



Building
a Sustainable Future
Every Day

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. These statements are based on various projections and estimates made by Unilever Indonesia's management. Predictions also come from referenced sources commonly referred to by businesses. Therefore, there is no guarantee that some or all will be achieved. Statements include acceptable forecasts and assumptions at the time this report was prepared.

Building a Sustainable Future Every Day

Promoting a Sustainable Life

Since its establishment, Unilever has always been a purpose-driven company. The purpose is simple and clear – to make sustainable living commonplace. Unilever believes that businesses should be working to find solutions to global challenges. Therefore sustainable and equitable growth is the only business model that can be accepted.

In 2010, Unilever globally launched the Unilever Sustainable Living Plan (USLP) as a strategy to continue growing its business while continuing to reduce half the environmental impact it generates and increase social impacts to society. USLP has 3 main objectives:

1. To help more than 1 billion people to improve their health and well-being by 2020.
2. To reduce the environmental footprint in manufacturing and use of Unilever products by half by 2030.
3. To increase the livelihoods of millions of people across our value chain by 2020.

This report presents action Unilever Indonesia has taken to support the achievement of these targets and the challenges encountered.



SUSTAINABILITY OVERVIEW

Sustainability has been ingrained in the DNA of Unilever since it was first established in the 19th century. Since its inception, Unilever's purpose has been to make sustainable living commonplace through its products and programmes globally. Unilever Indonesia has developed and implemented various community-based strategic programmes in accordance with stakeholders to explore, empower and provide added value to the community. Below are some statistics outlining Unilever Indonesia's impact and influence.


People


90+ million people
BENEFICIARIES OF HEALTH AND HYGIENE

3,320 people
EMPOWERED WOMEN (SARASWATI)


25,000 people
SMALL FARMERS FOSTERED

50,980 hours 
NUMBER OF EMPLOYEE TRAINING HOURS

90% 
CONSUMER VOICE USER SATISFACTION SCORE

No. 1 
EMPLOYER OF CHOICE IN THE FMCG INDUSTRY

Profit

36 years

LISTED ON THE INDONESIA STOCK EXCHANGE

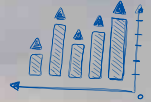
9 consecutive years

LISTED ON THE SRI KEHATI SUSTAINABILITY INDEX, INDONESIA

IDR 18.9 trillion
TOTAL ASSETS

IDR 41.2 trillion
NET SALES

9.6%
PROFIT GROWTH



Planet

6 PROPER Blue Category
AT CIKARANG PLANT

2 PROPER Blue Category
AT RUNGKUT PLANT

32.27%

GREENHOUSE GAS EMISSION REDUCTION FROM ENERGY PER TON OF PRODUCT

29.96%

ENERGY SAVING PER TON OF PRODUCT

32.38%

DECREASE IN INTENSITY OF WATER USAGE

100%

ZERO WASTE TO FINAL DISPOSAL IS SUCCESSFULLY APPLIED IN PLANTS

2,615

NUMBER OF UNILEVER WASTE BANKS



6,125 tons

AMOUNT OF WASTE COLLECTED AT WASTE BANKS



IDR 8.338 million

ECONOMIC VALUE OF WASTE BANKS

MESSAGE FROM THE PRESIDENT DIRECTOR



Unilever Indonesia believes that the achievement of sustainable and satisfying business results requires responsible business practices. The embodiment of "doing well and doing good" at the same time is Unilever Indonesia's commitment to earn love and respect of the Indonesian people.

HEMANT BAKSHI
President Director of PT Unilever Indonesia Tbk

THE PURPOSE OF SUSTAINABILITY FOR UNILEVER INDONESIA

Sustainability is the core of our business, a trait we wish to see at the forefront, both in the business world and in the communities in which we operate. However, the business cannot continue to grow while developmental challenges such as nutritional balance, climate change, and inequality in social welfare, are still rampant in our surrounding communities.

To reach our goals while acknowledging these developmental challenges, Unilever has globally applied the Unilever Sustainable Living Plan (USLP) strategy to grow the business, while reducing our environmental footprint by half and increasing positive social impact to community. The USLP includes targets that are aligned with Sustainable Development Objectives (SDGs): improving the health and wellbeing of more than 1 billion people; reducing environmental footprint by half; and enhancing livelihoods of millions of people across our value chain. The efforts and achievements of Unilever Indonesia in implementing the USLP are delivered in this Sustainability Report.

SIGNIFICANT ACHIEVEMENTS IN SUSTAINABILITY

Since the first USLP was implemented in 2010, Unilever Indonesia has reached some achievements as targets set. In 2017, the business was able to grow, showing an increase of IDR 7.0 trillion in sales net profit, up 9.6% over the previous year. Surprisingly, this was achieved while significant changes occurred in the performance of the Fast-Moving Consumer Goods (FMCG) sector in Indonesia due to the slowdown in public consumption.

This growth is largely due to the contribution of our brands, that have integrated the principle of sustainability, or called Sustainable Living Brands, which accounted for 40% of total sales. This proves that consumers tend to choose products that inspire them to do good. By 2018, we expect the contribution of these brands to reach 50%.

Unilever is deeply involved in community development of health, hygiene, and nutrition. In 2017, the school-based programme, in association with local governments and the community, reached more than 2.2 million Indonesian students, working to implement the Health & Hygiene Behaviour (PHBS). The intent is that through maintaining health and hygiene, future generations will be able to thrive in all aspects of their lives. The PHBS was expanded to include the Mothers Programme and Healthy Traditional Market Programme to widen the scope and reach of the projects.

On the sourcing side of our value chain, Unilever Indonesia ensures that we obtain palm oil, black soybeans, tea and other raw agricultural commodities solely from sustainable plantation. To achieve this, we promote sustainable farming practices among the smallholders farmers in Indonesia to gain high quality crops with minimal harm to the environment. Along with our partners, our fostered palm oil smallholders obtained sustainable palm oil certification from the RSPO, the first certification for independent smallholders farmers in North Sumatra.

On the distribution side, we initiated the 'Selling with Purpose' programme that targeted small-scale retailers. Through this program, we provide the shopkeepers with technological tools and soft skills to enable them to manage better manage stores to remain competitive in the market. We particularly encourage women and small merchants to improve their livelihood as our business grows.

At the end of value chain, we reached a new milestone in combatting of the largest challenges in preserving the environment: post-consumption packaging waste, particularly flexible plastic (sachet) packaging. In 2017, we launched CreaSolv®, a global breakthrough in flexible plastic package recycling. This pilot project is being conducted in partnership with various stakeholders, and is a huge step towards creating a circular economy. We are also integrating this effort with waste bank initiatives, providing 2,615 units with more than 340 thousand members in various regions throughout Indonesia.

PLANS FOR THE SUSTAINABLE FUTURE

Unilever Indonesia believes that business and sustainability principles must go hand in hand, the "doing well and doing good" should be strictly adhered to. In the coming years, we aim to continue improving our sustainable living brand and achieve the USLP target in 2020 and 2030. This can surely be achieved through collaboration between our employees, government, partners, and customers so that business growth also benefits the wider community.



HEMANT BAKSHI

President Director of
PT Unilever Indonesia Tbk





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ABOUT UNILEVER INDONESIA

Established on 5th December 1933, Unilever Indonesia is now one of the leading companies in the Fast-Moving Consumer Goods (FMCG) industry in Indonesia. We have reached millions of Indonesian people through manufacturing some of the world's leading brands.

Unilever was founded on motivation which shaped the way we do business, which is to help consumers look good, feel good, and get more out of life. Our goal as a company is to promote a sustainable lifestyle.

Unilever Indonesia is longing to build a sense of love and respect from the public by touching the lives of everybody every day. For that reason, we would like our presence to always offer good benefits or people, not only economic-wise but also to improve their wellbeing and contribute to environmental preservation.

Unilever's Sustainable Business Principles are embodied in the Unilever Sustainable Living Plan - The USLP is at the core of our business model. Its principles govern how we reduce the environmental footprint of our business development while continuing to increase positive social impact on the community.

Unilever Indonesia has been listed on the Indonesian Stock Exchange since January 11, 1982, and by the end of 2016, our shares are ranked as the fifth largest market capitalization on the Indonesian Stock Exchange. This success reinforces our belief that by doing business responsibly, we are able to drive the long-term sustainability of the company.





84

YEARS

Unilever present in Indonesia



Each house uses at least

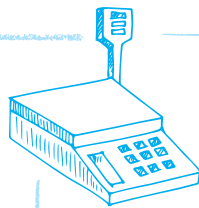
1

UNILEVER PRODUCT



42

BRANDS



Nearly

1,000

STOCK KEEPING UNITS (SKU)



6,000+

PERMANENT EMPLOYEES



Perfect Store Program at traditional market

SUPPLY CHAIN OF UNILEVER INDONESIA

Unilever understands that our products must be sustainable in every business chain. We are responsible not only for our direct operations, but also the suppliers, distributors, and how consumers use our products.

Agriculture and Farming

56%

The volume of palm oil procured globally that already has a physical RSPO certificate



100%

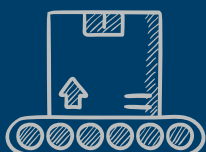
Local black soybean certified USAC



25,000

SMALL FARMERS

Processing Plant



Logistics



2



Distributions Centres

16



Supplier Factories

Unilever Factories

9

FACTORIES

LOCATED IN CIKARANG, RUNGKUT, AND SURABAYA



Peritel



Consumers



15

Depot Warehouse



800+

Independent Distributors



500,000+

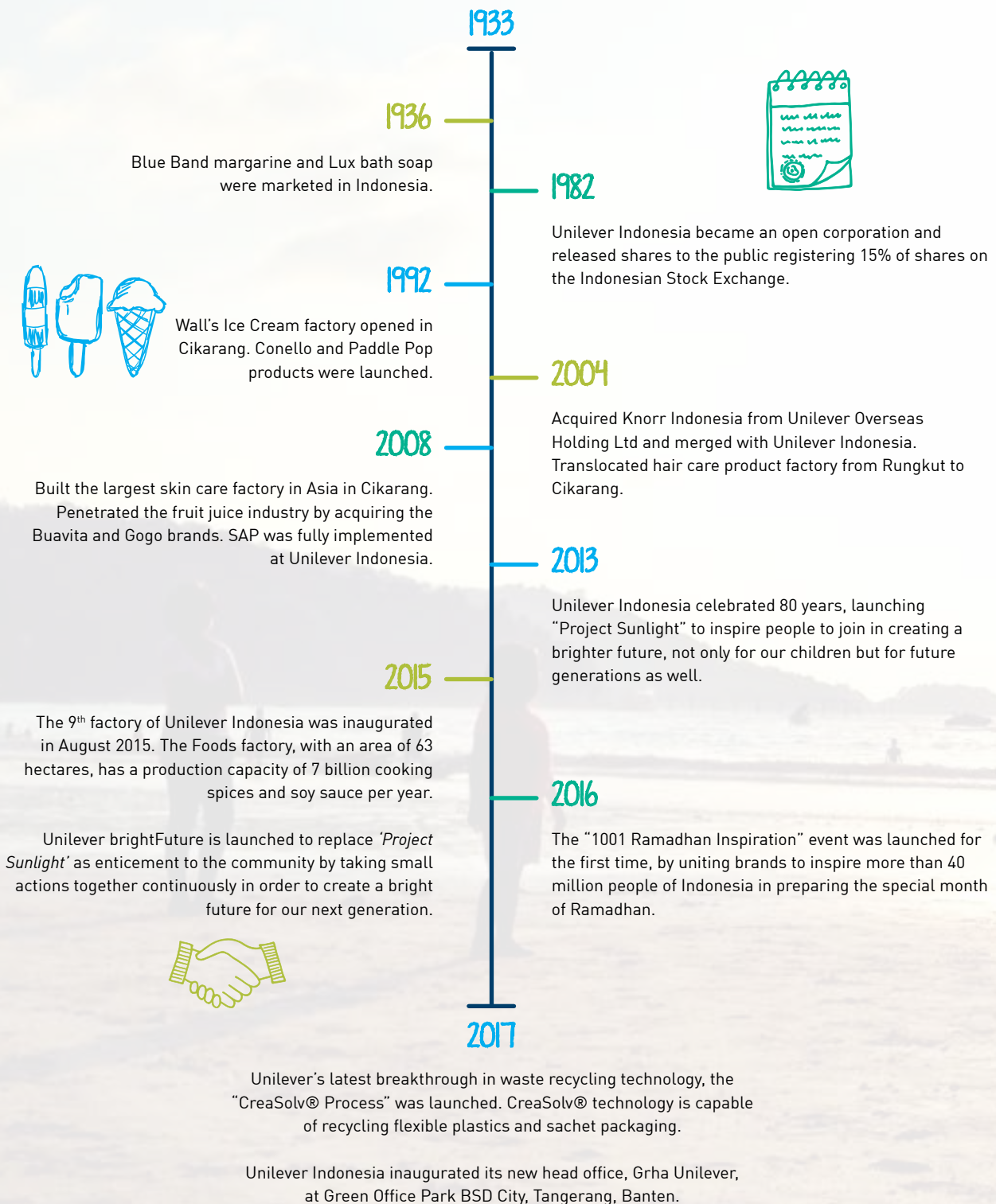
Small-scale retailers





HISTORY OF UNILEVER INDONESIA

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



VISION, MISSION, AND VALUES 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 enjoy life more with good brands and services that are good 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

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.

Photo is taken by Febyuka Azalia, female employee of Unilever Indonesia





Photo is taken by Yogi Zulghofar, male employee of Unilever Indonesia



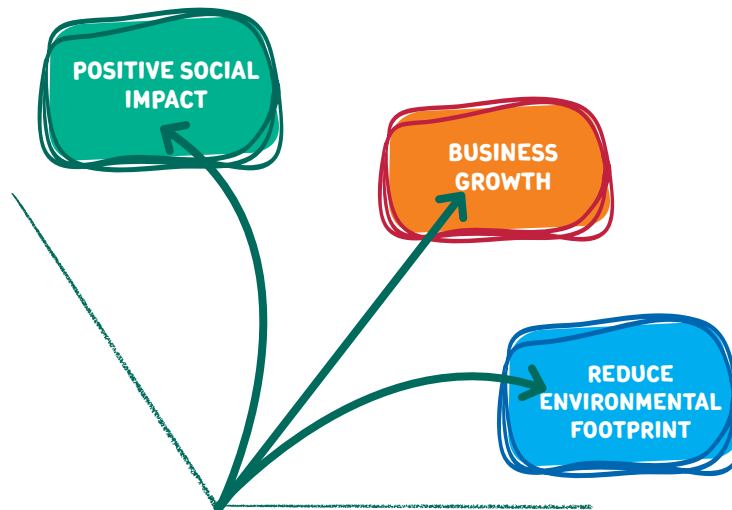
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THE GOAL OF UNILEVER

Sustainability has been at the heart of Unilever since its foundation. Therefore, one of the main goals of the company is to create sustainable living, or 'a better life every day'.



To achieve its goal on a global level, Unilever's vision is to grow businesses that at the same time can reduce their environmental footprint, as well as enhance positive social impacts through the implementation of the Unilever Sustainable Living Plan.

The goal is set in the vision of Unilever Indonesia 'to earn Indonesia's love and respect by touching the lives of every Indonesian every day'. In order to realise the company's goal of creating a better future every day, the following achievements must be made:

- Help consumers feel comfortable, look good and enjoy life through brands and services that have benefit for them and others.

- Inspire people to take small, everyday actions that can add up to a big difference for the world.
- Grow businesses while reducing environmental impact and increasing social impact.

With this business model approach, Unilever encourages consistent, profitable, competitive and responsible growth by integrating sustainability into all aspects of the business to gain long-term benefits.

UNILEVER SUSTAINABLE LIVING PLAN (USLP)

In 2010, the Unilever Sustainable Living Plan (USLP) was established as a guide to achieve sustainable business and inclusive growth. The USLP includes Unilever initiatives from around the world in order to realise the vision. Within the USLP there are predetermined targets, from how raw materials are sourced to how customers use Unilever brands.

UNILEVER'S THREE GOALS



The three goals of the USLP is the company's way of creating value for companies and communities. After seven years, the USLP continues to be the foundation for promoting profitable growth in our brands; saving on operational costs; reducing risks related to raw material supply; building trust from all stakeholders; and delivering value to all stakeholders.

For each of the goal, there are initiatives and targets that should be implemented, including by Unilever Indonesia. By taking advantage of the range of business activities, the USLP also contributes directly to the achievement of Sustainable Development Goals (SDGs) in Indonesia.

In implementing the USLP, Unilever works closely with government agencies and relevant organizations to implement its programmes, so that expected changes can be realised in society. In Indonesia particularly, the primary means of implementing the Unilever Sustainable Living Plan is implemented by Yayasan Unilever Indonesia (YUI). YUI was established on November 27, 2000, with the mission to seek and empower community potential, provide added value to the community, unify forces with partners and act as a catalyst for partnership formation.

UNILEVER AND SUSTAINABILITY INITIATIVES

The 17 goals of sustainable development (Global Goals) adopted by world leaders, applies universally to all countries. The Global Goals initiative hailed a historic commitment of world leaders to build a better future and is aimed at creating a safer and healthier planet for the future. These Global Goals can be achieved by mobilizing efforts to end all forms of poverty, addressing inequalities and tackling climate change, while ensuring that no one is left behind.















Unilever was directly involved in the formulation and is active in the implementation of the Global Goals initiative together with stakeholders from around the world. These Global Goals are essential to Unilever because they alter how business should be done. Unilever has identified potential areas to contribute to the Global Goals scheme, in accordance with the nature, scale and range of the business and how they add value to the business.

Unilever's contribution to SDGs is embodied in various global sustainability initiatives that are aligned with the achievement of the SDGs, including Holistic Water Goals, WASH4Work, Unilever Sustainable Living Plans, Sustainable Living Brands, and Transformational Change.

CORRELATION BETWEEN THE UNILEVER SUSTAINABLE LIVING PLAN AND GLOBAL GOALS

GLOBAL GOALS	RELEVANT USLP PILLAR	PAGES IN THIS REPORT
<p>No Poverty</p>	Fairness in the Workplace Inclusive Business Opportunities for Women	69, 91 93 92
<p>Zero Hunger</p>	Improving Nutrition Inclusive Business Opportunities for Women Sustainable Sourcing	41 93 69, 92 82
<p>Good Health and Well-being</p>	Fairness in the Workplace Health & Hygiene Improving Nutrition	69, 91 30 41
<p>Quality Education</p>	Inclusive Business Opportunities for Women Sustainable Sourcing	93 69, 92 82
<p>Gender Equality</p>	Opportunities for Women	69, 92

	GLOBAL GOALS	RELEVANT USLP PILLAR	PAGES IN THIS REPORT
	Clean Water and Sanitation	Health & Hygiene Water Use	31 57
	Affordable and Clean Energy	Greenhouse Gases	55,56
	Decent Work and Economic Growth	All USLP Pillar	
	Industry, Innovation and Infrastructure	Greenhouse Gases Inclusive Business Opportunities for Women Water Use Waste & Packaging	55,56 93 69, 92 57 46, 58
	Reduce Inequalities	Fairness in the Workplace Inclusive Business Opportunities for Women	69, 91 93 69, 92
	Sustainable Cities and Communities	Health & Hygiene Waste & Packaging	31 46, 58
	Responsible Consumption and Production	Greenhouse Gases Waste & Packaging Water Use	55, 56 46, 58 57
	Climate Action	Greenhouse Gases Sustainable Sourcing Water Use	55, 56 82 57
	Life Below Water	Waste & Packaging	46, 58
	Life on Land	Sustainable Sourcing	82
	Peace, Justice, and Strong Institutions	Fairness in the Workplace	69, 91
	Partnership for the Goals	All USLP Pillar	



SUSTAINABILITY DAY: BETTER BUSINESS BETTER WORLD

Sustainability is not only an environmental effort but also an attempt to address global issues including hunger, poverty, health, climate change and other humanitarian challenges. Therefore, the participation of all parties is needed to obtain a solution that is in line with the UN's Sustainable Development Goals.



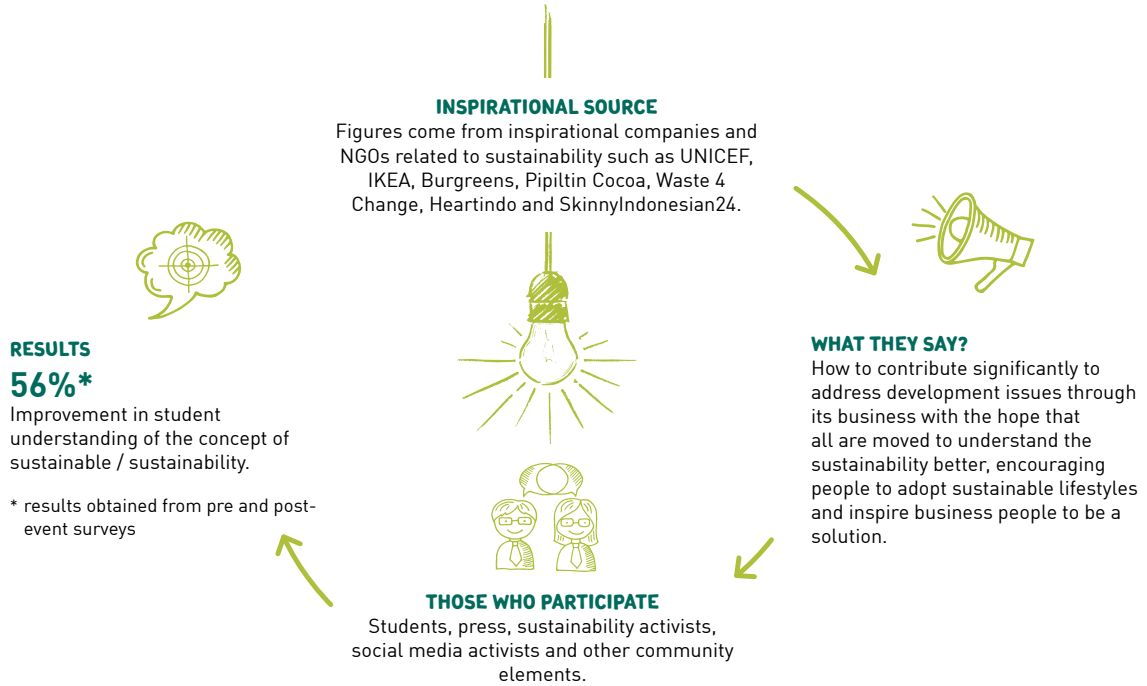
Unilever believes that businesses should be part of a development solution by integrating sustainability into all aspects of the business, as announced through the Unilever Sustainable Living Plan in 2010.

In line with efforts to foster a sustainable lifestyle, Unilever organized "Sustainability Day: Better Business, Better World" at the end of 2017 to promote the concept of sustainability as a popular, easy to understand topic which can be implemented in everyday life by all parties. This event also celebrated the 17th anniversary of Yayasan Unilever Indonesia.

Unilever believes that the synergy of all parties such as governments, corporations, non-profit organisations and communities will be able to address development issues so that we can build a bright future for future generations.



Unilever also recognizes that we must move together to realise the commitment of the 17 Sustainable Development Goals (SDGs) to address global challenges.




