

# TRANSFORMING FOR A SUSTAINABLE FUTURE



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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.



# TRANSFORMING FOR A SUSTAINABLE FUTURE

Unilever Indonesia continues to grow positively driven by various continuous transformation efforts, both through innovations launched, and through digitalisation efforts in several aspects of our business operations. Unilever Indonesia also continues to improve capabilities on an ongoing basis.

For Unilever, sustainability is the core of the Company's business. The transformation efforts that are carried out are always based on the values of sustainability. Through the Unilever Sustainable Living Plan (USLP) we have contributed greatly to improving the quality of life for millions of people in Indonesia. All of this is in line with USLP's goals to improve health, reduce our environmental footprint, and improve livelihoods.

In 2018, we focus primarily on the empowerment of young generation and millennials, as Indonesia's demographic bonus which is estimated to reach its peak in 2030. A better future rests on this young generation. They are the key agents of social change and need to be aware of their potentials.

Our report also covers new innovations and initiatives in 2018, such as new business categories, new product formats, and digitalisation of the distribution system. Furthermore, various sustainability initiatives which were rolled out in previous years are also covered with greater details in this report.

# SUSTAINABILITY OVERVIEW

Unilever is a **business founded on a sense of purpose**, and our unique heritage still shapes the way we do business today. We want our business to grow but we recognise that growth at the expense of people or the environment is both unacceptable and commercially unsustainable. **Sustainable growth is the only acceptable model for our business.**



## PEOPLE

**2.2 million +** people  
Beneficiaries of Health and Hygiene

**3,500**  
Empowered Women (Saraswati)



## PROFIT

**33,485** hours  
Employee training hours

**35,000+**  
Small farmers Assisted (soybean, coconut sugar, chili)

**1,329.9%**  
Stock price increased since 1982

**RP9.1** trillion  
Net profit on the year



**PLANET**

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**100%**

Zero Waste to Landfill  
in our Head Office

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**32.78%**

Energy intensity reduction,  
compare to 2008 baseline

---

**33.17%**

CO<sub>2</sub> emission  
intensity reduction

---

**26.26%**

Water intensity  
reduction

---

**2,816**

Number of Unilever  
Waste Bank unit

---

**7,779** tons

Inorganic waste reduction  
through Waste Bank programme

## MESSAGE FROM THE PRESIDENT DIRECTOR



"Sustainability lies at the heart of our business model. We will only grow if we apply the principles of sustainability along our value chain. Therefore, sustainability is the focus of our brands, business processes and employee development. That is the only key to succeed."

### HEMANT BAKSHI

President Director of PT Unilever Indonesia Tbk

### THE MEANING OF SUSTAINABILITY FOR UNILEVER INDONESIA

Sustainability is extremely important to Unilever – it is the driver of our business growth. With sustainability, we believe that we have the opportunity to create a new business model where doing good and doing well are directly connected and are not disconnected.

Sustainability lies at the heart of our business model, as we believe that our business will only grow when we do it sustainably. Along our value chain, from how we source our raw materials and manufacture our products to how we communicate through our brands and manage our people, we must be focused on sustainability principles as the only way to succeed.

Our blueprint for sustainable growth, the Unilever Sustainable Living Plan (USLP) is driving value for our business, our people and our consumers. USLP sets out to decouple our growth from our environmental footprints, while increasing our positive social impacts. Our Plan has three big goals to achieve, spanning our social, environmental and economic performance across the value chain. We will continue to work with others to focus on those areas where we can drive the biggest change and support the Global Sustainable Development Goals (SDGs).

### TRANSFORMATION IN UNILEVER INDONESIA

We believe that transformation is essential to enable us to keep up with changes in every aspect of the business. In 2018, we took a number of transformational steps to make our business more sustainable. We transformed our way to communicate with consumers through optimisation of digital media utilisation. One of our products, Nameera was launched in a digital media channel (e-commerce).

We also transformed the way we serve our customers and consumers. Through our Garuda and Cendrawasih Projects, we enabled our distributors and retailers to be more precise in identifying the range of products that they should put on shelves,

focusing on brands their consumers need the most. Our precision marketing, supported by big data analytics, played an important role within this aspect.

In 2018, we also expanded our business to a new category within Foods with the launch of Jawara Chilli sauce to meet the continuing demand in the chilli sauce market in Indonesia. We also tapped into the ever increasing trend of Korean pop culture among millennials by adding a new brand, Korea Glow, into our Home and Personal Care portfolio. A number of new variants were also in this category were also launched, including Pond's Facial Masks, Pond's BB Powder and Pond's Micellar Water. These changes and transformation are a journey to create a product portfolio that meets the specific demand of the increasingly segmented consumers.

## OUR SUSTAINABILITY ACHIEVEMENTS

Our sustainability progress is measured against the three main pillars of USLP. Our initiatives to improve health and wellbeing, reduce environmental footprints and enhance livelihood were on the right track and running successfully. Most of the activities had been scaling up compared to the previous year.

In 2018, Unilever Indonesia recorded a profit growth of 30.1% compared to the previous year. Overall, the Company continued to grow positively, driven by various transformational initiatives through innovations and digitalisation. We are happy to disclose that almost 50% of our turnover now come from Brands with Purpose.

This growth was also attributed to the economic, social and political environment in Indonesia, which was relatively stable and conducive compared to other markets which faced their own challenges such as the trade war between China and USA, Brexit, etc. We are quite confident that the situation will remain stable and conducive to the business this year.

Our CreaSolv® technology went live in 2018. It is an innovative business model

on how we manage of our footprint, particularly on flexible plastic packaging. Plastic waste is a big challenge for Indonesia. While Unilever Indonesia contributes to less than 5% of plastic waste, we are committed to finding a solution to this challenge. And leverage on our scale to influence the entire industry to become plastic responsible.

Flexible plastic is difficult to recycle and thus becoming a major concern for us. Through our circular economy concept, we aim to keep plastic in the economy and out of the environment. A collaboration with like-minded organizations and experts are key to finding a solution to this issue. CreaSolv® Technology is the first and only technology in the world at present which enables flexible plastics to be recycled back into raw materials. To enable us to scale it up, we are partnering with other stakeholders, including working closely with community waste banks for waste collection.

Unilever Indonesia is supporting and/or facilitating about 40% of all waste bank registered in the Ministry of Environment and Forestry (KLHK). We believe that this cooperation is a good way to bring leverage to existing processes and infrastructure in the community to collect the plastic waste. We were also actively conducting advocacy on waste management by engaging relevant government institutions to find solutions to challenges on consumer education, waste processes and infrastructure, and other challenges.

We regret to report that in 2018, a number of road fatalities happened, involving team members of our business partners. For Unilever Indonesia, safety is of the utmost importance and we highly value the safety of our employees and those of our business partners. We invested on time and resources to ensure that our people, distributors and other business partners get adequate education on safety aspects.

To enhance the safety of our vehicles, we have installed black boxes in nearly all of company-owned vehicles, which recorded and measured the safety level against a

set of indicators, such as speed limit and sudden braking, enabling us to track any unsafe behaviour by the driver. All accidents were fully investigated on by our safety team to identify root causes and take the learnings to prevent future accidents.

Unilever Indonesia is always listed within the top 25 of SRI KEHATI Index, since the index was first launched. SRI KEHATI is a sustainability index rating by Indonesia Stock Exchange (IDX) and to be top listed consistently in the index reflects the recognition of the public on the Company's sustainable practices. Globally, Unilever is also listed in the Dow Jones Sustainability Index (DJSI).

## OUR OUTLOOK FOR SUSTAINABLE FUTURE

While we achieved remarkable performance in many areas in 2018, there are many things that are yet to be done.

Being more plastic responsible is becoming increasingly important, and we will strive to overcome the challenges in a more systematic, integrated, and comprehensive ways. Our CreaSolv® Technology is our big asset that must be optimally utilised.

For us, sustainability is a journey in which every step is important. We get learnings from our past initiatives and leverage on the insights to refocus and improve our programmes. It is a continuing process and one which we must keep accelerating.

We believe that sustainability is the only way for us to be successful in the future, and therefore, an end-to-end approach along the value chain is required, whether through our brands, our processes, and our people.



**HEMANT BAKSHI**

President Director  
of PT Unilever Indonesia Tbk



# GRHA UNILEVER



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## ABOUT UNILEVER INDONESIA

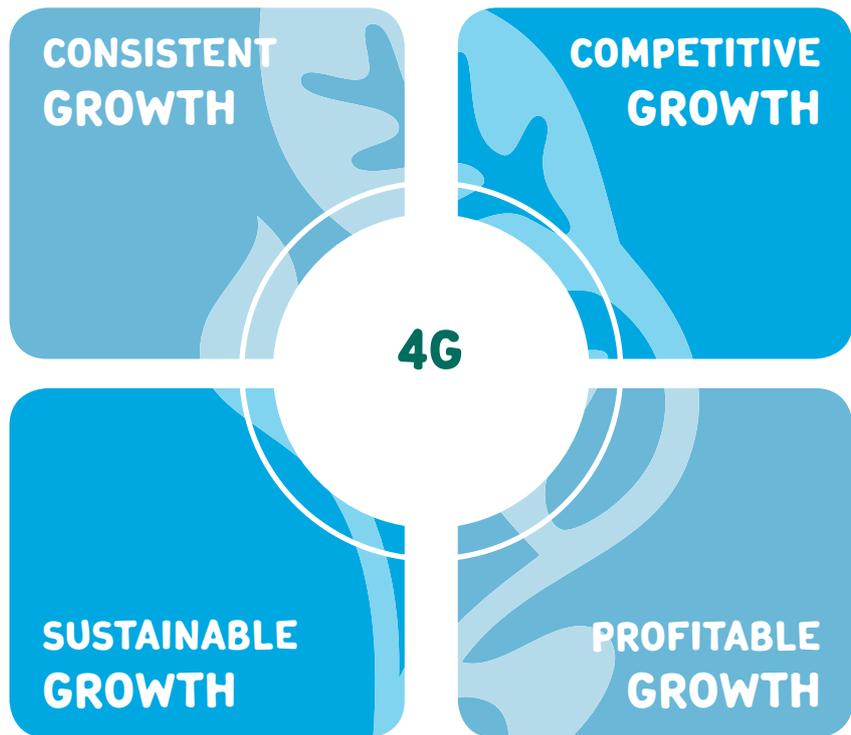
Unilever is a business founded on the motivation and mission of its founders, which was to create a better life for people who are using our products. This legacy has made Unilever Indonesia one of the leading Fast Moving Consumer Goods (FMCG) companies in Indonesia.

Unilever Indonesia was present for over 85 years to help Indonesian people to look good, feel good, and get many things in life through their product series in world-class brands.

Ambitious business targets and continuous improvement through innovation are part of Unilever's DNA, along with our commitment to operate transparently and with integrity, to respect human rights and take responsibility for the communities and environments in the locations we operate.

Sustainable growth is the only acceptable business model in our view. Therefore, to ensure longevity and quality of life for future generations, the Unilever Sustainable Living Plan – USLP, was set up to focus directly on reducing our carbon footprint, while continuing to increase positive social impacts for the community.

Adhering to "4G" business principles of consistent, competitive, profitable, and sustainable growth Unilever Indonesia has recorded a positive profit growth of 30.1% compared to previous year.





**85**

years Unilever  
in Indonesia



**1**

Every Household use at least  
1 Unilever Product



**42**

Brands



**1,000**

Nearly 1,000 Stock  
Keeping Units



**9**

Factories



**5,700+**

Permanent Employees

# SUPPLY CHAIN OF UNILEVER INDONESIA

According to the Unilever Sustainable Living Plan, Unilever Indonesia always strives to develop new ways to improve the business while improving the lives of peoples throughout Unilever supply chain.

## AGRICULTURE AND FARMING

100%

USAC certified local black soy bean

35,000

Smallholder farmers involved in agriculture raw material sourcing for Kecap Bango



## DISTRIBUTION CENTRES

2



## SUPPLIER FACTORIES

16



## UNILEVER FACTORIES

9



Factories are located in Cikarang, Rungkut and Surabaya

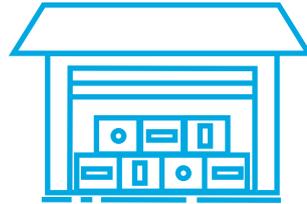
## PROCESSING PLANT



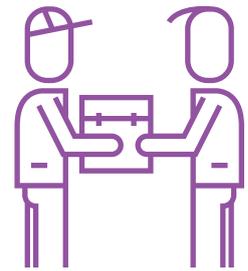
## LOGISTICS



RETAILERS

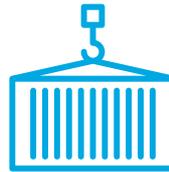


CONSUMERS



WAREHOUSE DEPOTS

15

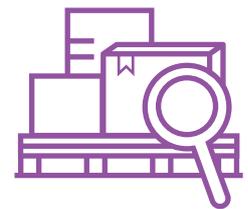


SMALL-SCALE RETAILERS

500,000+

INDEPENDENT DISTRIBUTORS

800+



# HISTORY OF UNILEVER INDONESIA

**1933**



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

**1936**



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

**2004**



Knorr Indonesia is acquired from Unilever Overseas Holding Ltd and merged with Unilever Indonesia. Unilever Indonesia's hair care product plant is translocated from Rungkut to Cikarang.

**1992**



Wall's ice cream factory opens in Cikarang. Conello and Paddle Pop are launched.

**1982**

Unilever Indonesia becomes an open corporation and releases shares to the public registering 15% of shares on the Indonesian Stock Exchange.

**2008**



The largest skin care factory in Asia is built in Cikarang. Unilever enters the fruit juice business with the acquisition of the Buavita and Gogo brands. SAP is implemented in all Unilever Indonesia.

**2013**



Unilever Indonesia celebrates 80 years of and launches "Project Sunlight" to inspire people to join in creating a brighter future not only for our children, but for future generations as well.

## 2015



Unilever Indonesia's 9<sup>th</sup> factory is opened in August 2015. The Foods factory with an area of 63 hectares has a production capacity of 7 billion cooking spices and soy sauce per year.



Reimagine 'Project Sunlight' by launching Unilever brightFuture encouraging the community to take small continuous steps together in order to create a brighter future for our next generation.

## 2016



"1001 Ramadhan Inspiration" is launched for the first time uniting Unilever brands to inspire more than 40 million Indonesians in preparing the privilege of Ramadhan moment.

## 2017



Unilever's breakthrough in waste recycling technology, the "CreaSolv® Process" is launched, capable of recycling flexible plastics and sachet packaging.

Unilever Indonesia inaugurated its new head office, Grha Unilever, at Green Office Park BSD City, Tangerang, Banten.

## 2018



Unilever initiated the Indonesia Hygiene Forum.



Unilever launches Bango Light and Sambal Jawara

# VISION, MISSION, AND VALUES OF UNILEVER INDONESIA

## Vision

To earn the love and appreciation from Indonesia people by touching the lives of every Indonesian every day.

## Mission

- We work to create a better future every day.
- We help people to feel good, look good and more enjoy life with good brands and services for them and others.
- We will inspire people to take small actions everyday 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.



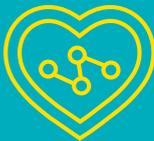
## Values

### 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



We are committed to the pioneering spirit because it creates 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 risks intelligently.

