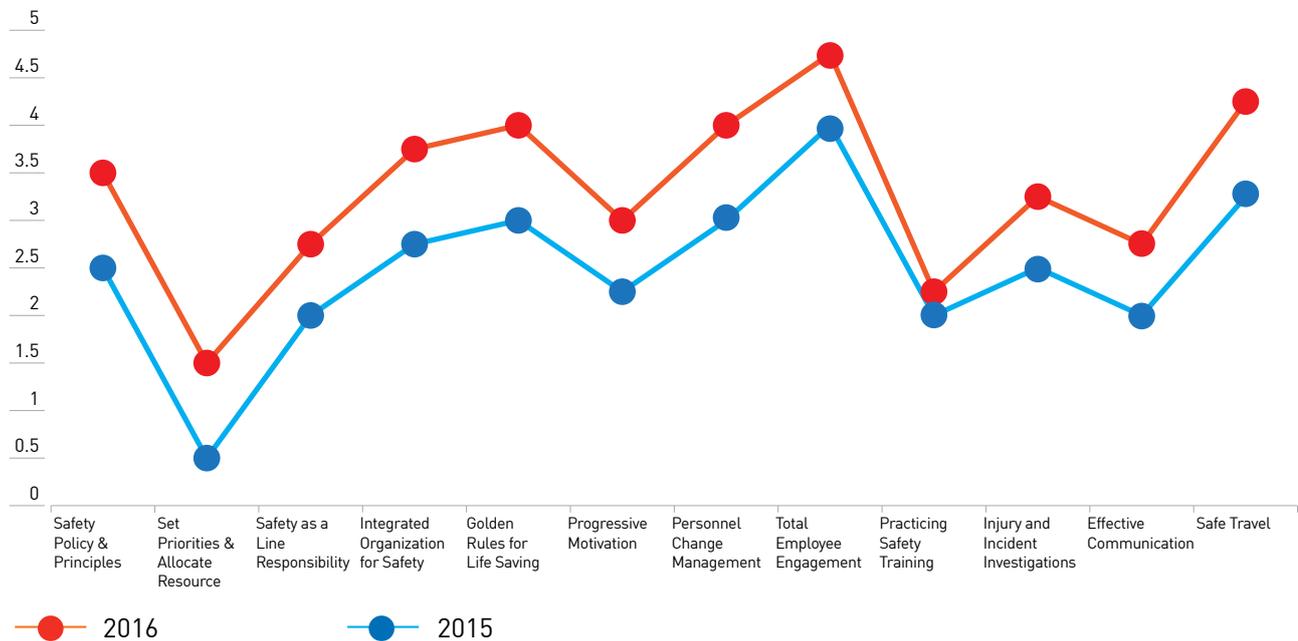
This system requires us to be responsible for maintaining the workplace which is productive in each region by minimizing the risk of accident, injury, and occupational health hazards for all business partners and contractors.

**Safety Audit** - Safety audits are conducted at all sites occasionally to evaluate the level of compliance with safety policies, procedures, and processes. Safety audits include Regional Audits (SHE) PAR Audits, External SHE Audits, OHSAS re-certification audit, Warehouse Audits, Aerosol usage audits, 3rd party manufacturing audits, and factory audits.

**Contractors of Occupational Health and Safety Management** - Unilever Indonesia applied safety measures to the contractors and partners. These include Basic Safety Training for Contractors on a regular basis, opportunities for training for contractor OHS officers and contractor OHS audits.

**OHS Outside the Workplace** - Healthy and safe behaviors are also improved beyond the workplace by raising awareness of employees and family members about health and safety risks at home, on the road or outside of the workplace in general. We are organizing the campaigns, brochures, and safety guidelines in case of undesirable events including the handling of natural disasters.

**SAFETY PERCEPTION SURVEY SCORE CHART**



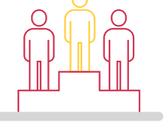
**51**  
OHS audit activities at the factories

**12**  
OHS audit activities in third party factories

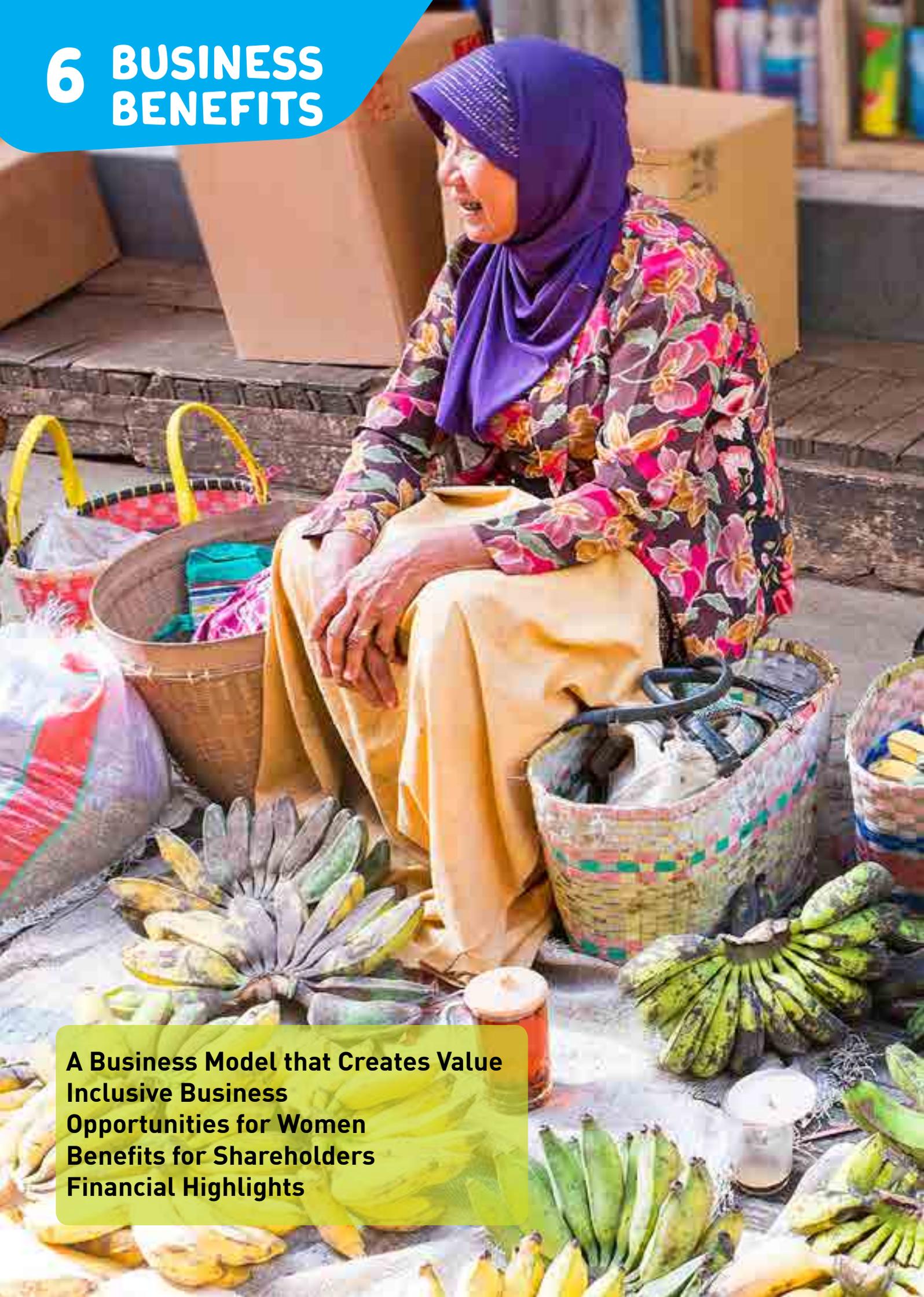
**11**  
Total batch of contractor training

**>275**  
OHS contractor training participants

## HUMAN CAPITAL PROFILE OF UNILEVER

		2016		2015		2014	
							
	<b>EMPLOYMENT (NUMBER OF EMPLOYEES)</b>						
	<b>Age</b>						
	<30 years old	2,496	478	2,868	502	3,330	539
	30 – 50 years old	2,538	534	2,346	504	2,147	486
	>50 years old	101	38	94	37	118	34
	<b>Total</b>	<b>5,135</b>	<b>1,050</b>	<b>5,308</b>	<b>1,043</b>	<b>5,595</b>	<b>1,059</b>
	<b>Position Level</b>						
	President Director	1	0	1	0	2	0
	Director	3	2	6	3	4	2
	Division Head	31	17	36	19	38	21
	Manager	173	113	178	109	174	105
	Assistant Manager	715	366	714	352	662	336
	Staff	4,212	552	4,373	560	4,715	595
	<b>Total</b>	<b>5,135</b>	<b>1,050</b>	<b>5,308</b>	<b>1,043</b>	<b>5,595</b>	<b>1,059</b>
	<b>Education Level</b>						
	Post Graduate (Strata 2 & 3)	21	10	27	14	17	12
	Diploma & Strata 1	1,306	822	1,335	802	1,329	803
	Senior High School or equivalent	3,307	186	3,447	195	3,748	212
	Junior High School or equivalent	501	32	499	32	501	32
	<b>Total</b>	<b>5,135</b>	<b>1,050</b>	<b>5,308</b>	<b>1,043</b>	<b>5,595</b>	<b>1,059</b>
	<b>Employment Status</b>						
	Permanent	4,637	949	4,696	945	4,862	948
	Non-permanent	498	101	612	98	733	111
	Outsourcing	0	0	0	0	0	0
	<b>Total</b>	<b>5,135</b>	<b>1,050</b>	<b>5,308</b>	<b>1,043</b>	<b>5,595</b>	<b>1,059</b>
	<b>Working Experience Status</b>						
	<3 years	717	248	917	247	1,431	341
	3 – 5 years	500	199	1,247	264	1,792	212
	5 – 10 years	2,351	312	1,642	230	938	198
	10 – 15 years	553	102	813	156	857	178
	>15 years	1,014	189	689	146	577	130
	<b>Total</b>	<b>5,135</b>	<b>1,050</b>	<b>5,308</b>	<b>1,043</b>	<b>5,595</b>	<b>1,059</b>
	<b>New Employees by Age</b>						
	<30 years old	481	105	584	88	578	0
	30 – 50 years old	21	23	35	23	29	0
	>50 years old	1	0	0	0	0	0
	<b>Total</b>	<b>503</b>	<b>128</b>	<b>619</b>	<b>111</b>	<b>607</b>	<b>0</b>
	<b>Percentage of Employees by:</b>						
	Gender (Male vs Female)	83%		84%		84%	
	Age Group						
	<30 years old	84%		85%		86%	
	30 – 50 years old	83%		82%		82%	
	>50 years old	73%		72%		78%	

# 6 BUSINESS BENEFITS



**A Business Model that Creates Value  
Inclusive Business  
Opportunities for Women  
Benefits for Shareholders  
Financial Highlights**



Latest results of Unilever Global research showed that 54% of consumers have and will choose products that are produced in a responsible manner and have a social mission in it. In addition to benefits, price, and quality, consumers yearn for products that make them feel involved in a noble purpose.