“
 It is important to empower participants with knowledge about sustainability principles and how they can be integrated into everyday life.
 ”

HELGA ANGELINA
 Owner of Burgreens



“
 From this activity, we can conclude that we should be able to make sustainability as a cool thing to do, and not as a hard thing to achieve.
 ”

SKINNYINDONESIAN24
 Youtuber



“
 It is a great honour to be invited to this event since IKEA also has the same mission and vision, with sustainability as one of our important foundations.
 ”

PIKKI AZIS
 IKEA Supply AG Indonesia Representative Office & Quality Compliance Manager South East Asia



“
 Sustainability Day emphasizes the what Sustainable Development means. This can be done once or repeatedly, with different audiences. The more often, the better the understanding is achieved. Although initially this concept may not be fully understood, the audience can be inspired to learn and find out more.
 ”

MARI ELKA PANGESTU
 President of United in Diversity Foundation and Leadership Council of UN SDSN Southeast Asia and Indonesia, and former Minister of Trade, Tourism and Creative Economy of the Republic of Indonesia



CARE FOR AREA SURROUNDING

The Care for Area Surroundings (CFAS) programme is a manifestation of Unilever Indonesia's concern for the communities surrounding Unilever's premises, such as Tangerang, the location of Unilever Indonesia's head office, and Cikarang and Rungkut, where Unilever factories are located.

The CFAS programme focuses on three main USLP goals and encourages employee involvement in interacting with the environment.

BAKTI UFS

Unilever Indonesia, in collaboration with Unilever Food Solutions (UFS) and Unilever Indonesia Foundation, held a 'Bakti UFS' event themed 'Berkarya dari Memasak' for people of Kecamatan Cisauk, Kabupaten Tangerang, which is the location of Unilever Indonesia headquarters.

The Bakti UFS programme targeted 15 mothers from Desa Suradita by developing culinary skills which are expected to increase livelihood and income of the local community. From mid to late 2017, teams from UFS and volunteers from Unilever Indonesia shared knowledge in basic cooking methods, food safety, cake making, nutrition, social media marketing and food packaging.



Bakti UFS Programme to strengthen community through culinary business training

LEGEND OF TOMORROW

As part of a series of anniversary activities, Unilever Indonesia held the #weRunUnilever event with the theme "Legend of Tomorrow" in collaboration with the Unilever Running Club.

Employees were invited to group runs during the period of November 27 - December 4 and to accumulate the total number kilometres ran. The accumulated total number of kilometres was converted into Rupiah (IDR) and donated to the communities around the Unilever Indonesia office and Cikarang factory.



Employees of Unilever Indonesia succeeded in accumulating 665-kilometres, converted to Rupiah and donated to the surrounding communities in need.

In commemorating World Food Day, Unilever Indonesia in cooperation with PKK (Empowerment and Family Welfare) in Cisauk sub-district conduct training on balanced nutritious food to 63 PKK cadres in Cisauk sub-district.



Education on nutritious food for families and cooking demonstrations at BSD Unilever Food Station kitchen.



TRAINING ON WASTE MANAGEMENT IN DESA SURADITA - TANGERANG

In Desa Suradita Tangerang, Yayasan Unilever Indonesia, in cooperation with Yayasan Rumah Pelangi, invited residents to learn about waste management, and how to make compost in their own home. They also witnessed the set-up of a new trash bank, the Bank Sampah Hijau Cemerlang, which now has 121 customers and who have managed to deposit 213 kg of garbage.

The CFAS was conducted by the Head Office and enriched with employees who visited 2 elementary schools on World Hand Washing Day, and organized a Mobile Hygiene Clinic for surrounding villages.



Waste Management of Desa Suradita



Education of handwashing with soap near Unilever headquarters, Cikarang and Rungkut factory

Lifebuoy celebrates Global Handwashing Day 2017 at 13 locations in 10 cities during October 12 – 31st 2017 which reached about 2,500 people. Unilever Indonesia employees from our main locations including headquarters, Cikarang factory, and Rungkut factory, contributed to the celebration by educating elementary school students regarding the importance of washing hands with soap after 5 important moments and how to wash our hands properly.



Rungkut factory

LOVE OUR RIVER, PRESERVE OUR NATURE

In the spirit of CFAS to preserve the environment in East Java, the Rungkut factory also campaigned for residents who live on the banks of the Kalimas River - Gresik. A total of 30 village residents from Lebani Waras, Sumengko, and Wringin Anom participated in educational events about preservation of river ecosystems, conservation of fish and squid on the Surabaya River, and processing and managing of trash banks. This event was hosted in collaboration with local NGO, Ecoton.



Waste management training around Cikarang factory

ONE CIKARANG COMMUNITY DEVELOPMENT

Cikarang factory implemented CFAS through the One Cikarang Community Development initiative, which focused on a Waste Bank Programme. People from 4 residential locations around the factory area were invited to participate. The area is also residential to many Unilever employees, who managed the waste bank activities.

From May to September 2017, four trash banks managed to collect more than 6 tons of waste worth more than 12 million rupiah. Activities were also held at Santo Leo III - Jababeka on Global Handwashing Day at SDN Wangun Harja 02.



SUSTAINABILITY AWARDS 2017



No	Awards	from
1.	The World Most Innovative Companies	Forbes
2.	Asia's Best Companies 2017 - Most Committed to Corporate Governance (5 th Place) - Best Managed Companies (7 th Place)	Finance Asia
3.	HR Asia Best Companies to Work for in Asia	HR Asia
4.	Indonesia Annual Report Award 2016	Otoritas Jasa Keuangan
5.	Indonesia Corporate Reputation Award 2017	Warta Ekonomi
6.	Indonesia Most Admired CEO Award 2017	Warta Ekonomi
7.	Indonesia Corporate Secretary Award 2017	Warta Ekonomi
8.	Indonesia Best CFO Award 2017	SWA
9.	Sustainable Business Awards - UN Sustainable Development Goals (SDGs) - Flagship	Global Initiatives
10.	TOP CSR Award 2017 - Top Leaders on CSR Commitment (Hemant Bakshi – CEO) - Top CSR 2017 on Consumer Goods Industry	Top CSR Business News Indonesia
11.	SRI KEHATI Certificate 2017 Perusahaan Konstituen Indeks SRI KEHATI	Yayasan Keanekaragaman Hayati Indonesia





Improving Health

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Improving Quality of Nutrition	41

Photo is taken by Febyuka Azalia, female employee of Unilever Indonesia



Health is an essential factor in promoting the welfare of society. Through the Ministry of Health, the Indonesian government launched the 'Healthy Indonesia' programme aimed at increasing the health and nutritional quality of the community. This programme is being conducted through hygiene efforts and community empowerment supported by equal opportunity to access health services.

OUR TARGET

This issue is relevant to Unilever Indonesia, who has reached millions of households in Indonesia through various products related to hygiene, health and nutrition. Furthermore, through the USLP, businesses are integrated in order to help improve the health and wellbeing of more than one billion people worldwide by 2020.

The first pillar of the USLP's goal is to improve the health and hygiene of people and prevent life-threatening health problems. In the context of Indonesia, Unilever Indonesia is working with relevant stakeholders, focusing on activities to encourage the development of healthy living behaviours in the community and continuously improving nutrition in our products. With these two approaches, Unilever contributes to improving health and well-being.

HEALTH AND HYGIENE

3 GOOD HEALTH AND WELL-BEING



The third Global Goal is good health and wellbeing ensuring a healthy life and promoting well-being for all people of all ages.

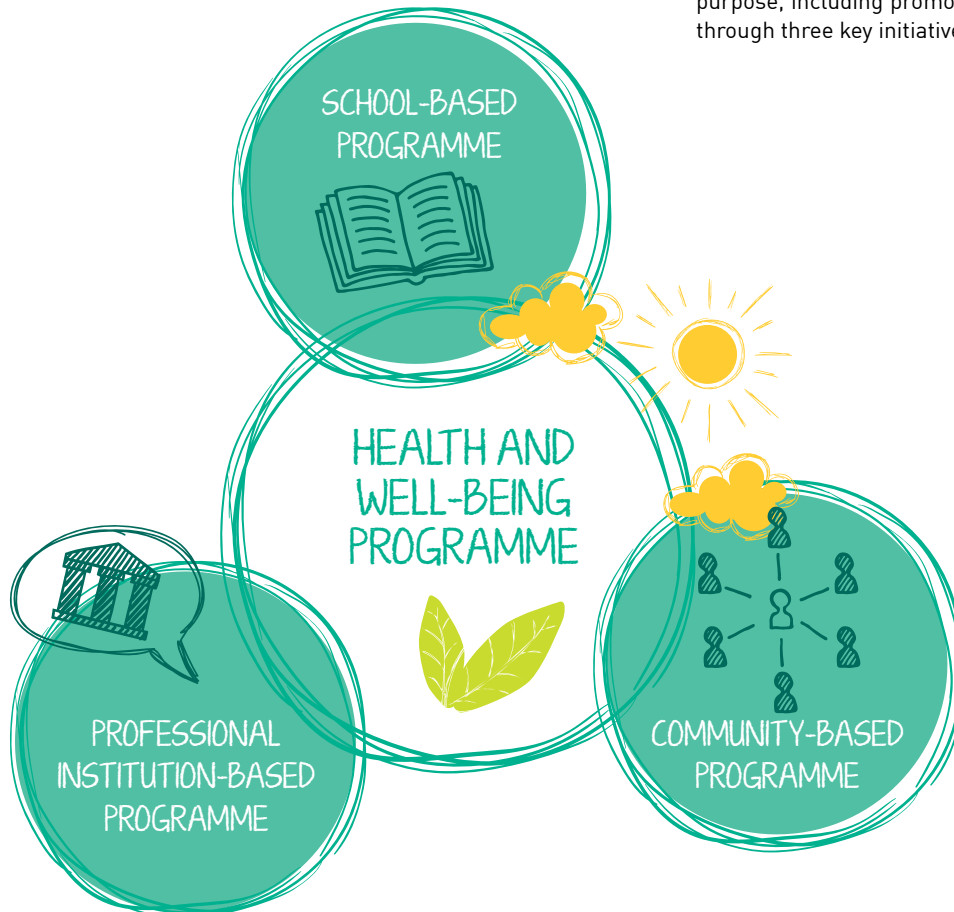
Based on Health Research in 2013, it is known that diseases are transmitted through the air, vectors, food, water, and through other transmission mediums. Such conditions relate to the Public Health Development Index (IPKM) and the Sustainable Development Goals (SDGs).

Most illnesses and deaths from these diseases can be prevented by conforming to a clean and healthy lifestyle as declared by the Ministry of Health. Within this framework, Unilever Indonesia seeks to encourage behavioural change by raising public awareness and improving knowledge regarding health and hygiene through various programmes throughout Indonesia.

UNILEVER'S COMMITMENT TO HEALTH AND HYGIENE

Through the Unilever Sustainable Living Plan, Unilever has set a global target of helping more than one billion people worldwide to improve their health and hygiene standards, therefore reducing fatal cases such as diarrhoea and other infectious diseases.

Unilever has organized programmes for 'Healthy Indonesia' as a medium of application of the USLP pillars of Health and Hygiene. The programme integrates a strategy brand with purpose, including promoting the health message of a brand through three key initiatives as described below.





SCHOOL-BASED PROGRAMME

School-based programmes are an avenue for Unilever brands to reach more than 1 billion people globally to improve health and hygiene by 2020.

Healthy School Programme

The goal of this programme is to build an active and smart generation through the promotion of Clean and Healthy Behaviour as the basis of good hygiene.

The 7 Clean and Healthy Living Habits Campaign emphasizes the importance of maintaining a clean, healthy lifestyle (also a key mantra of Unilever) to younger generations. In 2017, Unilever strengthened the Habit-7 to prevent Dengue Haemorrhagic Fever by 3M movement.

Unilever Indonesia, through the Unilever Indonesia Foundation, encouraged related parties both at national and regional levels to become partners in these activities, especially the Ministry of Health and the Ministry of Education and Culture. Unilever also involved WASH Programme interest groups such as TP UKS, AMPL, APOKSI, and other relevant agencies, supported by local NGOs as implementation partners.

2017

Achievements

2.2 MILLION +

Indonesian student beneficiaries of the Healthy School programme

81,400+

Programme Ambassadors

9,000+

Schools involved

7 CLEAN AND HEALTHY LIVING HABITS

1

WASH HANDS WITH SOAP

Always wash hands with soap and running water when bathing; before breakfast, lunch, and dinner; and after using the toilet.



2

DIVERSE, NUTRITIOUS, BALANCED, AND SAFE FOODS

It is essential to eat a nutritious breakfast before 9 am.





4

BRUSHING TEETH IN THE MORNING AND AT NIGHT

Teeth should be brushed at least twice a day: after breakfast and before bedtime, using appropriate toothbrushes and toothpaste.



3

DRINKING CLEAN WATER

The availability of potable germ-free drinking water in all places, including schools is essential.



5

CLEAN AND HYGIENIC TOILET, BATHROOM, AND FLOOR

Toilets must be cleaned regularly to create a healthy environment for all.



6

MANAGE WASTE AT SCHOOL

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



7

PREVENT DENGUE HAEMORRHAGIC FEVER (DHF) WITH MOSQUITO NEST ERADICATION

Prevent dengue fever with 3M+ movement.





Photo taken by Febyuka Azalia, female employee of Unilever Indonesia

Celebrate World Handwashing Day

Lifebuoy, a family health soap brand, symbolically celebrated World Handwashing Day in SDN 03 Menteng, Jakarta, by educating the public about the importance of Handwashing with Soap (CTPS) in order to be protected from germs. The CTPS, which has been held since 2004, has already reached more than 89 million Indonesian children, as well as more than 150 thousand mothers, and is on its way to meeting the target of achieving 100 million healthy hands in Indonesia by 2020.

This event focused on educational activities through 3 main pillars, namely School Pillar, PKK Pillar and Hospital Pillar. Lifebuoy had also built 25 hand-wash facilities in 25 schools by 2017. In addition to celebration events around 13 locations in 10 cities, community education was also conducted through digital channels to increase community participation. Support can be demonstrated by uploading photos using the hashtag #TepukSehatIndonesia on the social media platform Instagram and following the movement's Instagram account: @LifebuoyID

3 MAIN PILLARS OF CTPS

SCHOOL PILLAR

Coordinating with the Ministry of Health and the Ministry of Education and Culture, Unilever is working with Puskesmas and primary schools to revitalize the School Health Unit (UKS) to strengthen the role of "little doctors" as peer educators.

From 2004 to 2016, this 'little doctor's' reinforcement programme successfully trained over 420 thousand elementary school students to become "little doctors".

PKK PILLAR

Educating mothers in Posyandu through health cadres and PKK activists in 34 provinces in Indonesia. Education in the form of counseling and education training of CTPS in Posyandu to pregnant women, nursing mothers, and mothers with children under 5 years old.

INSTITUTION & PROFESSIONAL PILLAR

Working with the Association of Indonesian Hospitals (PERSI) to educate health workers in selected hospitals spread across Indonesia, including a seminar on the importance of CTPS for health workers to create a clean and healthy hospital for patients and the environment.



FAL Bintang Beasiswa

Fair & Lovely (FAL) Indonesia supports Indonesian women in moving forward and realizing their dreams as modern women. FAL provides a scholarship programme for 50 outstanding Indonesian young women who have high aspirations to obtain higher education. The young women were strictly selected and had the opportunity to take courses at major universities.

In addition to scholarships, support is also provided in the form of mentorship via interactions and discussions with volunteer employees known as 'Kakak Bintang' who act as mentors throughout their studies and aid in preparation for entering the workforce.



Dove Self Esteem Project

Through the Dove Self Esteem Project (DSEP) Programme, the young students are encouraged to build their confidence and self-esteem. The goal of DSEP is to help 20 million adolescents around the world improve their confidence; by 2017, DESP in Indonesia had empowered 137,874 students from 267 schools in 5 cities and 1 district.

COMMUNITY-BASED PROGRAMME

The Healthy Community-based Programme involves community groups in promoting healthy living habits, community sanitation programmes and improved nutrition. The goal is to build an active and productive community through the promotion of healthy, hygienic behaviour and nutritional practices at the community level. This programme is realised through various activities that are integrated with the health message of Unilever brands.

Mother and Toddler's Health Programme

Since 2016, Unilever has strived to improve the quality of health of mothers and toddlers by promoting healthy and hygienic living behaviours directly to mothers as agents of change in the family.

This activity was initiated by the Lifebuoy brand, in collaboration with PKK (Empowerment and Family Welfare) groups, through empowerment training for PKK groups and peer-to-peer education from special groups to mothers in Posyandu, emphasizing hand washing with soap, especially to mothers with children under 5 years old.

In 2017, this activity develops to be more integrated with the enrichment of Health and Hygiene Behaviours through the 7 habituation campaign. In 2017, the Mothers Programme has reached about 150,000 mothers in 10 cities.



Wipol Anti-Germ Action

In an effort to improve family hygiene through keeping a clean home, Wipol organized the Wipol Anti-Germ Action Programme supported by 4 NGOs that successfully empowered more than 2,000 agents in the community to educate (peer-to-peer) 54,982 mothers in 16 cities in Indonesia.

WIPOL ANTI-GERM ACTION

Education about clean and hygienic behaviours at home, especially for mothers.

Build awareness about the importance of disinfection in 3 areas of the house at 5 specific times.

PASAR SEHAT BERDAYA

Efforts to make the market clean and healthy by changing behaviour.

In line with government programmes for the revitalization of traditional markets.

Pasar Sehat Berdaya

Besides being a vital economic activity centre where sellers and buyers meet, traditional markets are also significant for Unilever as a way to distribute products. In contrast to the modern retail market, traditional markets still have poor hygiene and health conditions that affect visitor comfort.

In 2017, Unilever worked with 5 local NGOs, traditional market stakeholders, health offices and Posyandu cadres at markets to implement the Pasar Sehat Berdaya programme. Through this programme, the already dilapidated market was transformed into a more comfortable and healthy environment by changing people's behaviour in the market, improving sanitation facilities and empowering the surrounding communities.

Through this initiative, Unilever supported and encouraged 443 traders from 27 traditional markets to conduct '7 Clean and Healthy Living Habits' in the marketplace to prevent the spread of disease and maintain convenience through training activities to market traders.



Yuk Nyayur Yuk

The Royco brand social mission began in 2017 with the programme “Yuk Nyayur Yuk” (Let’s Cook Veggies) in Kabupaten Purworejo, Central Java. Young women and mothers were invited and encouraged to increase the consumption of vegetables in daily meals. “Yuk Nyayur Yuk” related to the programmes of the Ministry of Health’s Healthy Community Movement or GERMAS, which promotes balanced nutrition, including consumption of fruits and vegetables.

The Nutrition Food Trail is supported by NGO partner Persada and PKK (Empowerment and Family Welfare) of Kabupaten Purworejo in providing education for more than 15 thousand young women and mothers about the importance of providing adequate and balanced nutritious meals for family members. The “Yuk Nyayur Yuk” programme centred on cooking activities with the programme cadres and closed with appreciation awards for the best programme cadres.

1,001 Mosques Cleaning

To enliven the holy month of Ramadan in 2017, Unilever Indonesia partnered with the Indonesian Mosque Council to organize the Clean 1,001 Mosques event in order to welcome the holy month of Ramadan.

Hygiene and sanitation activities were conducted with the community using a range of sanitation products that had already received halal certification from LPPOM MUI to ensure that worship paraphernalia was kept clean and fragrant, as well as creating clean, shiny, and germ-free conditions in the mosques. The goal was to support worshipers in performing their worship in comfortable, hygienic and peaceful conditions.



CLEAN 1,001 MOSQUES

More than 45 thousand volunteers joined the event in 1,011 mosques around 33 cities in 11 provinces.



PROFESSIONAL INSTITUTION-BASED PROGRAMME

Tooth decay, or cavities, is the most common dental problem experienced by the world. Referring to Basic Health Research data in 2013, 25.9% of Indonesians experienced dental and oral problems in the previous 12 months, while only 31.1% of those affected received treatment and cures from dental professionals. In addition, only 2.3% of Indonesians brushed their teeth at the right time, i.e. in the morning after breakfast and at night before bed. This caused the Tooth Decay Index in Indonesia to remain high at 4.6 which means that tooth decay of Indonesian people have reached 460 pieces of teeth per 100 people.

The Pepsodent survey results conducted in conjunction with the Association of Indonesian Dental Health Professionals showed that 65.9% of children visited the dentist after experiencing pain or having dental and oral problems. Dental appointments can cause trauma to children, so they are reluctant to revisit the dentist. Stress caused by dental and oral issues as well as poor nutrition can lead to problems in child growth.

Based on the findings above, Pepsodent, Unilever family toothpaste brand, is motivated to create professional-based programmes to support the improvement of oral and dental welfare in Indonesia.

World Oral Health Day

Unilever partnered with the FDI World Dental Federation to commemorate World Oral Health Day (WOHD) every March 20 to encourage public awareness about improving good oral hygiene practices. In Indonesia, Unilever and the Board of Directors of the Indonesian Dentists Association, along with its members and several NGOs, organized WOHD events in 98 branches of the Indonesian Dentists Association (PDGI) clinics.

With the theme of "healthy mouth, healthy body", this event included education and training for teachers, little dentists, and health cadres through Pepsodent's 'Little Brush Big Brush' campaign. Collective tooth brushing activities and free dental check-ups were also conducted. Pepsodent together with PDGI also educated in maintaining dental and oral health.

WOHD 2017 was held at SDN Rawa Buntu 03, Serpong, and was attended by Alan Jope, President of Personal Care for Unilever Global; drg. Farichah Hanum, M.Kes., Chairman of PB PDGI (2014-2017); and dr. Anung Sugihanto, MKes, Director General of the Public Health Ministry of Health.





National Dental Health Month

Pepsodent, in collaboration with PDGI and the Association of Dentistry Faculty of Indonesia (AFDOKGI), promoted National Dental Health Month (BKGN) which started in 2010 every September 12 for 3 full months in various cities across Indonesia.

At BKGN, free dental check-ups and treatment facilities were provided for the community. Treatments included simple dental fillings, simple tooth extractions, and tartar cleansing or scaling as well as preventative treatments such as topical fluoride or pit fissure sealant applications. Since it was first held, BKGN has been implemented in 22 Faculties of Dentistry and 36 branches of PDGI and provides benefits for more than 250 thousand patients.

In addition to providing free check-ups and treatments, Pepsodent also encourages Indonesian families to maintain the intake of nutritious and textured snacks for children in order to remain free from cavities and ensure bright smiles.

Parents, especially mothers, were asked to pay more attention to the selection of family snacks focusing on snacks that are high in fibre and contain calcium, protein and have low sugar content. BKGN is also sustaining the Government's Programme of Indonesia Free Caries in 2030 and supporting the 3rd Global Goals' achievement: Good Health.

IMPROVING THE QUALITY OF NUTRITION

Unilever's commitment to health goes even further: By 2020, the proportion of the company portfolio that meets the highest nutritional standards, based on globally recognized food composition guidelines will be doubled. This will help hundreds of millions of people to purchase healthier food.

Adequate and balanced nutrition plays an essential role in sustaining a healthy and rewarding life. In the context of Sustainable Development Goals, proper nutrition plays a critical role for eradicating extreme poverty and hunger and reducing child mortality rates.

As a food producer that reaches more than 1 billion people worldwide, Unilever participates in raising awareness and combatting issues related to obesity and malnutrition. By providing food products that are not only tasty and attractive but also healthy and high in quality.