# SUSTAINABILITY AWARDS 2018



AWARDS	FROM	RECEIVED
<b>LOCAL</b>		
1 <b>Indonesia Prestige Brand Award 2018</b> Hair Conditioner Product Category: Dove, Sunsilk, Tresemme, Clear Female Shampoo Product Category: Sunsilk, Dove, Clear, Lifebuoy Facial Wash Product Category: Ponds	Warta Ekonomi	January 25, 2018
2 <b>Indonesia Netizen Brand Choice Award 2018</b> Ice Cream Product Category: Walls	Warta Ekonomi	February 23, 2018
3 <b>Indonesia Most Innovative Business Award 2018</b> Category: Cosmetic & Personal Care	Warta Ekonomi	March 23, 2018
4 <b>Warta Ekonomi Top 100 Enterprises</b> Category: Best in Consumer Goods Industry	Warta Ekonomi	June 29, 2018
5 <b>Wealth Added Creator Award 2018</b> 2 <sup>nd</sup> ranking Indonesia The Best Public Companies 3 <sup>rd</sup> ranking ASEAN The Best Public Companies 1 <sup>st</sup> ranking Indonesia The Best Public Companies Category: Household & Personal Product 1 <sup>st</sup> ranking ASEAN The Best Public Companies Category: Household & Personal Product	SWA	July 26, 2018
6 <b>Indonesia Corporate PR Award 2018</b> Top 5 Popular Company in Consumer Goods Sector - Indonesia Top 3 Popular Company in Consumer Goods Sector - Asia Pacific	Warta Ekonomi	August 24, 2018

AWARDS	FROM	RECEIVED
7 <b>Indonesia Living Legend Brands 2018</b>	SWA	October 11, 2018
8 <b>Top Halal Award 2018</b> Ice Cream Walls	LLPOM MUI	November 18, 2018
9 <b>Indonesian Smarties MMA</b> Product/Services Launch - Walls Sandwich Merah Putih (Silver) Product/Services Launch - Ponds Micellar Water (Silver) Promotion - Ponds Men Face Trip of Their Lifetime (Gold) Social Impact/Not for Profit - Rexona Movement for Movement (Gold) Social Impact/Not for Profit - Lifebuoy First Line of Defense (Bronze) Cross Media - Fair and Lovely Beauty Hub (Gold) Cross Media - Rexona SEA Games (Silver) Cross Media - Ponds Making Brand Impact via Authenticity (Bronze) Cross Mobile - Clear Be Your Own Legend (Bronze) Messaging - Dove Chat Your Way to Beauty (Bronze) Mobile App - Rexona Movement for Movement (Bronze) Innovation - Lifebuoy First Line of Defense (Silver) Innovation - Buavita Shake The Mango in Ramadhan (Silver) Location Based Services or Targeting - Unilever Winning Offline Moments with Mobile (Bronze) Best Brand Experience in Mobile Rich Media - Buavita Real-Time Shield (Bronze)	Indonesian Smarties MMA	
10 <b>Indonesia Most Admired CEO 2018</b>	Warta Ekonomi	December 14, 2018
11 <b>Indonesia Best Brand Award 2018</b> Lifebuoy (kategori sabun mandi padat) - PLATINUM Ponds (kategori sabun pembersih muka) - PLATINUM Pepsodent (kategori pasta gigi) - PLATINUM Ponds (kategori sabun pelembab muka) - PLATINUM Ponds (kategori pemutih wajah) - PLATINUM Citra (kategori hand & body lotion) - PLATINUM Bango (kategori Kecap manis) - PLATINUM Rinso (kategori deterjen) - GOLDEN	Majalah SWA	December 20, 2018
12 <b>Best Non Financial Sector in the 10th IICD Corporate Governance Conference and Awards</b>	IICD	December 10, 2018

## INTERNATIONAL

1 <b>Global MMA (Mobile Marketing Association)</b> Product / Services Launch - Rexona Movement for Movement (Bronze) Cross Media - Rexona Movement for Movement (Bronze) Messaging - Pepsodent Nightbrushing (Bronze)	MMA	January 25, 2018
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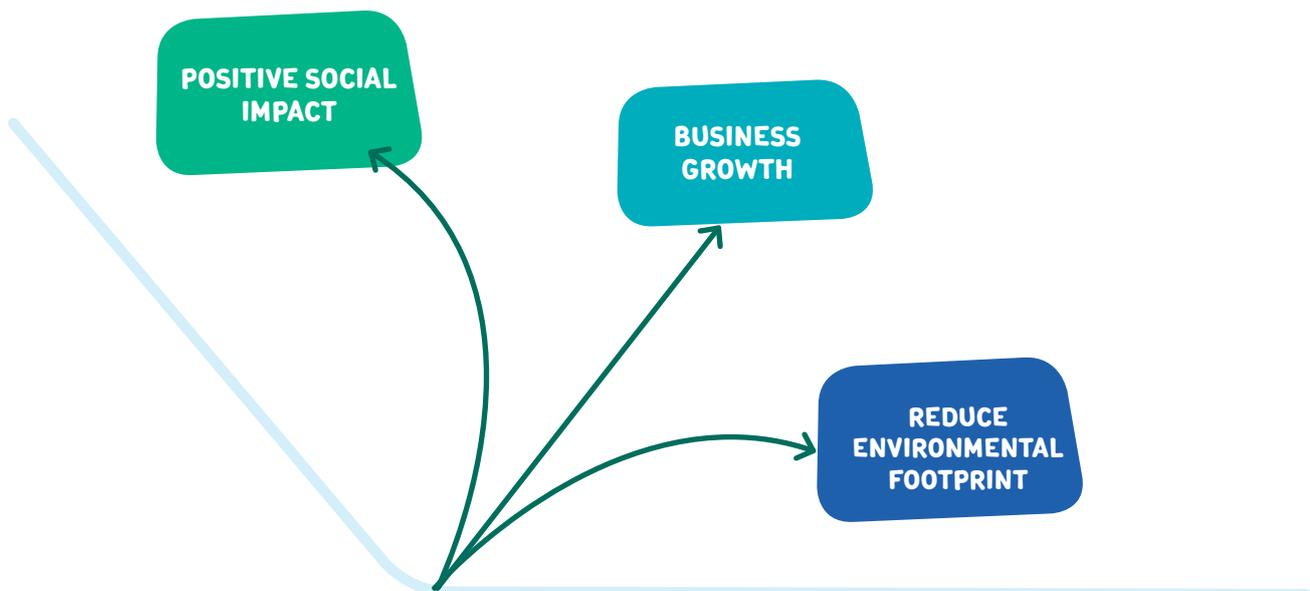


## SUSTAINABILITY AS A CORE BUSINESS

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## THE PURPOSE OF UNILEVER

Unilever has a simple but clear purpose, to make sustainable living commonplace. By our brands and services, we work to create a better future every day.



Unilever is a business founded on a sense of purpose, and our unique heritage still shapes the way we do business today. We want our business to grow but we recognise that growth at the expense of people or the environment is both unacceptable and commercially unsustainable. Sustainable growth is the only acceptable model for our business.

The purpose of Unilever is stated that in terms of success, requires the highest standard of corporate behaviour for anyone working with us, the communities we are involved with, and the environment in which we operate. Unilever's Business

Principles Code of Ethics explains the operational standards that must be followed by everyone at Unilever, anywhere in the world, including Indonesia.

In line with changing behaviour and community demands, Unilever strives for new ways to manifest our purpose. Until now, we have been able to improve the consumer confidence; create a solid business with lower risks; and ensure consistent, competitive, and profitable growth.

# UNILEVER SUSTAINABLE LIVING PLAN

We believe that sustainable growth is the only way to create long-term value for our stakeholders and in 2010, the Unilever Sustainable Living Plan (USLP) was launched, creating a blueprint for sustainable growth, while fulfilling our purpose and vision.



## IMPROVING HEALTH AND WELL-BEING FOR MORE THAN 1 BILLION PEOPLE

By 2020 we will help more than a billion people take action to improve their health and well-being.

- > Health and Hygiene
- > Improving Nutrition

USLP covers all aspects of our business, our brands, and our departments in each country that we operate. This programme is aimed at creating change throughout the value chain – from purchasing raw materials, operations, to how consumers use our products. This programme also encourages growth through the brand with purpose, by cutting business costs, lowering risk, and helping us to build trust, while creating long-term value for our stakeholders.



## REDUCE ENVIRONMENTAL IMPACT BY 1/2

By 2030 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.

- > Greenhouse Gases
- > Water Use
- > Waste & Packaging
- > Sustainable Sourcing

USLP contains three big goals based on nine pillars supported by targets that include social, environmental and economic performance throughout the Unilever value chain. To ascertain whether these targets and pillars are still on-point and prioritised, materiality analysis is conducted every two years.

Locally, Unilever Indonesia takes real steps to implement the Unilever Sustainable Living Plan strategy throughout the entire



## ENHANCE LIVELIHOODS FOR MILLIONS OF PEOPLE

By 2020 we will enhance the livelihoods of millions of people as we grow our business.

- > Fairness in the Workplace
- > Opportunities for Women
- > Inclusive Business

business chain. The Yayasan Unilever Indonesia (YUI), a foundation established on November 27th, 2000, is the primary means to implement USLP. YUI's mission to seek and empower community potential, provide added value to the community, collaborate with partners and act as a catalyst for the formation of partnerships.

## 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.

USLP as the Unilever's blueprint for sustainable growth is strongly aligned with SDGs. Many of the goals of the USLP

are closely related to the SDGs as well as the initiatives were taken contributes to the SDGs. The SDGs are universal agenda with 17 inter-connected goals. Progress in one goal can both depend on and unlock progress in another, and interconnected goals require an interconnected approach. These interconnections can be found throughout Unilever's work, each initiative in every USLP pillar could link into several goals of SDGs.

GLOBAL GOALS		RELEVANT INITIATIVES OF UNILEVER INDONESIA	PAGES IN THIS REPORT
	<b>NO POVERTY</b>	<ul style="list-style-type: none"> <li>» Fairness in the Workplace</li> <li>» Inclusive Business</li> <li>» Opportunities for Women</li> </ul>	92 94-96 75, 93
	<b>ZERO HUNGER</b>	<ul style="list-style-type: none"> <li>» Improving Nutrition</li> <li>» Inclusive Business</li> <li>» Opportunities for Women</li> <li>» Sustainable Sourcing</li> </ul>	45-47 94-96 75, 93 84-89
	<b>GOOD HEALTH AND WELL-BEING</b>	<ul style="list-style-type: none"> <li>» Fairness in the Workplace</li> <li>» Health &amp; Hygiene</li> <li>» Improving Nutrition</li> </ul>	92 35-44 45-47
	<b>QUALITY EDUCATION</b>	<ul style="list-style-type: none"> <li>» Inclusive Business</li> <li>» Opportunities for Women</li> <li>» Sustainable Sourcing</li> </ul>	94-96 75, 93 84-89
	<b>GENDER EQUALITY</b>	Opportunities for Women	75, 93
	<b>CLEAN WATER AND SANITATION</b>	<ul style="list-style-type: none"> <li>» Health &amp; Hygiene</li> <li>» Water Use</li> </ul>	35-44 64

GLOBAL GOALS	RELEVANT INITIATIVES OF UNILEVER INDONESIA	PAGES IN THIS REPORT
 <b>7 AFFORDABLE AND CLEAN ENERGY</b>	<b>AFFORDABLE AND CLEAN ENERGY</b> Greenhouse Gases	63
 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>	All USLP Pillar	All relevant pages
 <b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>	» Greenhouse Gases » Inclusive Business » Opportunities for Women » Water Use » Waste & Packaging	63 94-96 75, 93 64 50-58, 102-103
 <b>10 REDUCE INEQUALITIES</b>	» Fairness in the Workplace » Inclusive Business » Opportunities for Women	92 94-96 75, 93
 <b>11 SUSTAINABLE CITIES AND COMMUNITIES</b>	» Health & Hygiene » Waste & Packaging	35-44 50-58, 102-103
 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	» Greenhouse Gases » Waste & Packaging » Water Use	63 50-58, 102-103 64
 <b>13 CLIMATE ACTION</b>	» Greenhouse Gases » Sustainable Sourcing » Water Use	63 84-89 64
 <b>14 LIFE BELOW WATER</b>	Waste & Packaging	50-58, 102-103
 <b>15 LIFE ON LAND</b>	Sustainable Sourcing	84-89
 <b>16 PEACE, JUSTICE, AND STRONG INSTITUTIONS</b>	Fairness in the Workplace	92
 <b>17 PARTNERSHIP FOR THE GOALS</b>	All USLP Pillar	All relevant pages

## SUSTAINABILITY FESTIVAL: LIVE YOUR PURPOSE FOR U & I

Over the last five years, Unilever Indonesia has made an effort to create awareness in society about the importance of sustainability, through various communication channels such as mass media, influencers, bloggers as well as communities. An annual event 'Sustainability Day' was also held, attended by general public.



In 2018, realizing the need for greater impact. Sustainability Day was transformed into Sustainability Festival (SUNFEST). The programme is set to be more exciting and engaging to the younger generations. The main target of participant has changed, from general to millennials. We believe; the millennial generation will be the catalyst for significant change in Indonesia.

The theme of the Sustainability Festival is "Live your purpose for U & I", a simpler theme yet easy to understand. We invited the young generation to find their "purpose". This event provides inspiration and insight about the importance of having a purpose in life so that creates a good impact, not only for our self but also for the society and the environment.

Enlightenment was given by young leaders or millennial influencers. Unlike the previous year, SUNFEST 2018 was not just a talk show. In partnership with the Human Resources team, a workshop was held to give tips for finding the purpose. With this provision, participants can get the inspirations and to immediately practise in their lives.

In 2018, we also collaborated with millennial media, IDN Times, through their slogans, "The voice of millennial and Gen Z". The sustainability content articles that we create were delivered in a more casual and acceptable manner. We prefer to write articles about tips to conserve the environment rather than to write about the definition of sustainability. The objective was right on target and right on the message.

In line with the purpose of Unilever, we expect the educational initiatives that have been carried out will create awareness for millennials encouraging them to be the "agents of change" in manifesting a better life in the future.



#### Number of Participants

**130** person



#### Participants' Background

**75** Impact-Driven Youth Communities

- IDN Times Writers Community
- Unilever Indonesia employees

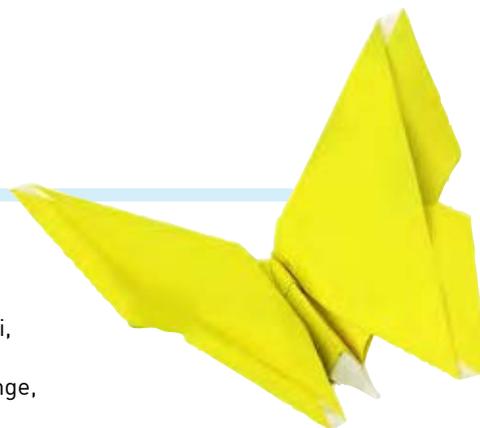
**17** Media (Online & Print)

**18** Unilever Indonesia Foundation Partners



#### Inspiration Sources

**M. Alfatih Timur** – Founder of Kitabisa.com,  
**Heni Sri Sundani** – Founder of Gerakan Anak Petani,  
**Firmansyah “Pepeng”** – Founder of Klinik Kopi,  
**M. Bijaksana Junerosano** – Founder of Waste4Change,  
**Dheta Aisyah** – Co-Founder of Binar Academy,  
**Uchita Pohan** – Initiator of Beauty on Canvas,  
**Swietenia Puspa Lestari** – Founder of Divers Clean Action



## SUNFEST 2018 TESTIMONIAL

### Students of 28 Senior High School



**“I know what I can do after this seminar.** Then I also want to know what my purpose is in the future in my life. Because I go to school in 28 Senior High School, I want to care more about waste in Kabupaten Tangerang, especially Cisauk area”

### Jovial Da Lopez



**“Hi, I’m Jovial Da Lopez from SkinnyIndonesian24.** I got so much from this event, but the one that I’m going to take away is that for every food I buy, I will explore from where it is come from and I will help the welfare of farmers who grow these foods”

### Meta



**“Hello, my name is Meta.** What I got from this programme is how to boost myself for the future. The public speakers are really exciting because they really make an effort for better Indonesia and one of the things that makes me better is to make people happy around me, don’t let sadness be around”

### IDN Times representative



**“After hearing the speakers, this talk show is really cool, the message is acceptable, so we can understand more about waste, sustainability, and take action what we have to do as the millenials.**

Actually, sustainability start from our self is not difficult, for example, if we are consistent like Mas Ano, actually we can make sustainable actions that really sustain in the future.”