With a large number of consumers with this awareness, it means the step toward a brighter new world actually has already begun today; and the old world is about to change.

Unilever Indonesia provides a variety of benefits through their brands for the community. Behind the merits of each brand, Unilever strives for social value-added and environmental sustainability to be embedded in the Company's business processes.



# A BUSINESS MODEL THAT CREATES VALUE

Unilever Indonesia has been grown together with the community for over 83 years until now each household in Indonesia is using at least one Unilever brand at their homes. Unilever sets a sustainable long-term commitment to create benefits for all stakeholders with the ultimate goal of creating a brighter future.

Unilever believes that these efforts to achieve sustainable benefits must be made in a responsible manner, which is done through a business model driven by the Unilever Sustainable Living Plan (USLP). This Business Model is implemented by Unilever when conducting business activities to meet the needs of people in a world whereas the resources are limited.

Unilever Business Model starts from consumer insights that turn into the reference to innovate the products; then we make product incorporate with business partners to be marketed to the consumer who also supported by marketing and promotion activities through various distribution channels.

**COLLABORATION**

Unilever provides an open opportunity for individuals to corporations to cooperate with Unilever's business areas of products and technology ideas, including new business opportunities. Through Smart collaboration with partners, it enables Unilever to add value by integrating technology and shortening time.

## INNOVATION

Unilever Indonesia considers that the Indonesian market is very potential in view of the increasing population growth so that the Company always strives to make innovation, so the people will be loyal customers in the long term. Innovation is the key to success in Unilever's business and is a core element of global strategy.

The Company seeks to maximize market knowledge by undertaking innovations on various product and packaging development to meet the needs of different market segmentations. With innovation, there are chances that more people to feel the benefits of Unilever brand.

Every research and innovation are done in a responsible, safe and sustainable manner, which is fully focused on what consumers and what are they concerned about. The results obtained must be accountable, and reflects the high standards and ethics.

In terms of innovation, Unilever has a global standard that applies to all research and development activities, including making a plan of new, safe and sustainable products, processes and packaging; product and brand development; open collaboration innovation; and publication of scientific research.



**MANUFACTURING**

Unilever aims to create a sustainable way of life into our daily way of life. This kind of businesses will be more appreciated by consumers who want products that have high-quality in the right price but are also produced in a responsible way.

## SOURCING

Environmental and social aspects at the stage of raw materials acquisition become one of the main concerns. To that end, Unilever has implemented the policy of Sustainable Raw Materials Purchasing. This stipulation is governed by two Unilever policies: the Responsible Sourcing Policy (RSP) which regulates the procedure of supply and the Responsible Business Partner Policy (RBPP) which regulates any issues related to a third party compliance program.

The RBPP process starts from preparing documents that explained the reasons for the need for business cooperation with potential partners, as well as potential commercial opportunities. The next process is doing an assessment of the business partner's risk matrix, background checking on business partners and its owners or directors, conducts review

and approval, makes contracts, and frequently monitors and updates.

Unilever works with suppliers to share their knowledge and guide them to achieve the desired level. The Company frequently organizes events for its suppliers, where both parties can engage in discussion forums, to improve the quality and excellence of suppliers. RSP also helps suppliers to identify the steps, checklists, and/or essential business processes to achieve progression, from 'Fulfilling Liabilities' to 'Good,' and 'Good' to 'Best Practices.'

More details about RSP and RBPP can be accessed through our website at [www.unilever.co.id/investor-relations](http://www.unilever.co.id/investor-relations) under the Corporate Governance Guidelines.



Information about Business Principles Guidelines can be found at:  
[www.unilever.com/sustainable-living/the-sustainable-living-plan/our-strategy/business-integrity/](http://www.unilever.com/sustainable-living/the-sustainable-living-plan/our-strategy/business-integrity/)  
[www.unilever.co.id/investor-relations/pedoman-tatakelola-perusahaan/pedoman-prinsip-prinsip-bisnis/](http://www.unilever.co.id/investor-relations/pedoman-tatakelola-perusahaan/pedoman-prinsip-prinsip-bisnis/)

## ENHANCING LIVELIHOODS



**650,000**  
SMALLHOLDERS ACROSS  
THE WORLD

INCLUDING **35,500**  
BLACK SOYBEAN AND COCONUT  
SUGAR FARMERS IN INDONESIA  
HAS BEEN GIVEN OPPORTUNITY  
TO INCREASE THEIR LIVELIHOOD  
THROUGH SUSTAINABLE  
AGRICULTURAL  
PRACTICE.

**920,000** WOMEN  
ACROSS THE WORLD.

INCLUDING **3,320**  
INDONESIAN WOMEN  
INVOLVED IN THE INITIATIVE  
AIMED TO ENCOURAGE  
SECURITY, PROVIDE SKILL  
ADVANCEMENT, AND  
INCREASE EMPLOYMENT  
OPPORTUNITY.



For Unilever, sourcing is not only covering the legal, commercial and ethical aspects, but also the implementation of the Company's commitment to develop partners in a responsible and sustainable manner. To implement this commitment, we nurture and develop farmer of raw materials suppliers within the framework of the Unilever Sustainable Living Plan that is also the core of developing the Company's business value chain.

### OUR COMMITMENT

By 2020, we will have a positive impact on the lives of 5.5 million people by increasing smallholder livelihoods, increasing small retailers' revenues, and increasing the participation of young entrepreneurs in our value chain.

Through the Pillars of Enhancing Livelihoods, Unilever Indonesia builds partnerships that focused on smallholders. The partnership has a long-term goal to ensure 100% of our agricultural raw materials are from sustainably managed sources by 2020.

There are three USLP Approaches to Enhancing Livelihoods by promoting fairness in the workplace, opportunities for women and inclusive business..

# INCLUSIVE BUSINESS

## ENHANCING LIVELIHOODS OF SMALLHOLDER FARMERS

Since 2001, Unilever Indonesia through Yayasan Unilever Indonesia (YUI) collaborate with unions as business partner and also supported by Universitas Gajah Mada (UGM), Yogyakarta started the black soybean farmers community development program in which now has look after 10,500 black soybean farmers and 25,000 coconut sugar farmers that become key local supplier for our high-quality soy sauce factory, Bango.

**USLP Scorecard**  
 Unilever Sustainable Living Plan: **ENHANCING LIVELIHOODS OF SMALLHOLDERS**

In 2020, we will involve with at least 500,000 smallholders in our supply network. We will help them to improve the quality of their agricultural practices and thus will allow them to become more competitive. By doing this, we will improve the quality of their livelihood.

**IN 2016, 10,500 BLACK SOYBEAN FARMERS AND 25,000 COCONUT SUGAR FARMERS THAT BECOME KEY LOCAL SUPPLIER FOR OUR HIGH QUALITY SOY SAUCE FACTORY, BANGO.**

The cooperation with the universities have resulted in a high-quality black soybean named Cultivar Mallika, and in 2013 Bango in cooperation with UGM and Circle Indonesia spawned the Unilever Sustainable Agriculture Code (USAC) coaching program as one of the ways to achieve the black soybeans usage from the sustainable sources only.

The Farmers Development Program include the provision superior seeds of Mallika, financial access assistance, planting techniques with sustainable agriculture principles, technical assistance in the field, as well as a positive market guarantee for crops.

This program is becoming more special because it is developed by involving and empowering thousands of women. From farm workers, farmers' spouses, and black soybean sorting groups are involved in post-harvest phase black soybean separation activities. As a result, Mallika's accomplishment is not only to give positive benefits to the lives of farmers. But also open up opportunities for mothers to grow and support their domestic economies.



**CULTIVAR MALIKA – UNILEVER'S LEADING BLACK SOYBEAN VARIETIES WITH HIGH PRODUCTIVITY REACHES**  
**2.9 tons/hectares**

**Total planted black soybean covers**  
**4,800 hectares**  
 covering 25 districts in 6 provinces (Jambi, West Java, Central Java, Yogyakarta, East Java and Bali).

<https://brightfuture.unilever.co.id/stories/475453/Konsistensi-Bango-Sejahterakan-Petani-dan-Lestarikan-Kuliner-Nusantara.aspx>

## SUSTAINABLE SOURCING & ENHANCING LIVELIHOODS KECAP BANGO



Helped and Trained  
**10,500**  
Black soybean farmers &  
**25,000**  
Coconut sugar farmers

**8**  
Cooperation/Small Medium Enterprise

Trained and Equipped with Skills  
**3,320**  
Women farmers

## SUSTAINABLE COCONUT SUGAR DEVELOPMENT COOPERATION

In January 2016, Unilever and Clinton Giustra Enterprise Partnership (CGEP) started a pilot project in Bengkulu and Rote Island to develop ways to supply more sustainable coconut sugar from new areas of Indonesia. In Bengkulu, the project aimed to improve the quality of sugar and strengthen the logistics to secure supply volumes from the network of farmers who have worked with us supported by collaborating closely with the collectors. Meanwhile, at Rote, CGEP is developing a communal kitchen that purchases and the process the sap of coconut sugar. The communal kitchen is aimed to ensure the better product quality, safer work conditions and open employment opportunities for local communities.

If this pilot project is doing well, then Unilever and CGEP will replicate the project and launch it into new areas. Unilever Indonesia provides funds in co-financing for this pilot phase.

Unilever also signed a Memorandum of Understanding with the Palma Plant Research Institute (Balit Palma) in 2016 for research and development programs of coconut varieties in Indonesia. The goal is to share knowledge and understand how local coconut varieties can give benefits for farmers. With this partnership, we hope to support the rejuvenation of old coconut trees and enhance farmers' revenue by introducing new innovations in the field.



**MORE STORES,  
BETTER STORES**

Through our “More Stores, Better Stores” strategy, we continue to expand our reach by working with distributors and retailers in all sales channels to optimize market potential across the country and reach more stores across the archipelago. This year, the “More Stores, Better Stores” program is supported by new distribution system with information technology-based named LeverEdge.

LeverEdge enables our distributors and sales teams to share information accurately and real-time using mobile apps so they can make better analysis, make smarter decisions, and make an agile movement on their work. Our system has been distributed to 800 distributors and concessionaires that assured them to offer the right Unilever products for the right store better.