NUTRITION IMPROVEMENT PROGRAMME IN FOOD

Unilever food solutions ensure products are developed and enriched with essential vitamins and minerals, reduced salt, saturated fat, sugars and calories in various brands through the strategy of the Global Nutrition Enhancement Programme to achieve set nutrition standards.

Unilever has set the following targets to improve nutrition in our products:

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

In addition, Unilever applies a tool called the Vitality Passport where a product will receive Pink & Purple Passport if it meets the strict internal requirements in trans-fat, saturated fat, sugar and sodium.

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

A healthy life is one of the sub pillars of the Unilever Sustainability Living Plan (USLP). We continue to improve taste and nutritional quality of our products through sustainable innovation and reformulation.



PROVIDE HEALTHY DIET INFO

0 GRAM TRANS FAT



UNILEVER INDONESIA

BETTER DIET & BETTER LIVES

CONTRIBUTE TO ESSENTIAL NUTRIENT INTAKE



**VIT A
VIT B COMPLEX
VIT C
OMEGA 3&6
6 VIT**

**↓36%*
REDUCE ADDITIONAL SUGAR**

* decrease of sugar addition up 36%



**<110 Kkal
LESS CALORIES**



**↓26%
REDUCE SATURATED FAT**



NECESSITY OF UNDERSTANDING THE NAÏVE SUBJECT

Generally, Indonesian people served a variety of dishes at family gatherings and religious festivals. At these kinds of events, there are alteration on their consumption patterns and excessive calories intake on the average daily limit that is referred to as Naïve Subject. This can also be triggered by an unbalanced diet. Naïve Subject is one of the sources of Non-Communicable Diseases that caused by excess sugar, fats and oils, and low fibre foods.

Unilever within Jakarta Food Editor's Club along with Royco, Blue Band, Bango and Buavita shared inspiration of practical dishes that focus on to the nutritional content for the family. JFE 2017 focuses on education to mothers who have an essential role to address the phenomenon Naïve Subject by choosing, processing and serving nourishing and nutritious food for the family so that the consumption patterns of salt, sugar, and fat can be more controlled.

More details on Buavita Mangofeast recipe that already tested in Unilever Jakarta Food Editor Club 2017, please visit www.buavita.co.id/recipe/Cold_Mix/mango-feast





Trash Banks Community activity in processing waste packaging into TRASHION



Preserving Nature, Reducing Footprints

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ZERO WASTE TO NATURE

Waste is one of the primary sustainability challenges faced by Indonesia and the rest of the world. According to the Ministry of Environment and Forestry, the amount of waste generated in 2017 reached 65.8 million tons, 40% of which was inorganic waste. This number is projected to increase to unsettling 70.8 million tons by 2025.

Waste that is not managed correctly is detrimental to human health and damages the environment alarmingly. To combat this issue, the Indonesian government has proposed to reduce the volume of waste by 30%, equivalent to 20.9 million tons, by 2025, as stipulated in Presidential Regulation No. 97 of 2017.

Attention is paid to FMCG product packaging waste, especially in developing countries, where general purchasing power has not yet reached the ability to consume large packaging products. This has resulted in billions of disposable sachets packaging produced each year, which are discarded by consumers, contributing to enormous amounts of plastic finding its way to the oceans.

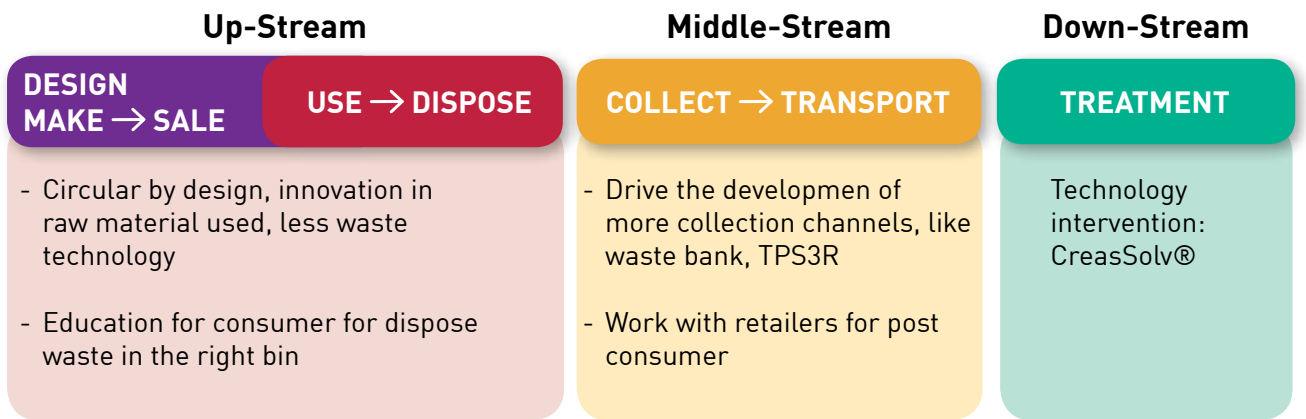


However, managing waste cannot solely be the responsibility of government or manufacturers. The participation of all components of society in a product life cycle is an essential requirement for successful waste management and must be the responsibility of all parties involved. This is called Extended Stakeholder Responsibility (ESR).



The entire FMCG industry is invited to accelerate the creation of a circular economy.

The Zero Waste to Nature (ZWTN) programme aims to reduce the environmental impact caused by waste. Promotion of the separation of waste from the source, building garbage collection channels and increasing the value chain to recycle garbage are the methods aimed at tackling the issue. The ultimate goal is to end the disposal of waste into the natural environment.



Application of ZWTN in the Value Chain

INTRODUCING CREASOLV® TECHNOLOGY

The use of flexible plastic packaging, which consists of sachets and pouches, can cause problems if not properly managed. Flexible plastic packaging waste generally consist of several layers of material, making it difficult to recycle. This results in vast amounts of this type of waste ending up in Final Disposal and polluting the environment.

Recognizing this, Unilever has begun efforts to recycle packaging waste in the consumer value chain, from upstream to downstream. Upstream, collection of flexible packaging waste is being undertaken by cooperating with consumers and communities, while at downstream, cutting-edge

CreaSolv® technology is being applied to recycle flexible plastic waste into raw materials.

CreaSolv® technology development was started in 2010 to manage flexible plastic packaging waste by Unilever and Fraunhofer Institute IVV, CreaCycle GmbH. Using the 'selective extraction' process, CreaSolv® can recycle small and coated sachets into polyethylene film, a plastic layer that can be entirely reused. This film residue can be reused for various purposes, including plastic pallets, thereby creating a circular economic solution.

This technology was officially introduced to the public in May 2017 with full support from the Ministry of Environment and Forestry. In the initial stages, it will begin operation at a mini scale plant in Sidoarjo, East Java in mid-2018 and on a commercial scale later on. This technology has the potential to reduce the impact of CO₂ by 7,800 tons per year for each operating unit, which is equivalent to 8,200 tons of flexible plastic.

To meet the CreaSolv® supply demands, Unilever has been working with waste banks, TPS3R / TPST, and garbage collectors in East Java and beyond, as shown below:

BANK SAMPAH



UNILEVER'S GARBAGE BANK ACTIVITIES ARE NOW INCREASING WITH FLEXIBLE PLASTIC PACKAGING WASTE COLLECTION. WASTE THAT WAS ONLY USED FOR HANDICRAFT MATERIALS CAN NOW BE RECYCLED TO BECOME NEW PACKAGING MATERIAL.

TPS-3R



WORKING CLOSELY WITH LOCAL GOVERNMENTS TO REVITALIZE GARBAGE COLLECTION SITES THAT HAVE 3R (TPS-3R) WASTE SEGREGATION THAT WAS NOT FUNCTIONAL.

PENGUMPUL SAMPAH



UNILEVER, TOGETHER WITH PT PELITA MEKAR SEMESTA, IS PARTNERING WITH GARBAGE COLLECTORS SO THAT FLEXIBLE PLASTIC PACKAGING WASTE THAT PREVIOUSLY HAD NO ECONOMIC VALUE CAN NOW BE COLLECTED AND IMPROVE THE WELFARE OF GARBAGE COLLECTORS.

GREEN AND CLEAN WITH WASTE BANK

The Green and Clean with Waste Bank programme is a community-based waste bank programme that was started in 2001. In 2017, the programme was re-launched in 18 large cities to strengthen waste bank management in the community.

At the targeted waste banks, the community independently collects, separates and recycles the waste from its surroundings and converts it into savings. The programme

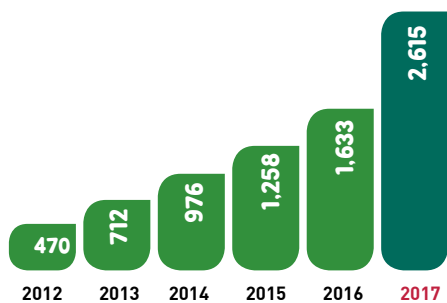
promotes sustainable waste collection by setting up a community waste bank and partnering with scavengers to participate in establishing sector and local waste banks.

Through the Green and Clean Programme, Yayasan Unilever Indonesia collaborated with Yayasan Rumah Pelangi and Paguyuban Jakarta Green & Clean, in giving appreciation to the garbage bank for their dedication and commitment to waste management.

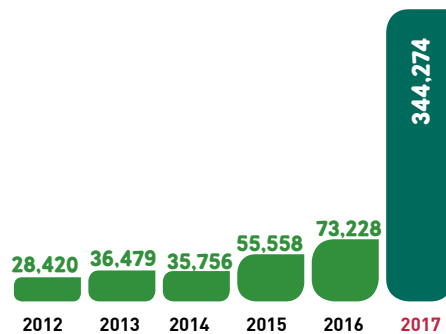


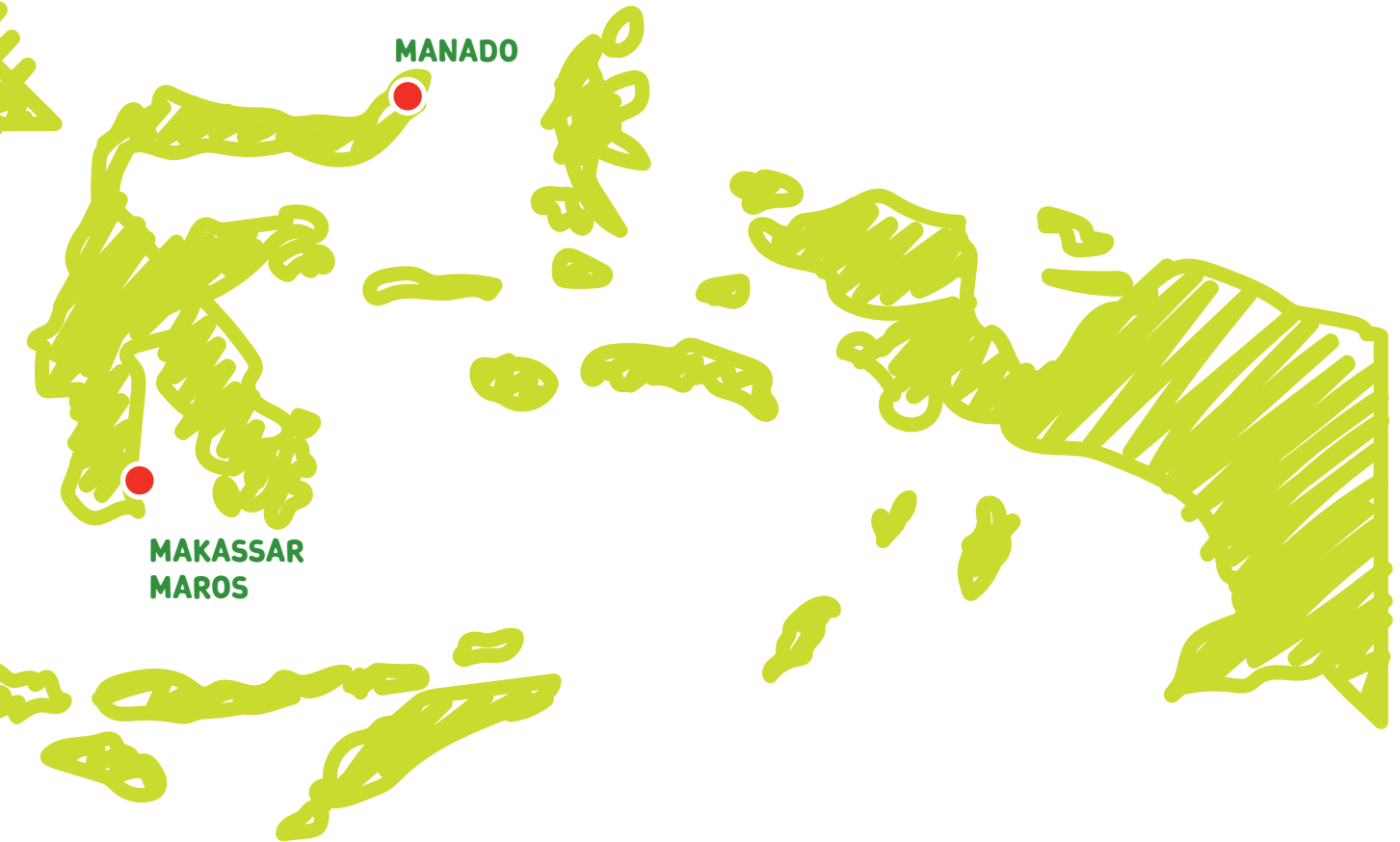


2,615
NUMBER OF WASTE BANKS
THROUGHOUT INDONESIA

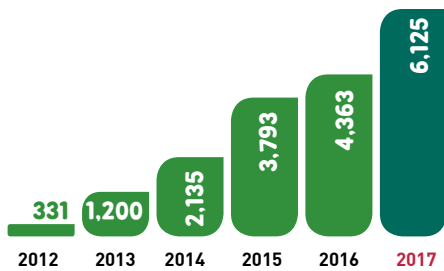


340,000+
NUMBER OF
MANAGERS

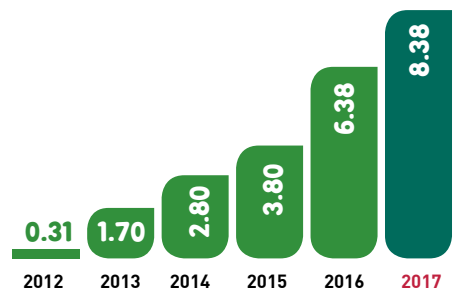




6,125 TONS REDUCTION OF ORGANIC WASTE



8.38 BILLION RUPIAH THE ECONOMIC VALUE GENERATED





PARTNERSHIP

As the business grows, Unilever continually strives to reduce its environmental footprint and increase its positive social impact for the communities embodied in the Unilever Sustainable Living Plan (USLP). In an effort to reduce the ecological footprint, Unilever is incorporated in the PRAISE alliance (Packaging and Recycling Association for Indonesia Sustainable Environment/Association for Packaging & Recycling for Indonesia's Sustainable Environment).

PRAISE continues to build awareness on the concept of integrated packaging waste management solutions (ESR) and increase capacity in waste management, particularly in packaging. In 2017, together with PRAISE, Unilever organized a Dialogue Forum for National Waste Day, and shared experiences with CreaSolv® technology in the Circular Economy Forum with more than 150 stakeholders and conducted meetings and discussions with other stakeholders.

As Chairman of PRAISE, Unilever Indonesia is also involved with the Alliance for Marine Plastic Solutions (AMPS) which was inaugurated in Bali, in September 2017.

On the consumer side, Unilever Indonesia, with Hypermart, invited consumers/shoppers to sort waste in their households and deposit it into dropboxes in 3 Hypermart stores (Hypermart Pakuwon, Hypermart Sidoarjo, and Hypermart East Coast) through the programme 'Shopping without Waste, Sorting Waste is Easy' during the period of December 2017 - February 2018. This effort was made to educate the public about the importance of sorting waste to reduce waste landfills in nature or the Final Disposal.

Packaging waste dropboxes have also been set up at Unilever Indonesia offices and factories since March 2017, followed by a campaign to improve the habit of sorting waste by employees. A total of 100 kg of packaging waste was collected from employees during 2017.



GREEN INFRASTRUCTURE

Unilever hit an important milestone in its history in Indonesia by inaugurating its new headquarters, Grha Unilever, at Green Office Park BSD City, Tangerang, Banten. The inauguration was marked by the signing of an inscription by the Minister of Industry of the Republic of Indonesia, Airlangga Hartarto and Unilever Chief Executive Officer, Paul Polman.

The new building occupies 30,000 m² of land with a building area of 50,000 m² and can accommodate up to 1350 employees. The new office combines 4 Unilever Indonesia offices into one location to make operations more efficient. The embedded 'green building' concept has been certified Gold+ by Green Mark Certification U as a building with eco-friendly design.

In addition to the new headquarters, several Unilever Indonesia factories have implemented environmentally friendly operations. The Cikarang factory, which was established in 2015, is the first factory to be built following strict environmental standards, reducing water consumption by 70% and carbon emissions by 30%, and not disposing of any waste at all to waste landfills.

In August 2016, the Rungkut factory was awarded the first rank of PEEN by the Ministry of Energy and Mineral Resources for the category 'Energy Conservation for Retrofitted Buildings'. This award was obtained due to the success of the Rungkut Factory in reducing energy consumption in office buildings to 112 kWh/m²/year, 30% lower than the average energy consumption of office buildings.

With the green building concept, we provide an understanding of the importance of reducing our carbon footprint. In addition, inspired by the natural environment of Indonesia, the building is designed in such a way that the inside and outside of the building exist as one together, bringing the atmosphere of shade and comfort to the work environment.





ENVIRONMENTAL PERFORMANCE OF OPERATIONS ACTIVITIES

Each Unilever Indonesia plant has undertaken efforts to improve environmental performance and ensure that environmental impact management is conducted based on prudent and compliant principles adhering to applicable environmental regulations.

Continuous improvement is made through the implementation of the ISO 14001 Environmental Management System and participating in government environmental initiatives. In 2017, the Rungkut factory obtained the 'Comply' status with the highest score (80) in implementing environmental management and monitoring based on the Surabaya City Government assessment.

In the Corporate Environmental Rating Performance Assessment (PROPER) Programme, held by the Ministry of Environment and Forestry in 2017, six Unilever plants in Cikarang and two factories in Rungkut received Blue ratings. The achievement of the Blue rating in PROPER indicates compliance with applicable environmental regulations.

Unilever has developed a series of Key Performance Indicators in every factory worldwide, monitored and reported monthly

online in the Environmental Performance Report (EPR) to evaluate, manage performance and obtain comparisons for improvement opportunities. The seven environmental parameters monitored include:

1. Chemical Oxygen Demand (COD) requirements,
2. Carbon Dioxide (CO₂),
3. Energy Usage,
4. Hazardous and Toxic Waste,
5. Non- Hazardous and Toxic waste,
6. Sulphur Oxides in air (SO_x), and
7. Water Usage.

With the implementation of USLP, costs can be cut by reducing energy consumption while reducing GHG emissions and reducing water consumption when manufacturing products. Efforts are also made to keep waste disposal to the Final Disposal Site from plant, warehouse or distribution operations.

HOST OF ORANGE ASEAN FACTORY

Unilever Indonesia hosted the Orange ASEAN Factory event, which took place at the headquarters of Unilever Indonesia from 9 to 27 October 2017. This event was organized by the Embassy of the Netherlands in collaboration with The RockGroup Consultancy in Amsterdam and Unilever.

The Orange ASEAN Factory is a sustainability consulting programme that ran for three weeks to bring together talented young professionals, entrepreneurs, and students, to devise solutions to the challenges of sustainability in the ASEAN region. A total of 26 (twenty-six) participants from various countries in ASEAN and the Netherlands were in attendance at Grha Unilever.

**6 FACTORIES IN CIKARANG AND
2 FACTORIES IN RUNGKUT
GAINED 'BLUE' RATINGS FROM PROPER
OF THE MINISTRY OF ENVIRONMENT
AND FORESTRY**

**ISO 14001 APPLIED TO ALL FACTORIES
AND CERTIFIED**

**100%
ZERO WASTE
TO LANDFILL**



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

REDUCING GREEN HOUSE GAS EMISSIONS

Nations around the world have agreed to reduce Greenhouse Gas (GHG) emissions according to the Paris agreement to ensure the Earth's temperature rises by less than 2 degrees Celsius. This commitment is enforced throughout all Unilever plants.

To help tackle climate change, Unilever has set a bold new ambition to be carbon positive in operations by 2030. This means Unilever will become a carbon sink instead of a GHG emitter.

Through the Unilever Sustainable Living Plan, Unilever aims to halve the impact of Greenhouse Gases from our products, globally, in the overall product lifecycle by 2030.

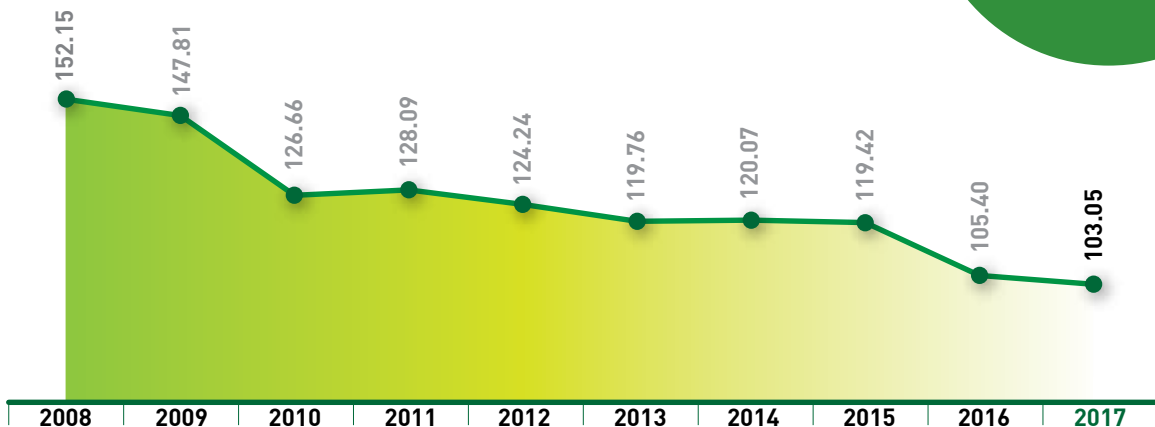
Efforts to reduce GHG emissions can reduce operational costs primarily from energy efficiency, and reduce other risks associated with climate change. Unilever manufacturing activities play a significant role in reducing GHGs.

We can identify and eliminate waste and disadvantages of each process through the implementation of World Class Manufacturing (WCM), which is a structured upstream to downstream production system. Energy efficiency is achieved by using and setting the plant equipment to be more efficient and flexible, to the utilization of renewable energy.

Initiatives taken to reduce GHG emissions through energy efficiency efforts include:

- More efficient use of motors and compressors with variable speed drives and inverters.
- Utilization of solar panels and maximization of natural light and use of more energy-efficient lamps.
- Modification of processes to use more energy-efficient equipment such as hot water generators/boilers, gas water heaters, electrical blowers, economizers and expert fridges.
- Optimization of the machines and utilize the waste heat.