### Ilham Nugraha & Imam



**“We are very fortunate to be selected and invited by Unilever for SUNFEST 2018.** The spoke persons are very cool and certainly inspire us to get our purpose in the future.

I’m aware that people must be able to benefit others. Sometimes, we are angry if we are used by others, but on the other hand we have to be beneficial to others

So this event taught us how to make our lives more meaningful and to benefit others. Life is too short for something not important. So we must use our lives for better, especially with the natural environment and fellow humans.”

### Kitty

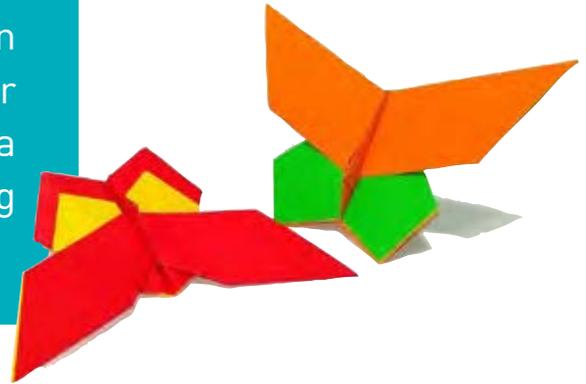


**“Hello my name is Kitty from Clean Action Divers.** It was really nice to be here because I met super-inspiring characters who knew what action they were doing, and what their purpose and actually do something to follow their passion, and what I get is if you like something, if you feel called for something, don’t let it just passed, so if you feel called, just follow it. It is ok, If it fails or succeed.

I need to discover what is my next step and of the many things I like, I have to discover what is actually the call for me and hopefully what I do can be more environmentally, socially, and can make better for my surrounding.

## CARE FOR AREA SURROUNDING

Unilever Indonesia play an active role in caring for the communities around Unilever Indonesia's operational area through a programme called Care for Area Surrounding (CFAS).



Our operational areas are spread throughout several regions, South Tangerang, Rungkut in East Java and Cikarang in West Java.

The CFAS programme is also part of the main objective of Unilever Sustainable Living Plan (USLP), the programme focuses on improving public health, reducing our environmental footprint and playing an active role in improving people's livelihoods. We also want to increase employee involvement in interacting with surrounding areas.

### TANGERANG

#### Waste Management Training

In 2017, the Waste Management Training Programme was conducted in Desa Suradita, Cisauk as part of the CFAS Programme. In 2018, similar programmes were expanded to other Cisauk areas. Expanding the scope of this programme is important for Unilever to have larger impact and reach wider community.



### Global Hand Washing Day

In order to raise the awareness of health and the importance of healthy living, Yayasan Unilever Indonesia carried out a Handwashing with Soap campaign at SDN Bendungan, Kelurahan Sampora. The activity was welcomed by the school and involved more than 200 students from SDN Bendungan and more than 30 employee volunteers from Unilever Indonesia.

### Healthy Mother and Toddler

Increasing mother and toddler health is one of the goals of Unilever Indonesia's presence in the community. One of the activities carried out was an active role in the Posyandu, integrated health services centre for infants and toddlers. In 2018, Posyandu Kecamatan Cisauk carried out "Healthy Mother and Toddler" programme which was followed by more than 700 mothers and toddlers. The purpose of this activity was to empower mothers in caring for their children based on the hygienic-living principles.



### RUNGKUT

In 2018, Unilever Indonesia encouraged a surrounding community to make an effort to reduce the disposal tendency of organic waste directly into the environment via the Composter Communal. This initiative was motivated by the volume of wet solid waste reaching 18.79 tons on average per month.

The Composter Communal has a processing capacity of around 1 ton / day. In addition to reducing the level of environmental contamination, the waste can be used as compost and liquid organic fertiliser which is beneficial to the community or farmers on the surrounding area.

In collaboration with Institut Teknologi Sepuluh November (ITS) Surabaya, Unilever Indonesia also conducted a study on the benefit of Mangrove Forests which have been routinely planted in the same area every year since 2015, we have also added 5,000 trees of mangroves in 2018. We study the environmental quality and mapping of social communities around the location of mangrove forest. This study aims to determine the potential of Mangroves for Ecotourism.

### CIKARANG

The Unilever Indonesia factory employees in Cikarang continued its Waste Bank programme in 2018. This year, we initiated the Composter Communal development in the Waste Bank, in assisted by local NGO and Unilever Indonesia's employees.

Composter Communal is planned to be started operation at the beginning of 2019, however, preparation and operational training was carried out in 2018. The initiative is expected to be a concrete step in handling waste as not to become a direct pollutant of the environment, and be reused both as compost and organic liquid fertiliser.

In addition to composting training, we also conducted "Trashion" training for the community in order to increase public interest in the repurposing of used plastic waste into useful items.

## BELANJA BERBAGI

Data from the Central Statistics Agency in 2015 stated that Indonesia had 2.15 million Indonesian orphans were accommodated in 8,000 orphanages spread throughout the archipelago. Unilever Indonesia aims to provide benefits to millions of people, one of which is through the orphanage as a place that contributes in shaping Indonesia's young generation, as the nation's successor.

In collaboration with Badan Amil Zakat Nasional (BAZNAS) and PP Muhammadiyah's social service assembly, Unilever Indonesia initiated "Belanja Berbagi", through this programme we encourage the public to share happiness and goodness during Ramadhan to 1001 orphanages in Indonesia. People tend to do good deeds during Ramadhan, but sometimes afterwards people tend to do less. Hence, Unilever Indonesia commits to do it even after Ramadhan moment, for 12 full months.



"Belanja Berbagi" invites the community to make donations to orphanages just as simple as shopping for daily necessities. The donations were distributed in the form of financial assistance, Unilever products, and also donation of health and hygiene behaviour education material. The programme began in Ramadan, during 2018, 460 orphanages have received product support and 406 have received financial assistance.

## UNILEVER INITIATIVES FOR POST-DISASTER RECOVERY IN INDONESIA

2018 was a challenging year for Indonesia. A numbers of disasters occurred in several regions, leaving deep sorrow, not only for the affected people, but also for the entire Indonesian community, even becoming the focus of the world's attention.

As a company that has been in Indonesia for more than 84 years, Unilever Indonesia show solidarity through social support provided to communities affected by the eruption of Mount Sinabung, the earthquake and tsunami in Palu and Donggala and the earthquake in Lombok.

The social support provided was not only financial and products to fulfill their daily needs. For affected communities in Lombok, the humanitarian agency, Aksi Cepat Tanggap (ACT) and Wall's carried out "Trauma Healing" activities.

This activity aims to restore some joy to children and motivate them to be optimistic and overcome horrific conditions and situations. For Unilever, this programme in line with Wall's brand with purpose, which is to always share the happiness.

Moreover, Unilever Indonesia, through the Vaseline brand, organised the "Vaseline Healing Project" for Mount Sinabung eruption refugees. Vaseline worked with HeartIndo, to disseminate education about skin health and help improve the

skin condition of the refugees in Desa Batukarang - Tanah Karo, North Sumatra.

Through the "Vaseline Healing Project", Vaseline showed the manifestation of its global mission to improve the skin and quality of life of people in need. The programme consists of three main pillars.



We are donating more than 1 million Vaseline Repairing Jelly products through clinics and hospitals through Direct Relief networks around the world. We also support the health workers to increase their awareness by providing training on skin health. The substantial activities are implementing the mission to improve the skin condition of people living in areas that need it most. Desa Batukarang was chosen as the target beneficiary of this programme because it has the highest number of population densities affected quite severely by the eruption of Mount Sinabung.

Unilever Indonesia also encourage consumer to support affected communities for post-disaster recovery, by providing them the chance to make difference for every rupiah they spent. In collaboration with Lazada, we activate selling with purpose mechanism through one day programme called Shop To Give.

By this programme, we want the consumer aware that they are participating for social impact while they were shopping. For every purchase they made within one day, would directly goes to school facilities in Lombok. As the result, working together with ACT, we managed to build 2 temporary school in Desa Rempek, Kecamatan Gangga, Lombok Utara. The schools have capacity 6 classes that can accommodate 120 students for each. So the student could continue study in a proper place while their permanent school being re-build.







## IMPROVING HEALTH AND WELL-BEING

Health and Hygiene	35
Improving Quality of Nutrition	45



According to basic health research 2013, conducted by the Ministry of Health's it is known that **only 20 percent of the total Indonesian people care about health and hygiene.** Moreover the Legatum Prosperity Index on 2017 showed that Indonesia ranked 101 out of 149 countries in terms of health. This is crucial towards maintaining one's health, for it is a means of prevention towards infection and diseases. Therefore, **Unilever Indonesia takes on active role to ensure that communities are well aware of the importance of health and hygiene**—increasingly so due to the rise of non communicable diseases and the impacts of infections towards one's development.



**Several of Unilever's best-known brands is working to improving health through both the products and brand's social missions.**

These initiatives are our real action in improving health and well-being pillar of our

Unilever Sustainable Living Plan (USLP), that contributes to the three of the UN Sustainable Development Goals (SDGs): Zero Hunger (SDG 2), Good Health and Wellbeing (SDG3) and Clean Water and Sanitation (SDG6).

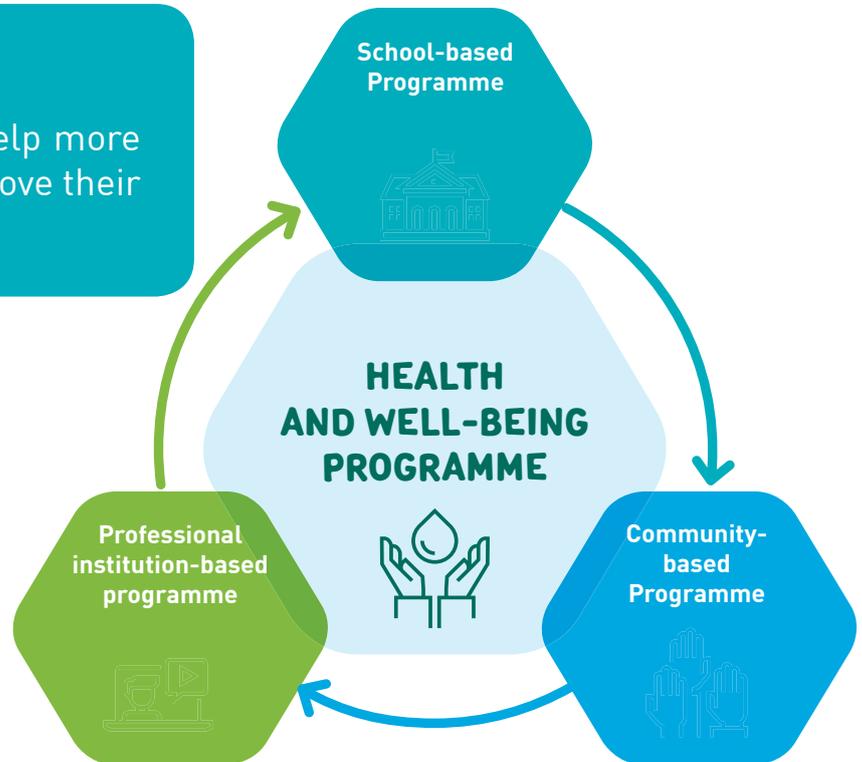
## HEALTH AND HYGIENE

### Our Commitment

By 2020, globally, we will help more than a billion people to improve their health and hygiene.

Poor sanitation, hygiene and lack of safe drinking water cause millions of preventable deaths each year. Our health and hygiene brands commit towards tackling this issues in order to aim to improve health through better hygiene. These everyday products can help prevent disease and improve people's health and well-being, ultimately enabling them to live better lives..

Providing suitable products is not enough. The best way to ensure improvement is to ensure sustainable actions towards better health are implemented by the communities themselves. Through Unilever's health and well-being programme, we take several approaches to raise awareness, improve knowledge and behaviour change programmes to create the health and hygiene habits among communities.



Beyond providing hygiene through our brands social missions, we also acknowledge the problem that pertains to people's well-being. Several studies show a positive relationship between body image and self-confidence. Based on data from the Ministry of Women's Empowerment and Child Protection (KPPPA), 56 percent of Indonesian children, predominantly girls, experience a crisis of self-confidence. Hence, Unilever Indonesia, through its social mission undertaken by Dove, aims to help women and girls to increase their self-esteem and realise their full potential.

### SCHOOL-BASED PROGRAMME

Unilever believes in reaching children and youth as the future generation and agents of change. Hence, we conduct our programmes targeting students in their place of learning, where they are primed to absorb information.enhancing their academic knowledge with health and hygiene habituation to maintain their performance and well-being in school and health in daily lives..



## School Health Programme

Education of health and hygiene behaviours need to be conducted since earlier age to ensure that future generations grow up with strong foundations of the behaviours as part of their everyday habits. Through School Health Programme, we encourage students, to do the behaviours

consistently in order to foster positive habits that maintain good health and reduce the risk of serious illness. In the schools with youth, we also equip them with the knowledge and awareness of puberty as well as hygiene matters that are necessary during this transition times. Supported by local NGOs in conducting the implementation, Unilever Indonesia

reached school stakeholders, especially teachers, to conduct habituation of 7 health and hygiene behaviours in school, in collaboration with the Ministry of Health, the Ministry of Education, Dinas Kesehatan, Dinas Pendidikan, Persatuan Dokter Gigi Indonesia (PDGI).

# 7 HEALTH AND HYGIENE BEHAVIOURS

**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**



**DRINKING CLEAN WATER**

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

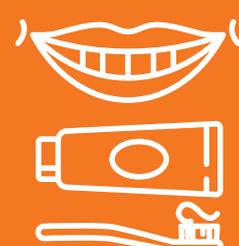
**3**



**DIVERSE, NUTRITIOUS, BALANCED, AND SAFE FOODS**

It is essential to eat a nutritious breakfast before 9 am. Ensure safe and nutritious schools snack consumption.

**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.

**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.



Aside from reaching our annual target of 2 million students, we also seek to reach more aim to reach students through new and variety of channels. A pilot project was carried out in Islamic boarding school in 3 cities.various Islamic Boarding Schools as part of an academic institution.

This initiative aligned with government programme of “Pesantren Sehat”, promoting the urgent importance of to create a clean and healthy environment.

We reinforced various educational campaigns supported by Unilever brands. We also conducted various campaigns to strengthen and excite school communities participating in the programme, such as World Oral Health Day celebration, Global Handwashing Day video competition, and education of the goodness of fruits and vegetables.