More stores, better stores strategy is not only aiming to expand the brand and product access but also our ways of improving the welfare of the large community which is one of the USLP targets in the area of Inclusive Business. This development also opens development opportunities for entrepreneurs in Indonesia, including small-scale distributors and retailers.

**USLP Scorecard  
Unilever Sustainable Living Plan: ENHANCING LIVELIHOOD OF  
SMALL-SCALE RETAILERS**

In 2020, we will create and increase revenue for 5 million small-scale retailers across our distribution networks.

**IN 2016, MORE THAN 500 THOUSAND SMALL  
RETAILERS ARE REACHED THROUGH UNILEVER  
INDONESIA DISTRIBUTION.**

Currently, we owned nine factories which located in Jababeka industrial area, Cikarang and Rungkut, Surabaya. The factories had been produced 39 flagship brands and about 1,000 Stock Keeping Units (SKUs), which marketed through a network of more than 800 independent distributors that reach hundreds of thousands of stores all across Indonesia.

In 2016, we launched numerous programs to strengthen our distribution channels, for example by placing refrigerators in 25,000 stores to expand the Ice Cream distribution. We also optimize the sales channels that closer to the consumer, to respond the consumer behavior who have least time spending to shop on hypermarkets and switching to shop in minimarkets and family stores that close to home. We do all of this to ensure that Unilever products can always be available at any time required by consumers.





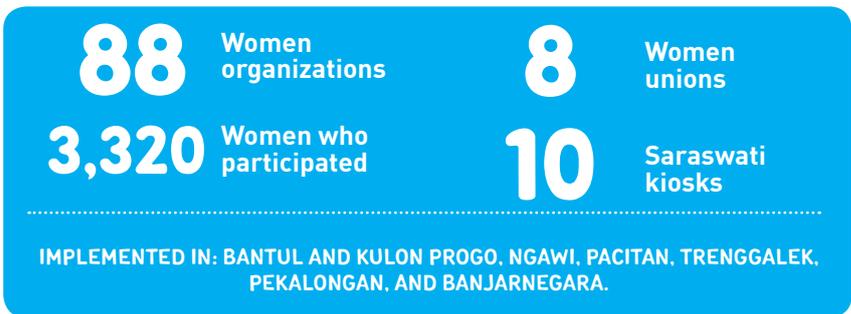
# OPPORTUNITIES FOR WOMEN

A study that conducted by McKinsey Global Institute stated that the added value of USD12 trillion could be obtained as Gross Domestic Revenue worldwide by promoting women's empowerment.

Women's empowerment has been recognized as a central point in the Global Goal, i.e. Global Goal 5: to achieve gender equality and empower all women. Empowering women is supposed to bring goodness to the community as a whole in strengthening community empowerment.

## USLP Scorecard Unilever Sustainable Living Plan: OPPORTUNITIES FOR WOMEN

By 2020, we will empower 5 million women in the world by promoting opportunities for women throughout our operations; encourage security; provide skills advancement; and expanding opportunities in our retail operations.



Since 2007, as a complementary development program of soybean farmers, Unilever started the Saraswati Women Empowerment Program. Unilever sees women as having the potential to promote community development and have a role as a knot that can bond all together in partnerships with academic, Unilever, and farmers' party.

Here, Yayasan Unilever Indonesia takes on local partners including PERSADA, Spektra, and ASSPUK to engage in empowerment activities that include three aspects of development. Those are Self-Development, Economic, and Social Development, and Organizational Development which completely aligned with the Unilever Sustainable Living Plan.

Since 2015, empowerment programs are aimed to enhance individual and group capabilities about product knowledge, technology, financial management and business development. In addition, it also collaborates with the Ministry of Health to improve the quality of foods that produced by the Company's target group so that they can obtain Home Industry registry number.

The empowerment of women is done by developing community-based group organizations that consist of groups of women farmers. The organizations that are built and facilitated by local communities such as Kelompok Usaha Bersama (KUB), Lembaga Keuangan Perempuan (LKP), and Kelompok Wanita Tani (KWT).

# BENEFITS FOR SHAREHOLDERS

As a business entity, Unilever Indonesia has received and gave many benefits to the Indonesian economy. With a good growth on economic cycle approach, the Company has grown to become one of the five largest open capitalization companies in Indonesia. For 35 years, Unilever Indonesia's shares have been listed in Indonesia Stock Exchange. This is a form of Unilever Indonesia's commitment to provide the best return for the shareholders.

## UNILEVER INDONESIA HAS PROVIDED LONG-TERM SUSTAINABLE GROWTH TO SHAREHOLDERS

### 11 January 1982

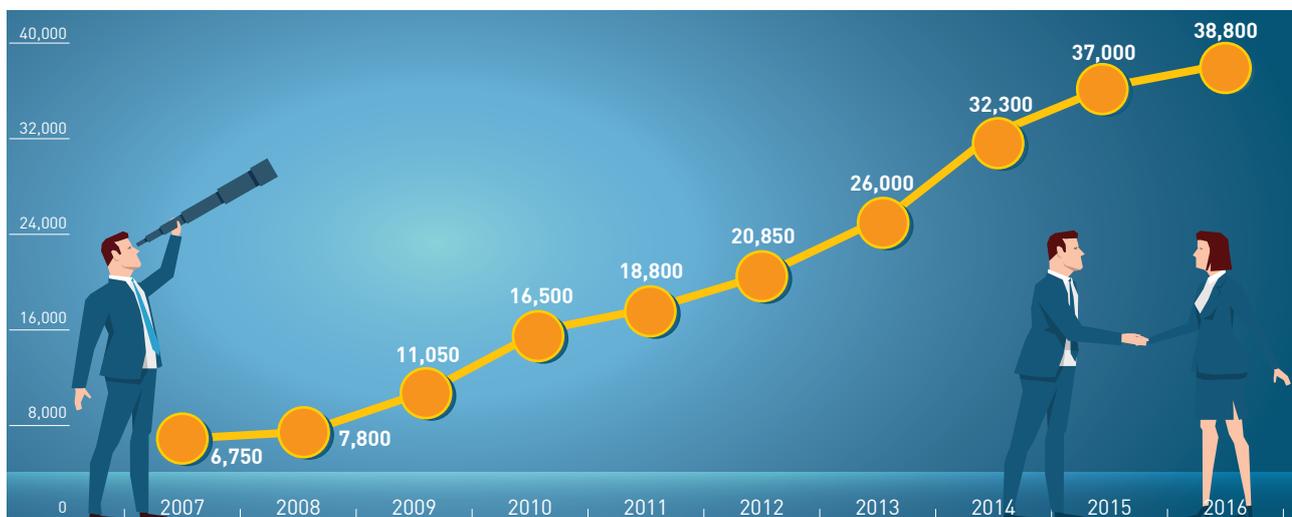
Registering 15% of shares in the Indonesia Stock Exchange.

### December 2016

- 1,570 times - Increase in stock price compared to IPO.
- 110 times - an asset increase from Rp140.4 billion to Rp16.75 trillion.
- 5.1% of the total capitalization of the stock or Rp296 trillion.
- Ranked #5 largest market capitalization.

Consistent sustainability growth is the result of the Company's strategy of creating a better life every day for the consumer to run a business in a sustainable and responsible manner, by adopting '4G' business model that includes; consistent growth, profitable growth, competitive growth, and sustainable growth.

In 2016, the Company booked net sales of more than IDR 40 trillion from IDR 36.5 trillion in 2015, up 9.8%, with net income at IDR 6.4 trillion - 9.2% higher than the same period of last year. The growth was achieved mostly by the performance of both business segments - Home & Personal Care and Food & Refreshments - which accounted for 69% and 31% of our total net sales.



To ensure that our business experienced a sustainable growth, the Company's positive impact on the Company's existence in Indonesia is not only for fulfilling the people's needs with Unilever products but also from labor absorption, business opportunities in the supply

chain for farmers and women and various The Unilever Sustainable Living Plan programs that aimed to grow the business while reducing environmental impacts and promoting positive benefits for people.

## CONNECTED 4 GROWTH LONG-TERM 4G DELIVERY (COMPETITIVE, CONSISTENT, PROFITABLE, SUSTAINABLE)

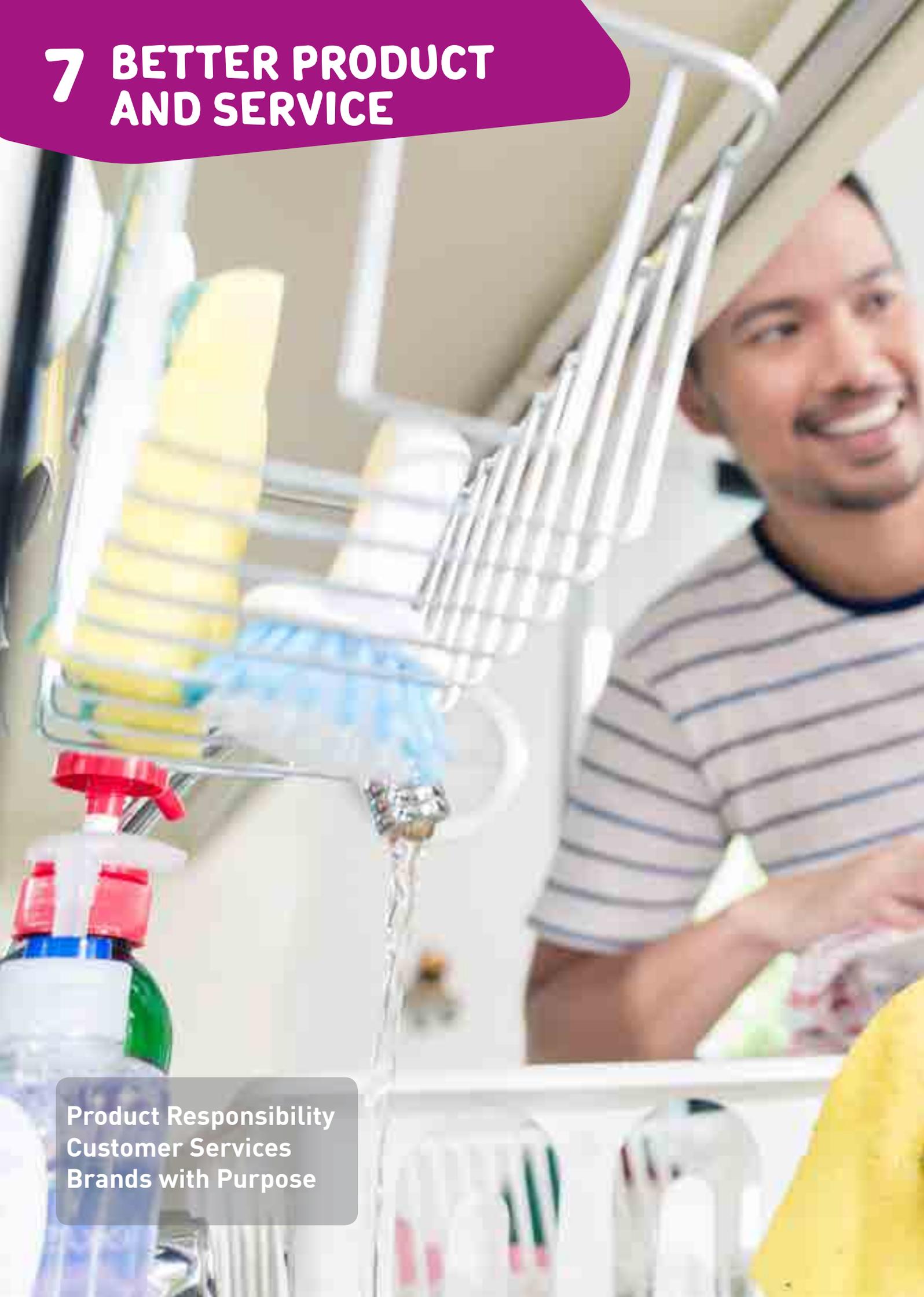
COMPETITIVE	CONSISTENT	PROFITABLE	SUSTAINABLE
Return On Equity (ROE) 2016 <b>134.1 %</b>	Net Sales (Rp trillion)	Operating Profit (Rp trillion)	USLP EMBEDDED IN OUR BRANDS AND OPERATIONS
Industry average ROE (2016*) <b>24.4%</b>	2014 <b>34.51</b>	2014 <b>8.01</b>	 IMPROVING HEALTH AND WELL-BEING
Return On Asset (ROA) 2016 <b>39.4%</b>	2015 <b>36.48</b>	2015 <b>7.94</b>	 REDUCING ENVIRONMENTAL IMPACT
Industry average ROA (2016*) <b>11.2%</b>	2016 <b>40.05</b>	2016 <b>8.71</b>	 ENHANCING LIVELIHOODS