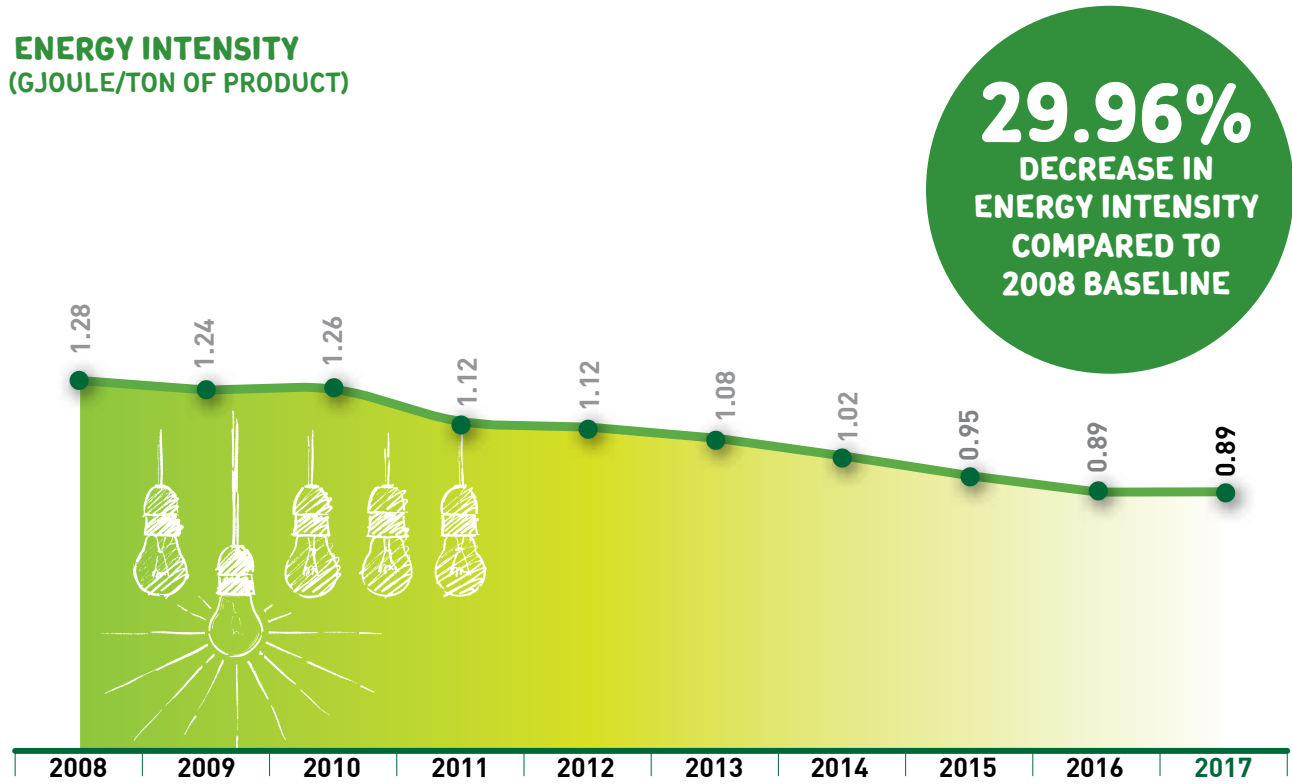
CO₂ EMISSION INTENSITY * (KG/TON OF PRODUCT)



32.27%
DECREASE IN
GHG INTENSITY
COMPARED TO
2008 BASELINE

* Note: Starting in 2016, already taking into account the operation of Unilever's new factory in Cikarang, the calculated Greenhouse Gas Emissions are Scope-2 of energy consumption.

ENERGY INTENSITY (GJOULE/TON OF PRODUCT)



GHG emission reductions are also made in the distribution chain, which is an integral part of Unilever's business. 2.6 million tons of products are carried over per year to all corners of the warehouse facility. To that end, effort has also been made to reduce the environmental impact of this activity.

Unilever works closely with our logistics partners to help track environmental performance. The initiative starts from planning the shipping route, considering the load loading factor by reducing small bale, utilizing other means of transport such as trains, avoiding traffic congestion.

REDUCE WATER FOOTPRINT

Water used by Unilever Indonesia factories directly comes from water supply companies from the industrial estates where plants are located as well as rainwater utilization. This initiative is also taken to recycle wastewater and reuse for other production lines.

Regular monitoring of water usage is done by installing water meters in each division. Water usage data is then analysed to identify future improvement opportunities.

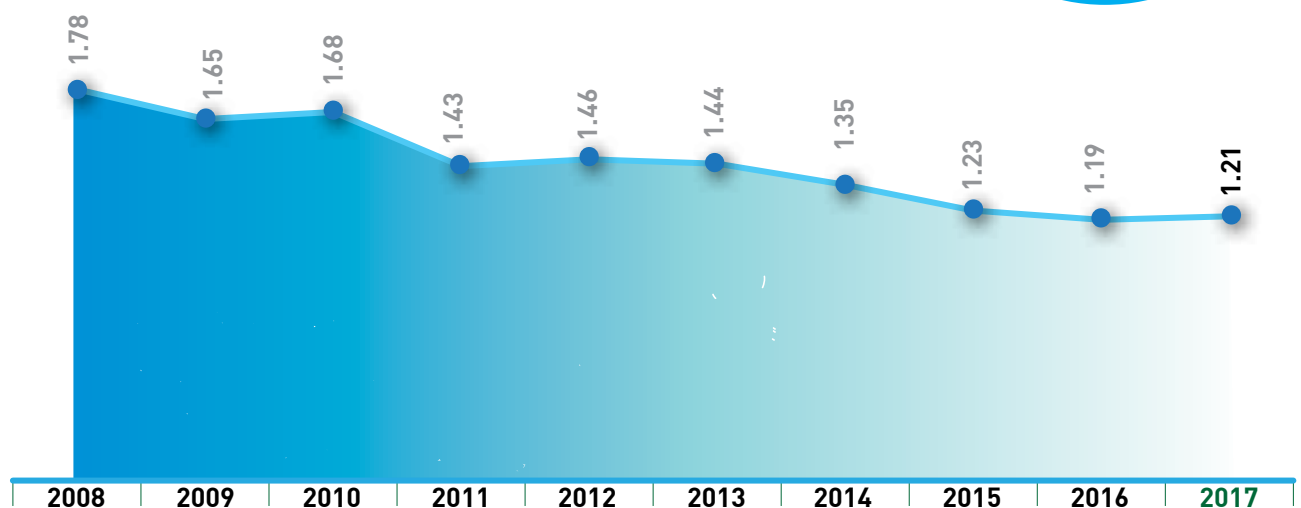
Initiatives undertaken to reduce water consumption include:

- Establishing a rainwater harvesting system and using ultrafiltration reverse osmosis to obtain clean water.
- The efficiency programme that we done for water treatment in the CIP process as well as to repair and conserve the water system.
- Reusing water in processes to reduce raw water consumption and utilizing Waste Water Treatment Plant (WWTP) and wastewater.

- Installation of reverse osmosis systems and belt press at WWTP, while always ensuring COD is under the requirement of 800 ppm.
- Installation of hot water boilers and hot water generators.

Wise water use is also applied to agriculture and plantations that supply raw materials to factories. Water conservation efforts are carried out with avoided deforestation approaches and the application of Good Agricultural Practice so that water sources can be conserved, water use can be efficient, and harvests remain productive.

WATER USAGE INTENSITY (M³/TON OF PRODUCT)



32.38%
DECREASED INTENSITY
OF WATER USE
COMPARED TO
2008 BASELINE



REDUCING WASTE

Waste from factories is managed by the Reduce-Reuse-Recycle (3R) approach for non-hazardous toxic waste as well as hazardous toxic waste. We have applied zero waste to landfills, where all solid non-hazardous toxic waste is reused, recycled, composted or disposed of in other environmentally friendly ways. Unilever is collaborating with suppliers to modify the shipment packaging, so it can be returned and reused.

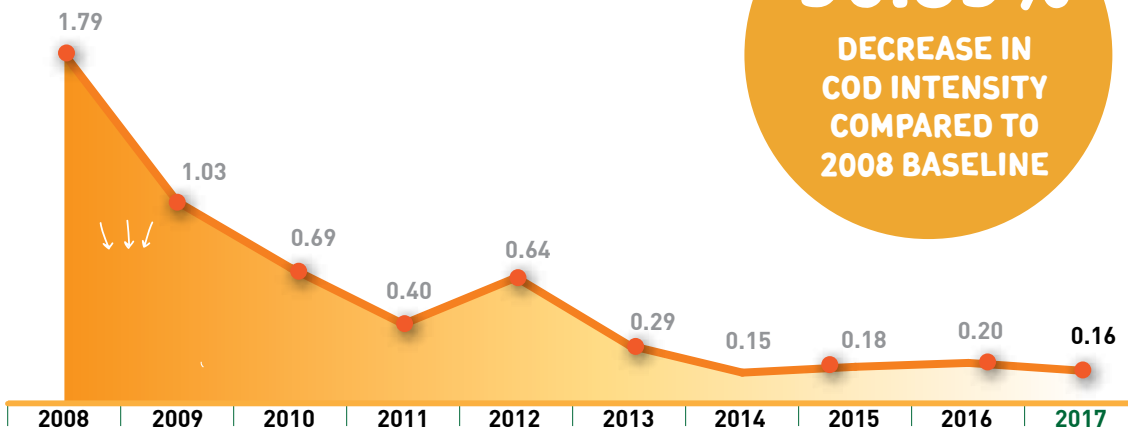
To prevent build-up of hazardous toxic waste in landfills, Unilever works with Holcim Geocycle to treat sludge waste as an alternative fuel in cement kilns, replacing mercury lamps into LEDs, and improve waste treatment systems.

The quality of liquid waste is improved by replacing the chemicals used as coagulants in the wastewater treatment process so that COD contamination in wastewater can be reduced.

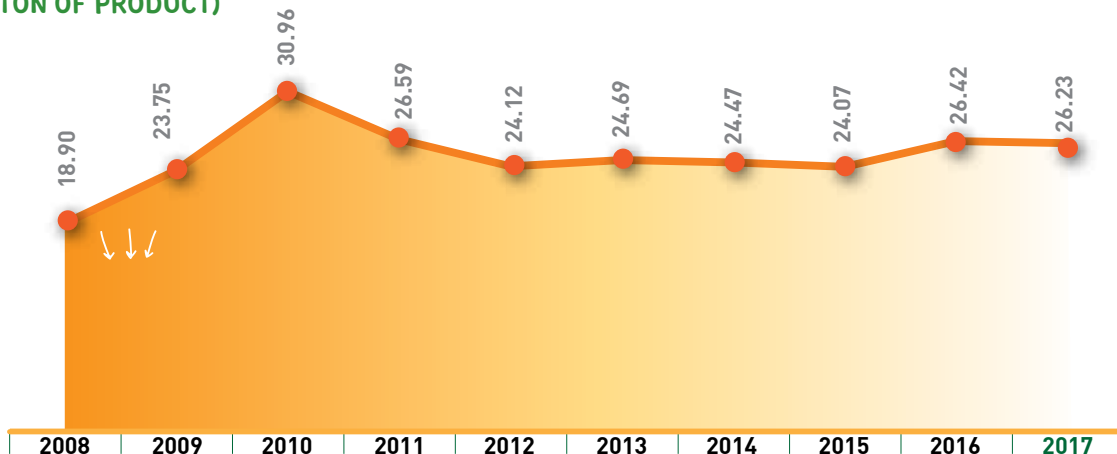


90.89%
DECREASE IN COD INTENSITY COMPARED TO 2008 BASELINE

COD INTENSITY (KG/TON OF PRODUCT)



WASTE INTENSITY (KG/TON OF PRODUCT)



Compared to the base year, Unilever Indonesia's waste intensity tends to increase due to product changes with smaller packaging and innovation to adjust to market preferences. The impact of producing more new products means there are more product pieces, which results in more packaging and waste.

Unilever is consciously working to reduce packaging waste through innovations such as the replacement of Sunsilk shampoo bottle caps, which could reduce plastic use by 123 tons per year or by optimizing the size and weight of packaging that can reduce plastic by 582 tons and paper by 1,950 tons of per year.

REDESIGNING PRODUCTS TO REDUCE THE ENVIRONMENTAL FOOTPRINT

In our business chain, 68% of the Unilever carbon footprint occurs downstream, where consumers use products, such as for cooking, washing, bathing; and disposing of product packaging. The same is true of the water footprint.

Through the Unilever Sustainable Living Plan, Unilever aims to reduce environmental impact from global manufacturing and product usage by half while growing the business.

Innovations are being made in products so that consumers can use them more efficiently and effectively to reduce water usage, for example, Molto and Lifebuoy concentrates. The redesign of the packaging and heavy optimization in addition to reducing waste in the factory also aims to reduce packaging waste by consumers.

Environmental Performance of Unilever Indonesia Plants

Deskripsi	Satuan	2017	2016	2015
COD (pembuangan langsung)	Kg	0	0	0
COD (ke pengolah limbah)	Kg	205,972	255,857	201,307
Total COD	Kg	205,972	255,857	201,307
COD influent	Kg	0	0	0
Limbah B3	Kg	10	0	0
Limbah Non B3	Kg	0	0	0
Limbah Yang Dibuang	Kg	10	0	0
Limbah Yang Didaur ulang	Kg	33,017,030	32,839,030	26,357,539
Total Limbah	Kg	33,223,013	33,094,887	26,558,846
Sox dari Boiler	Kg SO2	0	79	620
Energi	GJ	1,130,674	1,117,904	1,046,226
CO2 dari energi (basis pasar)	Tonnes	130,531	132,046	131,756
Total air	m3	1,525,957	1,489,932	1,357,844
Total air limbah	m3	0	0	0
Non contact Cooling Water	m3	0	0	0





Nurturing Our Precious Talents

People with Purpose	63
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Unilever Indonesia has existed for more than 84 years as an enterprise providing purpose through its products and business activities to win the attention of millions in Indonesia.

The same commitment is made to more than 6 thousand of our employees. Human Resources (HR) is paramount for Unilever to achieve the company's long-term vision for the future. The challenge in the HR field is not only to meet the employees' competencies with the requirements but also to overlook at the changes that occur in business.

Investment in developing competence, professionalism, and talent development is a top priority in our business strategy. Human resource development is also balanced with initiatives to improve motivation and well-being by encouraging a fair and secure working environment where each party's rights are respected, and all employees can reach their top potential.



PEOPLE WITH PURPOSE

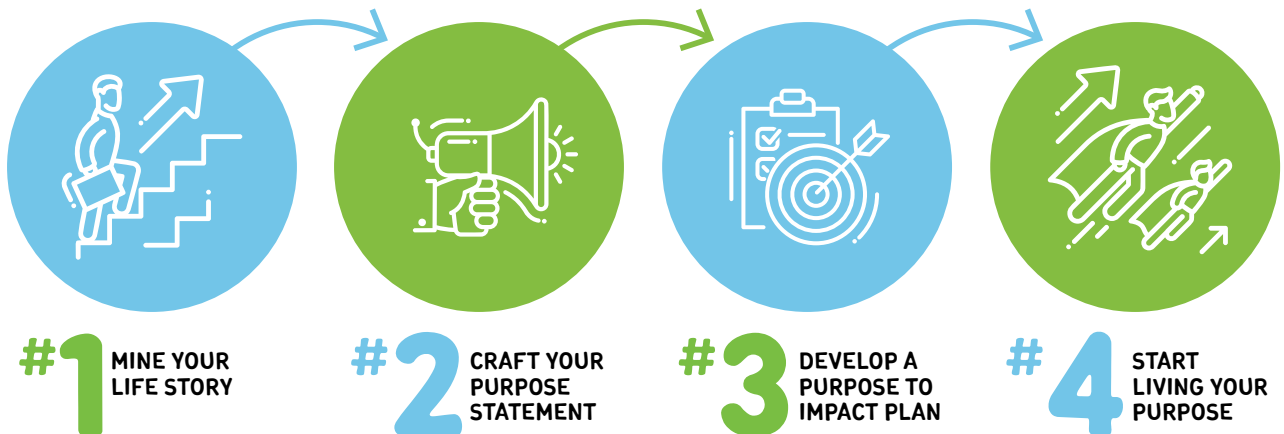
In the workplace, an employee faces the challenges of VUCA (volatility, uncertainty, complexity, and ambiguity) that demand continuous adaptation to rapid and increasingly complex changes. One way to overcome this is to introduce what the 'purpose' of a person's work is.

As Unilever has built a strong reputation and achieved success through specific goals or purposes, we believe that employees should also understand their 'purpose' by enabling them to discover and live reach their 'goals' to help people to perform better and unlock potential. All of this can be accomplished by creating a thorough and unique planning for each individual.

PURPOSE WORKSHOP

In 2017, Unilever Indonesia held several workshops for leaders and employees, who were given opportunities for self-reflection, and discovering what excited them and the goals they wanted to achieve.

As a result, 64% of employees who participated in the 'Purpose Orientation' felt job satisfaction and 50% have greater opportunities to fill leadership positions. Purpose workshops were offered to 563 of 1,600 employees at the management level and are now part of the Individual Development Plan process in the company.



ACTIVATING PURPOSE

Involving employees in activities with social impacts or reducing environmental impacts are among the methods to realise purpose, and Unilever can help facilitate the realisation of those purpose through collaboration with several brands and divisions around Indonesia.



Unstereotype

An invitation to avoid labelling someone through the discussion “#UNSTEREOTYPE - CHANGING MINDSETS”. This discussed how to eliminate the inherent stereotype of a person by giving a real-life inspiring model such as Enny Sampurno (Sales Director) who shared a story of how a woman can led more than 500 people who are mostly men, and Amparo Cheung Aswin (Supply Chain Director) who is already a member of the board of directors at the age of 32. This discussion was moderated by expert Rosdiana Setyaningrum, author of “Not So Perfect Mom”.

ZWTN

Zero Waste to Nature (ZWTN) involves approximately 1,200 employees conducting the Reduce-Reuse-Recycle programme at work creating a culture of waste management, from policy implementation, “New Waste Culture for U & Nature” sessions, to transparency of waste measurements per area.



World Oral Health Day (WOHD)

21 employee volunteers helped 500 ‘little doctors’ teach how to brush teeth correctly in order to commemorate World Oral Health Day.

Care for Area Surrounding (CFAS)

Employees worked together with Unilever Food Solutions (UFS) and Yayasan Unilever Indonesia to create ‘Bakti BAKTI UFS’. With the theme ‘Berkarya dari Memasak’ the programme strived to teach a community of mothers in Desa Suradita, Tangerang, through a comprehensive six-month culinary business development course. Also in the CFAS programme, employees had the opportunity to contribute by participating in the ULI 84 Run for Charity.



Dove Day

A total of 127,000 teenagers participated in the Dove Day School Workshop 2017 in Bandung, Yogyakarta, Medan, Surabaya, and Denpasar. Volunteers from Unilever Indonesia acted as facilitators to help teenagers increase self-confidence and feel better about their appearance.



World Food Day

The opportunity to share was facilitated by a food-truck at Head Office; for every single portion sold one portion was donated to people in need. At the same time, to commemorating World Food Day, Unilever employees donated 5,318 servings of nutritious food to aid the surrounding community.



Fair & Lovely Kakak Bintang

Kakak Bintang involved Unilever Indonesia employees becoming mentors for 50 scholarship recipients. Kakak Bintang acts as a friend or “big brother or sister” to inspire and motivate the recipients during their studies and to prepare them for entering the workforce.



Global Handwashing Day

Employee volunteers were involved in a series of World Hand Washing Day activities in 10 cities encouraging children to live healthy lives and understand the importance of proper handwashing.

MANAGING HUMAN RESOURCES

RECRUITMENT

Candidates are obtained through open recruitment and internship programmes. The Unilever Leadership Internship Programme (ULIP) for college students has been held since 2012. In addition, the Unilever Future Leaders Programme (UFLP) aims to fill middle and senior management positions in the future.

ULIP participants who meet specific criteria may earn opportunities to follow UFLP. In addition to ULIP and UFLP, which are intended for fresh graduates and college students, Unilever also conducts recruitment of professionals to fill positions and perform functions at various levels.

The Unilever Future Leaders Programme (UFLP) is one method to create leaders in Unilever through a 3-year management trainee programme from recruitment.

Successful candidates that join the UFLP undergo challenging programmes through structured training, continuous learning, mentoring with world-class professionals and gain experience in various disciplines, both in Indonesia and abroad.



15,228
UFLP PARTICIPANTS
IN 2017

9,204
UFLP PARTICIPANTS
IN 2016

UFLP PREPARES EMPLOYEES THROUGH ROTATION IN VARIOUS DIVISIONS AT HOME AND ABROAD, AS WELL AS DIRECT PROFESSIONAL DEVELOPMENT FROM UNILEVER LEADERS.



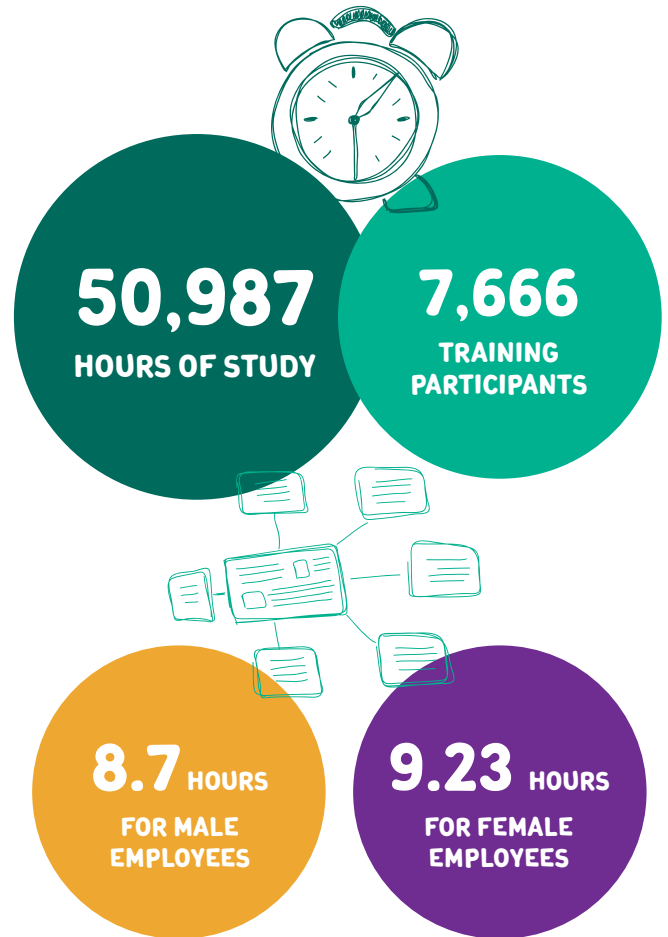
CONTINUOUS LEARNING

Unilever prioritizes ongoing learning for all employees. To that end, we continually hold various competency development programmes; through professional, general or leadership training so that employees have the knowledge, skills and confidence to support business growth.

The learning programme is structured in the Individual Development Plan by line managers and teams with the employees concerned, covering the areas to be developed.

The three main types of training provided include:

- Professional, functional or technical training designed to enhance critical 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. A total of 11,878 employees participated in this training programme.
- Competencies that are also developed include Digital Capabilities, Data Analytics, Perfect Store Strategy, Skills in Forecasting, Planning and Operations, and Innovations.
- Leadership training is conducted to develop business capabilities and leadership functions of managers, so as to encourage the performance in their respective teams. More than 100 managers have participated in leadership training. Employees from different levels gained customized training held locally, regionally, and globally. The training was attended by 990 qualified employees.
- Professional qualification/certification training, for example in finance, coaching skills, industrial relations, and others is also provided.