**FERNI SOFIA NINGRUM**

**Teacher**  
**SDN Rampal Celaket 1 Malang**

“We, SDN Rampal Celaket 1 Malang are very grateful for inviting our school to the activities of School Health Programme. This Programme is very helpful for teachers and students in implementing Health and Hygiene Behaviour. By washing hands and brushing teeth, we are expecting that our students always carry out the health and hygiene behaviour starting from themselves.

This programme also helps students to actively participate in implementing and maintaining health and hygiene behaviour at school and at their home.

Hopefully, the School Health programme will be sustain to actively participate in introduction and acculturation of the health and hygiene behaviour for future generations. Thank you.”

**2018**

more than  
**2.1 MILLIONS**  
Students

more than  
**93,000**  
Student Ambassadors

more than  
**10,000 SCHOOLS**  
in 78 cities/regencies  
in 17 provinces involved

**2017**

more than  
**2.2 MILLIONS**  
Students

more than  
**81,000**  
Student Ambassadors

more than  
**9,000 SCHOOLS**

**2016**

more than  
**2.1 MILLIONS**  
Students

more than  
**73,000**  
Student Ambassadors

more than  
**8,500 SCHOOLS**



### Dove Self Esteem Project

The Dove Self Esteem Project (DSEP) aims to educate young women about self-esteem. Unilever, in partnership with local NGOs, Indonesia Mengajar, carried out workshops, teacher training, and reach out to young women to become school ambassadors to promote self-esteem. In addition, awareness was also built through inspirational stories and movements to spread the message of self-esteem, via social media.

In 2018, #CantikSatukanKita initiative was launched to create a more friendly, safe and inclusive digital culture for all Indonesian women by expressing positive appreciation on social media. It is hoped that by building a positive digital space, will inspire confidence in Indonesian women and encourage them to reach their full potential.



**THROUGH DSEP UNILEVER HAVE REACHED:**

**717** FEMALE STUDENT  
in 6 cities involved in DSEP workshop

**6,000** PEOPLE  
through teacher training

**38,930** PEOPLE  
through digital campaign and

**609,390** PEOPLE  
through downloaded modules via websites that partnered with Dove

**280,000** WOMEN  
inspired through digital campaign on Kartini's Day

### Global Handwashing Day

Since 2004 Lifebuoy has provided sustainable education about the importance of Handwashing with Soap (CTPS) through various programmes. In each activity, Lifebuoy also collaborates with various parties as partners and agents of change. Until now we have reached more than 23.8 million elementary school children, 71.7 million mothers and their family members, and 1,000 hospitals throughout Indonesia. In the year 2020, we have a target to reach 100 million Indonesian healthy hands, as part of the Unilever Sustainable Living Plan programme.

In 2018, we celebrated World Handwashing Day in SDN Rawa Barat 05, South Jakarta. Through the movement of "Gabung Aksi Indonesia Merdeka dari Kuman", we invite Indonesian people to put forward the habit of Handwashing with Soap as a concrete action to be free from germs that cause infection. This is part of Lifebuoy's commitment to become government partner in achieving the Sustainable Development Goals (SDGs), especially in



the third pillar as the main condition for sustainable development.

The World Handwashing day were celebrated simultaneously in 16 elementary school in 16 provinces of Indonesia. Aside from educating the students on importance of handwashing with soap, the campaign also motivates school communities to creatively demonstrate what they have learned from the education through video competition of handwashing with soap. The winning schools are rewarded with handwashing with soap facilities for the school community.

In professional institution, Lifebuoy collaborated with Indonesia Hospital Association (PERSI) to hold handwashing competition to celebrate Global Handwashing Day. This campaign was joined by more than 40 hospitals in Indonesia. They sent video containing dance with handwashing movement performed by health care providers (doctor, nurse, etc). For top 5 winners, get the chance to performed at PERSI gala dinner on 18 October 2019 in JHCC senayan and rewarded with special prizes.



## FAL Bintang Beasiswa

One of the commitments of the Unilever Sustainable Living Plan (USLP) is to empower 5 million women worldwide by 2020. This can be realised if women have the opportunity to get higher education. For this reason, Fair & Lovely (FAL) in collaboration with Hoshizora Foundation once again held the "Fair & Lovely Bintang Beasiswa" programme. In this third year of programme, we are not only motivated women to be dare to have high goal of their live, but we also provide access to higher education for 50 accomplished young women so that they could more closely reach their dreams.

To provide greater benefits, in 2018 Unilever expanded the coverage of the programme area from three to seven regions: DI Yogyakarta, West Java, Central Java, East Java, Sumatra, Sulawesi and



Kalimantan. This expansion was carried out with several considerations, such as illiteracy rates, dropout rates and environmental conditions in some of these areas

In addition to the scholarships which periodically provided during four years of study, Fair & Lovely also provide self-provisioning programme to the scholarship recipients which will be very beneficial for them in the college and their work in the future. The programmes include: Capacity building, Community Engagement and Career Building.

## PROFESSIONAL INSTITUTION-BASED PROGRAMME

The professional institution-based programme carried out by Unilever Indonesia are driven by the same vision and mission between by Unilever and health institutions as well as professionals, regarding the importance of raising awareness and providing education to the public and health care provider in order to maintain health and create a better life.

We have been partnering with Indonesia Dental Association (PDGI), Indonesia Hospital Association (PERSI), Dental School Association (AFDOKGI), Ministry of Health (Kemenkes), to create many programmes that benefit to Indonesian people and professionals. Key stakeholders were engaged to get their support to run the programme.

### OUR ACHIEVEMENTS IN 2018

#### PROFESSIONAL SOCIAL MISSION

**78 THOUSANDS+**  
Beneficiaries

**104**  
PDGI branches participation in World Oral Health Day & National Oral Health Month

**40+**  
Hospitals

**300+**  
Health Providers (GHD-PERSI)

#### DENTIST AND HOSPITAL COMMUNITY

**17 THOUSANDS+**  
Dentist covered in 7 big cities through Dentist Contact Program

**10 THOUSANDS+**  
Dentist reached through 11 Dental Congresses

**1,000+**  
Health Providers (Hospital EXPO)



### World Oral Health Day (WOHD)

The World Oral Health Day (WOHD) is a global ceremony to raise awareness of people in the world about the importance of oral health care by brushing teeth twice a day. This initiative began with partnership between FDI World Dental Federation with Unilever to realise one of USLP's goals, to help more than a billion people take action to improve their health and well-being.

WOHD aligned with government's "Towards Indonesia Free Caries in 2030" programme. We recognise that currently public knowledge and awareness regarding the importance of maintaining dental appears to be lacking. Based on the latest Ministry of Health research (RISKESDAS) on 2018, 57.6% Indonesia people has issue in dental health but only 10.2% who seek for help. This proven the needs for continuing education for Indonesian people.

World Oral Health Day 2018 was celebrated at SDN Tebet Timur 01 in South Jakarta, and was the initial series of the Unilever Indonesia School Programme. In collaboration with 63 branches of PDGI throughout Indonesia, Pepsodent delivered public education about the importance of oral and dental health as an indicator of overall body health and conducted free dental check up for the student.

Not only beneficial for the community, the World Oral Health Day event also as a momentum for the dentist to give back to community by providing an education and dental check up. Each dentist who participate in the event, will get a Profession Credit Unit (SKP) as one of requirement to prolonged the practice licence.

### National Oral Health Month (NOHM)

National Oral Health Month (NOHM) is an annual event held by Pepsodent to provide free dental treatment and check up for Indonesian people which conducted for three months started from September. Held since 2010 with 10 Dental Schools and 2 PDGI branches, now, NOHM has benefited more than 250,000 people.

Unilever Indonesia, Indonesian Dentist Association (PDGI) and the Association of Indonesian Dentistry Faculty (AFDOKGI) are committed to providing dental health education, dental health and treatment, in order to encourage Indonesian to be care of oral health by brushing their teeth in the morning and evening, and go to the dentist at least every six months.

In 2018 NOHM was conducted in 23 dental schools and 40 PDGI branches with more than 70.000 beneficiaries. The roadshow conducted from September to December 2018. NOHM always exceed the target, because people has marked their calendar

and looking forward to this event. They can choose one from several treatment provided which are tooth filing, tooth extraction, scaling/tartar cleaning, topical fluoride and pit fissure sealant. Scaling/ tartar cleaning is the most treatment that selected by patient each year.

In addition to providing benefits to the community, NOHM also provides benefits for dental student, where they can get patients to meet the requirements to complete their studies. Moreover, credit also provided for dental hospitals involved in the event, in the form of accreditation and broader publications to the surrounding community.

"Protecting Family Dental Health and Hidden Sugar Risk" was the theme for the 2018 NOHM. This year, the kick of ceremonial held in Sriwijaya University, Palembang. Different from previous years, in addition to children as the main focus of education, the activities of 2018 NOHM, also involved all family members in providing a variety of education.





### Pepsodent Dental Expert Centre (PDEC)

Pepsodent established the biggest dental education and entertainment (edutainment) centre in Jakarta since 2013, it's called Pepsodent Dental Expert Centre (PDEC) located in Gandaria City mall, UG floor, South Jakarta. This is a form of Pepsodent's commitment as a preventive promotive health campaign to provide education about brushing teeth day and night to the Indonesian people and the importance of routine dental visits every six months.

PDEC open daily from 10.00 – 21.00 providing free dental check up for everyone. It has a cutting edge dental technology, Caries Detector. It is a tool that can detect and diagnose early stage of dental caries that rarely found in any other dental clinic. It also provides 16 professional dentists to help consumer know better about dental health and give experience through checking their teeth with caries detector and recommend dental treatment needed.

In addition to free dental check up, PDEC open for school visit programme. Students can learn about how to take care of their teeth in a fun ways through dental cartoon movie at the auditorium, tooth games, giant tooth for tooth brushing practice and 3D mapping dental caries. Moreover, mothers and orphanage can also visit and enjoy the benefit of PDEC. PDEC has already reached it's maximum capacity of 70-75 visitors in average per day.

PDEC is also served as a place for dentistry students where they can practise public health dentistry. Not only from local dentistry students, in 2018 PDEC had a visit

from Japan dentistry exchange students where they found PDEC very useful and interesting. Not only for dentistry students, PDEC also provide dentist study club every month. Selective prominent dentists are invited to give mini lectures and held discussion with 25-30 dentists about the latest update in dentistry.

This year, PDEC organises the annual Free Dental Study Club Vol. 10 programme with theme "The Era of Millennial in Dentistry". One of the discussions topic was the latest trends in the world of dentistry, Dental Photography & Digital Smile Design. The themes and discussions raised were in line with the increasing need and knowledge of millennial which encouraged them to visit the dentists - not only for medical needs of dental health but also for aesthetics and cosmetics.

In collaboration with the Indonesian Dental Association (PB-PDGI), the Free Dental Study Club Vol. 10 in 2018 not only increased the knowledge of dentists but also provided Profession Credit Unit (SKP) to the invited dentists.



### Dentist Contact Programme

The Dentist Contact Programme is a programme to build relationships with dentists to provide product knowledge about our premium products. Social mission is also implemented within this programme. Through 23 medical representatives in 9 cities throughout Indonesia, we accommodate dentists to provide community services to their adopted schools by carrying out campaign of brushing teeth in the morning and evening. We provide the educational materials, toothbrushes and toothpaste for a 21-day programme of brushing teeth in the morning and evening.

## Indonesia Hygiene Forum

According to research data from the Ministry of Health only 20 percent of Indonesian people are concerned about hygiene and health, meaning, out of 262 million people in Indonesia, only about 52 million people have concern for the cleanliness of the surrounding environment and its impact on health.

Seeing this problem, Unilever realised that close cooperation is needed between community, academic institutions, industry, government, and other related parties to foster awareness of the importance of health and hygiene in Indonesia. For this reason, the establishment of Indonesia Hygiene Forum was initiated.

This initiative is a manifestation of Unilever Indonesia's efforts to grow businesses while reducing the environmental impacts and increase social impact on the community. One of the objectives of USLP is to improve the health and well-being of 1 billion people by 2020.

Inaugurated in April 2018, this network initiated by Unilever Indonesia accommodates experts in the fields of hygiene, nutrition and health to share information and knowledge, and collaborate in fostering awareness of hygiene information in community groups, non-governmental organisations, the government, and other related agencies.



The Indonesia Hygiene Forum's vision is to create a science-based hygiene culture in Indonesia. Its mission as follows:

- » Establish a network consisting of experts in the field of hygiene from, government, individuals, communities, academics and industries.
- » Involving this network in efforts to foster public awareness about cleanliness
- » Support the government as a regulator to make scientific decisions in policies relating to hygiene
- » Building cooperation with experts in the field of hygiene to provide scientific education easily understood by the public.



## National Symposium

Lifebouy and PERSI in collaboration with health practitioners held National Symposium on February 27<sup>th</sup>, 2018. "More Protection, Less Antimicrobial" was the theme raised in the symposium, as an effort to increase awareness of disease prevention by encouraging the appropriate consumption of antibiotics.

More than 300 live attendance and more than 600 webinar attendance from 95 hospitals in Indonesia, were involved in this event.

The event was also attended by Prof. Dr. dr. Nila Djuwita Faried Anfasa Moeloek, SpM (K) as the key note speaker.



## OUR ACHIEVEMENTS IN 2018

# 2,000

**MOSQUE**

in 10 cities in Indonesia

# 50,000

**VOLUNTEERS**

Educate

# 2,000

**MARBOT**

Educate

# 150,850

**MOTHERS**

in 10 cities in Indonesia about  
health and hygiene behaviors

Educate

# 1,200

**MARKET TRADERS**

about health and hygiene  
behaviors

## COMMUNITY-BASED PROGRAMME

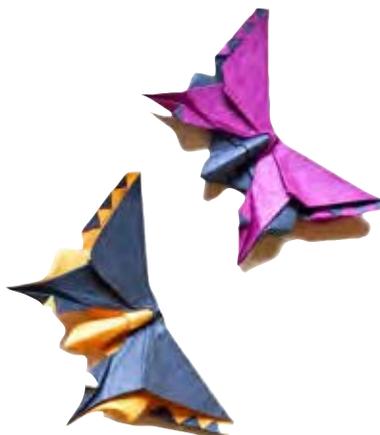
To create a Healthy Indonesia, various parties in the community need to work well together in promoting the importance of clean and healthy living habits. Through community-based programme, Unilever Indonesia partnered with various government and community organisations, local health services, professional institution, and non-governmental organisations to increase community awareness to further change the behaviour of wider community.

### Mosque Cleaning Movement

The role of community is very important to maintain cleanliness anywhere at any time. Therefore, Unilever and the Indonesian Mosque Council together with fellow partners from non-governmental organisations (NGO) once again held the Mosque Cleaning Movement, involving the Mosque keeper called Marbot and local community.

In the second year of this movement, Unilever provided training, cleaning equipment packages and guidance on how to effectively clean the mosque to 2,000 Marbot, as we believe that they are the key figures in engaging the local community to habituate the health and hygiene behaviour.

This movement started in Ramadhan reached around 50,000 community members around the mosques to join the Mosque Cleaning activities throughout the year. Unilever also provided guidebook on how to maintain cleanliness of mosques and houses to the community, so that they can apply these clean and healthy living habits into their homes.



## Healthy Mother and Toddler Programme

Women, especially mothers are extraordinary figures who have an important role in maintaining family's health and becoming the agents of change for their surroundings.

In collaboration with Family Empowerment and Welfare (PKK), Posyandu cadres, local public health services, and the Indonesian Dentist Association, Unilever held a Healthy Mother and Toddler Programme, to educate mothers about the importance of 7 Health and Hygiene Behaviours for their family's health. Unilever and PKK cadres collaborated to provide training for Posyandu cadres to further educate other mothers in their surrounding environment.