\*) Industry Average include companies listed in Indonesia Stock Exchange for Food, Beverages, and Cosmetics sub-industry. Including DLTA, ICBP, INDF, MYOR, MLBI, ROTI, PSDN, SKLT, SKBM, STTP, AISA, ALTO, ULTJ, CEKA, ADES, TCID, MRAT, MBTO, dan UNVR.

# FINANCIAL HIGHLIGHTS

(in trillion Rupiah)	2016	2015
<b>Net Sales</b>	<b>40.05</b>	36.48
<b>Assets</b>	<b>16.75</b>	15.73
<b>Liability</b>	<b>12.04</b>	10.90
<b>Equity</b>	<b>4.70</b>	4.83
<b>Profit</b>	<b>6.39</b>	5.85

# 7 BETTER PRODUCT AND SERVICE



Product Responsibility  
Customer Services  
Brands with Purpose





UNILEVER'S REPUTATION IS BUILT ON OUR CAPABILITY TO SATISFY CONSUMERS AND CUSTOMERS WITH PRODUCT QUALITY THAT CONSISTENTLY MEET OR EXCEED THEIR NEEDS AND EXPECTATIONS.

MORE THAN 2 BILLION CONSUMERS ARE USING UNILEVER PRODUCTS ON A DAILY BASIS. IN INDONESIA, THERE IS AT LEAST ONE UNILEVER PRODUCT IN EVERY HOUSEHOLD. THEREFORE, IT IS IMPORTANT FOR US TO ENSURE OUR PRODUCTS INTEGRITY AND GIVE EXCELLENT SERVICES THAT MEET THE NEEDS OF OUR CUSTOMERS.

# PRODUCT RESPONSIBILITY

Product quality is a top priority for Unilever. Each stage of the procurement, production and distribution process follows a strict quality control procedures. To ensure quality assurance, we apply and obtain ISO 9001 Quality Management System certification, FSC 22000 Food Safety Management System and Good Manufacturing Practice in factories and Good Warehousing Practice in our distribution chain.

Safety and Environmental Assurance Center (SEAC) of Unilever Indonesia give guarantee for the safety of our products and all the related processes in the manufacturing. All of our new products and new technologies have undergone a rigorous safety testing process and have been implemented autonomously.

The entire product innovation processes have undergone a rigorous safety and health assessments and comply with regulatory and legal aspects. Reassessment of new products must be done before launch to prevent the spread of substandard products to the market.

Unilever's business sustainability depends on our ability to give quality assurance across the supply chain. Before the new suppliers are approved, they are required to undergo a rigorous audit process of reliability, quality management, and their compliance with honesty and sustainable business practices criteria.

All incoming raw materials are required to pass a series of tests, since they enter our supply chain, to ensure safety and compliance with all applicable laws and regulations.



**ISO 9001 QUALITY MANAGEMENT SYSTEM**

ALL THE HOME & PERSONAL CARE FACTORIES HAVE OBTAINED CERTIFICATES.

**FOOD SAFETY SYSTEM CERTIFICATION (FSSC 22000)**

ALL FOOD & REFRESHMENT FACTORIES HAVE FSSC.

**CARA PEMBUATAN KOSMETIKA YANG BAIK (CPKB)**

ALL UNILEVER PERSONAL CARE PRODUCTS HAVE FULFILLED CPKB.

## HALAL ASSURANCE

As one of the countries with the largest Muslim population, Indonesia became one of the largest markets for halal products. While the consumers are becoming more selective to choose a product, the halal label is often considered for consumers to buy a product.

We have been voluntarily applying the halal assurance system since 1994. The application of halal assurance system to our factory and products is our commitment to give options to consumers of products by its quality but also to provide a sense of safety and comfort to the consumers.

At present, 9 Unilever factories in Indonesia are already having halal grade which includes; Toothpaste Factory, Soap Bar Factory, Dove Factory, Home and Personal Care Liquid Factory, Personal Care/Skin Factory, Ice Cream Factory, Margarine Foods Factory, Foods Tea Factory and Home Care Powder Factory which obtained halal grade by 2016.

**100%**  
**9 FACTORIES**  
OF UNILEVER INDONESIA APPLIED  
**HALAL ASSURANCE  
SYSTEM.**

**COMPLETE**  
COMPLIANCE WITH HALAL ELEMENTS MUST BE DONE THOROUGHLY,  
STARTING FROM **FORMULA AND RAW MATERIALS, RAW  
MATERIAL SUPPLY, PRODUCTION PROCESS, AND  
FACILITIES, TO DISTRIBUTION PROCESS** MUST FULFILL HALAL  
REQUIREMENT STIPULATED BY LPPOM MUI.

**HALAL TOP BRAND 2016**  
AWARDED TO **WALL'S ICE CREAM BRAND**  
FROM LPPOM MUI, THE SAME AWARD WAS OBTAINED  
**IN 2015.**

**FIRST**  
FMCG FACTORY IN INDONESIA WHO OBTAINED  
**HALAL CERTIFICATION  
FROM MUI IN 1994.**

### LET'S GET PERSONAL ABOUT QUALITY

Excellent and safe products are one of Unilever's strategic priorities. We have incorporated this aspect as one of the key business risks that must be managed effectively.

#### HOW WE MANAGE RISKS OF PRODUCT

<b>Risk</b>	Safe and High-Quality Products.
<b>Description</b>	In the manufacturing process of Unilever Indonesia, there is also the risk of contaminated material inadvertently or contaminated by hazardous materials; Or other product defects. This risk can be caused by human error, equipment failure or other factors.
<b>Risk Mitigation</b>	<p>We have a comprehensive product process and quality control, from upstream to downstream, from products designed to those products on store shelves.</p> <p>We verify these processes and controls annually, and regularly monitor through performance indicators that drive continuous improvement activities. Our main suppliers are certified externally, and we monitor the quality of materials received on a regular basis to ensure that we meet the high-quality standards required by our products.</p> <p>In the event of incidents related to consumer safety or product quality, we enable incident management teams under their competent direction in terms of product quality, science, and communication, to ensure we take appropriate and effective action.</p>

# CONSUMER CARELINE

Unilever derives valuable feedback on product performance from the feedback we received via Suara Konsumen. We convey this information to related departments, and we communicate throughout the Company through monthly online reports for each brand. Top Ten complains and queries are submitted to senior management every month for review.

We monitor Suara Konsumen performance through spontaneous checks called 'mystery callers' to ensure that call handling procedure are in compliance with the protocol. The system is also evaluated periodically through the Consumer Satisfaction Survey. All complaints and inquiries received during 2015 - 2016 have been handled satisfactorily.

**4.75**  
**CONSUMER**  
**SATISFACTION SCORE**

The score 4.75 of 5.00 is based on the results of a study of consumer satisfaction and observation of recorded consumer conversation with Suara Konsumen.