Most of the training was conducted at the Unilever Learning Centre, an international-standard training facility in Mega Mendung, West Java. In addition, through the online learning Hub, employees can access various learning resources 24 hours a day with access to online books, TEDx Talks and face-to-face learning classes. It is our endeavour to provide sufficient resources accessible to all Unilever employees, at all times at their own convenience.

DEGREED

In 2017, Unilever launched the Degreed programme, where the knowledge sharing process is done as a social experience. On the Degreed platform, one can engage in what others are learning and provide valuable input so that the learning process can be accelerated due to the support of colleagues: an employee can learn from colleagues and utilize learning materials from various sources including crowdsourcing.

SUCCESSION PLANNING

Unilever Indonesia implements a continuous succession process for all levels of the organization. HR forums are conducted twice a year to develop succession strategies and matters relating to organizational change, including discussions on individual development, management strategies and placement in the organization.

INDIVIDUAL DEVELOPMENT, REMUNERATION AND INCENTIVES

Unilever Indonesia provides career schemes for every employee, which are reviewed annually. This career plan follows the 70-20-10 concept, where individual development is achieved through 70% daily work; 20% mentoring or mentoring with senior leaders to provide future career support and guidance; and 10% through training.

This approach to incentivize is embodied in the Total Reward Strategy, which is designed to ensure high involvement, job satisfaction, commitment and performance by providing high achieving individuals and teams are awarded appropriately.

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 under the 'Respect, Dignity and Fair Treatment' policy.



STAY CONVERSATION

In 2016, the 'Stay Conversation' programme was launched, which identifies the early signs of discontent of an employee that may cause them to leave the company. With this programme, the source of the problem can be addressed, and the number of employee resignation can be reduced.

The programme resulted in a reduction in the employee resignation rate, 20% lower than the average market.



EQUAL OPPORTUNITY

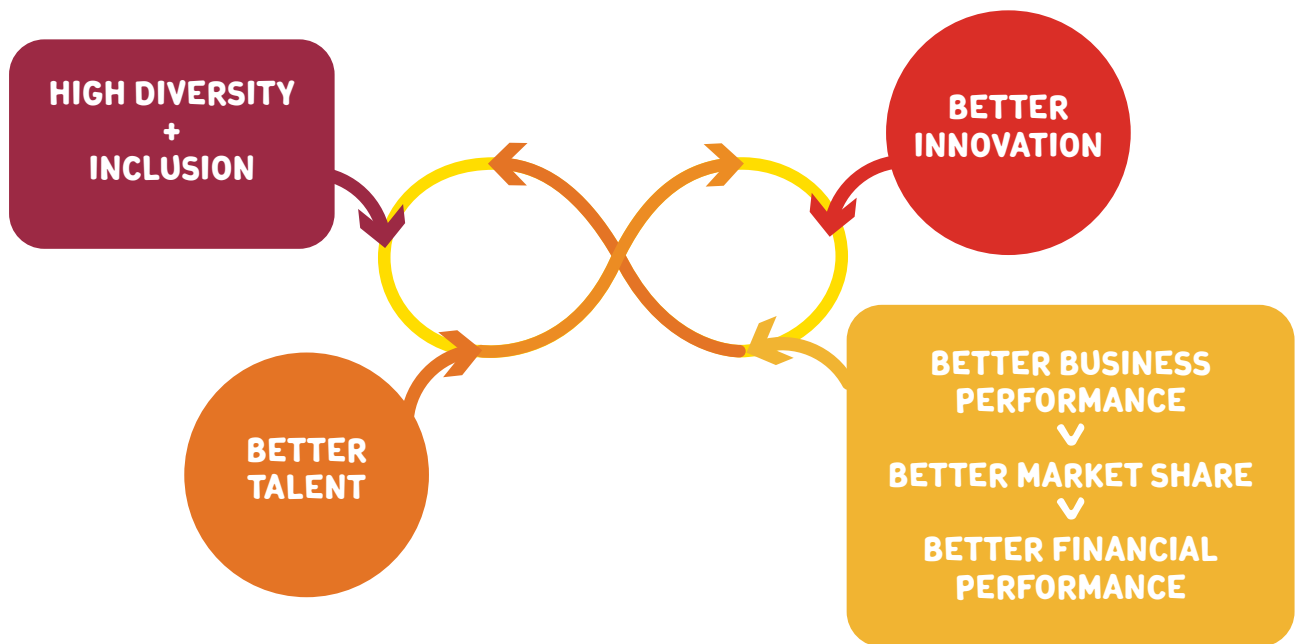
The implementation of the USLP initiative 'Fairness in the Workplace' ensures equal opportunities for employees of Unilever, whereby the rights of all people working with Unilever are appropriately respected. This is essential for the business to grow and develop as well as to ensure human rights.

Fairness in the workplace is manifested by diversity and inclusion for all people, respecting diversity including ethnicity, gender, age, national origin, sexual orientation, disability, education and religion. Positively, inclusion of diversity in the workplace provides a variety of perspectives, work experience, lifestyle and culture.

For Unilever diversity within the organization is needed to thrive, diversity of mind and heart plus talent is the capital to open the business opportunity.

Unilever has set relevant targets for realising workplace equity within the Unilever Sustainable Living Plan, which provides opportunities for women and opens broader possibilities in the company's supply chain. To achieve this goal, Unilever Indonesia has implemented the following initiatives:

1. Creating gender balance in the workplace, with a focus on management.
2. Promoting safety for women in communities along the value chain.
3. Improving access to training and skills in the value chain.
4. Expanding opportunities for women in the value chain.
5. Providing support for female employees to maintain a balance between career and family life.





WOMEN IN THE MANAGEMENT LEVEL OF UNILEVER INDONESIA

Gender equality is implemented by Unilever Indonesia. Some members of the board of directors are women, and nearly 40% of the management is made up of female employees.

There are several strategies implemented to achieve a balanced number of women throughout the organization. One is by expanding opportunities for women, including in non-traditional functions such as supply chain and customer development.

In 2017, Unilever Indonesia organized the Woman in Engineering Unilever Leadership Fellowship (WULF) to introduce non-traditional functions to women. The WULF was the first in the Asian region.

LONGER MATERNITY LEAVE

In 2017, Unilever Indonesia implemented a new policy providing four (4) months maternity leave and one-week paternity leave.

INDUSTRIAL RELATIONSHIP

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

The Collective Labour Agreement is a reflection of Unilever Indonesia's business conduct that performed responsibly from upstream to downstream. For more than 84 years of operation, Unilever Indonesia and the Trade Union signed 21 Unilever's CLAs which means that more than 42 years Unilever upheld the workers' rights. In 2017, the 22nd Unilever CLA was signed with PUK SPKEP SPSI Jakarta and Surabaya.

All permanent employees of Unilever Indonesia (100%) are protected by rights and obligations through this Joint Working Agreement.

In 2017, management and trade unions are having meeting to talk about two discussions related to workers' rights. All discussions carried were constructive, and agreements were reached.

PHYSICAL

Looking after our health, fitness, diet, sleep and energy levels, so we approach challenge with real.

PURPOSEFUL

Identifying what really matters to us and connecting to that as much as possible in all we do.

WELLBEING

MENTAL

Managing our mental choices and reactions to distractions, pressures, challenges and adversity.

EMOTIONAL

Finding ways to feel positive and confidently face the challenges life throws at us.

WORK-LIFE BALANCE

A very dynamic atmosphere and working conditions can lead to an employee to feel distant and lose precious time from his/her family and personal life. Therefore, Unilever introduced a well-being framework to employees that includes a balance between physical, mental, emotional, and work purpose, and what an employee can do to achieve that balance.

We undertake initiatives and facilitate the employees to realise these aspirations so that employees can work calmly and productively in the long term. Unilever Indonesia provides various facilities that can be used by employees as follows:

FUN VITALITY

An enjoyable working environment will allow employees to balance their work and lives. With the Fun Vitality programme, employees can join more than 23 clubs according to their interests and hobbies giving enjoyment, relaxation and socializing opportunities.

AGILE WORKING

Agile working offers flexibility for employees with technological and communications support so that they can perform effectively. Nursery services are available for employees who work in the office, so they will not miss the opportunity to be part of their children's lives. Agile working is practised by senior managers to be emulated by all employees and to demonstrate that Unilever strongly supports flexibility.

The layout of the workspace at Grha Unilever supports the concept of flexibility and agility in working (agile working) since employees are not stuck having to work at a particular workstation. It is believed to overcome employee saturation, fostering motivation, inspiration and satisfaction.



NURSERY AND DAY-CARE

Unilever Day-care was initially a Day-care programme for children of employees as a solution to support employee productivity, particularly when household assistants are away for Lebaran or Idul Fitri holidays, provided by the company for approximately 21 days.

However, the programme became a permanent Nursery and Day-care at headquarters. This facility allows all working moms to bring their babies to the workplace with adequate supervision, so they can work with peace of mind.
Flexible working hours

**DETERMINED BY THE EMPLOYEES
THEMSELVES, THE TEAM AND THE
AGREEMENT WITH THEIR SUPERIORS.**

23 CLUBS
FACILITATED BY
UNILEVER INDONESIA

700 PARTICIPANTS
OF THE SCHOOL OF ROCK,
AN EVENT WHERE EMPLOYEES FIND THEIR
WELL-BEING NEEDS.



CREATING A SAFE AND HEALTHY WORKPLACE

Unilever Indonesia's business activities are required to meet employment norms and standards including the provision of Occupational Health and Safety (OHS), which is the right of every employee. Awareness and implementation of OHS can reduce risks in the workplace and is a prerequisite for motivated and productive employees.

Unilever Indonesia is committed to achieving zero accidents, either to employees or to all persons who work for or on behalf of the company including contractors. The coverage of OHS management at Unilever Indonesia includes headquarters, factories, depots, and warehouses and coaching to third-party factories.

The Central Safety, Health and Environment Committee (CSHEC) manages all the SHE aspects of Unilever Indonesia, from preparing and implementing policies, procedures and standards for emergency response preparedness; safety outside the workplace; managing the safety of contractors; employee welfare and environmental sustainability.

UNILEVER INDONESIA'S SIX CARDINAL RULES OF SAFETY

Unilever Indonesia's Six Cardinal Rules of Safety (Golden Safety Rules) is a crucial element in supporting employees to make decisions at work. These rules include procedures and behaviours while driving, carrying out business activities, working at heights, working in enclosed spaces, using electrical appliances, and lifting heavy items.

Golden Safety Rules are applied to all employees of Unilever Indonesia, contractors and business partners. Socialization is conducted through training, workshops, OHS sharing activities, and other activities. All rules are also set forth in the Collective Labour Agreement along with the severe consequences of violations as a form of commitment to protecting employees from accidents.



OHS INITIATIVES

The OHS initiatives launched in 2017 are lessons from previous incident analyses, where relatively high accident rates occurred due traffic accidents and workplace accidents related to machine operations at the plants. To reduce and prevent similar incidents, Unilever Indonesia conducted two significant initiatives, namely Safe Travel, especially for drivers, and 3 for Zero Fatalities for factory workers.

Safe Travel

Focused on business drivers and business vehicles, including:

- Defensive and First Aid Training for 401 drivers.
- Fleet Driver Risk Assessment for drivers.
- Installation of black boxes on 199 vehicles to monitor driver behaviour.
- Road safety campaigns throughout the year and operational vehicle inspections.

3 For Zero Fatalities

Focused on workers in manufacturing plants, with 3 safety focus campaigns:

- Prevention of incidents risking the hand of the operator (hand in machine).
- Strengthening electrical work safety procedures.
- Lock-out tag-out procedure control.

To raise OHS awareness in all employees, Unilever Indonesia periodically organizes Safety Days with a theme focused on managing risk-appropriate safety at each work location. Safety Day 2017 featured the central theme 'I Choose to be Safe' and the following sub-themes:

Manufacturing	: Hand in Machine Safety
Depot Office	: Motor-On, Mobile-Off (MOMO)
Head Office	: Slip-trip-fall (Holding Handrail)
Warehouse & 3 rd Party Factory	: Machinery Handling Equipment Safety

'I CHOOSE TO BE SAFE' CAMPAIGN ACTIVITIES

Pre-event	D-day	Post Event
<ul style="list-style-type: none"> • Cross-audit safety • Near miss reporting • Video and poster competitions • Machinery safety competition 	<ul style="list-style-type: none"> • Recall: Golden Rules of Safety, Health & Safety Vision, Principles & Policy • One Voice Safety Cascading by chairman • Video testimonials • Site Activities • Personal commitment • Training and competition on work safety 	<ul style="list-style-type: none"> • Decrease from WL3 for all team members • Campaign Slip/Trip/Fall • Workshop: BeSafe (3 batches), and Safety Riding • Personal commitment



HEALTHY AND SAFE BEHAVIOUR

The BeSafE (Behaviour-Based Safety) programme is a corporate-wide initiative, involving all lines of the organization from factory employees to the board of directors. Unilever integrates BeSafE with the World Class Manufacturing programme at all plants.

The BeSafE programme is designed to increase participants' understanding of occupational risks and encourage them to adopt safe behaviour by eliminating risks or hazards, both for themselves and those around them.

OCCUPATIONAL HEALTH

Occupational health is a major concern for Unilever. Health checks are conducted for all employees, and the provision of normative health care services in accordance with the regulations is provided. For specific workers working with high-risk materials, individual health checks are performed more frequently.

Health promotion is made for employees through campaigns to increase physical activity, especially for those who work in offices. The headquarters is designed in such a way that employees can manage higher mobility by walking.

A healthy employee will make the company healthy too. To facilitate this idea, the Communications and Human Resources divisions held the 'Biggest Loser' campaign, a challenge for employees to adopt a healthier lifestyle. About 500 employees participated from November 2016-January 2017 following outdoor runs, health and nutrition seminars, yoga, gym and other activities.

EMPLOYEE ASSISTANT PROGRAMME

MENTAL HEALTH IS PART OF THE ORGANIZATION OF OCCUPATIONAL HEALTH AND WELL-BEING FOR EMPLOYEES. UNILEVER INDONESIA PROVIDES COUNSELLING SERVICES TO ALL EMPLOYEES TO DISCUSS VARIOUS PROBLEMS THEY FACE WITH PROFESSIONAL COUNSELLORS. THIS SERVICE WAS INAUGURATED IN CONJUNCTION WITH NATIONAL MENTAL HEALTH DAY AND HAS BEEN FULLY UTILIZED BY EMPLOYEES FOR FREE.

OHS 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 the company to be responsible for maintaining a productive workplace in each region by minimizing the risk of accidents, injuries, and occupational health hazards for all business contractors and partners. To support the implementation of the OHS Management System, Unilever conducted more than 150 health and safety training sessions involving relevant stakeholders.

OHS MANAGEMENT OF CONTRACTORS AND BUSINESS PARTNERS

The accident occurrence level of our business partners is still quite high, including the occurrence of 5 fatal accidents and fire incidents in contractors and third-party factories. To avoid this in future Unilever Indonesia strengthens the implementation of safety measures to contractors and business partners.

In the context of OHS management in contractors and business partners, Unilever Indonesia outlines the OHS requirements in cooperative contracts and monitors OHS performance to ensure that standards are maintained at the highest level when conducting business activities. To ensure the achievement of these objectives, Unilever Indonesia holds Basic Safety Training for contractors on a regular basis; training opportunities for contractor OHS staff and OHS audit of contractors and business partners undertaken by both the Unilever Indonesia OHS team and through independent audit institutions.

Efforts to improve the OHS performance of contractors and business partners are also conducted by involving top management in various activities. The goal is to gain their commitment, raise awareness and make continuous improvements.

>6,000

UNILEVER CONTRACTORS AND BUSINESS PARTNERS RECEIVE SAFETY TRAINING, IN THE FORM OF SAFETY TRAINING IN HOT WORK, CONFINED SPACE, SAFETY AT HEIGHT AND OTHER SAFETY AND HEALTH TRAININGS.

OFF-THE-JOB SAFETY

Healthy and safe behaviours are also encouraged outside of the workplace by raising awareness of employees and their families about health and safety risks at home, on the street or outside of the workplace in general. We organize campaigns, brochures, and safety instructions in case of undesirable events, including the handling of natural disasters.





OHS PERFORMANCE EVALUATION

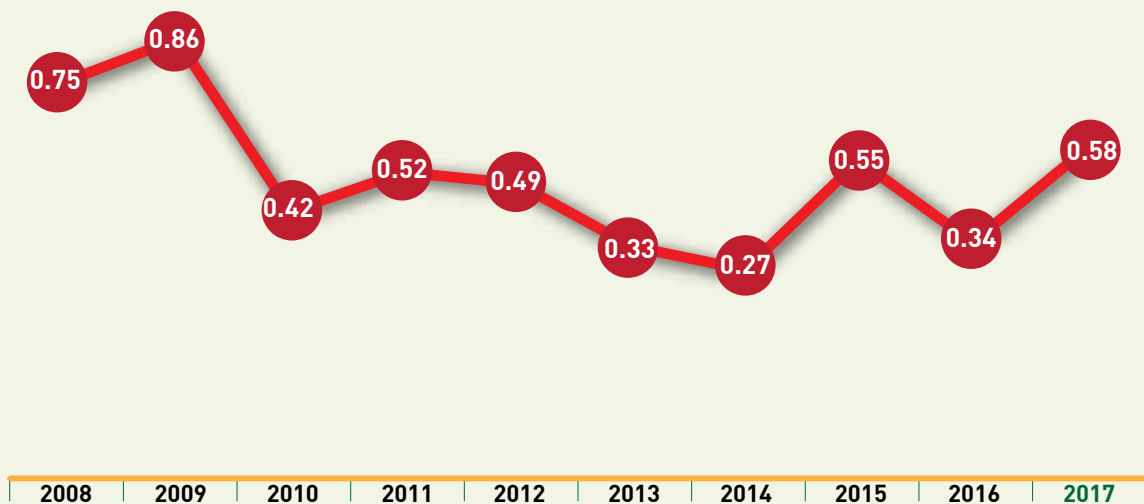
To examine the effectiveness of OHS implementation, safety audits are conducted at all locations on a periodic basis, including evaluating the level of compliance with safety policies, procedures and processes.

Safety audits include regional audits (SHE), PAR audits, external SHE audits, OHSAS re-certification audits, warehouse audits, aerosol use audits, and factory audits. Throughout 2017, more than 68 audit activities were implemented at the plant.

The lagging performance of the OHS indicator is also monitored and evaluated based on safety statistics in Unilever Indonesia's business activities and the performance of our business partners. In 2017, the Total Recordable Frequency Rate (TRFR) reached 0.58 points, higher than the target of 0.32 and increased from the previous year which reached 0.34. Incremental reporting of near-miss incidents that are leading indicators, which also indicate an increase of employee awareness to report even the smallest incidents is also promoted.

SAFETY SCORECARD

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



In 2017 Unilever Indonesia successfully achieved 'Zero Fatal Incidents'. However, the number of accidents was quite high for contractors and third-party suppliers. To reduce the number of accidents, Unilever Indonesia continues all efforts to improve health and safety for employees, contractors and third parties with the development of specific programmes for those at risk at work.

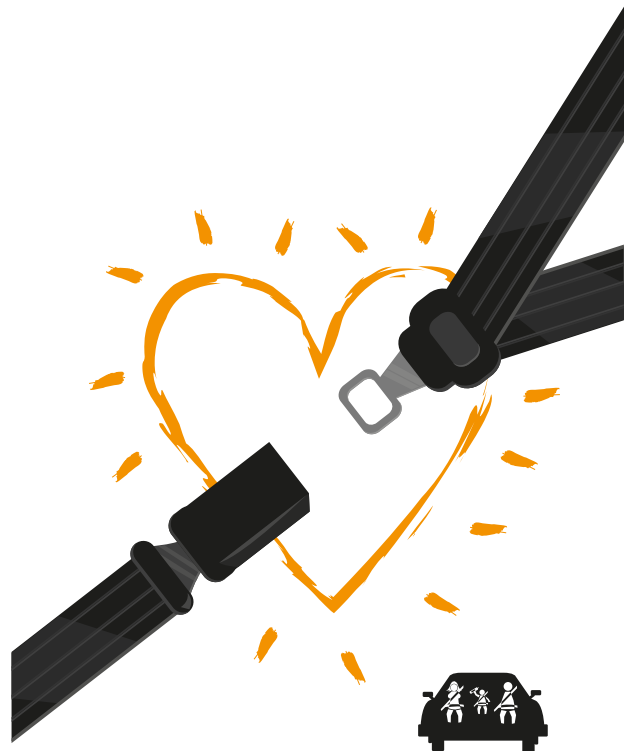
OHS ACHIEVEMENTS

Overall, Unilever Indonesia recorded an increase in OHS performance showing improvement in line with programme targets conducted in 2017, with the following results:

16,854,934 KM
TRAVELLED INJURY-FREE AS A RESULT OF THE 'SAFE TRAVEL' INITIATIVE

80 EVENTS INVOLVING
332,405 PARTICIPANTS
 WERE HELD WITHOUT ACCIDENT THROUGH
SAFETY ASSESSMENT
 CONDUCTED BY ORGANIZED BUSINESS EVENT

1,320 FAMILIES OF EMPLOYEES AND COMMUNITIES
 FOLLOW SAFETY EDUCATION THROUGH THE
 'SAFETY STARTS AT HOME' PROGRAMME



5,416,067
SAFE WORKING HOURS
 ACHIEVED IN THE FIVE FACTORIES
 (BCS, TBB, NSD, HPC LIQUID, SKIN CARE)



HUMAN CAPITAL PROFILE

THE NUMBER OF EMPLOYEES BY AGE	2017		2016		2015	
	Male	Female	Male	Female	Male	Female
< 30 years old	2,123	431	2,496	478	2,868	502
30 – 50 years old	2,753	551	2,538	534	2,346	504
> 50 years old	113	37	101	38	94	37
TOTAL	4,988	1,019	5,135	1,050	5,308	1,043

THE NUMBER OF EMPLOYEES BY EMPLOYMENT STATUS	2017		2016		2015	
	Male	Female	Male	Female	Male	Female
Permanent	4,667	987	4,637	949	4,696	945
Non-permanent	322	32	498	101	612	98
Outsource	0	0	0	0	0	0
TOTAL	4,988	1,019	5,135	1,050	5,308	1,043

NEW EMPLOYEES, THE NUMBER OF EMPLOYEES BY AGE	2017		2016		2015	
	Male	Female	Male	Female	Male	Female
< 30 years old	328	70	481	105	584	88
30 – 50 years old	12	5	21	23	35	23
> 50 years old	0	0	1	0	0	0
TOTAL	340	75	503	128	619	111

TURNOVER, THE NUMBER OF EMPLOYEES BY AGE*	2017		2016		2015	
	Male	Female	Laki-laki	Female	Laki-laki	Female
< 30 years old	35	33	79	33	32	16
30 – 50 years old	87	37	65	31	65	37
> 50 years old	23	10	20	6	48	6
% Turnover	3%	8%	4%	7%	3%	6%
% Turnover	3%		4%		4%	

*) Turnover Rate for Permanent Employees

PERCENTAGE OF EMPLOYEES BY GENDER		2017	2016	2015
Directors and Board of Commissioners	Male	65%	65%	66%
	Female	35%	35%	34%
Managers	Male	61%	60%	62%
	Female	39%	40%	38%
All (excluding Directors and Board of Commissioners)	Male	84%	84%	85%
	Female	16%	16%	15%





Responsible Sourcing

Ethics in Sourcing	82
Palm Oil	84
Black Soybean	86
Tea	86

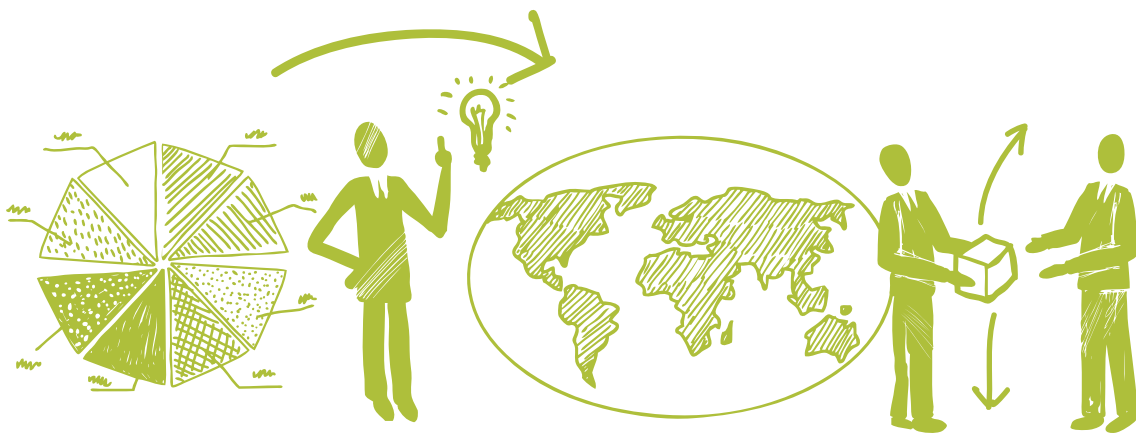
ETHICS IN SOURCING

Most of the raw materials used in Unilever food and beverage products come from agricultural products, including significant amounts of fruits, crops, vegetable oil, palm oil and other products from farmers and planters around the world. The supply of raw materials for Unilever Indonesia is obtained from 22 suppliers in Indonesia and 53 plantations in Africa, India, Sri Lanka and Vietnam.