In 2018, we also strengthened the Handwashing with Soap education through the digital platform while encouraging the creativity of Posyandu cadres in spreading this positive message, through the "Importance of Handwashing with Soap" photo competition. This Healthy Mother and Toddler programme successfully reached 150,850 Mothers in 10 cities.

## Healthy and Smart Market (Pasar Sehat Berdaya) Programme

Traditional markets have helped our consumers to find many Unilever products. Many Indonesian people held various activities and social interactions in the traditional market as well. As a place where consumers and traders engage, the traditional market can be one of the vulnerable places for the spread of many diseases. Therefore, in order to prevent the spread of diseases and maintain community health, the health and hygiene of traditional markets must be continuously improved.



Through the Healthy and Smart Market (Pasar Sehat Berdaya) programme, Unilever strived to increase community awareness on the importance of clean and healthy living habits in traditional markets, by educating the traders on the importance of clean and healthy market as well as placing relevant education materials in strategic spots around the market. This initiative also supported the government's Healthy Market programme.

In 2018, Unilever also held free health check-up for traders while encouraging them to do the health check-up regularly. In collaboration with local public health services and the Market Traders Association, about 700 community members have taken free medical check-up, and nearly 1,200 traditional retailers and consumers reached through education on health and hygiene behaviours.

## IMPROVING QUALITY OF NUTRITION

### Our Commitment

By 2020, globally, we will double the proportion of our portfolio that meets the highest nutritional standards, based on globally recognised dietary guidelines.



As a food and beverage producer, Unilever Indonesia understands the impacts that can occur on society through our products. Nutrition in food and drinks plays an important role in creating a healthier lifestyle.

Nutrition is the main subject to achieve Sustainable Development Goals (SDGs) - especially without hunger (SDG2). The 2017 Global Nutrition Report said that without addressing nutrition-related problems, it will be very difficult to reach other SDGs. Based on Basic Health Research in 2018, the prevalence of non-communicable diseases in Indonesia has increased compared to 2013. To reduce this number, the Ministry of Health of Indonesia is concerned about the health message on food, especially the content of sugar, salt and fat.



## FOOD NUTRITION IMPROVEMENT PROGRAMME

Unilever sets internal standards related to nutrition, the Highest Nutrition Standard, that must be met by each new product. These standards have been developed based on WHO standards and adapted to the categories of food or beverages that produce by the company. New products will not be launched if it does not meet these nutritional standards.

The nutritional standards set by Unilever include:

- » Reduce sodium
- » Reduce saturated fat
- » Eliminate trans-fat
- » Reduce sugar
- » Reduce calories

Reformulating our products to make great-tasting food and beverages that consumers enjoy while meeting our stretching targets, is a challenge for us. Our Research and Development team are working hard to deliver these improvement.

The launch of Bango Light in 2018, was a concrete manifestation of the transformation of nutritional improvement successfully carried out by Unilever Indonesia. This new variant of Bango soy sauce offers a healthier choice of product for people seeking lower sugar content.

In addition to providing nutritional information and serving sizes on product packaging, the website [www.masakpahariini.com](http://www.masakpahariini.com) was developed and it is accessible to the public. The website contains recipes that have gone through the Unilever Indonesia nutritionist assessment process, to ensure the ingredients and amount of use meet the right nutrients for consumption.





### BUAVITA

Provide healthy diet info, contribute to essential nutrient intake, vit A, B kompleks, vit C



### PADDLE POP

< 110 KKal  
LESS CALORIES



### BANGO LIGHT

Contain natural sweetener stevia with 30% less sugar \*

\*(compare to regular Bango soy sauce)

## MAHI website, [www.masakapahariini.com](http://www.masakapahariini.com)

has reached more than 4.8 million visitors per December 2018, as measured from April 2018. It has approximately 1.2 million users.



### Jakarta Food Editor's Club

Collaborating with the Ministry of Health, influencers and bloggers, Unilever Indonesia invites the public to be aware of excess intake of fat, salt, and sugar due to emotional eating in Jakarta Food Editor's Club.

This education was in line with "Isi piringku" campaign, initiated by Indonesian Ministry of Health to replace the "4 sehat 5 sempurna" campaign, in accordance with the research development of nutritional intake for the body. We hoped this knowledge can help the community to improve their health thus supporting healthier Indonesia.





## **PRESERVING NATURE, REDUCING FOOTPRINTS**

Zero Waste to Nature	<b>50</b>
Green Infrastructure Performance	<b>59</b>
Environmental Performance of Operational Activities	<b>62</b>



## Reducing environmental impact is one of Unilever Sustainable Living Plan (USLP) pillar

that leads to several goals of UN Sustainable Development Goals (SDGs): Climate action (SDG13), Life Below Water

(SDG14,) and Life on Land (SDG15). **Unilever's commitment globally within this pillar is reducing to halve the environmental footprint of the making and use of our products as we grow our business by 2030.**

This commitment **drive us to take initiatives in factories by considering the material used and energy consumed to make our products**, therefore our initiatives will unlock others goals of SDGs: Affordable and Clean Energy (SDG7); Industry, Innovation and Infrastructure (SDG9); and Responsible Consumption and Production (SDG12). Moreover, we also contribute to Decent Work and Economic Growth (SDG8); Sustainable Cities and Communities (SDG11); and Partnership for the Goals (SDG17) through advocacy and initiatives beyond our factories related to plastic waste handling.



## ZERO WASTE TO NATURE

In 2018, the adoption of Circular Economy approach was becoming mature and reliable. It is clear that our efforts are on the right track. By this approach, Unilever manages all materials and waste at every stage of its life cycle in a responsible manner. All wastes shall be reuse or recycle so that there is no disposal to the environment. Unilever adheres to the three pillars of environmental management: waste, water, and energy.

CreaSolv® technology was introduced in 2017 and has been in operation to recycle flexible plastic waste into raw

materials. CreaSolv® is considered as a pioneer technology in recycling of post-consumer flexible packaging waste. We were also introduced the utilisation of renewable energy of biomass in our production process. In addition, solar panel technology was also installed in many facilities. All these practices outline Unilever's efforts to fulfil our promises to use renewable energy as much as 50% of total energy used by the year of 2020 for total Unilever globally.

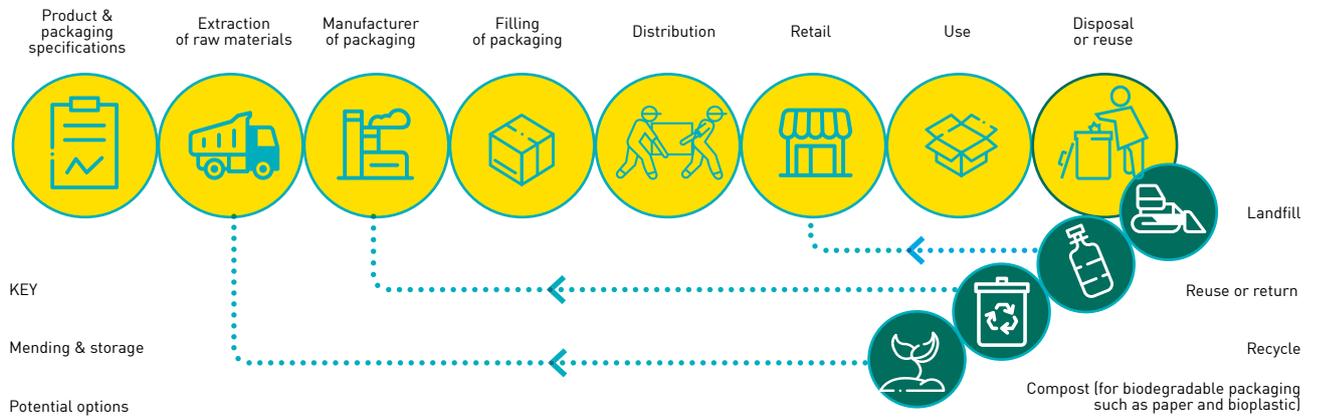
Another new approach to ensure zero waste to nature was the recycling and utilisation of rejected ice cream and wastewater treatment sludge into high protein and high-quality cattle feed or Maggot. Furthermore, we also continued efforts to reduce water use, waste generation, energy consumption, and CO2 emissions which have done on previous years, as well as continuing World Class Manufacturing and Real Time Analysis approaches.

## UNILEVER SUSTAINABLE PACKAGING APPROACH

In alignment with the Unilever Sustainable Living Plan (USLP); The strategy to continually grow businesses that at the same time reduce environmental footprints, as well as enhance social benefits for the community, underlines our commitment to finding effective solutions for plastic waste issues. Globally, our commitments are:

1. Making 100% of our plastic packaging recyclable, reusable, and compostable by 2025.
2. Increasing the use of recycled plastic content in our packaging to at least 25% by 2025.
3. Reducing the weight of our packaging by one third by 2020.

### A SUMMARY OF THE PACKAGING LIFE CYCLE



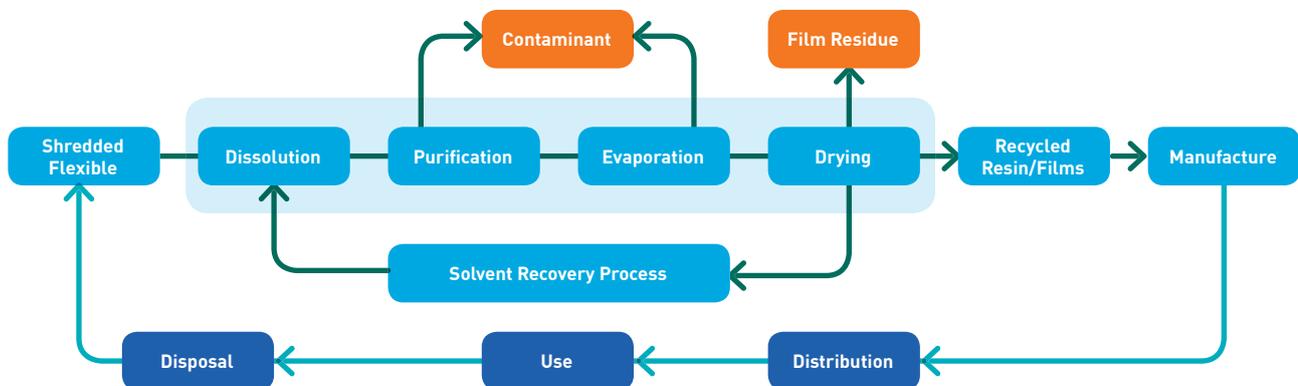
<b>Innovation/renovation in product packaging</b>	Beauty & Personal Care category records 386 ton packaging waste reduction, where 290 ton is plastic reduction. Significant weight reduction comes from: <ul style="list-style-type: none"> <li>» Rexona/Dove roll on packaging optimisation by 85 ton/year</li> <li>» Clear Shampoo bottle redesign has reduced plastic by 60 ton/year</li> <li>» Pond's Moisturiser jar redesign which result on 36 ton/year.</li> </ul>
<b>PRAISE Programme</b>	Provision of drop box for packaging waste in 100 point of locations in Jakarta to collecting packaging waste into the Circular Economy process.
<b>Waste Bank and Green &amp; Clean Programme</b>	2,816 waste bank were able to reduce inorganic waste by 7,779 ton.
<b>CreaSolv® Technology</b>	Recycling of flexible packaging with the capacity of 3 ton/day.



**CreaSolv® TECHNOLOGY, THE FIRST AND THE ONE AND ONLY IN FLEXIBLE PACKAGING TREATMENT**

Since 2011, Unilever has worked in cooperation with the Fraunhofer Institute for Process Engineering and Packaging IVV to invent technology to recycle flexible packaging waste. In 2017, Unilever launched its breakthrough CreaSolv® Technology, the first technology as well as the one an only of its kind. CreaSolv® is considered the most eco-efficient solution in management of sachet waste and is located in Sidoarjo, East Java.

In 2018 the CreaSolv® began operations, recycling flexible post-consumer packaging waste. By year end, more than three tons of plastic waste is collected daily to be processed by CreaSolv®. This €10 million investment is the first step towards an even broader initiative to make Indonesia a more plastic-responsible society.



Implementing CreaSolv® technology, transforms the linear economy model in plastic utilisation, 'take-utilise-dispose', into a circular economy model 'take-utilise-recycle-take'.

- » For Unilever, a circular economy entails designing products using renewable and sustainable materials or resources. Materials are regenerated and continuously used in a 'closed loop' instead of a 'use and dispose' practice.
- » Unilever recognise that the potential benefits of this technology are extremely promising for business as well as the environment. The regenerable materials can reduce input material utilisation significantly, yielding results that reduce cost and waste simultaneously.

» The circular economy approach generates new values for customers and consumers, better risk management of raw materials, and innovation and improvements in supply chain practices.

- » CreaSolv® Technology reduces Unilever's environmental footprint. In addition, the value of flexible packaging waste has also increased, creating new income opportunities for waste collectors, as well as direct absorption of new employment in the CreaSolv® facility. This is in alignment with the aim of Unilever to enhance livelihoods for millions of people.

» The biggest challenge in this kind of recycling is the difficulty posed in collecting sachet waste. Communities in Indonesia are not yet in the habit of segregating waste. Accordingly, synergy among government and community is essential to Unilever's efforts to curb waste.

### Three Steps Process in CreaSolv® Technology

1. **Solving:** Plastic or polymer are extracted from flexible packaging waste using specific liquid and solvent to convert into a polymer solution.
2. **Purification:** The Polymer solution is filtered, purified and transferred to a drying room. The residue is separated and treated.
3. **Drying:** Other materials are evaporated from the polymer solution. 'Pure' plastic polymer is collected and processed into polymer plastic pellets. These pellets are utilised as raw materials for new sachet packaging

In the early stages of the trial process, the technology was able to absorb 3 tonnes of flexible packaging waste per day. On a commercial scale, CreaSolv® will reduce carbon dioxide emission as much as one sixth compared to production using virgin raw materials. Yearly figure reach 7,800 tons of carbon dioxide, which is equivalent to 8,200 tons of flexible plastic.



## GREEN AND CLEAN WITH WASTE BANK

According to data from Ministry of Environment and Forestry, there are 5,244 waste banks in Indonesia. From that number, 2,816 waste banks are supported by Unilever. It shows how much we care for waste bank development in Indonesia. The waste banks programme aims to empower the community to independently collect, separate and recycle the waste and convert it into savings.

In 2018, we started a new approach by engaging schools to actively participate in establishing waste banks. School teachers and students were encouraged to become members of waste banks. This breakthrough resulted in a significant 24.76% growth of waste bank members. Throughout this year, we have also implemented the programme in more cities by covering 37 cities in 12 provinces across Indonesia.







## HOW AHMAD SAVING WASTE TO SUPPORT HIS EDUCATION AND ENVIRONMENT

9 year old Ahmad Al Qadri lives in a rented house in Mamajang, South Sulawesi with his mother and sister.

Every day, he must wake up very early in the morning to ensure he will arrive at school punctually. Accompanied by his mother, he walks about one kilometer to get to school. Instead of hurdle, the limitation has encouraged him to be more eager to achieve his dreams. "Becoming a soldier...to help peoples", he said about his noble aspiration. After school he reviews school lessons and does his homework keenly. He says that mathematics, social science, and Indonesian language are his favourite subjects.

Beside his perseverance to achieve dreams, Ahmad has a unique habit, which is waste saving. Before going home, he always helps his mother clean up the garbage in the school canteen. He collects and segregates discarded cardboard, plastic, glass, and bottle to be deposited in waste bank. His routine has inspired some of his friends to join him.