The company has a special consumer care service, called

**SUARA KONSUMEN**

at **0800 1 55 8000**  
**(TOLL FREE)** and  
**021 5299 5299**  
**(REGULAR)**

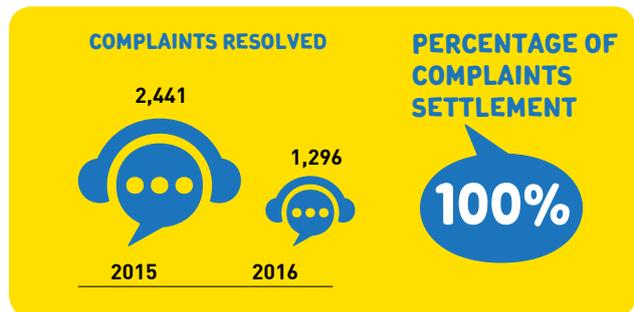
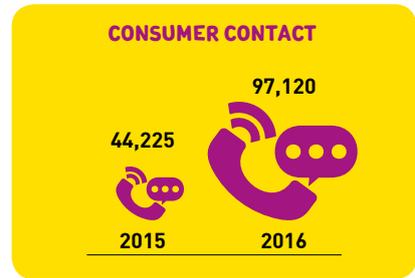
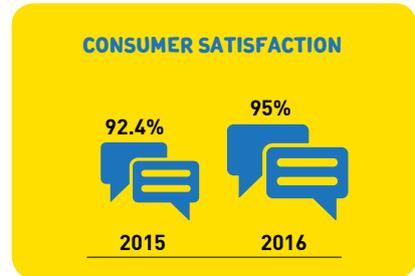
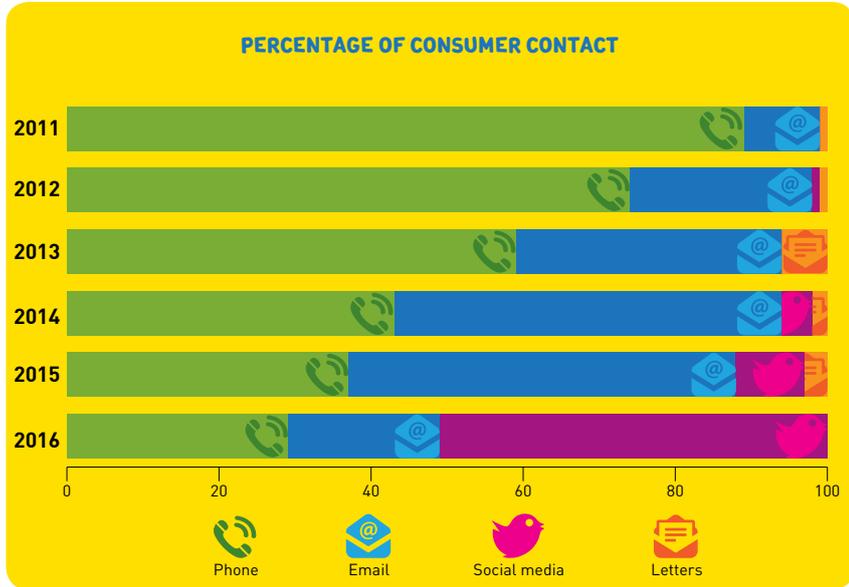
To respect the privacy of consumers and customers, Unilever takes firm steps in protecting consumer and customer data. In line with the guidance from Unilever Global, we have five principles that obviously guide our communication with consumers:

1. Unilever will always use the personal information of consumers and customers in a reasonable and reliable manner.
2. Unilever will always be open to consumers and customers, about the information we gathered, what we do with the information, with whom we share the information, and to whom consumers and customers can contact if they have any concerns.
3. If consumers have concerns about how we use their personal information, we contact them to resolve the issue.
4. We will take all reasonable steps to ensure the security of consumer information.
5. We will comply with all applicable data protection laws and regulations, and we will cooperate with data protection authorities.

Throughout 2015 to 2016, we are not getting reports of customer data breaches or consumer privacy.

Our consumers are getting more concerned and engaged with Unilever products. This is marked by an increase in the number of contacts received by Suara Konsumen in recent years. This is the final result of our significant expansion of new channels of communication, especially social media.

The performance of customer satisfaction and conversation observation score in 2016 is increased 2.6% from 92.4% to 95.0%. All our complaints have been satisfactorily resolved.



## PROTECTING CONSUMERS

The high level of sales of Unilever products makes some irresponsible people counterfeit products. In order to prevent this, we have made serious and systematic efforts both internally and externally. Some of our approaches are:

- Empower the Company's spearheaded sales force to contact consumers and retailers to identify fake products in the marketplace.
- Cooperate with Police Officers by providing Unilever's human skills in recognizing counterfeit products. In 2015 we co-operated with Serang City Resort Police to prevent product counterfeiting.
- Give warning letters to sellers who sell counterfeit products, which can be followed up to the legal domain. In the second half of 2015, we do that to merchants in Santa Market, Jakarta who sell fake POND'S products.

- Apply the GUARD Tool app. GUARD is an electronic system to counter counterfeit products. It enhances internal knowledge and education in the form of electronic learning modules.
- Unilever Indonesia has published booklets as a guide for operational teams when it finds indications of counterfeit products in the market.
- We protect Registered Marks from being used by other parties. One such case is the brand of Kecap For Bango in Korea registered by other parties. We took legal action and won the case. The Kecap Bango brand should not be used in Korea except by Unilever.

# THE POWER OF OUR BRANDS

Aligned with the company's goals since its establishment by William Lever, Unilever, through its brands, strives to provide products with an aim to provide social and environmental benefit for a better world.

In recent years, we see the world is becoming more complex and connected. Therefore, a proper goal is no longer adequate. Brands shall observe its impacts from many areas. A brand cannot only contribute to improve human health through hygiene by neglecting the earth healthiness or improve the livelihood of women who purchased our products by disregarding working condition of women who create those products.

Underlined with USLP commitment, we place purpose in the heart of our brands, so we will be able to shift from marketing to people into giving meaning to society. Brands with purpose will excel our business growth, connecting us with consumers, and presenting positive social impacts. For that, all our brands are planned into Sustainable Living Brands in the light of making global changes.

We defined what makes a brand as a real Sustainable Living Brand. Such brand will not only have good intention to overcome social and environmental challenges, but it must also contribute to one or more target in USLP, i.e. improving well-being, reducing environmental impact, and enhancing livelihood.



Health issues such as hygiene, sanitation, and nutrition, environmental issues such as climate change and waste, and livelihood issues such as employment opportunities in inclusive business, those are our priority issues. Our experience shows that consumers have a strong will to make a difference through close and attentional things in their life.

By aligning our iconic brands with issues closely related to our customers, therefore, we facilitate consumers to take action to make an impact not only on what matters to them but also to the society in general.

**SOME OF OUR BRANDS THAT ACTIVATE THEIR PURPOSE**

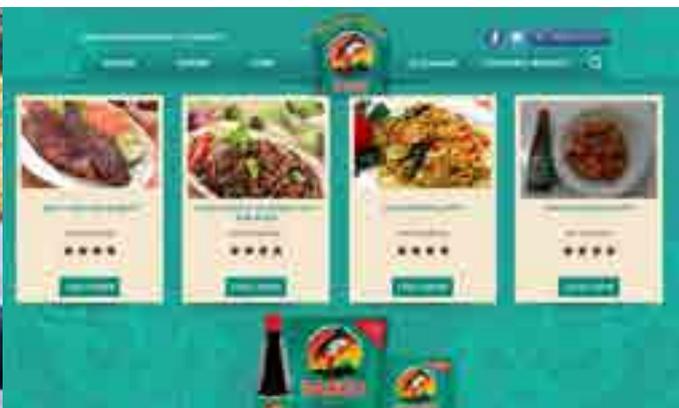
 <p>Inviting mothers to fulfill rights of every child for balanced nutrition for growth.</p>	 <p>Heartfully preserving Indonesian culinary heritage as well as improving the livelihood of farmers and traditional food vendors.</p>	 <p>Educating Indonesian people of the importance of washing hands with soap to prevent transmittal diseases that can be avoided such diarrhea and pneumonia.</p>
 <p>Inspire children to grow by exploring the world excitement.</p>	 <p>Improving Indonesian people mouth health by educating for teeth brushing in the morning and evening to be able to enjoy living more.</p>	 <p>Equipping mothers to protect their families from preventable disease from lack of hygiene in houses.</p>
 <p>Ensuring establishment of hygienic toilet and bathroom that germ-free.</p>	 <p>Providing potable water access that protected from germ to millions of people.</p>	 <p>Encouraging Indonesian people to be more active and confident in reaching for happiness and success in their life.</p>

**FARMERS DEVELOPMENT AND PRESERVATION OF THE CULINARY HERITAGE OF INDONESIA**

Kecap Bango is committed to run a mission to obtain raw material that sustainable and beneficial to the farmers, and to preserve Indonesia culinary heritage. Based on that mission, through various program and activities, Bango always do inclusive business and empower farmers in the upstream, and become the catalyst for the establishment of an ecosystem that preserves Indonesia culinary on the downstream side.

To produce quality ketchup, Bango gets black Mallika soybean supply from Unilever Indonesia Foundation (YUI) fostered soybean and coconut sugar farmers in partnership with several cooperatives as the business partner and supported by Gajah Mada University (UGM) Yogyakarta.

Besides paying attention to the wealth of the farmers, Bango also demonstrates its commitment to preserving Indonesia culinary heritage by partnering with traditional food stalls. The initiative had taken place for some time through the annual event of Bango Street Food Festival in several major cities in Indonesia. In 2016, Bango establishes an ecosystem involving several parties, from culinary legends, food lover communities, as well as house wives. This ecosystem is combined in an application of 'Bango | Warisan Kuliner' (Bango | Culinary Heritage) in which contained information on various food and authentic restaurant, as well as many traditional recipes.



## CHILDREN EDUCATION

Our brands implement early health education to the society. In 2016, through Healthy School program, the brands including Lifebuoy, Pepsodent, Blue Band, Paddle Pop, Pureit, Domestos, Vixal, and Wipol educated Elementary School students to implement Clean and Healthy Behavior (PHBS).

To widen the education, Unilever through Pepsodent presented 'Mama Sigi and Pepo Adventure Stories' using animal characters to deliver messages to brush one's teeth every night before bed as a change of habit for kids, especially in brushing their teeth.



Unilever also launched the #mommyslittlepartner campaign where Pepsodent asked mother and children to work together to foster better habit at home. Here, mother and children may learn with each other to improve children behavior from the early stage, one of them by sharing responsibility at home.

## INVITING CONSUMERS

The success of Unilever's mission is largely determined by consumer involvement including in achieving the goals of Unilever Sustainable Living Plan; we are fully aware that more hands and minds are needed to take in this commitment. To that end, Unilever invites consumer participation actively in the implementation of USLP in order to give their contribution.

In 2016, Unilever launches a brightFuture campaign to organize #beliyangbaik program with the World Wild Fund (WWF) as official partners to engage with consumers by contributing actively to things such as writing tips on how to preserve the environment in Unilever's Facebook status comment field with the words #beliyangbaik.

## TEENAGERS EDUCATION

Unilever believes that young generation is an important agent for social change that requires caring of their development and potential, in which teenager is part of Unilever consumers group. For this, Unilever initiates Teenagers Dare to Live Healthy aimed to the young generation in higher school, both in junior and senior high schools.

In 2016, Rexona and Pond's, through Teenagers Dare to Live Healthy program embedded the understanding of healthy living behavior so that teenagers may live their life that changes physiologically appropriately and responsibly, therefore, they can maximize their potential.

Rexona contributed in the form of school education program and product sampling. Rexona utilized fun and easy way that acceptable to teenagers in delivering the message regarding the importance of using deodorant in improving self-hygiene and confidence, using digital competition #SniffMyShirt.