Raw material supply from sustainable sources can help to secure supply and lessen risk and volatility in the supply chain. Company policy on purchases aims, as much as possible, to purchase raw materials from local sources and adheres to procurement standards and practices adopted in the Responsible Sourcing Policy (RSP).

To become a registered supplier, all potential suppliers must undergo a performance audit assessment based on test resilience, quality management, environmental management, human rights and other social issues meeting Unilever health, safety and environmental standards.

A number of programs and initiatives have been designed to drive the highest standards of raw materials from sustainable sources in our operations and supply chains. These programs and policies include the Sustainable Agriculture Program and the Unilever Sustainable Agriculture Code (USAC). Recently the Code for Responsible Extraction (CORE) has also become an important part of our approach.



RESPONSIBLE SOURCING POLICY

In 2017, Unilever re-launched the Responsible Sourcing Policy (RSP) as a series of mandatory requirements that all suppliers must meet in order to conduct business with the company. The RSP affirms the following fundamental principles:

1. Business is conducted lawfully and with integrity.
2. Work is conducted on the basis of freely agreed and documented terms of employment.
3. All workers are treated equally and with respect and dignity.
4. Work is conducted on a voluntary basis.
5. All workers are of an appropriate age.
6. All workers are paid fair wages.
7. Working hours for all workers are reasonable.
8. All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so, and to bargain collectively.
9. All workers' health and safety are protected at work.
10. All workers have access to fair procedures and remedies.
11. Land rights of communities, including indigenous peoples, will be protected and promoted.
12. Business is conducted in a manner that embraces sustainability and reduces environmental impact.

Unilever encourages suppliers to shift from being able to abide by the Mandatory Terms into the implementation of Good Practice and furthermore apply the Best Practices. Unilever is committed to working with suppliers on this sustainable development journey.

We are confident that this journey will be beneficial for Unilever and supply partners. By assisting the community and developing the environment, optimal conditions for sustainable business growth are created. Systemic changes have been made by:

- Obtaining raw materials from sustainable sources that meet industry standards.

- Encouraging change through continuous improvement of policies with suppliers.
- Raising awareness about the supply of raw materials from sustainable sources among consumers.
- Playing an important role in the transformation of the agricultural sector relating to our business.
- Developing a sustainable tea and palm oil industry.
- Protecting biodiversity.

Globally, by the end of 2017, 56% of Unilever's total purchases of agricultural raw material were obtained from sustainable sources.

PALM OIL

Unilever is one of the world's largest users of palm oil, as it is a primary raw material in many of the company's diverse products. As the largest palm oil producing country in the world, Indonesia is one of our focus to implement responsible purchasing of raw materials.

Unilever Indonesia cooperates with several strategic suppliers and partners, including PT Perkebunan Nusantara III, PT Perkebunan Nusantara V, IDH Sustainable Trade Initiative, World Resources Institute Indonesia, Yayasan Penelitian Inovasi Bumi (Inobu) and Roundtable on Sustainable Palm Oil (RSPO) to support independent palm oil smallholders, particularly in North Sumatra, Riau, and Central Kalimantan, where RSPO certification has been awarded. This program builds long-term sustainable land management plans to improve farmer productivity and welfare, while ensuring traceability and preventing deforestation.

In 2016, we renew and implement the Unilever Sustainable Palm Oil Sourcing Policy, and set the target to have 100% of certified palm oil (RSPO Mass Balance or equivalent), especially for crude palm oil (CPO) which we purchased in 2019. Globally, 56% of the palm oil volume that we purchased has come from RSPO physical certification in the end of year 2017 which made us as one of the leading buyers of RSPO physical certification.

One of the key principles in the Sustainable Palm Oil Sustainability Policy is to involve independent smallholders into the supply chain. In this scheme, coaching, funding and technical assistance of independent smallholders is provided, with six training modules, in order to establish an Internal Control System (ICS) for farmers and the implementation of Good Agricultural Practices (GAP) in order to increase productivity, raise revenues, and make it easier for farmers to obtain sustainable palm certification.

In 2017, we achieved important milestone by RSPO certification of independent smallholder groups which granted to UD Lestari in North Sumatra by certifying as many as 63 independent smallholders. We also succeeded in certifying our fostered smallholders In KUD Tani Subur in Central Kalimantan which include 190 independent smallholders. They were the first independent smallholders to obtain RSPO certification in North Sumatra and Central Kalimantan respectively.

NORTH SUMATRA

63 small farmers (including **19** women), 207 hectares recipients of the first RSPO certificate in North Sumatra.

Partners:
PTPN III, IDH Sustainable Trade Initiative, De Guru Consulting, RSPO.

The key buyers of the group of independent oil palm farmers in 2017 through 5 of 6 independent oil palm farmers' groups, as well as incentives for farmers to be more sustainable and to support their welfare.

RIAU

Targeting **1,000** independent smallholders, **500** plasma farmers for RSPO and ISPO certified in the next two years

Partners:
PTPN V, World Resources Institute (WRI), SPKS (Serikat Petani Kecil Kelapa Sawit), Daemeter Consulting, RSPO.

CENTRAL KALIMANTAN

Involving **600** small farmers, **1,400** hectares of land. **190** independent smallholders are the first recipients of RSPO certificates throughout Kalimantan.

Partners:
Yayasan Penelitian Inovasi Bumi (Inobu), Government of Norway, RSPO.

UNILEVER PROGRAM FOR RSPO SMALLHOLDERS



As one of the world's largest users of palm oil in the consumer goods sector, Unilever is committed to leading the transformation of the sustainable palm oil industry. One of our key principles in the Sustainable Palm Oil Sourcing Policy is to involve small farmers into our supply chain.

Marc Engel
Chief Supply Chain Officer Unilever

BLACK SOYBEAN

Unilever strengthen the commitment for black soybean farmers to meet the target of 100% of black soybeans from sustainable sources by 2020. This will be achieved with the implementation of the Unilever Sustainable Agriculture Code (USAC) initiative in black soybeans sourcing. USAC is an independent verification method that provides guidance to farmers about the adoption of sustainable agricultural practices, to monitor and assist the farmers as well as to conduct socialization sessions assisted by experts from universities. The Internal Control System (ICS) was also created to oversee the implementation of USAC at all locations of Unilever Indonesia's black soybean cooperative partners.

ICS is accompanied by a Control Union team - consultants with knowledge and experience of USAC and the principles of sustainable agriculture - assisting cooperatives and farmers to complete the certification process.

TEA

Unilever Indonesia develops tea commodity suppliers in collaboration with Rainforest Alliance (RA) to meet sustainability criteria through RA certification for tea products. We support suppliers by facilitating consultation and advisory during the audit process, with 2-5 suppliers participating in the scheme every year.

Up to 2017, the program has involved 10 suppliers from 50 tea gardens located in 15 districts in 4 provinces in Indonesia. The number of farmers involved has reached about 16 thousand and affecting more than 50 thousand farmer families members.

PHASE-1

- Collect and verify data
- Check the value chain
- Perform Gap Analysis
- Training for ICS teams

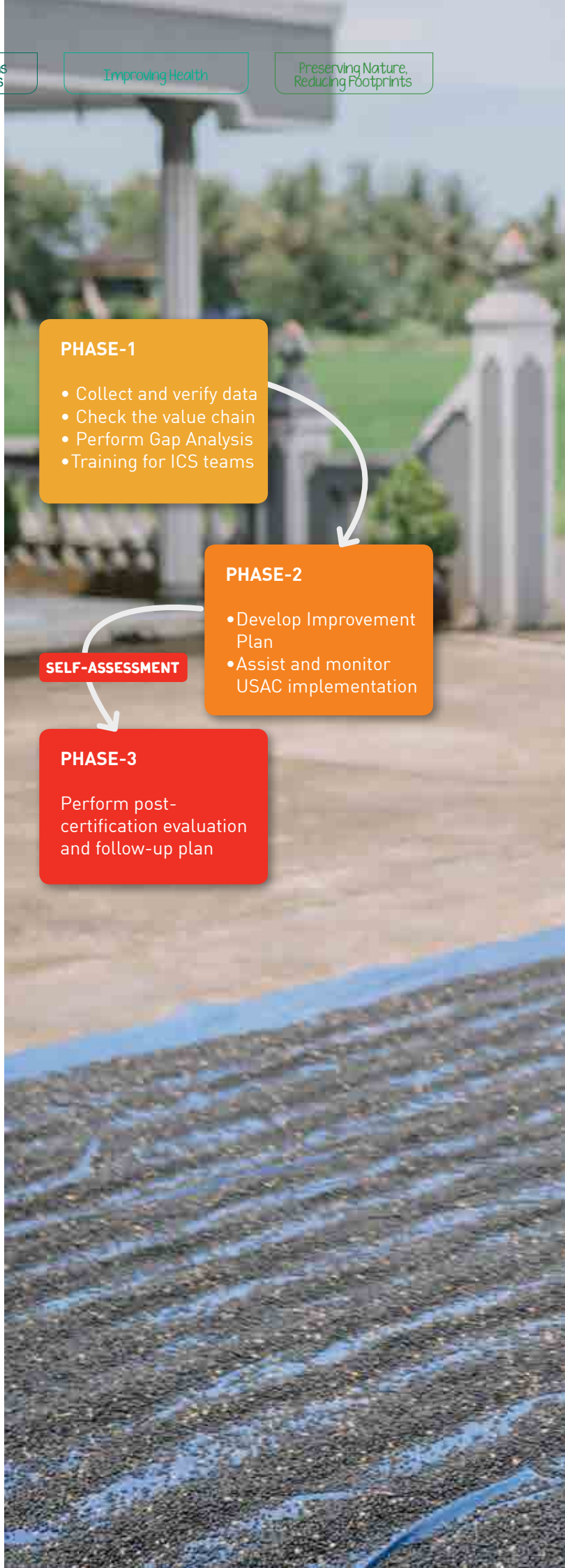
PHASE-2

- Develop Improvement Plan
- Assist and monitor USAC implementation

SELF-ASSESSMENT

PHASE-3

Perform post-certification evaluation and follow-up plan





Nurturing Our Precious Talents

Responsible Sourcing

Business Benefits

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Business Benefits

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IMPROVE LIVELIHOOD

Unilever Indonesia strives to provide broader benefits to the community through its diverse brands. Behind the virtues of each brand, Unilever strives for social value-added and environmental sustainability to be embedded in the company's business processes.

Unilever believes that efforts to achieve sustainable benefits must be made in a responsible manner, conducted through the Unilever Sustainable Living Plan (USLP) business model. This business model is applied in all Unilever's business activities, including an inclusive business approach by creating benefits in the value chain, both on the supply and distribution sides.

Sourcing for Unilever covers not only legal, commercial and ethical aspects but also the implementation of the company's commitment to developing partners in a responsible and sustainable manner. To implement this commitment, we nurture and develop the farmers' suppliers of raw materials within the framework of the Unilever Sustainable Living Plan, which is at the core of the company's business value chain development.

OUR COMMITMENT

BY 2020, WE WILL IMPROVE THE LIVELIHOODS OF MILLIONS OF PEOPLE AS OUR BUSINESS GROWS.

There are three USLP initiatives to improve livelihoods: promoting fairness in the workplace, opportunities for women, and inclusive business.



FAIRNESS IN THE WORKPLACE

Paul Polman, CEO of Unilever, has acknowledged that systemic risks of human rights violations are currently taking place in the global business value chain. It is a reality that we have to face and improve together.

Fairness in the workplace is created by instilling awards and promoting the application of human rights in every function and role throughout the entire value chain. Upholding human rights is essential in improving people's lives in our business and is a tangible contribution to the achievement of global goals.



In an effort to respect and protect human rights, Unilever has established a Policy Statement on Human Rights and cooperates with other companies, labour organizations, civil society, NGOs and multinational partnerships to learn from each other and make better and diverse decisions.



Unilever carries out various human rights development programmes that cover 8 significant human rights issues, which are considered a top priority to be followed up with audits, and awareness and training programmes to all employees and suppliers.

One of the initiatives undertaken by Unilever Indonesia in Fairness in the Workplace is the process of managing palm oil. In November 2017, Unilever joined a group of palm oil buyers conducting programmes to improve livelihood of workers in the palm oil sector in collaboration with Business for Social Responsibility (BSR). The programme's activities focus on wages, contract status and dispute resolution mechanisms.

The achievement of Unilever in implementing UN Guiding Principles on Business and Human Rights commitments is presented in the Human Rights Report. Unilever's first report was published in 2015 themed 'Enhancing Livelihoods, Advancing Human Rights', and in 2017, the 'Human Rights Progress Report 2017' was released. Both reports can be found at www.unilever.com

Other initiatives implemented by Unilever Indonesia such as 'Justice in the World of Work', which covers employment aspects, can be found in the 'Nurturing Our Precious Talents' section of this Report.

OPPORTUNITY FOR WOMEN

Unilever has a strong position to help empower our female consumers, farmers, distributors and factory and office employees.

Women's empowerment is closely linked to the 5th Global Goal: to achieve gender equality and empower all women. Empowering women is believed to bring good to the community as a whole in strengthening community empowerment.

Since 2007, Unilever has implemented the Saraswati Women Empowerment Programme as a complementary development programme for soybean farmers. The programme includes local partners such as PERSADA, Spectra and ASSPUK, in which women act as a bond that brings academic partnerships, Unilever, and farmers together.

The empowerment activities of Saraswati has supported 3,320 women through three development aspects: Self Development, Economic and Social Development and Organizational Development which are fully aligned with the Unilever Sustainable Living Plan.



UNILEVER COMMITMENT TO OPPORTUNITY FOR WOMEN

Through the Unilever Sustainable Living Plan, Unilever has set a global target that by 2020, we will empower 5 million women.

2007

SARASWATI PROGRAMME INITIATION IN BANTUL AND KULON PROGO, NGAWI, PACITAN, TRENGGALEK, PEKALONGAN, AND BANJARNEGARA.

2015

ENRICHMENT PROGRAMME WITH THE MINISTRY OF HEALTH TO IMPROVE THE QUALITY OF FOOD PRODUCED BY THE COMPANY'S TARGET GROUP SO THEY CAN OBTAIN REGISTERED NUMBER FOR HOME INDUSTRY PRODUCTS.

2016

ON AVERAGE IT CAN INCREASE GROUP REVENUE BY 50% THROUGH VARIOUS BUSINESS ACTIVITIES INCLUDING LOANS TO HOME INDUSTRIES AND SHOPS THAT ARE FULLY RUN BY WOMEN.

2017

ACHIEVEMENT OF SARASWATI PROGRAMME:

- 85 WOMEN'S ORGANIZATIONS
- 3,320 WOMEN ARE PARTICIPATING
- 8 FEMALE COOPERATIVES
- 10 UNILEVER KIOSKS

INCLUSIVE BUSINESS

Unilever's vision to create an inclusive business is to provide added value to those who support business activities including those that supply, manufacture and sell our products. Farmers and small traders or retailers are also included in the programme.

UNILEVER COMMITMENT TO INCLUSIVE BUSINESS

Through the Unilever Sustainable Living Plan, Unilever has set a global target to create a positive impact on the lives of 5.5 million people by 2020.

The strategies to make a positive impact on the people within our value chain are conducted by creating opportunities for small farmers and retailers as well as increased inclusion of young entrepreneurs to access initiatives that can improve incomes.

WELFARE OF SMALLHOLDERS

One form of contribution of Unilever sustainability is the ability to develop suppliers in order to improve the economy. It is believed that with smallholders becoming more prosperous, it will contribute to the security of the raw material supply, which is highly necessary and beneficial.

Since 2001 Unilever Indonesia, through Yayasan Unilever Indonesia (YUI), has worked with the black soybean farming community to develop agricultural practices that will increase income and prosperity.

Furthermore, Unilever's coaching programme includes black soybean and coconut sugar farmers who are key local suppliers for the high-quality soy sauce product, Bango. Unilever Indonesia is a pioneer in the palm sugar industry of Indonesia and Southeast Asia and has developed initiatives to secure the supply of palm sugar in the medium and long-term.

In 2012, Unilever embarked on a coconut farm replanting programme to overcome the lack of supply due to the age of coconut plantations, creating difficulties in harvesting. In 2016, with the support of the Palma Plant Research Institute, Unilever began to explore the utilization of short stem coconut seedlings. This variety has the advantage of maturing faster and therefore speeding up harvests and has a higher and safer planting density due to its shorter size.

Now, we have started replanting, by the way of helping farmers to earn more crops and increase their income.



25,000
Coconut sugar farmers

6
Cooperatives/Small and Medium Enterprises

Training and empowerment of
3,320
female farmers



SUSTAINABLE COCONUT SUGAR FARMER DEVELOPMENT

Katingan Forest, located in Central Kalimantan, has an area of more than 200 thousand hectares and occupies an area of protected peatlands. Most communities around the forest are small farmers whose livelihoods depend on the forests and rivers. Farming is difficult in Katingan as the land is continuously submerged for most of the year.

At the edge of the forest, coconut trees have been planted on 10,000 hectares of land that had previously produced copra, but the low price of copra left the plant neglected. As a result, Unilever Indonesia partnered with Yayasan Puter Indonesia to build a 'Sekolah Lapang' for coconut farmers to train in manufacturing palm sugar and absorb commodities produced by the community. Farmers also received financial assistance and financial literacy through farmer cooperatives to revitalize the plantation and palm sugar manufacturing equipment.

Pak Yos and Bu Yanti, a pair of farmers who joined in February 2017 said, "Being a farmer and coconut sugar producer requires hard work and responsibility because we have to pay mortgages to the cooperative. However, my wife and I are feeling very positive, and our daily income keeps getting better. Hopefully we, and our children can stay in this village, so no need to move to town to find work."

Farmers and Coconut sugar producers are:

- The alternative way to improve livelihoods for rice, coconut and rubber farmers.
- Way to prevent unemployment from illegal logging in the Katingan Forest.
- Mode to empower women with new skills.



In the next 2 years, the programme is expected to reach 10 communities and train 335 farming families to achieve the target of 1,500 m of coconut sugar per year. Cooperatives that have been initiated by Unilever have grown into independent local economic institutions that are able to facilitate this need. Through coconut sugar, we want farmers' income to increase significantly more than the current condition. The women empowerment as the central unit to produce palm sugar and also household management will take part in the supply chain as aspired in the USLP.



SELLING WITH PURPOSE

Unilever believes that business should be a solution to global problems including inequality in income and poverty. No business is able to continue to survive with the ever-increasing inequality of prosperity. A mutual symbiosis is needed for sustainability, and Unilever, in cooperation with small retailers, plays an important role in sustainability.

Unilever products can reach almost all Indonesian households through retailers. However, in line with development, small retailers face asymmetrical competition with larger and more modern retail chains. We see opportunities to develop small retailers as a way to keep product supply to market while improving lives.

In this area, Unilever consistently runs the "Perfect Stores" programme. The central focus in this programme is to increase the capacity of small retailers in managing stores. Not only are they given guidance to perform more effectively and hygienically, they are also equipped with technology-based solutions, namely LeverEdge, in order to better manage stock and create business plans. With these two approaches, stores become more attractive and busier without removing the traditional relationship between shopkeeper and customer.

370 Small Retailers participate in Selling with Purpose in 11 Cities



"Wow, this is great. I know exactly what items are sellable in my store. I am able to know any sold items in other stores, and unavailable items in my store."

Mr. Abidin
Mitra Jaya Shop Owner

BENEFITS TO SHAREHOLDERS

As a business entity, Unilever Indonesia has received and provided benefits to the Indonesian economy. Our business challenge in 2017 was the low level of household consumption, which has suppressed the growth of the consumer goods industry in Indonesia. In the midst of weaker market growth than in previous years, the Company is still growing and committed to the Indonesian economy.

With a robust strategy throughout the year, the Company can adapt to challenging conditions. Understanding consumer needs and focusing on execution and efficiency across all lines of operations enables us to maintain our commitment to deliver more value and grow in a competitive manner.

For the period ending December 31, 2017, the company recorded a net profit of IDR 7.0 trillion, increasing 9.6% over the same period the previous year. In addition, net sales increased by IDR 41.2 trillion, 2.9% growth compared to 2016 which amounted to IDR 40.0 trillion. For that period, the company expended a capital cost of IDR 1.7 trillion to support continuous innovation.

In addition to providing benefits to the shareholder, we want Unilever's business to grow inclusively by providing benefits to the community. In 2017, 6,008 Unilever employees received benefits of IDR 1.805 billion for employee costs and more than 695 thousand retailers and distributors across Indonesia gained added value from sales of Unilever brands. Our suppliers earn IDR 15.562 billion from the raw materials purchased. As for the Government, our contribution reached IDR 2.367 billion through income tax.