Since 2017, Ahmad has become a member of the waste bank located next to his school. The waste bank is facilitated by Unilever and Yayasan Peduli Negeri. Twice a week, he collects and deposits waste, earning Rp 37,000 to Rp45,000 for each collection, fueling his enthusiasm to collect and segregate waste every day. Ahmad uses the money to buy books, stationary, bags, and shoes for school.

However, Ahmad's eagerness to collect for the waste bank is not merely due economic factors to support his education, but also to care for the surrounding environment. He says that, in the future when he becomes a soldier, he will continue his habit to collect waste. "To get money and to make environment clean", he said naively. He hopes others will do the same.

## PRAISE

Unilever's campaign and advocacy efforts to reduce waste generation all over Indonesia is on going. With a number of collaborative projects conducted to enhance awareness and sense of urgency regarding the importance of waste reduction in everyday life. One such project includes a cooperation between Unilever and six other companies working together to establish PRAISE - Packaging and Recycling Association for Indonesia Sustainable Environment/Association.

The PRAISE strategic goal is to accelerate the development of waste management ecosystem that supports a Circular Economy. The three initiatives involved in this programme are as follows:

- Actively promote waste segregation at source,
- Optimise new and existing collection channels
- Drive the recycling value chain (through Extender Stakeholder Responsibility or ESR).



In 2018, as part of the PRAISE programme the Bali Bersih Project was carried out at Sanur Kauh in Bali; and the Collective Dropbox Project was enacted in the Jabodetabek area.



### Bali Bersih

The Bali Bersih Project establishes a Platform that prepared to facilitate all stakeholders related to BALI BERSIH, including the local Government, Dinas LH, Pemuka Adat, CSO, Academia, and Households. At the upstream the project activities include education and community empowerment as well as improvement in waste collection systems. At the middle stream, we facilitate an increase in the capacity of waste collectors to aggregate more waste. Lastly at the downstream, waste collection is linked to recycling industry / other downstream industry. We also connect the collection activity with PRAISE's downstream initiatives.

Research has also been conducted in developing a hub for integrated data and information management, as well as promoting research on waste related topic. To optimise communication and sharing among stakeholders the Project has created a communication platform for stakeholders to align and accelerate any initiative to develop an integrated waste management in Bali.

### Collective Dropping Box

Dropping Box initiative is a cycle of solution that embraced all relevant stakeholders, includes consumer, government, PRAISE, Waste Banks, and Waste4Change. The programme is designed to create awareness and trigger consumer behaviour change, establishing collection methods that involve all stakeholders to sustainably recover packaging waste. It was introduced to the public during Indonesia Environmental Week (20<sup>th</sup>-21<sup>st</sup> July 2018) endorsed by the Indonesia Ministry of Environment and Forestry as well as the Jakarta Environmental Agency. Dropping Box also supported the less waste campaign at Asian Games venues 2018.

**100**  
DROPPING BOX  
distributed  
in Jabodetabek

OUTREACH  
THROUGH SOCIAL MEDIA  
**800-1,000**  
per month, based on number  
of page view

**ONCE A WEEK**  
COLLECTED WASTE  
is taken from each dropping box

Dropping Box initiatives is a transformative innovation which has four unique features:

1. Assured segregation. Consumers are able to segregate and dispose their packaging waste according to type: paper (carton packaging, paper, and cardboard) and non-paper (plastic bottles, food/beverage cans, glass bottles, plastic sachets and refill pouches). PRAISE and Waste4Change are ensuring that all processes of collection, transportation, and waste management are as the same as segregation in the Dropping Boxes.
2. Assured processing. Collected waste is collected by Waste4Change partners and periodically conveyed to proven Waste Bank partners.
3. Assured recycling. Sorted recyclable wastes is transferred to recycling plants and residue is treated by Waste4Change partners, ensuring the collected packaging waste does not end up in landfills.
4. Assured education. The initiative is equipped with various forms of educational media, such as attractive infographics attached to the Dropping Boxes. Sustainable community programmes are also conducted through mass and social media.



## CIRCULAR ECONOMY FORUM

Unilever supported the Circular Economy Forum (CEF) 2018. The event was organised by Waste4Change in Surabaya from 28-30th June, 2018. CEF was attended by 450 participants, including experts and practitioners from relevant fields who shared their expertise and insight.

The main theme of CEF was "Redefining Waste Management: From Trash to Resource Management". Three key subjects were discussed: Indonesia's future plans for waste management, plastic waste and marine debris countermeasures, as well as latest efforts on the occasion of circular economy era.

The event yielded five recommended actions:

1. To ensure a continuous circular economy implementation.
2. The circular economy should foremostly be based on equality, transparency and mutual benefits.
3. The use of digital technologies is highly recommended in disseminating the benefits and importance of the circular economy to the world nowadays.
4. The concept of the circular economy needs to be communicated as early as possible to the younger generations.
5. Circular economy implementation needs to be actively included in local government budget plans.

## OUR OCEAN CONFERENCE

As part of our commitment to support environmental conservation, particularly in maintaining the sustainability of our oceans, Unilever was participated in the Our Ocean Conference (OOC) 2018. The fifth annual event aimed to enhance collaboration and cooperation among stakeholders, to bring forth a real and applicable commitment regarding oceans sustainability.

At the OOC, Unilever conveyed its commitment to maintaining cleanliness and health of our oceans. One such way is by targeting the recycling and reuse of all plastic packaging, and ensuring packaging is degradable in 2025. Unilever also introduced the newest technological breakthrough in waste recycling technology, the CreaSolv® Process, the latest innovation in recycling flexible packaging or sachet packaging, which usually ends up in landfills or oceans.

David Blanchard, Chief Research and Development Officer of Unilever Global said "We aims for all of our packaging to have the ability to be recycled, reused, and degradable by 2025. CreaSolv® development is a real step to achieving the target. We want this new technology to be expanded, to benefits many parties, including companies in the same sector with us".

To overcome waste issues, besides the appropriate technology, the optimum sachet packaging waste collection scheme is needed in order to recycle. Accordingly, Unilever empowers thousands of collectors as well as communities establishing cooperation between Waste Banks, Government, and local retailers . This mechanism will be integrated into a model able to enhance the income of recycling industries and all involved stakeholders in order to enhance economic growth.

**Hopefully, all community elements will support the commitment and initiatives conducted by Unilever and the Government, therefore freeing oceans of waste in the future.**

## GREEN INFRASTRUCTURE PERFORMANCE

Unilever ensuring that every factory and office building shall obtain relevant environmental certification or rating. ISO 14001 Environmental Management System, Blue Rating of PROPER, and Green Building Certification shall be implemented in all company facilities. These minimal requirements reflect our efforts to ensure that environmental management in all our facilities is conducted in a systematic and continually improving manner.

Facility	Certificate and/or Rating
Cikarang Plant	<ul style="list-style-type: none"> <li>» ISO 14001:2015 Certificate</li> <li>» LEED (Leadership in Energy and Environmental Design) Certificate – Gold</li> <li>» PROPER – Blue Rating</li> <li>» ISO 9001:2015</li> <li>» OHSAS 18001:2007</li> </ul>
Rungkut Plant	<ul style="list-style-type: none"> <li>» ISO 14001:2015 Certificate</li> <li>» LEED (Leadership in Energy and Environmental Design) Certificate – Gold</li> <li>» PROPER – Blue Rating</li> <li>» ISO 9001:2015</li> <li>» OHSAS 18001:2007</li> </ul>
Headquarters	<ul style="list-style-type: none"> <li>» SMK3 certification</li> </ul>

Since Unilever's green building was in fully operational in 2018, we started to measure environmental indicators and performance of our headquarters. A system of measurement and monitoring was put in place to conduct such recordings.



### ZERO WASTE TO LANDFILL

## 8%

Reduction in electricity consumption compared to 2017, from **5,245,650 kWh (2017)** to **4,862,442 kWh (2018)**

## 83.16%

Reduction in energy consumption while participating in Earth Hour 2018

During 2018, in our headquarters, our plastic waste composition is decreased from 13% to 12%. To achieve this kind of reduction we have promoting some efforts to our employees and visitors of the building, which are:

1. Make a movement campaign to reduce the use of plastic in the office. This movement started by spreading short messages via email to fellows about the importance of reducing the use of plastic such as:
  - » Carrying our own shopping bag,
  - » Drinking water tumbler,
  - » Stop using disposable straws and plastic spoons/forks,
  - » Reduce products using plastic bags,
  - » Store products into bottles or jar,
  - » Use stock boxes for food packaging.
2. Reduce consumption of instant foods that use disposable packaging and switch to eat locally produced foods (fresher, healthier food).
3. Implementing a systematic waste segregation system to ensure optimum utilisation or recycling of waste.



Beside all benefits above, green building brings other many benefits to sustainable development. In alignment with Sustainable Development Goals, our green building contributes to 9 goals.

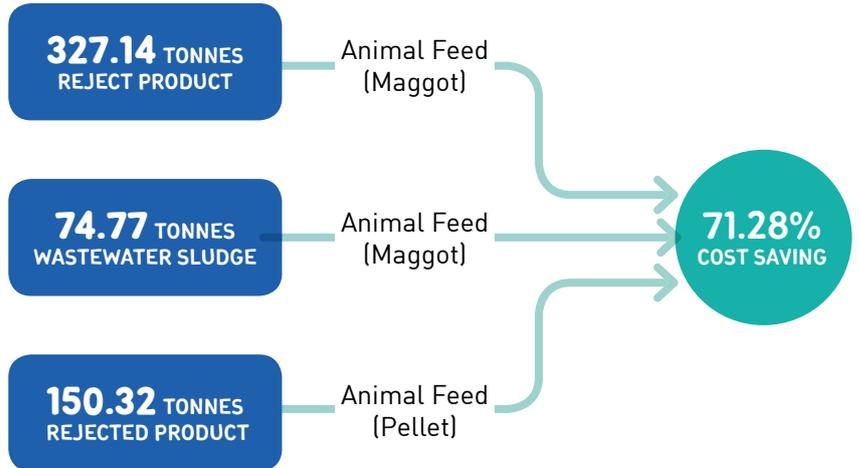
 <p>Green building can improve people's health &amp; wellbeing</p>	 <p>Green building can use renewable energy, becoming cheaper to run</p>	 <p>Building green infrastructure creates jobs &amp; boosts the economy</p>	 <p>Green building design can spur innovation &amp; contribute to climate resilient infrastructure</p>
<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> 	<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> 	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 

Source: World Green Building Council

As a part of our effort to utilise all wastes as a resource, in 2018 Cikarang Ice Cream Factory initiated a new approach in managing reject ice cream and waste water treatment sludge. This approach is in alignment with Unilever Global Policy to achieve zero waste landfill. We created double benefits, a 71.28% cost saving of waste treatment cost and a zero waste footprint to the environment.

In cooperation with third party partners, we utilise:

- » Mix ice cream reject products into liquid fertiliser.
- » Wastewater treatment sludge into high protein cattle food.



This project converting waste into, liquid fertiliser and maggot is conducted in cooperation with one of BPPT (Badan Pengkajian dan Penerapan Teknologi or Agency for the Assessment and Application of Technology) Start-up. It is obvious that we also contribute to create technology entrepreneur in Indonesia.

SDG 11: Sustainable Cities and Communities	SDG 12: Responsible Consumption and Production	SDG 13: Climate Action	SDG 15: Life on Land	SDG 17: Partnerships for the Goals
Green buildings are the fabric of sustainable communities and cities	Green buildings use 'circular' principles, where resources aren't wasted	Green buildings produce fewer emissions, helping to combat climate change	Green building design can improve biodiversity, save water resources & help to protect forests	Through building green we create strong, global partnership

# ENVIRONMENTAL PERFORMANCE OF OPERATIONAL ACTIVITIES

## 100%

Zero Waste To Landfill in our Head Office

## 32.78%

Decrease in Energy Intensity (2008 Baseline)

## 33.17%

Decrease in GHGS Intensity (2008 Baseline)

## 26.26%

Decrease in Water Intensity (2008 Baseline)

## 90.5%

Decrease in COD Intensity (2008 Baseline)

As mandated by Unilever Global, regular Environment Performance Report (EPR) are conducted. Using this reporting system, Unilever Indonesia monitor seven main environmental parameters:

1. Carbon Dioxide (CO<sub>2</sub>) emission for Green House Gases reporting,
2. Chemical Oxygen Demand (COD),
3. Energy consumption,
4. SO<sub>x</sub> emission,
5. Hazardous Waste,
6. Non-Hazardous Waste, and
7. Water consumption.

2008 is used as the base year in comparing annual environmental management performance.

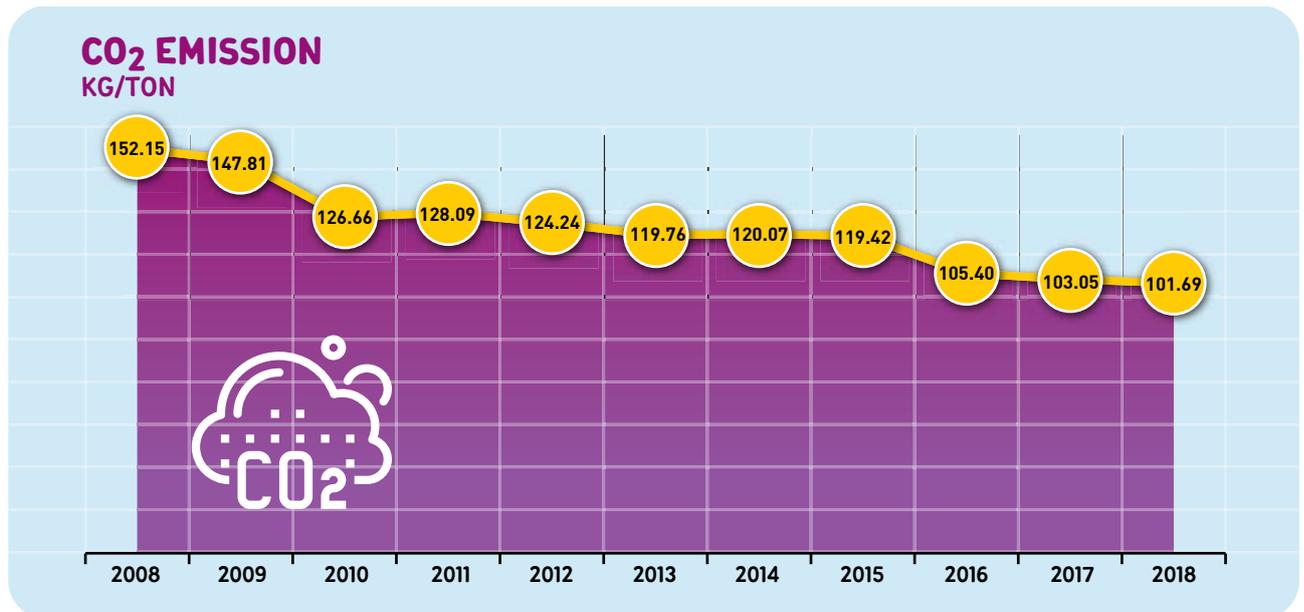
### REDUCING GREEN HOUSE GASES (GHGS) EMISSIONS

Many efforts have been made to reduce GHG emissions in our facilities. Solar panels have been installed in factories as well as offices. Solar heaters have also been installed to supply hot water to production processes. In our Personal Care Plant, the initiatives saved 6.7 GJ of energy per day. Other efforts to reduce energy consumptions include:

- » Installation of high efficiency motors in packing lines,
- » Installation of automatic load heaters,
- » Reduction of compressed air leakages and improvement of air compressor performance,
- » Improvement of HVAC performance,
- » Installation of automatic blowdown and TDS control for boiler,
- » Installation of inverters for transfer pumps,
- » Installation of Ozone treatment,
- » Steam trap replacements.