# 8 SUSTAINABILITY GOVERNANCE



**Governance Structure**  
**Unilever's Code of Business Principles**  
**Whistleblower System**  
**Governance Performance**  
**Engaging Stakeholders**

**RAPAT UMUM P**  
**PT UNI**  
**Jaka**

**PEMEGANG SAHAM LUAR BIASA  
LEVER INDONESIA Tbk  
Surabaya, 30 Agustus 2016**



From time to time, Unilever Indonesia reinforces their commitment to apply the principles of good corporate governance. We believe that in order for the Company to keep growing sustainably in the long term, it is important for us to have the integrity and act in accordance with the highest ethical standards to protect the interests of shareholders, customers, suppliers, and consumers.

We must also ensure that we grow our business while reducing environment impact and increasing the positive impact on people. The Company's strategic objectives are applied by implementing good corporate governance (GCG) strictly and consistently.

We continue to ensure the highest transparency and accountability in every aspect of business operations at Unilever, at every level of the organization and on each value chain. Unilever's business conditions are currently

in good health. Our GCG score, based on the ASEAN GCG Scorecard, has increased significantly. Both are a good indication of the Company's GCG performance.

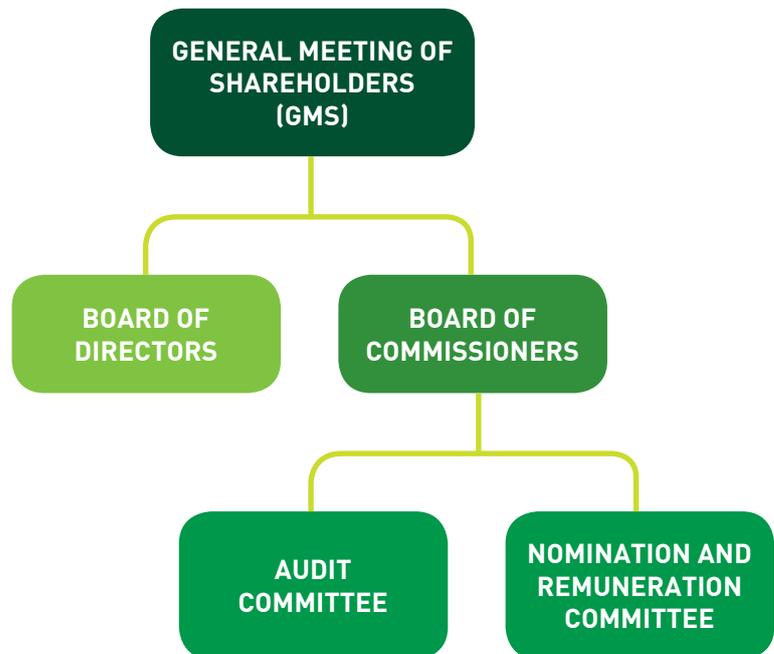
**In 2016, Unilever Indonesia increased its ranking from the top 40-50 issuers in Indonesia to the top 20-30, based on the results of the ASEAN GCG Scorecard, having made significant improvements to several parameters, including disclosure aspects.**

## GOVERNANCE STRUCTURE

Unilever Indonesia has established a corporate governance framework governing the relationship between the Company and its shareholders and other stakeholders, and the relationship between the General Meeting of Shareholders, the Board of Commissioners and the Board of Directors.

This framework includes systems and policies governing asset and risk management to support financial health and achievement of the Company's growth objectives, compliance with statutory regulations, human resource development, safety and environmental management practices and the development of the Company's culture.

There are three main components of the corporation i.e. General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors. The Board of Commissioners and the Board of Directors, altogether with the Corporate Secretary and Supporting Committees of the Board of Commissioners, are responsible for building the framework and leading the implementation of good corporate governance.



## GENERAL MEETING OF SHAREHOLDERS (GMS)

Shareholders have the highest authority in the Company has the authority to appoint or dismiss the Board of Commissioners and Board of Directors, and hold accountable for the management of the Company.

Through the General Meeting of Shareholders, shareholders are entitled to take decisions on important issues relating to the Company's business and operations, including approval of the Company's Financial Report and Annual Report, dividend payout and profit sharing, the remuneration of directors and commissioners, Appointment of independent auditors, amendments to the Articles of Association of the Company, and delegation of authority to the Council to follow up on the results of decisions adopted in the GMS.

## BOARD OF COMMISSIONERS

The Board of Commissioners is responsible for carrying out the oversight function of the management of the Company by the Board of Directors. In carrying out its duties, the Board of Commissioners communicates regularly with the Board of Directors and the committees under their supervision either through meetings or through reports.

The Board of Commissioners also provides advice on matters relating to management. The Board of Commissioners may also be granted other obligations by the GMS. The Board of Commissioners reports to the GMS.

Each new member of the Board of Commissioners is given full orientation regarding their responsibilities when they are first appointed, in the form of an orientation program prepared by the Corporate Secretary. This program is designed to create an understanding of the nature of the Company, business, and market and the legislative environment in which the Company operates; creating relationships with the Company's employees; and build an understanding of the important relationships within the Company.

**Unilever Indonesia has four Independent Commissioners, representing 80% of the members of the Board of Commissioners. This is one proof that the company strongly supports independent commissioners in carrying out its duties and responsibilities.**

## BOARD OF DIRECTORS

The Board of Directors is responsible for managing and determining the strategic direction of the Company, and for managing, utilizing and maintaining the Company's assets in a manner consistent with the objectives and interests of the Company. Board of Directors is responsible to the Board of Commissioners.

The framework is supported by various guides and control systems including internal control systems, risk management systems, internal audits, Code of Business Principles or CoBP, the Company's Articles of Association, Unilever Business Partner Code, Unilever Sustainable Agriculture Code (USAC) and Quality management systems, and business processes and standards of our operational procedures. Together, we ensure that good corporate governance is effectively and consistently applied across all organizational lines.

Each new member of the Board of Directors, when they are first appointed, must receive full orientation regarding their responsibilities from the Corporate Secretary. This program is designed to create an understanding of the nature of the Company, business, and market and the legislative environment in which the Company operates; build relationships with the Company's employees, and build an understanding of the important relationships that need to be built on Unilever.

**The Board of Directors has the Charter, which functions as a set of procedures and guidelines designed to facilitate and assist the Board's functional operations. The Board of Directors' Charter is reviewed and issued on 11 March 2016 and subsequently reviewed on 14 February 2017. This Charter sets the legal basis; duties, responsibilities and authorities; Business rules; working hours; and reporting and accountability of the Board of Directors. The charter is regularly evaluated and updated as necessary.**

# UNILEVER'S CODE OF BUSINESS PRINCIPLES

Code of Business Principles and Code Policies (CoBP) of Unilever Indonesia is described as the Company's ethics, values, and practices of compliance. CoBP outlines the standards of conduct each company must possess in dealing with external and internal parties.

CoBP is a manifestation of our commitment to maintain a balance between short-term and long-term interests between all of the Company's interests.

## UNILEVER BUSINESS PRINCIPLES

### CODE OF CONDUCT

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees. We shall similarly respect the legitimate interests of those with whom we have relationships.

### OBEYING THE LAW

Unilever companies and employees are required to comply with the laws and regulations of the countries in which we operate.

### EMPLOYEES

Unilever is committed to a working environment that promotes diversity and equal opportunity and where there are mutual trust and respect where everyone feels responsible for the performance and reputation of the Company. We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed. We are committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory, trafficked or child labor. We respect the dignity of the individual and support the right of employees to freedom of association and collective bargaining. We will maintain good communications with employees through company based information and consultation procedures.

### CONSUMERS

Unilever is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labeled, advertised and communicated.

### SHAREHOLDERS

Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

### BUSINESS PARTNERS

Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings, we expect our partners to adhere to business principles consistent with our own.

### COMMUNITY INVOLVEMENT

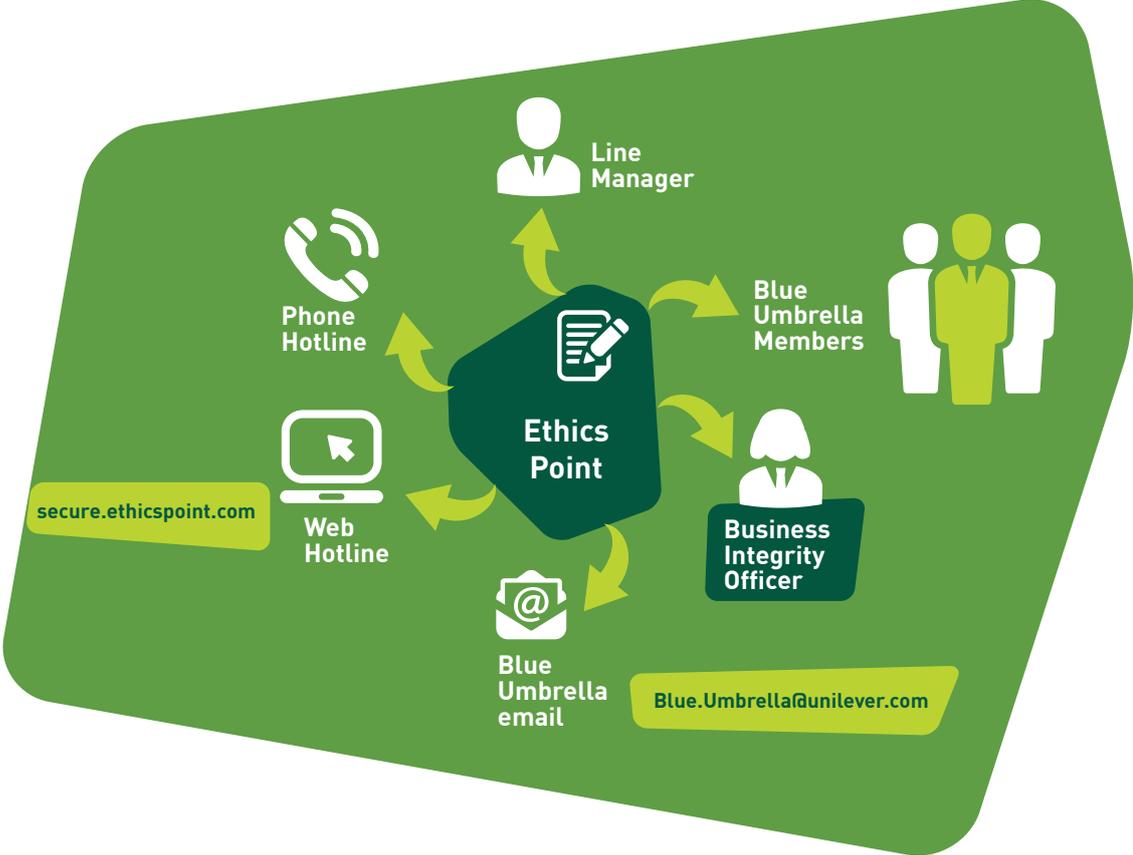
Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