Unilever will continue to pursue a sound business growth cycle with the goal of promoting sustainable living through the Unilever Sustainable Living Plan strategy. This strategy is at the core of the Company's vision to accelerate business growth while lowering environmental footprints and making positive social impacts

ECONOMIC PERFORMANCE (Rp million)

	2017	2016	2015
Economic Value Generated			
Revenue	41,204,510	40,053,732	36,484,030
Distributed Economic Value			
- Operating Cost	30,028,269	29,778,957	27,006,174
- Employee Fees	1,804,581	1,702,890	1,648,366
- Dividend	6,638,100	6,096,370	5,783,540
- Payments to the Government (taxes, levies etc.)	2,367,099	2,181,213	1,977,685
- Social Investment (CSR cost)	NR*	NR*	NR*
Retained Profit (= Generated Economic Value - Economic Value Distributed)	366,461	294,302	68,265

*NR = Not Reported





Products and Services

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BRAND WITH PURPOSE

Unilever Indonesia's brands have become an integral part of the daily lives of millions of Indonesian consumers. Through a variety of initiatives, we aim to realise the goals that bring the social and environmental benefits of each brand, and deliver social messages to achieve our main goals in the USLP.

Our experience shows that consumers have a strong desire to make a difference with the things that concern them. We aligned the iconic Unilever brands, not only as a good cause, i.e. to help overcome the social or environmental issues, but also to contribute to one or more of the targets that are set in the USLP. These targets include improving health and well-being, reducing our environmental footprint, and improving people's livelihoods. Thus we can inspire people to take small actions every day that, when combined, will make significant differences in the world.

OUR BRANDS THAT HAVE ACTIVATED ITS PURPOSE OF PROVIDING SOCIAL AND ENVIRONMENTAL BENEFITS



Goal:

Encourage mothers to meet balanced nutrition for optimal growth.

Mission:

Educate elementary school students about the importance of a nutritious breakfast.



Goal:

Wholeheartedly preserve the culinary heritage of the archipelago and improve the livelihood of farmers.

Mission:

Popularized Indonesian culinary vendors through trading forums or markets, inspired mothers through Indonesian food recipes, and assisted black soybean farmers through training on sustainable farming practices.



Goal:

Help mothers ensure their children are sick less often.

Mission:

Educate children and mothers about the importance of handwashing with soap.



Goal:

Invite children and parents to grow together through the exploration of the world around them.

Mission:

Educate children to choose safe and healthy snacks.



Goal:

Improve public health.

Mission:

Educate Primary School children to build morning and night toothbrush habits, and provide free dental check-ups and treatments for the community.



Goal:

Encourage people to apply hygienic behaviour at home.

Mission:

Educate the community, especially mothers, about how to maintain a sanitary floor, toilet, and bathroom to be protected from disease.



Goal:

Encourage people to stay active and remain confident.

Mission:

Educate high school teenagers to live cleanly and confidently in achieving life's success.



Goal:

Encourage women to use beauty as a source of confidence, not anxiety.

Mission:

Educate teenagers in increasing confidence and realising potential.



Goal:

Empower Indonesian women to be independent and not hesitant in reaching their dreams.

Mission:

Provide access for women to continue their education to a higher level through scholarship programmes.



Goal:

Give Indonesian women more than daily housework to realise the dream of entrepreneurship.

Mission:

Provide access to training Indonesian women to realise the dream of entrepreneurship.



INSPIRE INDONESIAN WOMEN TO USE THEIR SPARE TIME TO MAKE THEIR HIDDEN DREAMS REALITY

Indonesian women are faced with many time-consuming activities. Surveys show that 60% of women have aspirations, even if they are married and working. Through "Ibu Bersinar Sunlight", Sunlight invited Indonesian women to take the time and commit to realising their dreams. With the benefits of washing 5x faster, Sunlight gives extra time every day for Indonesian women to pursue their goals.

The Ibu Bersinar Sunlight Programme targeted three main pillars, namely; consumers, communities, and female kiosk owners (retailers). For consumers, Sunlight held the "Kelas Ibu Bersinar" tutorial on fashion with Ria Miranda, cooking classes with Rinrin Marinka, and start-up business education in each field in Jakarta on November 2017. For female kiosk owners, Sunlight ran "Warung Ibu Bersinar" to transform the business skill of kiosk owners, and in collaboration with Dulux Catylac, repainted and redesigned spaces to make them more interesting.

PRODUCT RESPONSIBILITY

At Unilever, we use our knowledge and imagination to decode science into products that meet diverse needs and maximize consumer convenience.

Manufacturing high quality and safe products is one of Unilever's strategic priorities. We incorporate this aspect as one of the most critical business risks which must be adequately managed. In the design of a product or process phase, we examine the safety of new raw materials, and develop new active ingredients, formulas, and methods. Our security policy applies to all products, wherever the product is manufactured or sold.

The process of making safe and high-quality products is done through several steps. Unilever conducts a series of selection processes before working with suppliers. Starting from the supplier's capability to produce products that meet specifications, to business practices that are aligned with Unilever's sustainability vision.

Certification of the ISO 9001 Quality Management System, FSSC 22000 Food Safety Management System and Good Manufacturing Practice in factories and Good Warehousing Practice in our distribution chain are a form of assurance of responsibility for the quality and safety of our products.

<p>ISO 9001 Quality Management System</p> <p>Applied in all home & personal care factories</p>	<p>FSSC 22000 Food Safety Management System</p> <p>Applied in all food & refreshment factories</p>	<p>Good Manufacturing Practices for Cosmetics</p> <p>Applied in all personal care factories</p>
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HALAL WARRANTY

The Muslim community worldwide follows the 'halal' edict which ensures products contain goodness, safety, fairness, health benefits, which is also popular among non-muslims.

Unilever has applied the halal assurance system voluntarily since 1994 when Unilever Indonesia became the first FMCG factory in Indonesia to obtain Halal Certification from MUI. Now, Halal Assurance Certification is possessed by all Unilever factories in Indonesia, which include soaps, detergents, margarine, ice cream, cooking spices, soy sauce, cosmetic products, beverages with staples of tea and fruit juice all of which obtained halal grade in 2016.

The implementation of the halal assurance system in factories and products is our commitment to providing consumer choice for quality products and give a sense of security and comfort to consumers who are predominantly Muslim.

<p>Halal Assurance System</p> <p>Applied in 9 factories of Unilever Indonesia</p>	<p>3 Years in a Row</p> <p>Walls obtained Halal Top Brand 2017 in Ice Cream Category in the Halal Awards 2017</p>
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CONSUMER PROTECTION

Counterfeit products in circulation can cause harm because the consumer does not get the benefits expected from purchasing what is supposed to be a high-quality product. Unilever Indonesia strives to protect consumers from the use of counterfeit products.

Some approaches include:

- Empowering the company's sales force to meet consumers and retailers to identify counterfeit products in the marketplace.
- Regularly monitoring the state of the market, with assistance from the authorities.
- Actively fight counterfeiting by educating the public about the adverse effects of counterfeit products, with the Indonesian Anti-Counterfeit Society
- Working with the authorities to edify counterfeit product introductions.
- Following up cases of counterfeit products in accordance with applicable law corridors.
- Applying the GUARD Tool app - an electronic system to identify counterfeit products. It enhances internal knowledge and education in the form of electronic learning modules.
- Publishing booklets as guides for operational teams when finding indications of counterfeit products on the market.
- Protecting registered trademarks from being used by others.

In the context of consumer protection, we respect consumer privacy in interacting with Unilever Indonesia and take strict measures to safeguard the security of their personal data. We store all consumer data securely in Unilever's global sales system.

CONSUMER VOICE

Interaction with consumers is highly coveted by Unilever. The received feedback enables the company to produce high-quality products better.

Suara Konsumen (Consumer Voice), is a tool provided for consumers to give response or submit questions and complaints about Unilever products. The ten most common responses each month are forwarded to senior management to be reviewed.

Understanding the need for convenience for consumers to interact, Unilever turns to social media, the most convenient and immediate way to communicate today. Through this media, consumers not only can easily communicate with us but have access to the latest product information and news regarding activities being held.

The five Unilever principles in communicating with consumers are as follows:

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 data, 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.

All responses are handled quickly through strict protocols by the Consumer Advisory Service (CAS). Complaints are categorized as normal, high priority, or emergency. If the CAS Agent is unable to provide an answer, the issue will be brought to the relevant department or division through the designated contact.

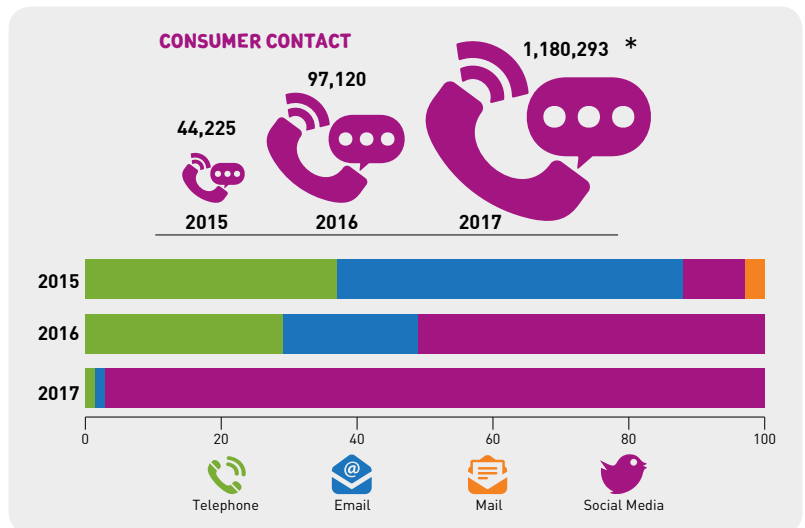
In accordance with procedure, all complaints must be resolved within a specific timeframe and solutions must be approved by all relevant support functions. If a solution offered is not accepted by the consumer (in exceptional cases), the case may be brought to YLKI (Indonesian Consumers Foundation) or put through legal channels. If this happens, Unilever Indonesia will cooperate sufficiently to achieve an acceptable solution.

Another important quality indicator is consumer satisfaction. In 2017, the level of consumer satisfaction and quality monitoring reached 90% - 5% lower than the previous year. The survey method was changed by way of consumers filling out their own questionnaires sent by email, rather than via phone. With this method, consumers become more independent in providing assessment.



The Company has a special service of consumer care, called

CONSUMER VOICE at
0800 1 55 8000 (Toll Free) and
021 5299 5299 (Regular)



Consumer Management Performance	2015	2016	2017
Consumer Satisfaction	92.4%	95%	90%
Complaints received	2,441	1,296	1,886
Complaints resolved	2,441	1,296	1,886

* Significant increase in consumer contacts in 2017 due to the Consumer Voice in this year also implement Social Media Response along with the use of social media by consumers.



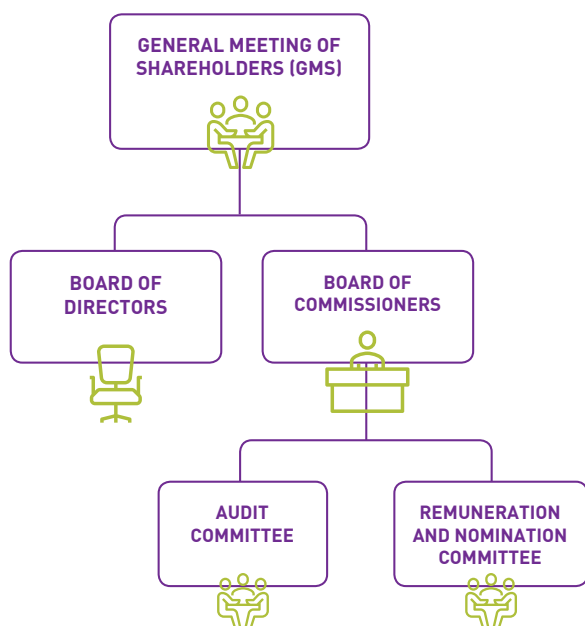


Governance

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GOVERNANCE STRUCTURE

As regulated by Law no. 40/2007 on Limited Liability Companies and Unilever Indonesia's Articles of Association, the highest corporate organ in the company is the General Meeting of Shareholders (GMS). The Board of Commissioners and the Board of Directors are responsible to the GMS. These three independent organs are responsible for establishing a good corporate governance framework and leading their implementation with the assistance of the Corporate Secretary and the committees under the Board of Commissioners.



GMS

Shareholders hold the highest authority within the company, have the authority to appoint or dismiss commissioners and directors, and are held accountable for the management of the company.

Through the General Meeting of Shareholders (GMS), shareholders are entitled to take decisions on important issues relating to the business and operations of the Company. In this regard, including approval of the Company's financial statements and annual reports, dividend payout and profit sharing, remuneration of Directors and Commissioners, appointment of independent auditors, changes to the Company's Articles of Association and delegation of authority to the council, to follow-up on the results of decisions is ratified in the GMS.

Unilever Indonesia, as a public company, is required by law to hold the Annual General Meeting of Shareholders (AGMS) no later than six months after the end of the fiscal year. The last AGMS was held on June 20, 2017.

BOARD OF COMMISSIONERS

The Board of Commissioners is responsible for overseeing the management of the Company by the Board of Directors. The Board of Commissioners has a charter which establishes the legal basis; duties, responsibilities and authorities; business rules; working hours; and reporting, as well as the duties of the board of commissioners. The charter is regularly evaluated and updated as necessary.

In performing its duties, the Board of Commissioners communicates regularly with the directors and committees under its supervision, both through meetings and reports. The Board of Commissioners also provides advice on matters relating to management and may be granted other obligations by the GMS.

In order to develop professional knowledge, competencies and leadership capabilities of the Commissioners in line with the latest developments in industry and good corporate governance, the President Director will facilitate individual approaches to the training and self-development of each Commissioner. The training and self-development of this Commissioner is conducted with the support of the Corporate Secretary.

Unilever Indonesia has 4 (four) Independent Commissioners of 5 (five) member of Board of Commissioners.

BOARD OF DIRECTORS

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

The Board of Directors has a charter, which serves as a set of procedures and guidelines designed to facilitate and assist the functional operations of the Board of Directors.

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.

The Directors are expected to commit to participate in continuous training to ensure their professional insights, competencies, and leadership abilities can grow in line with the latest industry developments in their respective fields. This training begins with a full orientation of responsibilities, which is given at the time of their first term. Furthermore, they participate in a number of executive training and educational programmes, seminars and conferences throughout the year.

THE COMPOSITION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF PT UNILEVER INDONESIA TBK AS OF DECEMBER 31, 2017

NAME	POSITION	GENDER	AGE	NATIONALITY
BOARD OF COMMISSIONERS				
Maurits Daniel Rudolf Lalisang	President Commissioner	Male	64	Indonesia
Erry Firmansyah	Independent Commissioner	Male	63	Indonesia
Cyrillus Harinowo	Independent Commissioner	Male	65	Indonesia
Hikmahanto Juwana	Independent Commissioner	Male	52	Indonesia
Mahendra Siregar	Independent Commissioner	Male	55	Indonesia
BOARD OF DIRECTORS				
Hemant Bakshi	President Director	Male	54	India
Tevilyan Yudhistira Rusli	Director	Male	45	Indonesia
Sancoyo Antarikso	Director	Male	54	Indonesia
Vikas Gupta	Director	Male	42	India
Willy Saelan	Director	Male	48	Indonesia
Amparo Cheung Aswin	Director	Female	41	Philippines
Hernie Raharja	Director	Female	44	Indonesia
Enny Hartati Sampurno	Director	Female	49	Indonesia
Jochanan Senf	Director	Male	41	Netherland
Ira Noviarti	Director	Female	47	Indonesia

ETHICS AND INTEGRITY

Unilever recognizes the importance of good corporate governance in creating long-term sustainable value for our shareholders and stakeholders. To that end, Unilever has consistently sought to improve the corporate governance framework and strengthen GCG implementation in accordance with the development of best practices Indonesia, both regionally and globally.

To improve governance, a comprehensive evaluation is conducted using the ASEAN Good Corporate Governance Scorecard to lead our programme for improvements in GCG.

**TOP 10-20 LISTED COMPANIES
WITH A SCORE OF 93.02 (COMPARED
TO TOP 30-40 IN 2016) - BASED ON THE
ASSESSMENT OF THE INDONESIAN
INSTITUTE FOR CORPORATE
DIRECTORSHIP (IICD)**

UNILEVER'S CODE OF BUSINESS PRINCIPLES

The corporate governance framework is supported by two main instruments, namely the Code of Business Principles (CoBP) and Code Policies. The last updated Code of Business Principles and Code Policies ('Code') were adopted at the Business Integrity Meeting in May 24, 2016. The document became a guideline for the implementation of corporate governance.

CoBP is a benchmark for all at Unilever on 'dos' and 'don'ts'. This framework helps to 'translate' those standards into behaviours that aim to protect Unilever as well as all relevant stakeholders. CoBP focuses on avoiding conflicts of interest; anti-bribery; rules relating to the giving of gifts and hospitality; accurate record keeping, reporting and accounting; protection of the Company's physical, financial, and intellectual property; combating money laundering.

These two instruments are monitored and strengthened throughout the year, including through business integrity campaigns and the re-signing of the Guideline for Integrity Pledge.

OUR VALUES

Every individual in the organization, up to the board of directors, is expected to practice the values embraced by Unilever Indonesia. Those values include integrity, respect for others and personal and collective responsibility. We build awareness of these values along with the standard of behaviour set out in the Code of Business Principles, through orientation sessions held for all new employees. These orientation sessions are delivered directly by the Director of Human Resources.

BUSINESS INTEGRITY

In maintaining business integrity, Unilever Indonesia employs a Business Integrity Officer and a Business Integrity Committee that work independently and actively speak on sound business ethics within the company. There are three pillars of business integrity as follows:

PREVENTION

1. Rules and Policy Framework
2. Business communication, education and training
3. Business integrity risk profile and compliance by 3rd Parties

DETECTION

1. Reporting channel, including whistle-blowing
2. Monitoring, review and reporting on the implementation of management
3. Self-assessment and compliance audit

RESPONSE

1. Investigation
2. Business integrity sanctions
3. Improvement and control of deficiencies

Unilever conducts various business integrity trainings and promotional activities for both internal and external stakeholders, to ensure understanding and application of business ethics are effective. In 2017, the Business Integrity Division conducted supply chain process activities involving procurement teams, which included refreshing guidelines at the beginning and end of the year as well as blast emails related to gift giving and hospitality.

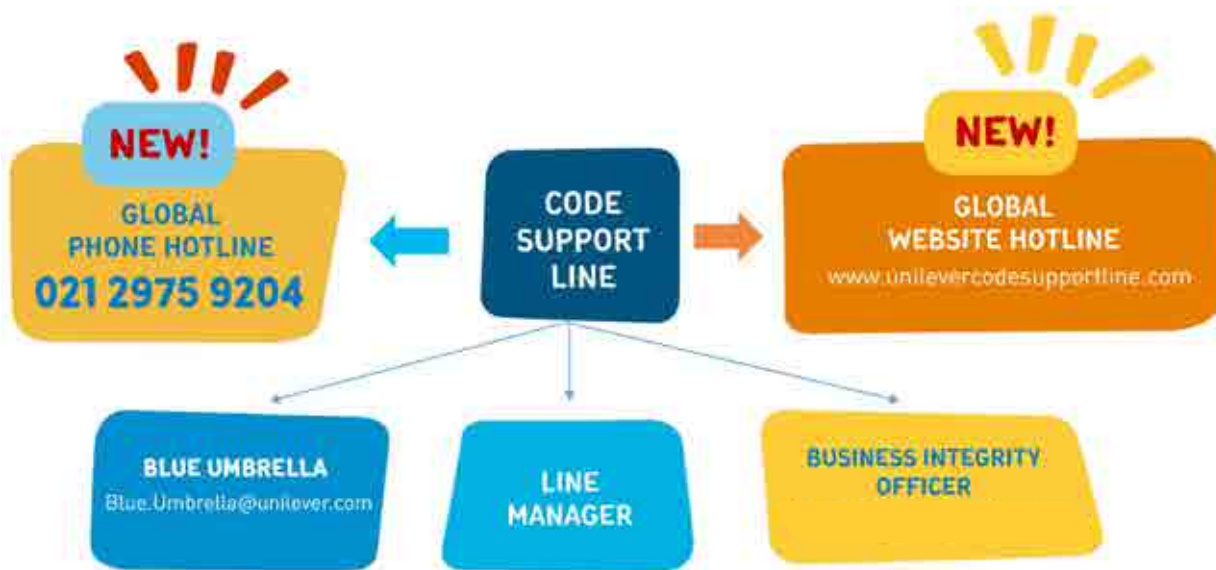
BUSINESS INTEGRITY ACTIVITIES	FREQUENCIES ON 2017
Integrity Moment in town hall meeting by Supply Chain Director	4 times
Business Integrity Committee Meeting	10 meetings
Communications and campaigns with employees including Business Integrity Refreshment, new whistle-blower mechanism socialization, video campaigns and Integrity Pledge Week	13 activities
Top management messages primarily about business integrity learning capsules called 'Fantastic Four.'	4 activities
Learning capsules related to business integrity both online and in the classroom including: <ul style="list-style-type: none"> - Fantastic Four (Living the Code, Anti-Bribery, Third Party Compliance, and Fair Competition) - Terrific Two (Use of IT and Protecting Unilever's Information) - Workshop Anti-Bribery and Anti-Corruption Each employee of the learning capsules participants has 4 months to complete the learning module.	4 training sessions via learning capsules online and in the classroom

EMPLOYEES SIGNED AN INTEGRITY PLEDGE ONLINE 100% FOR MANAGEMENT LEVEL

WHISTLEBLOWER SYSTEM

All Unilever Indonesia employees, business partners and stakeholders have easy access to the whistleblower channels. Through these channels, they may report violations, allegations, or potential violations of the Code of Business Principles and Code Policies, as well as other ethical or behavioural violations.

There are several ways for a person to report a violation or potential violation of the Code of Business Principles:



All reports received are handled confidentially and acted upon by the Business Integrity Officer in charge at national level, as well as members of the Business Integrity Committee consisting of several members of the Board of Directors and the Business Integrity Officer.

	2017	2016
Whistleblower reports	23	31
Case investigated	20	31
Case solved	23	17

ENGAGING STAKEHOLDERS

Unilever Indonesia always strives to align the company's strategic direction with the expectations and interests of the stakeholders. The engagement of various stakeholders constructively helps to make decisions and run a responsible and sustainable business.

STAKEHOLDERS	INTERESTS AND EXPECTATIONS	METHOD OF ENGAGEMENT
Consumer	Product and Brand	<ul style="list-style-type: none"> - Social media - Suara Konsumen (Voice of Consumer) - Brand activation
Employees	<ul style="list-style-type: none"> - Occupational Health and Safety - Employee development 	Various internal communication channels
Government and Regulator	<ul style="list-style-type: none"> - Regulatory compliance - Partnership in sustainability 	<ul style="list-style-type: none"> - Regular meetings - Joint research project or community programme - Active involvement in various efforts to create conducive business conditions and contribute to the national economy
Shareholders and Investors	<ul style="list-style-type: none"> - Financial performance - Clear and up-to-date information regarding corporate actions and strategic direction - Non-financial performance, progress and status - Progress of USLP 	<ul style="list-style-type: none"> - Reporting of quarterly business performance - Face-to-face meetings with investors and analysts - Conference - Annual General Meeting of Shareholders - Annual report - Sustainability Report
Suppliers	Partnership	<ul style="list-style-type: none"> - Regular meetings - Supplier performance reports
Media	Unilever initiatives in sustainability	<ul style="list-style-type: none"> - Unilever sustainability narrative socialization to proactively important media, media engagement sessions, discussions and related USLP events, Discussions and various community activities - Utilization of media community
NGOs and the Large Communities	<ul style="list-style-type: none"> - Status of progress and progress of USLP programmes - Opportunities to collaborate on various USLP programme campaigns - Information on corporate activities 	<ul style="list-style-type: none"> - Collaborative activities and cooperation programmes - Unilever Indonesia's website and other social media channels - Unilever Indonesia brands associated with environmental and social campaigns

PARTNERSHIP IN SUSTAINABILITY

In implementing various initiatives within the USLP, Unilever has partnered and worked with a wide range of stakeholders. Partnerships are also formed due to membership in business associations in which the company is involved.