The reduction in energy consumption contributes significantly to reducing GHG emissions. It shows that energy intensity and CO<sub>2</sub> emissions have been consistently dropping since 2008.



## Biomass Utilisation

As energy prices from natural gas are continuously increasing, in 2017, low cost energy including coal, biomass, wood-based and ethanol were assessed. Aligning with the Unilever USLP programme, palm kernel shells were selected for biomass utilisation for the following reasons:

1. Availability of latest technology for Biomass in another Unilever factories worldwide.
2. Availability of and continuity of palm kernel feedstock in Indonesia, particularly from Sumatera and Kalimantan.
3. Small area is required.
4. Fixed price of feedstock for 5 years – ensure the supply when inflation is increasing.

The Biomass energy source is implemented in the NSD Powder Factory, Cikarang. This project is started in March 2018 and was fully operational by January 2019. The first spray was conducted in December 26, 2018 and continued with site preparation for full operation in January 2019. The NSD Tower fully uses Biomass since January 4, 2019.

The project has brought savings in energy and zero CO<sub>2</sub> emissions. We can save our energy bill down by up to 40%. This has remarked our next journey as green factory by using non-fossil fuel for generating of hot air both for our Spray dryer Tower and Steam generator. We calculate the emission using methodology and emission factor from US Environmental Protection Agency and Bioenergy Consult (<https://www.epa.gov> and <https://www.bioenergyconsult.com>).

## REDUCING WATER FOOTPRINT

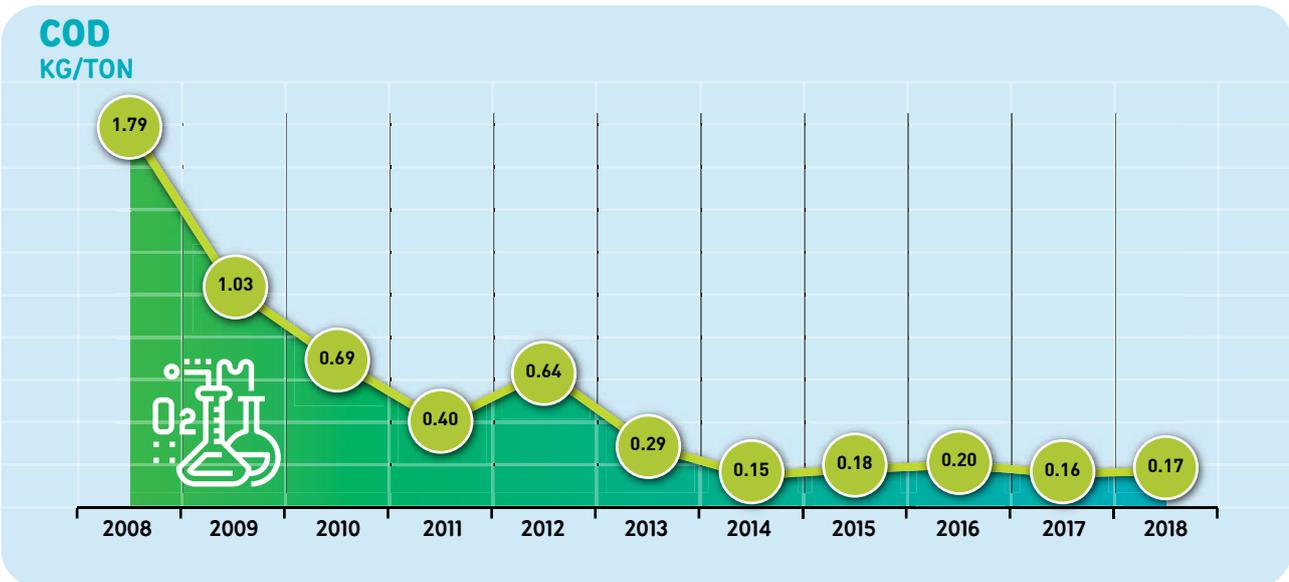
One of the main programmes to reduce our water footprint is the reduction of Glycerine carry over in the Rungkut production plant. This programme reduced 100 kg organic in the form of Chemical Oxygen Demand (COD) in 2018. Since 2016 we have reduced 700 kg of COD, therefore reducing the water

pollution load. Financial benefit include by saving Rp 54 million/year in wastewater treatment cost.

In addition, the following efforts to reduce water consumption were also made:

- » Reuse of water from clean-in-place (CIP) process,
- » Wastewater treatment plant PW improvement,

- » Improvement in crude Glycerine and reduce its carry over, reduction,
- » Change over plan in processing,
- » Automatic blowdown and Total Dissolved Solids (TDS) control for boiler,
- » Ozone treatment.



Even though we reduce significantly, compared to 2008 achievements, our water consumption is increase slightly since 2016 and COD load also increase slightly since 2017. This phenomena are happens due to change of procedure to maintain product quality, the cleaning frequency is conducted twice than before.

## REDUCING WASTE FOOTPRINT

Unilever Indonesia manages hazardous and non-hazardous waste using a full life cycle approach. The approach are reduce, reuse, recycle, and eliminate.

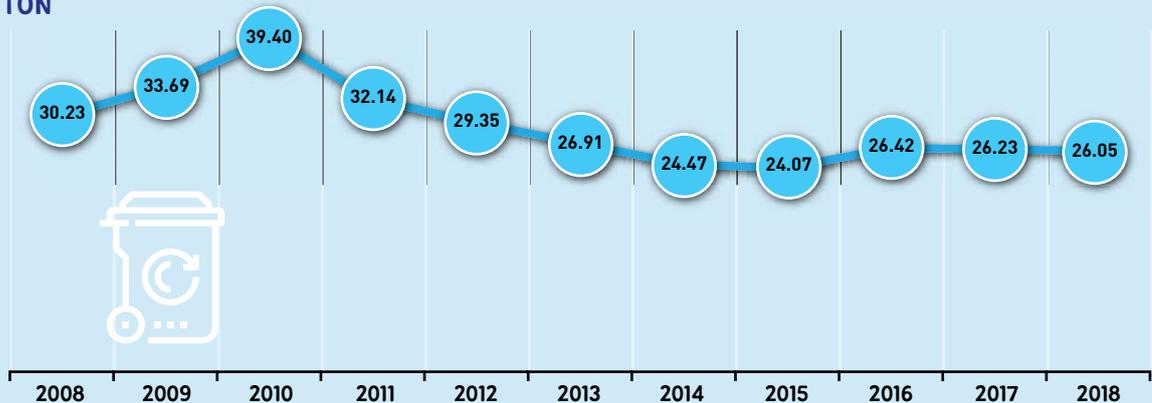
### Hazardous Waste Reduction

- » Substitution of wastewater treatment chemicals
- » Recycling of laboratory waste
- » Optimisation of beltpress to reduce water content of sludge
- » CT sludge natural drying
- » Reduce Glycerine carry over
- » Use of lube oil according to its lifetime
- » Optimisation of scrapper angle to reduce waste
- » Rework for the process of toothpaste, finesoap dust and soap.

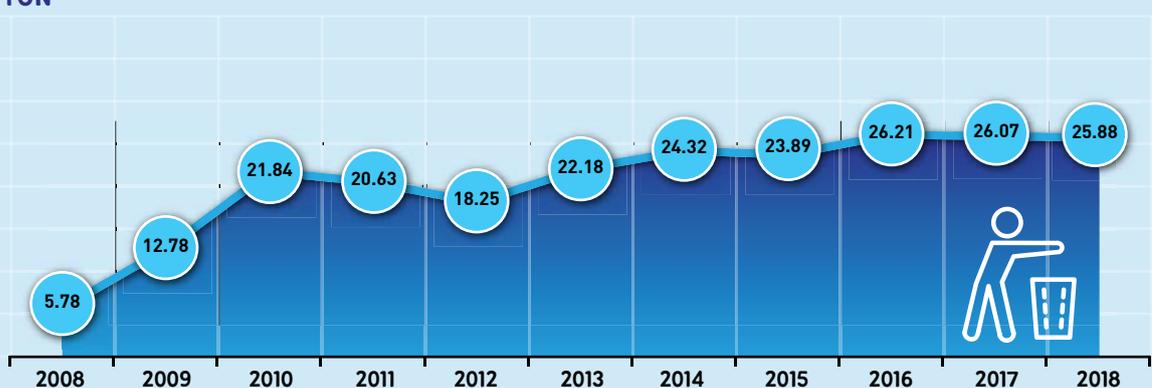
### Non-Hazardous Waste Reduction

- » Return packaging to supplier
- » Segregate waste in a more consistent manner to optimise its utilisation
- » Improve cooperation with supplier to reduce waste using reduce, reuse and recycle approach
- » Recycling garden and yard waste into compost
- » Zero waste canteen. Unilever made an agreement with canteen provider to implement zero to landfill programme.

### TOTAL WASTE KG/TON



### RECYCLED WASTE KG/TON





## BIODIVERSITY CONSERVATION

As a user of agricultural materials such as black soybean, tea, vegetables, palm oil, and chili, we are responsible for managing biodiversity impacts of our operations. To ensure proper management of biodiversity, we adhere to the Unilever Sustainable Agriculture Code (USAC). USAC clearly stipulates that supply of our materials shall not cause negative impact to biodiversity. We must improve the biodiversity quality of our operations.

The following efforts have been made to mitigate biodiversity impact:

- » Leading to establish Tropical Forest Alliance 2020 (TFA), a public private partnership among "Consumer Good Forum". TFA is committed to reducing and gradually eliminating deforestation related to supply of palm oil, soybean, paper, and meat.
- » In cooperation with Institut Teknologi Sepuluh November (ITS) to establish mangrove ecotourism and calculation of carbon sequestration of mangrove plants.

## ENVIRONMENTAL PERFORMANCE

Criteria	Unit	2018	2017	2016	
<b>WASTE</b>					
COD (Direct disposal)	kg/ton	0.00	0.00	0.00	
COD (Discharge to Municipal)	kg/ton	0.17	0.16	0.20	
Total COD	kg/ton	0.17	0.16	0.20	
Hazardous waste (non-recyclable)	kg/ton	0.00	0.00	0.00	
Non-Hazardous waste (non-recyclable)	kg/ton	0.00	0.00	0.00	
Disposable waste	kg/ton	0.00	0.00	0.00	
Recycled waste	kg/ton	25.88	26.07	26.21	
<b>Total waste</b>	<b>kg/ton</b>	<b>26.05</b>	<b>26.23</b>	<b>26.42</b>	
SOx from boiler	kg SO <sub>2</sub>	0.00	0.00	0.00	
<b>ENERGY</b>					
Total fuel consumption from non-renewable sources	Electricity	GJ	539,817	544,492	536,251
	Diesel	GJ	2,307	2,653	8,976
	Natural gas	GJ	517,991	587,232	573,094
Total fuel consumption from renewable sources	Biomass	GJ	0	0	0
	Solar	GJ	0	0	0
	Others	GJ	0	0	0
<b>Total energy consumption</b>	<b>GJ</b>	<b>1,057,808*</b>	<b>1,131,724*</b>	<b>1,118,321</b>	
Energy Intensity	GJ/ton	0.86*	0.89*	0.89	
<b>EMISSION</b>					
CO <sub>2</sub> from Energy	kg/ton	101.69	103.05	105.40	
<b>WATER WITHDRAWAL</b>					
Water withdrawal by source	Surface water	m <sup>3</sup>	0	0	0
	Groundwater	m <sup>3</sup>	0	0	0
	Produced water	m <sup>3</sup>	1,621,880	1,525,957	1,489,932
<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>1,621,880</b>	<b>1,525,957</b>	<b>1,489,932</b>	
Water usage intensity	m <sup>3</sup> /ton	1.31	1.20	1.19	
<b>WATER DISCHARGE</b>					
Total volume water discharge by destination	Oceans	m <sup>3</sup>	0	0	0
	Lake	m <sup>3</sup>	0	0	0
	Waste water plant	m <sup>3</sup>	417,673	441,241	454,163
<b>Total waste water</b>	<b>m<sup>3</sup></b>	<b>417,673</b>	<b>441,241</b>	<b>454,163</b>	

\* in 2017 and 2018 energy intensity calculation exclude diesel, due to in that year diesel only use for logistic process.





## NURTURING OUR PRECIOUS TALENTS

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In 2018 Unilever Indonesia **continued to transition to a more future-fit working culture** that encourages accountability, agility and experimentation. We are embracing more flexible, collaborative and technology-enabled ways of working that are **enabling us to more effectively leverage the talents and passion of our own people** as well as others in the open talent economy.

We also **achieved back to back recognition as Indonesia's Best Companies to Work For from the HR Asia Awards 2018**. The award motivates us to continuously improve the well being of Unilever employees.

## PEOPLE WITH PURPOSE

**799**

out of

**1,437**

**Management Level Employee  
Participate "Purpose Workshop"**

A person's life purpose consists of central motivating aims which inform decisions, shape behaviour, motivate, give direction, and create meaning. By being aware of their purpose, all activities and resources can be focused in fulfilling it. Unilever Indonesia is very aware of this phenomena. Accordingly, Purpose Workshops are conducted to facilitate our employees at management level to self reflect and find motivating factors and how to achieve them.

The dynamics of work accompanied with complexity and rapid changes demand employees to continuously adapt to stressful job circumstances. Unilever's Individual Development Plan is designed to unlock individual potential. We believe that by understanding their purpose, employees will become more adaptable and resilient to challenging situations, which in turn creates a better job performance and satisfactions.

## MANAGING HUMAN RESOURCES

The strategies implemented in managing human resources aim to develop our talent, from joining Unilever Indonesia until succeeding in becoming leaders.



### RECRUITMENT

Unilever has designed proactive recruitment programmes, which focus on attracting and obtaining the best talent for all levels of the organisation. Since 2012, we open the opportunity for college students to join with Unilever Indonesia through The Unilever Leadership Internship Programme (ULIP). One of the programmes that has been improved in 2018 is the Unilever Future Leaders Programme (UFLP). We have carried out this programme to identify exceptional candidates to fill middle and senior management position in the future.

In addition of gamification (digital technology used in the recruitment process), in 2018 more human interaction was added, including a networking session, where Unilever Leaders directly engage with the participants of UFLP for sharing and mentoring. The participants also undergo three months of business camp and cooperate with fellow participants to manage a project in their twelfth month. Their behaviour during the programme was observed in order to acknowledge their real world skills rather than technical skill or what have been written on the paper.

**7,933**  
ULIP APPLICANTS  
in 2018

**5,543**  
ULIP APPLICANTS  
in 2017

**21,557**  
UFLP APPLICANTS  
in 2018

**15,228**  
UFLP APPLICANTS  
in 2017

**9,204**  
UFLP APPLICANTS  
in 2016

In 2018 the **Crescendo Project** was developed to **manage talent**. We review every need of resources, then we identify the resources that could be done by crowdsourcing. Through this project, **we aim to improve our organisation capacity**, by keeping our talent to be focused on things that matters.

## CONTINUOUS LEARNING

Unilever believes that one of the main contributors to business growth is employees who give their best effort in doing their jobs. Hence, continuous learning opportunities are essential in increasing knowledge and ability. Unilever's Individual Development Plan is a long term focus developed by each employee and their line manager.