<b>PUBLIC ACTIVITIES</b>	Unilever companies are encouraged to promote and defend their legitimate business interests. Unilever will co-operate with governments and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests. Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.
<b>ENVIRONMENT</b>	Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business. Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.
<b>INNOVATION</b>	In our scientific innovation to meet consumer needs, we will respect the concerns of our consumers and of society. We will work on the basis of sound science, applying rigorous standards of product safety.
<b>COMPETITION</b>	Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.
<b>BUSINESS INTEGRITY</b>	Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management. Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.
<b>CONFLICT OF INTEREST</b>	All Unilever employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company. Unilever employees must not seek gain for themselves or others through misuse of their positions.
<b>COMPLIANCE, MONITORING, REPORTING</b>	<p>We believe that Business sustainability depends on our ability to adhere to CoBP fully. The Board of Directors is responsible for the implementation of CoBP principles throughout the Company through a series of campaign and event communication programs, as well as through compliance supervision.</p> <p>Senior management is responsible for ensuring the daily CoBP implementation across all business units. Therefore, managers are required to provide specific guidance relevant to the needs of their respective units, monitoring CoBP compliance within their units and teams, and subsequently preparing annual compliance reports. Compliance reports are reviewed by the Board of Commissioners, assisted by the Audit Committee and the Unilever Executive Committee. Any violation or alleged violation of the CoBP shall be reported in accordance with established procedures. Employees can report without hesitation, and no employee will bear the consequences of his reporting. In fact, the Board of Directors will not criticize the management of any business losses that are proven to be the result of compliance with these principles or against any other mandatory policies and instructions.</p>

In 2016, a number of initiatives were taken to introduce and strengthen company value and compliance with the Guidelines, including:

- Introduce newly hired management staff with company values and ethics through an orientation program, 'HR Familiarization,' held every 2-3 months.
- Refreshing on the understanding of the Guidelines, as well as the latest policy in the Gift or Token during 2016, approved by the Business Integrity Committee meeting on May 24th, 2016.
- The Business Integrity Division organizes a campaign week in July that includes:
  - Displays three videos showing how to handle situations that have conflicting values that employees often encounter in their daily work;
  - 'Caught in the act' -a field activity to discover the behavior of colleagues who uphold Unilever values in their daily activities, writing down the actions the co-worker had made on the notepad and putting it on one of the boards Provided;
  - Giving exemplary from senior management as submitted by Chairman of Business Integrity Committee at Unilever Townhall meeting;
  - Invites the Corruption Eradication Commission (KPK) as guest speaker at the Business Integrity Talkshow to discuss 'Developing a Culture of Integrity and Anti-Corruption in Indonesia by Strengthening the Private Sector.'
- Talk about business integrity topics with internal or external parties at various forums, such as Supplier Meetings in April and June, a CD team meeting in August, and a UFS meeting in October.
- Integrity Pledge Week in October, which was launched via email from the Chairman of Business Integrity to all employees to remind them to sign an online integrity pledge.

# WHISTLEBLOWER SYSTEM



At Unilever, we strongly uphold the Business Code of Conduct. Therefore, every Company employee has many channels to report the potential violation of the code. First, employees are encouraged to report to line managers. However, if they are unwilling or unable to do so, they may contact the Business Integrity Officer or a member of the business integrity committee, known as the Blue Umbrella Committee. They can also report through the Company’s global ethics hotlines.

All whistleblower reports are handled with confidentiality. External stakeholders can access the reporting path through phone hotlines and websites.

Throughout 2015, a total of 15 reports of potential Business Principles violations arising from temporary employees 1 report came from a 3rd party. In 2016, we noted 31 reports or questions about potential violations of the Code. All the cases we have investigated and 17 of them are eligible for action, and we have resolved.

# GOVERNANCE PERFORMANCE

To improve governance, Unilever Indonesia has implemented best practices by implementing relevant regulations in Indonesia and adopting the recommendations of the Good Corporate Governance Good Guidelines and the ASEAN Corporate Governance Scorecard (ACGS).

For this reason, the Company has placed a strong corporate governance structure consisting of several interrelated elements including internal controls, risk management frameworks, Blue Umbrella and Code of Business Principles and Code Policies (CoBP).

**RANK**  
**21 – 30**  
**RANKING SCORE ACGS 2016**

**UP FROM RANK 40 – 50 IN 2015  
OF TOP 50 INDONESIAN ISSUER.**

We supervise the implementation of these principles through regular meetings of the BoC and BoD throughout the year, and through supporting committees. The results show that Unilever Indonesia has improved the effectiveness of their control system and complies with all regulations and standards applicable to public companies.

# ENGAGING STAKEHOLDERS

We engage stakeholders at various levels and in various ways, referring to the topics delivered through our website, brand activation events that directly involve consumers, joint research activities with nutrition experts, and face-to-face meetings with investors, governments And regulators, customers, community groups, and others.

We have found that constructive dialogue in these activities, including those who may have critical views, can help us understand the dilemmas we face in conducting responsible business and sustainability.

STAKEHOLDERS	STAKEHOLDERS INVOLVEMENT	TOPIC/MAIN ISSUE
<b>CONSUMER</b>	<ul style="list-style-type: none"> <li>• Through Unilever Indonesia's digital assets (Facebook, Twitter @ULICareers).</li> <li>• Brand activation related to USLP programs (Social Mission)</li> <li>• Consumer Service Line</li> </ul>	Questions related to Unilever brands (Bango, Pepsodent, Lifebuoy, Domestos, and others)
<b>EMPLOYEES</b>	Various channels of communication, such as emails, outlets, and listings. All apply to employees at factories, offices, and headquarters.	<ul style="list-style-type: none"> <li>• Project Sunlight Implementation</li> <li>• Internal campaigns: COBP, occupational health, and safety</li> </ul>
<b>GOVERNMENT AND REGULATOR</b>	<ul style="list-style-type: none"> <li>• Active involvement in the lobbying process through trade associations such as GAPMMI and PERKOSMI to convey the message that the industry wants the implementation of voluntary halal status</li> <li>• Regular meetings</li> <li>• Joint research projects or joint community programs</li> </ul>	The Halal Products Act issued by the House of Representatives, which affects Unilever's business will be implemented within five years from 2014
<b>SHAREHOLDERS AND INVESTORS</b>	<ul style="list-style-type: none"> <li>• Quarterly business performance reporting</li> <li>• Face-to-face meetings with investors and analysts</li> <li>• Conference</li> <li>• Annual General Meeting of Shareholders</li> <li>• Annual report</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Clear and up-to-date information on corporate actions and strategic direction</li> <li>• Non-financial performance, progress, and status</li> <li>• USLP Progress</li> </ul>
<b>MEDIA</b>	<ul style="list-style-type: none"> <li>• Socialization about Unilever sustainability in a narrative manner to the media proactively, media engagement sessions, discussions and related USLP events</li> <li>• Utilization of media community</li> </ul>	<ul style="list-style-type: none"> <li>• Project Sunlight Implementation</li> <li>• Bank Trash</li> <li>• Healthy and Clean Living Campaign</li> </ul>
<b>NGOs AND THE LARGE COMMUNITIES</b>	<ul style="list-style-type: none"> <li>• Collaborative activities and cooperation programs</li> <li>• Unilever Indonesia Website</li> <li>• Unilever Indonesia brands associated with environmental and social campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Status of progress and progress of USLP programs</li> <li>• Opportunities to collaborate on various USLP Program campaigns</li> <li>• Information on corporate activity</li> </ul>

## MEMBERSHIP IN THE ASSOCIATION

Unilever Indonesia is actively involved in various strategic associations to encourage sustainable practices and to discuss matters related to business success and operations in its sector.

Until the end of 2016, Unilever Indonesia is registered as a member in the following associations:

- Gabungan Asosiasi Makanan dan Minuman Indonesia – GAPMMI
- Persatuan Perusahaan Kosmetik Seluruh Indonesia – PERKOSMI
- Asosiasi Perusahaan Jalur Prioritas – APJP
- Asosiasi Perusahaan Pengiklan Indonesia – APPINA
- Asosiasi Perusahaan Produsen Perlengkapan Rumah Tangga – PEKERTI
- Asosiasi Perusahaan Sahabat Anak Indonesia – APSAI
- Masyarakat Indonesia Anti Pemalsuan – MIAP
- Asosiasi Perusahaan Produsen Minuman Ringan – ASRIM
- Kamar Dagang dan Industri Indonesia –KADIN
- Asosiasi Pengusaha Indonesia – APINDO
- Foreign Chamber of Commerce (EUROCHAM, INA, Britcham)

# 9 ABOUT SUSTAINABILITY REPORT

A photograph of two young children, a boy and a girl, in school uniforms. They are both holding up their hands, palms facing forward, in a gesture that could mean 'stop' or 'hello'. The boy is on the left, looking directly at the camera with a slightly open mouth. The girl is on the right, smiling broadly. They are outdoors, with a sandy area and some greenery in the background.

**Report Profile**  
**GRI-G4 Content Index**  
**UN Global Compact Principles**  
**External Assurance**  
**Company Profile**  
**Feedbacks**



# REPORT PROFILE

Through this Sustainability Report, we want to provide transparent information relating to the long-term impact of the Company's operations on communities and the environment as well as to give details of its relationship to future business success.

This is the 5<sup>th</sup> Unilever Indonesia Sustainability Report compiled in accordance with the Sustainability Report Guidelines from Global Reporting Initiatives (GRI) G4, which explain issues related to Unilever Indonesia's main impacts in economic, community and environmental area.

We release Sustainability Report biennially; this report covers the period from January 1<sup>st</sup>, 2015, to December 31<sup>st</sup>, 2016. In certain performance indicators that have been disclosed earlier, are also shown the data from two previous years.

The structure in the 2016 report differs from the previous report, which aimed to facilitate the explanation of social and environmental issues to future customers, employees, and other stakeholders. In this regard, information on Unilever's global efforts to realize a sustainable future through the Unilever Sustainable Living Plan (USLP) continues to be presented as the basis for the implementation of ethical responsibility and sustainability performance for the entire business.

In addition, this report is also addressed as Communication on Progress which is a manifestation of our commitment to the United Nations Global Compact (UNGC) initiative. Overall this report is prepared in accordance with GRI G4 Guides with core options.

## SCOPE AND BOUNDARY

The main focus of this report is activities of Unilever Indonesia including headquarters, representative offices, factories and distribution centers throughout Indonesia. This report does not cover activities by outsourced services and suppliers.