NO.	EXTERNAL ORGANIZATION NAME	TYPES OF INVOLVEMENT
1	PIPIMM (Product Information Centre for Food and Beverage Industry)	Unilever Indonesia is a member. PIPIMM is sheltered by the Ministry of Industry, and used as a medium of communication and information with the Government and to find information and policies in the food and beverage sector.
2	APJP (Priority Line Companies Association)	Unilever Indonesia serves as Secretary-General in this association. APJP is useful as a forum for communication and information with relevant government agencies in the field of customs, taxation, transportation, industry and trade.
3	ASRIM (Association of Soft Drinks Industry)	Unilever Indonesia serves as Head of Fruit Drinks Section in this association. ASRIM is useful to cooperate with various parties related to both Government and private entities and provides information about concerns in the soft drink industry.
4	GAPMMI (Association of Indonesian Food and Beverage Entrepreneurs)	Unilever Indonesia serves as Deputy Secretary-General in this association. GAPMMI serves to support lobbying and advocacy activities in accordance with Unilever's agenda, as a forum to strengthen network with Government stakeholders and industry, and to share information and policy in food and beverage sector.
5	APSAI (Association of Indonesian Child-Friendly Companies)	Unilever Indonesia is a member. APSAI serves to support lobbying and advocacy activities in accordance with Unilever's agenda in the area of child protection as well as a forum to strengthen lobbying with Government stakeholder
6	PERKOSMI (Association of Indonesian Cosmetics Companies)	Unilever Indonesia serves as Secretary-General in this association. PERKOSMI serves to support lobbying and advocacy activities in accordance with Unilever's agenda in the field of cosmetics, to be a forum to strengthen lobbying with Government stakeholders and to share information and policies related to the cosmetics sector.
7	APPINA (Association of Indonesian Advertisers Companies)	Unilever Indonesia serves as Chairman of this association. APPINA serves to support and develop communication and marketing activities, supporting lobbying and advocacy activities in accordance with the Company's agenda in advertising, as well as a forum for strengthening lobbying with Government stakeholders.
8	DPI (Indonesian Advertising Council)	Unilever Indonesia serves as Chairman of this board. DPI serves to support and develop ULI communication and marketing activities, supporting lobbying and advocacy activities in accordance with the ULI agenda, as well as a forum for strengthening lobbying with Government stakeholders.
9	EUROCHAM (European Chamber of Commerce)	Unilever Indonesia serves as Board Member, and Chairman of the Eurocham Cosmetic Working Group serves to support lobbying activities, advocacy, and strengthen lobbying with Government stakeholders.
10	PEKERTI (Association of Indonesian Domestic Health Supplies Companies)	Unilever Indonesia serves as Secretary. PEKERTI serves to support lobbying activities, advocacy, and strengthen lobbying with Government stakeholders for the field of domestic health supplies.
11	PISAgro (Partnership in Sustainable Agriculture)	Unilever Indonesia is one of the founders and board members of PISAgro. As Chair of the Soybean Working Group, ULI actively encourages the adoption of sustainable agriculture in this commodity through partnerships between government, the private sector, and public.
12	PRAISE (Packaging Recycled Association For Indonesia Sustainable Environment)	Unilever Indonesia serves as one of the founders and Chair of the Packaging Recycled Association for Indonesia Sustainable Environment (PRAISE). PRAISE serves as an active association in supporting the implementation of holistic, integrated, and sustainable waste packaging management in Indonesia.
13	IGCN (Indonesia Global Compact Network)	Unilever Indonesia serves as one of the founders and secretaries general of the Indonesia Global Compact Network (IGCN). IGCN serves as a change agent in accelerating the transformation of the country towards the achievement of human rights, competitive labour, sustainable environment, and ethical business practices.
14	IBL (Indonesia Business Links)	Unilever Indonesia serves as a role as corporate partner and as a board member at IBL. IBL serves to develop and strengthen the integrity and capacity of enterprises, small/medium enterprises, and individuals in government and the private sector in collaboration with their development partners.
15	IBCWE (Indonesia Business Coalition for Women Employment)	Unilever Indonesia serves as Supervisory Board within the IBCWE organization. IBCWE serves to promote women's economic empowerment and gender equality.



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UN Global Compact Principles Index	118
Independent Assurance Statement	119
Sustainability Reporting Team	121

COMPANY INFORMATION

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.

HEAD OFFICE ADDRESS:

Grha Unilever
Green Office Park Kav. 3
Jl. BSD Boulevard Barat
BSD City, Tangerang – 15345
T : +6221 8082 7000
F : +6221 8082 7002
Email: unvr.indonesia@unilever.com

COUNTRY OF OPERATIONAL SITE:

Indonesia

NUMBER OF FACTORIES:

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

OWNERSHIP:

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

BUSINESS TYPE:

Foreign investment

LEGAL BASIS OF ESTABLISHMENT:

- Notary Mr. Andriaan Hendrik Van Ophuijsen No. 23 dated December 5, 1933
- Notary Mrs. Kartini Muljadi, S.H. No. 171 dated July 22, 1980
- Notary Mr. Mudofir Hadi, S.H. No. 92 dated June 30, 1997
- Notary H. Sharif Siangan Tanudjaja, S.H. No. 16 dated June 18, 2008
- Notary H. Sharif Siangan Tanudjaja, S.H. No. 2 dated June 9, 2011
- Notary H. Sharif Siangan Tanudjaja, S.H. No. 6 dated July 6, 2015
- Notary H. Sharif Siangan Tanudjaja, S.H. No. 22 dated June 20, 2016

COMPANY SCALE

As of December 31, 2017

No.	DESCRIPTION	UNIT	2017	2016	2015
1	Number of Permanent Employees	People	5,654	5,763	5,776
2	Net Profit of the Year	Rp trillion	7.0	6.0	5.9
3	Equities	Rp trillion	5.2	4.7	4.8
4	Total Assets	Rp trillion	18.9	16.7	15.7
5	Total Liabilities	Rp trillion	13.7	12.0	10.9
6	Net Sales				
7	Home and Personal Care	Rp trillion	28.1	27.7	26.4
8	Food and Refreshment	Rp trillion	13.1	12.4	11.1

ABOUT SUSTAINABILITY REPORT

REPORT PROFILE

This Sustainability Report is a transparent communication to stakeholders on matters relating to the impact of our operations on communities and the environment to achieve Unilever's vision of maintaining a Sustainable Lifestyle.

Related to this, this report presents information and discussions related to Unilever Indonesia's efforts to achieve its vision through Unilever Sustainable Living Plan (USLP) which is the strategic direction for achieving our sustainability goals.

This report is the 6th Sustainability Report prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiatives (GRI), which describes matters related to Unilever Indonesia's key economic, social and environmental impacts.

In addition, this report also acts as a Communication of Progress which is a manifestation of our commitment to the United Nations Global Compact (UNGC) initiative.

Starting in 2017, the Sustainability Report was issued annually in accordance with the provisions of the Financial Services Authority; this report covers the period from 1 January to 31 December 2017. Unilever Indonesia's 2015-2016 Sustainability Report was published in July 2017.

SCOPE AND BOUNDARY

This report focuses mainly on activities at Unilever Indonesia including headquarters, representative offices, factories and distribution centres throughout Indonesia. The aspects included in our span of control remain included in this report, including human rights, labour practices, regulatory compliance and environmental performance to suppliers and business partners in the supply chain.

In this report, there is no change in reporting limits compared to previous reporting, as well as no data or information that requires restatement.

RELATED CONTACTS SUSTAINABILITY REPORT

We welcome suggestions and feedback to improve the quality of the delivery of this sustainability report. Any questions, suggestions, or feedback may be addressed to:

Sinta Kaniawati

General Manager Unilever Indonesia Foundation PT Unilever Indonesia Tbk/Yayasan Unilever Indonesia
 Grha Unilever
 Green Office Park Kav. 3
 Jl. BSD Boulevard Barat
 BSD City, Tangerang – 15345
 T : +6221 8082 7000
 F : +6221 8082 7002
 Email: sinta.kaniawati@unilever.com

SELECTION OF TOPICS AND MATERIAL ASPECTS IN THE SUSTAINABILITY REPORT

The contents of this report are customized to include topics covered in the USLP and UNGC principles and materiality analysis carried out previously. The 2017 Sustainability Report contains a new topic on Human Rights, complementing the topics that were reported in the 2015-2016 Sustainability Report.

In establishing the contents of the report, the standard GRI principles were applied:

1. Stakeholder Inclusiveness: In the process of preparing the report, focus is centred on the inputs and responses of the stakeholders 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 the Company's supply chain on relevant material aspects.
4. Completeness: the data and information presented in this report covers all of Unilever Indonesia's operating entities in reported aspects.

In the process of identifying material topics, Unilever Indonesia has conducted an overview of the material topics identified by Corporate Unilever, which can be viewed in 'Defining Material Issues', to be adapted to the appropriate sustainability context of Indonesia. The results of the review and evaluation are presented in the List of Material Topics as follows.

LIST OF MATERIAL TOPICS

MATERIAL TOPICS IN THIS REPORT	TOPICS BY GRI STANDARD	TOPIC BOUNDARIES					
		SOURCE OF RAW MATERIALS	3 RD PARTY FACTORY	SUPPLIER OF GOODS AND SERVICES	OPERATION OF UNILEVER INDONESIA ¹	DISTRIBUTORS AND RETAILERS	CONSUMER SOCIETY
Health and Hygiene	GRI 413 Local Communities						
Nutrition	FP Healthy and Affordable Food						
Greenhouse Gases	GRI 305 Emissions						
Water	GRI 303 Water						
Waste	GRI 306 Effluent and Waste						
Sustainable Raw Materials	GRI 204 Purchasing Practice GRI 308 Supply Environmental Assessment GRI 414 Social Assessment of Suppliers						
Fairness in the Workplace	GRI 403 Occupational Health and Safety GRI 405 Diversity and Equal Opportunity GRI 406 Non-Discrimination GRI 412 Human Rights Assessment						
Opportunities for Women	GRI 413 Local Communities GRI 405 Diversity and Equal Opportunity						
Inclusive Business	GRI 413 Local Communities GRI 203 Indirect Economic Impacts						
Ethics and Integrity	GRI 205 Anti-Corruption						
Business Benefits	GRI 201 Economic Performance GRI 203 Indirect Economic Impacts						
Managing Human Resources	GRI 404 Training and Education						
Product Responsibility	GRI 416 Customer Health and Safety						
Customer Service	GRI 417 Marketing and Labelling						

¹ Operation of Unilever Indonesia including Head Office, Factories and Central Distribution of PT Unilever Indonesia Tbk

GRI STANDARD CONTENT INDEX

This report is prepared in accordance with GRI Standards (GRI) and the Food Processing Sector Presentation Guide (FPS): Core Option.

GENERAL STANDARD DISCLOSURES

GRI 102: GENERAL DISCLOSURES 2016	DISCLOSURES	PAGE AND/OR URL
	ORGANIZATION PROFILE	
102-1	Organization name	112
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102-3	Head office location	112
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102-9	Supply chain of the organization	10-11
102-10	Significant changes during the reporting period	113
102-11	Prudential principles	54 Annual Report 2017 – Good Corporate Governance Section
102-12	External Initiatives	52, 110, 118
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	STRATEGY	
102-14	Statement from top management	4-5
	ETHICS AND INTEGRITY	
102-16	Values, standards and behavioural norms	13, 106 Code of Business Principles (CoBP)
102-17	Mechanism of advice and ethical considerations	108
	GOVERNANCE	
102-18	Structure of governance	104
	STAKEHOLDER INVOLVEMENT	
102-40	List of stakeholder groups	109
102-41	Collective Labour Agreement	70
102-42	Identification and selection of stakeholders	109
102-43	Approach to engage stakeholders	109
102-44	Topics and main concerns	109
	REPORTING PRACTICES	
102-45	Entities are included in the consolidated financial statements	113
102-46	The process for defining report content and topic limitations	113
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102-55	GRI content index	115-118
102-56	External checks	120

SPECIFIC STANDARD DISCLOSURES

		DISCLOSURES	PAGE AND/OR URL	OMISSIONS
ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	95, 114	-
	103-2	Management Approach and its Components	95	-
	103-3	Evaluation of Management Approach	95	-
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	95	'Social Investment' data is not disclosed in this report due to unavailability.
RAW MATERIAL PURCHASING/ACQUISITION PROCEDURE+				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	82, 114	-
	103-2	Management Approach and its Components	82-86	-
	103-3	Evaluation of Management Approach	83	-
GRI G4 FPSD: Purchase/Acquisition of Raw Materials 2014	FP1	Percentage of purchases earned in accordance with the purchasing policy	83	-
	FP2	Percentage of purchases verified by international standards	84	-
INDIRECT ECONOMIC IMPACT				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	90, 114	-
	103-2	Management Approach and its Components	92-94	-
	103-3	Evaluation of Management Approach	93, 94	-
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impact	93, 94	-
ANTI-CORRUPTION				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	106, 114	-
	103-2	Management Approach and its Components	106-107	-
	103-3	Evaluation of Management Approach	106, 108	-
GRI 205: Anti-Corruption 2016	205-1	Communication and training on anti-corruption policies and procedures	107	-
ENERGY				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	54,114	-
	103-2	Management Approach and its Components	56	-
	103-3	Evaluation of Management Approach	56	-
GRI 302: Energy 2016	302-1	Energy consumption in the organization	59	-
	302-3	Energy intensity	56	-
WATER				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	54, 114	-
	103-2	Management Approach and its Components	57	-
	103-3	Evaluasi Pendekatan Manajemen	57	-
GRI 303: Water 2016	303-1	Total water withdrawal by source	59	'Water source' data is not disclosed in this report, it will be disclosed in next reporting.
EMISSION				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	54, 114	-
	103-2	Management Approach and its Components	55	-
	103-3	Evaluation of Management Approach	55	-
GRI 305: Emissions 2016	305-2	Indirect energy greenhouse gas (GHG) emissions (Coverage 2)	59	-
	305-4	Greenhouse Gas Intensity	55	-
EFFLUENT AND WASTE				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	46,54, 114	-
	103-2	Management Approach and its Components	47-52	-
	103-3	Evaluation of Management Approach	59	-

		DISCLOSURES	PAGE AND/OR URL	OMISSIONS
GRI 306: Effluent and Waste 2016	306-1	Total water discharged based on quality and purpose	59	'Effluent Volume' data is not disclosed in this report, it will be disclosed in the next reporting.
	306-2	Total waste weight by type and disposal method	59	-
EMPLOYMENT				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	62, 114	-
	103-2	Management Approach and its Components	63-68	-
	103-3	Evaluation of Management Approach	79	-
GRI 401: Employment 2016	401-1	New Employees and Turnover	79	
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	76, 114	-
	103-2	Management Approach and its Components	76-77	-
	103-3	Evaluation of Management Approach	77	-
GRI 403: Occupational Health and Safety 2016	403-2	Types and extent of injuries, occupational diseases, days lost, and absenteeism, as well as total number of work-related deaths.	79	Data on Occupational Diseases, absence has not been reported, will be presented in subsequent reporting
TRAINING AND EDUCATION				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	67, 114	-
	103-2	Management Approach and its Components	67	-
	103-3	Evaluation of Management Approach	67	-
GRI 404: Training and Education 2016	404-1	Average training hours per year per employee by gender, and by employee category	67	Data on Turnover has not been reported, will be presented in subsequent reporting
DIVERSITY AND EQUALITY OF OPPORTUNITY				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	69, 92, 114	-
	103-2	Management Approach and its Components	64, 69, 92	-
	103-3	Evaluation of Management Approach	79, 92	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	79	-
NON-DISCRIMINATION				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	69, 92, 114	-
	103-2	Management Approach and its Components	69, 92	-
	103-3	Evaluation of Management Approach	79	-
GRI 406: Non-Discrimination 2016	406-1	Number of incidents of discrimination and corrective action taken	69	-
HUMAN RIGHTS ASSESSMENT				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	91, 114	-
	103-2	Management Approach and its Components	91	-
	103-3	Evaluation of Management Approach	Human Rights Progress Report (https://www.unilever.com/Images/human-rights-progress-report_tcm244-513973_en.pdf)	-
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews and impact assessments	Human Rights Progress Report (https://www.unilever.com/Images/human-rights-progress-report_tcm244-513973_en.pdf)	-
LOCAL COMMUNITY				

	DISCLOSURES	PAGE AND/OR URL	OMISSIONS	
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	31, 93, 114	-
	103-2	Management Approach and its Components	17, 22, 30-40, 93-94	-
	103-3	Evaluation of Management Approach	32, 34, 36	-
GRI 413: Local Community 2016	413-1	Operations with community engagement, impact assessment, and development programmes	32, 34, 36, 93-94	-
MAKANAN YANG SEHAT DAN TERJANGKAU				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	41, 114	-
	103-2	Management Approach and its Components	41	-
	103-3	Evaluation of Management Approach	42	-
GRI G4 FPSD: Healthy and Affordable Food 2014	FP5	Percentage of products produced from factories with food safety standards	100	-
	FP6	Percentage volume of products that have fat, trans fat, salt and lower sugar additives	42	-
	FP7	Percentage of product sales enriched with nutrients in the form of fibre, vitamins, minerals, phytochemicals or other food additives	42	-
LABELLING OF PRODUCTS AND SERVICES				
GRI 103: Management Approach 2016	103-1	Explanation of Material Topics and Boundaries	100, 114	-
	103-2	Management Approach and its Components	100	-
	103-3	Evaluation of Management Approach	101	-
GRI 417: Labelling of Products and Services 2016	417-2	Incidents Breach of information provision and product labelling	101	'Incidents of non-compliance concerning product information and labeling' data is not disclosed in this report, it will be disclosed in the next reporting.

UN GLOBAL COMPACT PRINCIPLES INDEX

	PRINCIPLE	PAGE OR FEEDBACK
HUMAN RIGHTS		
	Recognition and respect for Human Rights	83, 91 Human Rights Progress Report
	Not involved in human rights violations	91 Human Rights Progress Report
LABOUR		
	Independence to union	70 Human Rights Progress Report
	Abolition of forced labour	83 Human Rights Progress Report
	Elimination of child labour	106 Human Rights Progress Report
	Elimination of discrimination at work	96, 91, 96, 106 Human Rights Progress Report
ENVIRONMENT		
	Implement the precautionary principle	54
	Encourage environmental responsibility	46-89
	Use of environmentally friendly technology	47
ANTI-CORRUPTION		
	Against all forms of corruption	106-108



Independent Assurance Statement

Report No.0518/BD/0012/JK

To the management of PT Unilever Indonesia, Tbk

Our engagement by PT Unilever Indonesia, Tbk ('Unilever') was to provide assurance in respect to its Sustainability Report 2017 ('the Report'). This engagement was carried out by our multi-disciplined assurance team who bring a wealth of experience to complement their diverse skills, and thus provide a high level of competence in conducting 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 2017 that could conflict with the independence of the 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 were designed to obtain a limited level of assurance based on ISAE3000 and a moderate level of assurance engagement as set out in AA1000AS (2008), thus providing confidence to readers of reduction of risks or errors to a very low level, although not necessarily to zero. Moreover, we also used AA1000 AccountAbility Principles Standard (2008) of Inclusivity, Materiality and Responsiveness as criteria in evaluating the Report.

Scope of Assurance

In providing a Type 2 assurance engagement under AA1000AS (2008), the following were involved:

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

Responsibility

Unilever is responsible for all the information and claims contained in the Report. These include established sustainability management targets, performance management, data collection, etc. as well as report preparation. Our responsibility to the management of Unilever in performing this engagement, meanwhile, is solely for the purposes of verifying its statements relating to its sustainability performance, specifically as described in the agreed scope, on which we are responsible for expressing our conclusions.

Methodology

In assessing the veracity of certain assertions and specified data sets included within the Report, as well as the systems and processes used in their management and reporting, we employed the following methods during the engagement process:

- Reviewed Report, internal policies, documentation, management and information systems
- Interviewed staff involved in sustainability-related management and reporting
- Followed data trails to the initial aggregated source, checking samples of data to a greater depth.



Limitations

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

Conclusions

Our conclusions in regard to adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness, included the following findings:

▪ Inclusivity

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

Our assessment determined that 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, thus demonstrating a strong commitment to stakeholder inclusivity. The conduct of needs assessment surveys and materiality level survey of the key stakeholder groups were prime examples of Unilever's concern.

Nevertheless, while recommending that Unilever continues the regular monitoring of its stakeholder inclusivity systems and procedures, we also encourage the identification and implementation of improvements that will strengthen the effectiveness of such inclusivity.

▪ Materiality

An assessment was also carried out to determine the extent to which Unilever has included in the Report the material information that stakeholders require as a basis on which to make their informed judgments, decisions and actions.

Key material issues were adequately reported and balanced information provided about Unilever's sustainability performance, indicative of its strong commitment in this field. The requirements for information continue to widen across many areas, however, and thus we recommend that Unilever

continues to maintain its focus on conducting materiality tests on a regular basis in future reports.

▪ Responsiveness

Responding to meeting stakeholder expectations is increasingly important and an assessment was carried out to determine whether Unilever demonstrates its accountability in responding to such expectations.

Positives were noted in Unilever's allocation of resources to stakeholder engagement, the timeliness and accessibility of reported information, and the types of communication mechanisms regularly employed, all being indicative of its responsiveness to key stakeholder concerns and expectations.

While vigilance is a key in all areas, this is particularly true in the rapidly evolving world of communications and we recommend that Unilever continues to keep its finger on the pulse in monitoring and improving 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 the data of the Report has been materially misstated.

Jakarta, May 16, 2018

James Kallman
Chief Executive Officer



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

With more than 33,400 professionals operating in 97 countries across the globe, each sharing the same values and sense of responsibility, Praxity is served by Moores Rowland in Indonesia, one of the leading sustainability assurance providers.





SUSTAINABILITY REPORTING TEAM



Sancoyo Antarikso

Adiyan Ginanjar
Ajeng Widyaningrum
Andriyani Wagianto
Armyrn Gita
Asri Putri
Clement Jaloux
Dita Kirbrandiman
Ernes Beneldy

Helena Siagian
Lucius Dinto Pramudyo
Marcelina Gunawan
Maria Dewantini Dwianto
Maria Regina
Maya Tamimi
Meta Sutaperwata
Muchtazar

Nanang Chalid
Ratu Mirah Afifah
Rauf Prasodjo
Reski Damayanti
Sinta Kaniawati
Varyan Griyandi
Yudiyanto Soekirdjo



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SUSTAINABILITY REPORT 2017
PT UNILEVER INDONESIA TBK



Unilever

PT Unilever Indonesia Tbk

Grha Unilever

Green Office Park Kav. 3
Jl. BSD Boulevard Barat, BSD City
Tangerang 15245
Indonesia
Tel. (021) 8082 7000
Fax. (021) 8082 7002

E. unvr.indonesia@unilever.com
www.unilever.co.id