However, the aspects included in our span of control remain included in this report, including human rights, labor practices, regulatory compliance and environmental performance to suppliers and business partners in the supply chain.

The data and information about the Savory Factory at Cikarang which commenced operations by 2016 are already inserted in this report. With the operation of this new factory, there is no change in the material aspects presented in the previous sustainability report.

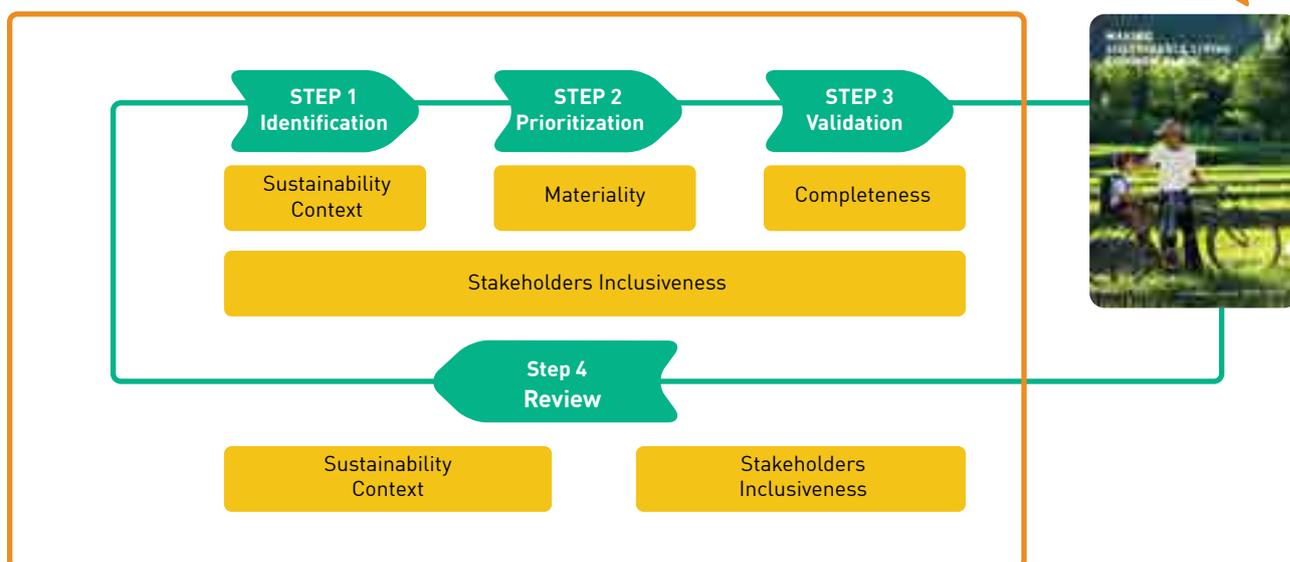
## SELECTION OF TOPICS AND MATERIAL ASPECTS IN THE SUSTAINABILITY REPORT

The topics that presented in this report are including aspects of USLP and the principles in the UNGC as well as materiality analysis which undertaken earlier.

In establishing the contents of the report, we apply the GRI G4 principles, i.e.:

1. Stakeholder Inclusiveness: In the process of preparing the report, we look at the inputs and responses of the stakeholders we obtained during the reporting year.
2. Materiality: the aspects selected for reporting are material aspects based on Unilever Indonesia's sustainability considerations and the views of related interest influences.
3. Sustainability Context: This report presents the implementation of sustainability initiatives including on the Company's supply chain on relevant material aspects.
4. Completeness: the data and information presented in this report cover all of Unilever Indonesia's operations entities in reported aspects.

**Topics → Aspects → Disclosures on Management Approach + Indicators**



MATERIAL ASPECTS	INTERNAL	EXTERNAL
Economic Performance	✓	
Indirect Economic Impact	✓	✓
Product Safety	✓	✓
Energy	✓	
Water	✓	✓
Emissions	✓	✓
Waste	✓	✓
Nutrition	✓	✓
Employment	✓	
Diversity and Equal Opportunities	✓	
Anti-Discrimination	✓	
Local Communities	✓	✓
Anti-Corruption		
Training and Education	✓	
Occupational Health and Safety	✓	

Internal are including Head Office, Factory, and Distribution Center of PT Unilever Indonesia Tbk.  
 External are including suppliers, business partners, customers, and surrounding communities.

# GRI-G4 CONTENT INDEX

This report contains indicators of the GRI-G4 Sustainability Reporting Guidelines and G4 Food Processing Sector Disclosure.

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## SPECIFIC STANDARD DISCLOSURES

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INDICATORS		Page or Feedback	External Assurance
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# UN GLOBAL COMPACT PRINCIPLES

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# EXTERNAL ASSURANCE



## Independent Assurance Statement Report No. 0817/BD/0014/JK

### To the management of PT Unilever Indonesia Tbk

We were engaged by PT Unilever Indonesia Tbk ('Unilever') to provide assurance in respect to its Sustainability Report years 2015 and 2016 ('the Report'). The assurance has been carried out by a multi-disciplined assurance team with a broad range of skills and depth of experience, thus providing a high level of competency for the assurance engagement.

### Independence

We were not involved in the preparation of any key part of the Report and carried out all assurance undertakings with independence and autonomy. We did not provide any services to Unilever during 2015 and 2016 that could conflict with the independence of assurance engagement.

### Assurance Standards

We conducted our work in accordance with ISAE3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Accounting Standards Board. In addition, we have also planned and carried out our work in accordance with AA1000AS (2008) 'AA1000 Assurance Standards (2008)', issued by AccountAbility.

### Level of assurance and criteria used

Our evidence-gathering procedures have been designed to obtain a limited level of assurance based on SAE3000 and a moderate level of assurance engagement as set out in AA1000AS (2008) in order to provide confidence to readers by reducing risks or errors to a very low but not to zero. Moreover, the AA1000 AccountAbility Principles Standard (2008) of Inclusivity, Materiality and Responsiveness has also been used as criteria to evaluate the Report.

### Scope of Assurance

We provided Type 2 assurance engagement under AA1000AS (2008). This involved:

- 1) an assessment of Unilever's adherence to the AA1000 AccountAbility Principles Standard (2008) and
- 2) an assessment on the accuracy and quality of specified sustainability performance information contained within the Report, in relation to the agreed scope. The scope of work consisted of:
  - Preserving environment
  - Enhancing livelihoods
  - Improving health and well-being
  - Sustainability governance.

### Responsibility

Unilever is responsible for all information and claims contained in the Report, including established sustainability management targets, performance management, data collection and report preparation, etc. Our responsibility in performing this engagement is to the management of Unilever only for the purposes of verifying its statements relating to its sustainability performance, more particularly as described in the agreed scope. Our responsibility is to express our conclusions in relation to the agreed scope.

### Methodology

We have assessed several assertions and specified data sets included in the report and the systems and processes used to manage and report these using the following methods:

- Reviewed report, internal policies, documentation, management and information systems
- Carried out interviews with staff involved in sustainability-related management and reporting
- Followed data trails to initial aggregated source and checked sample data to a greater depth during the engagement process.

### Limitations

Our scope of work was limited to a review of the accuracy and reliability of specified data and interviews with data providers, persons in charge of data collection and processing, as well as persons in charge of sustainability performance-related information.

### Conclusions

We conclude that this Report has presented disclosures, either fully or partially, in accordance with G4 Core option issued by the Global Reporting Initiative (GRI).

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness include:

#### ▪ Inclusivity

An assessment has been made to determine whether Unilever has included all key stakeholders in developing and achieving an accountable and strategic response to sustainability issues.

We found Unilever demonstrates a strong commitment to stakeholder inclusivity. Unilever has an effective system in place for key stakeholders to participate in the development of the organization's response in the context of sustainability. This is demonstrated for instance, by conducting needs assessment surveys and materiality level survey to the key stakeholders group.

However, we recommend that Unilever continues to improve stakeholder inclusivity systems and procedures on a regular basis to maintain their effectiveness.

#### ▪ Materiality

An assessment has been made as to whether Unilever has included in the Report the material information required by its stakeholders in order to enable them to make informed judgements, decisions and actions.

We found Unilever has a strong process in place to determine material issues. Key material issues were adequately reported and were found to provide balanced information about Unilever's sustainability performance. However, we recommend that Unilever continues to conduct materiality test on a regular basis in future reports.

#### ▪ Responsiveness

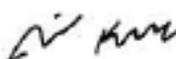
An assessment has been made as to whether Unilever demonstrates that it responds to its stakeholders and is accountable to them.

Unilever was found to be responsive to key stakeholder concerns and expectations. This was achieved through the organization's allocation of resources to stakeholder engagement, the timeliness and accessibility of reported information, and the types of communication mechanisms regularly employed.

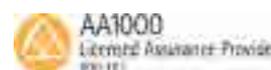
However, we recommend that continues to improve stakeholder engagement procedures on a regular basis in future reports.

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the data of the Report has been materially misstated.

Jakarta, August 25, 2017



**James Kallman**  
Chief Executive Officer



*Moore's Rowland is an international organization specializing in audit, accounting, tax, legal and advisory services. Moore's Rowland is a member of Praxity AISBL, the world's largest Alliance of independent and unaffiliated audit and consultancy companies.*

*We can rely on the skills of more than 33,400 professionals operating together in 97 countries, sharing the same values and sense of responsibility, whilst in Indonesia is served by Moore's Rowland, one of the leading sustainability assurance providers.*

# COMPANY PROFILE

**Company name:**

PT Unilever Indonesia Tbk

**Business Activities and Products Produced:**

Production, marketing, and distribution of consumer goods for the Indonesian market, including soaps, detergents, margarine, ice cream, cooking spices, soy sauce, cosmetic products, beverages with staples of tea and fruit juice.

**Business Type:**

Limited liability company  
Foreign investment

**Ownership:**

Unilever Indonesia Holding B.V. (85%)  
Public (15%)

**Company Scale (as of December 31, 2016):**

Number of Employees: 6,210 people

Number of Factories:

- 7 factories in Jababeka industrial area, Cikarang, Bekasi
- 2 factories in Rungkut, Surabaya

**Head Office Address:**

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# FEEDBACKS

We are committed to continuously improving the quality of the sustainability report we publish. To that end, we welcome input from readers and stakeholders. If you would like to submit feedback or ideas for improvement, please submit to:

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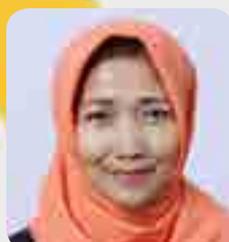
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# SUSTAINABILITY REPORT 2015–2016



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