During 2018 soft competency training was provided, which aims to equip employees to have appropriate leadership behaviours, able to work effectively and provide short-term results as well as long-term strategic impacts. Technical competency, certification training, and professional skill training, was also provided helping employees to deliver results expected out

of their roles, and developing professional mastery in their field of work. Better technical competencies are expected to improve decision making, problem solving, and quality of execution.

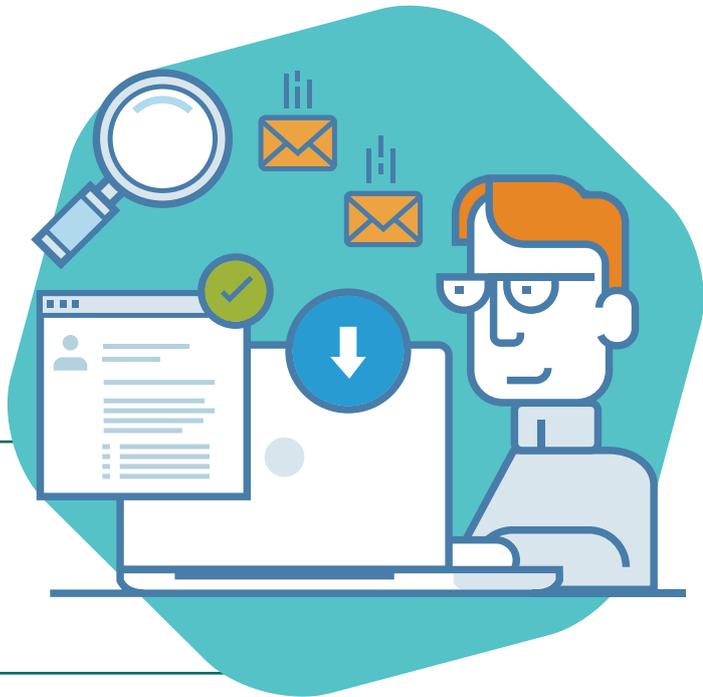
The digital platform is an instrument that also be our choice to provide information and knowledge sharing. In addition to sustain using degreed that has been launched 2017, in 2018 we launched ID application for new employees to provide information and knowledge about Unilever Indonesia since day one.

### DEGREED USER AS DIGITAL PLATFORM FOR TRAINING

**2,265**

### TRAINING HOURS

**33,485**



### CERTIFICATION

**5**

Participants

### SOFT COMPETENCIES

**2,002**

Participants

### TECHNICAL COMPETENCIES

**15,506**

Participants

### PROFESSIONAL SKILL

**1,306**

Participants

## SUCCESSION PLANNING

Unilever's approach regarding management strategy on placement in the organisation has changed. Previously employees were classified based on their group level. However, in 2017 succession planning for all levels of the organisation was developed in alignment with the potential and skill of each person. We continue the same approach in 2018.

## INDIVIDUAL DEVELOPMENT, REMUNERATION AND INCENTIVES

Unilever Indonesia treats every person in the organisation fairly, equally, and without any discrimination regarding individual development, remuneration and incentives. This commitment is written in the Unilever Code of Business Principles and Code Policies under the 'Respect, Dignity and Fair Treatment' policy, which align to SDGs of Reduce Inequalities (SDG10) and Peace, Justice and Strong Institutions (SDG16).



## STAY CONVERSATION

We are sustaining stay conversation programme to identifies early indication of employee dissatisfaction, so causes of problems can be address. We also facilitate Mini Forum which held quarterly to ensure communication between line manager and employees is maintained. In 2018, not only from their line manager, we facilitate employee to get feedback of their performance from other function through this programme.



## PEOPLE WEEK

In 2018, we transformed our approach in fostering company culture through People Week. Unilever aims to encourage employees to be more interactive and engaging, through number of activities within three agenda points:

- » **Learning.** Inspiring our talent through internal and external spokespeople, invited to introduce three mindsets: accountability, agility and experimentation.
- » **Wellbeing.** Simple medical check up and joint exercise session were conducted
- » **Culture.** In line with the stay conversation programme, we provide coaching clinic to maintain the high spirit among talent.

# EQUAL OPPORTUNITIES

Unilever believes that men and women have equal potential and opportunity in career development. At Unilever, four members of the Board of Directors are women.



Inclusiveness and concern for our employees' wellbeing has always been central to Unilever Indonesia's culture, in line with the commitments in our Unilever Sustainable Living Plan (USLP). Last year Unilever became one of the first companies in the country to introduce paternity leave. After seeing the positive impact on our employees, in 2018 we extended this from five days to three weeks. Female employees are entitled to four months of maternity leave, a full month longer than statutory leave under Indonesian employment law.

**40%**

Women on Board of Directors

**40%**

Female Manager

**17%**

Female Employees  
(excluding Directors)





### UNILEVER SUPPORT INDONESIAN FEMALE TO CHOOSE CAREER IN ENGINEERING FIELD THROUGH WULF 2018 PROGRAMME

Unilever believe that male and female has equal potential and opportunity. To support Indonesian female, particularly female students majoring in engineering to be more confident in the career of engineering and supply chain field, Unilever Indonesia conducted Women in Engineering Leadership Fellowship (WULF). WULF is also a programme to realise our commitment to support Sustainable Development Goals 5 (Gender Equality).

Amparo Cheung Aswin, Supply Chain Director of Unilever Indonesia, and an excellent example of a successful Unilever's female employee said, "We want to realise a world where every woman is able to create the life they want. A life that is not restricted by dangerous norms or stereotypes. We believe that a world where women are economically empowered will be a fairer, happier and more prosperously place to live. Accordingly, our business will grow simultaneously".

50 female university students were selected from all over Indonesia to participate. The programme conducted since 2017, aims to provide insight regarding Supply Chain in the fast moving consumer goods (FMCG) industry. During the two days event, participants received direct inspirational insight from Unilever's Indonesia's Executive Leaders. Sharing sessions, focus group discussion, workshops, and mentoring were conducted concurrently. The participants had the opportunity to developed their skills and insights as well as get hands on experience regarding career development.





## INDUSTRIAL RELATION

Unilever Indonesia is committed to protecting employees rights as stated in the Code of Business Principles and Code Policies. These commitments are reflected through the Collective Labour Agreement (CLA), which is renegotiated and signed every two years by the employee union and management of Unilever Indonesia. All (100%) permanent employees of Unilever Indonesia are protected by rights and obligations set in this agreement.

## UNILEVER INDONESIA EXTEND PATERNITY LEAVE FOR MALE EMPLOYEE

Unilever has extended maternity leave for female employees into 4 month. In 2018, paternity leave was also extended for male employees from 5 days to 3 weeks. This is part of our big commitment of Unilever Sustainable Living Plan (USLP), which is improving health and well-being for more than one billion people, including Unilever Employees.

Willy Saetan, Director of Human Resources for PT Unilever Indonesia said, "One of the most important aspects of well-being for employees is establishing a happy and healthy family. In this regard, Unilever has enacted the Maternity and Paternity Support Platform (MAPS). MAPS is a comprehensive medical facility for employees, their spouses and their children, including maternity or paternity leave".

In alignment with facilitating an inclusive culture at Unilever Indonesia, we believe that fathers and mothers have equal roles in child development, since the child is born. Research indicates that there is a positive correlation between paternity leave and child development. The child will benefit from a close relationship with their father in infancy, and grow positively both physically and mentally. A father that engages with their child tend to be happier and have a higher satisfaction feeling in their personal and professional lives. Additionally, the mother will enjoy a better well-being and have better career prospects.

# CREATING A SAFE AND HEALTHY WORKPLACE

## Our Commitment

We aim for zero workplace injuries. By 2020 we will reduce the Total Recordable Frequency Rate (TRFR) for accidents in our factories and offices by 50% versus 2008.

Health and safety is a key factor for all industries in order to promote the wellness of both employees and employers. It is the duty and moral responsibility of the company to ensure the employee protection.

Through Central of Safety, Health & Environmental Committee (CSHEC), we promotes the collaboration in creating safer workplaces and promoting health and well-being. CSHEC consists of 5 sub-committees, each led by up to two members of BOD, at site level the similar structure, known as Unit of Safety Health and Environment Committees (USHEC) also established, where each unit is lead by Site Director. To maintain its consistency we scheduled CSHEC meeting every quarter to empower safety management system.

Safety Rules, policies and procedures are consistently applied both internally (employee) and externally (Business Partner, Contractors). Not only communicating it to all the respected parties but the principles were being refreshed continually through Safety Trainings, Workshop, Safety Sharing, engagement and many other platforms.

However, the educative effort needs to be balanced with the consequence management. Hence the Golden Rules of Safety are also outlined in the PKB (Perjanjian Kerja Bersama) as part of our commitment to take serious disciplinary action against violation of the Golden Rules of Safety to demonstrate our strong safety beliefs and to protect our employees from harm.



## SIX CARDINAL RULES OF SAFETY (GOLDEN SAFETY RULES)

Rules that covers Driving Safely, Working at Height,  
Energy Isolation, Confined Space Entry, Organizing Business Event,  
and Lifting Operation.

## OCCUPATIONAL HEALTH AND SAFETY INITIATIVES

The initiatives carried out in 2018 were a continuation of the previous year initiatives, **to emphasize our 'Vision Zero' strategy: no fatalities, no injuries, no motor vehicle accidents, no accidents in the work process, and no tolerance of unsafe behaviours or unsafe work practices.**



### SAFE TRAVEL

- » In 2018 the Defensive Driving Training programme for new comers & refreshers, covered 473 Business Drivers. The programme also includes First Aid training for the drivers.
- » The Fleet Driver Risk Index (FDRI), an safe driving assessment programme developed by Cranfield University is a mandatory programme to all Unilever Indonesia's Business Drivers with achievement of 97% coverage in 2018.
- » Completed 100% Route Risk Assessment and the implementation of Journey Management Planning (JMP) for identified high-risk routes which includes reviewing safe route, proper planning & safe locations for rest break, communication protocol, no night driving and other safety precaution for carrying out trips safely.
- » The 'blackbox' programme; in-vehicle monitoring system (IVMS) devices installed in 417 operational & business vehicles that track the driving behaviour of the drivers and record various details of each trip.
- » The Road Safety Campaign, covers Defensive Driving, Safety Riding Awareness, Road Safety Rules, Motor ON Mobile OFF (MOMO), Mudik Safely, Vehicle Fitness, and Safety Riding for beginners for our third parties/business partner teams.
- » Regular Vehicle Inspection of Unilever Indonesia's operational vehicles.



### 3 FOR ZERO FATALITIES

- » Conducted Refresher and continued communication of Golden Safety Rules.
- » Machinery Safety and Hand in Machine (HIM) campaigns in Manufacturing sites.
- » Incident Reporting campaign and communication including to all employees and our third parties/business partners.



### CONDUCTING FERA AUDIT TO 3<sup>RD</sup> PARTY MANUFACTURED

Fire & Explosion Risk Analysis (FERA) is a specific Fire Safety Audit rolled out to our Suppliers manufacturing operation to form a gap analysis of Fire Safety compliance against NFPA (National Fire Protection Association) which aligns with Unilever's FMGlobal/GRC baseline.

Our Safety department and Procurement department collaborated in reinforcing this audit to our main suppliers and third party manufactures. Their fire protection systems were audited by TUV. In 2018, we have assessed 27 suppliers in scope, at 32 site locations. The programme was started in February 2018 on site progressively from planning, site assessment, desktop analysis, and report & recommendation. Corrective actions were taken to follow up report findings to improve the fire protection system

## HEALTH AND SAFETY CAMPAIGN – UNILEVER INDONESIA SAFETY DAY (27 APRIL 2018)

COVERAGE	THEME Make the Right Choice - All injuries are preventable	OVERALL ACTIVITIES
Head Office, Cikarang and Rungkut Manufacturing, 33 Depots, also in Warehouses & third parties Manufacturing	<p>Sub Theme in Manufacturing: <b>Hand in Machine Safety</b></p> <p>Sub Theme in Depot Office: <b>Situational Awareness on the Road and MOMO (Motor-On, Mobile – Off)</b></p> <p>Sub Theme Head Office: <b>Emergency Preparedness at Home</b></p> <p>Sub Theme Warehouse &amp; 3P Manufactures <b>Material-Handling Equipment (MHE) Safety</b></p>	<ul style="list-style-type: none"> <li>» Opening Ceremony with One voice safety message from Unilever Indonesia’s Chairman, and Safety message from each Site Director</li> <li>» Safety Stand Down and highlighted Top reported Safety Behaviour Observation( SBO)</li> <li>» Safety Hero acknowledgement</li> <li>» Personal Commitment</li> <li>» Quizzes and Competition</li> <li>» Risk Assessment - Identify UA/UC (Unsafe Act/ Unsafe Condition)</li> <li>» Workshop i.e. Basic Life Support Training, Emergency Readiness, Safety Riding</li> <li>» Emergency &amp; Evacuation Drills</li> </ul>

## HEALTHY AND SAFE BEHAVIOUR

The Behaviour Safety Excellence (BeSafE) is a Behaviour-Based Safety programme developed by DuPont is a corporate-wide initiative, involving all lines of the organisation from factory employees to the board of directors. Unilever integrates BeSafE with World Class Manufacturing programme at all plants. The BeSafE programme is designed to increase participants’ understanding of occupational risks and encourages them to adopt safe behaviour by eliminating risks or hazards, both for themselves and those around them.

Recently, 929 employees have been joined BeSafe programme. We will continue the programme on the upcoming year.

## OCCUPATIONAL HEALTH

Unilever Indonesia’s occupational health programme encourages employee to be healthier so that their productivity will increase accordingly. In 2018, as result of medical check-ups conducted for all of Unilever employees, we facilitated improvement in four areas of health aspects:

- » **Nutrition:** High blood fat level become was the most important aspects. To overcome such health problem, Unilever Indonesia provided high fibre foods in employees canteen, such as vegetable salads, fruits, and juices. We also invited nutrition counselor to provide consultation session with employees, either in class workshop or personal consultation regarding healthy cooking and healthy meal pattern.
- » **Physical:** Revitalise our sports facilities by adding more physical activity classes for our employees. We also conducted a reminder system to invite employee to engage in sport and physical activity.
- » **Mental:** Reminding all employees regarding the availability of Employee Assistant Programme. A hotline service is available 24 hours a day. In this regard, to commemorate World Mental Day (10<sup>th</sup> October) we conducted a workshop to manage children from gadget addiction.
- » **Purpose:** We provided a reminding system regarding employee’s achievement of their purpose. Unilever provided monitoring team as well as to facilitate them to recognise their achievement level as well as provided advices for follow-up action.



## Occupational Health and Safety Management System

The occupational health and safety standards in Unilever Indonesia is in compliant to relevant regulation of Ministry of Manpower, Ministry of Health and Ministry of Industry. All of our Home and Personal Care as well as Foods Factories are SMK3 certified by the Ministry of Manpower and OHSAS 18001 certified for Occupational Health and Safety Management System.

In 2018, Our head office - the Grha Unilever, also obtained SMK3 certification as per PP no 50/2012. The certification was issued by the government confirmings that our head office operations implements an effective Occupational Health & Safety Management System and in compliance with Legal requirement and applicable health & safety standards.

## Occupational Health and Safety of Contractors and Business Partners

Unilever safety standards & requirements are part of the contractual agreement between Unilever and third parties. We aimed that the standard is fully complied with whilst performing all business activities. Violation against the standard will lead to consequence management.

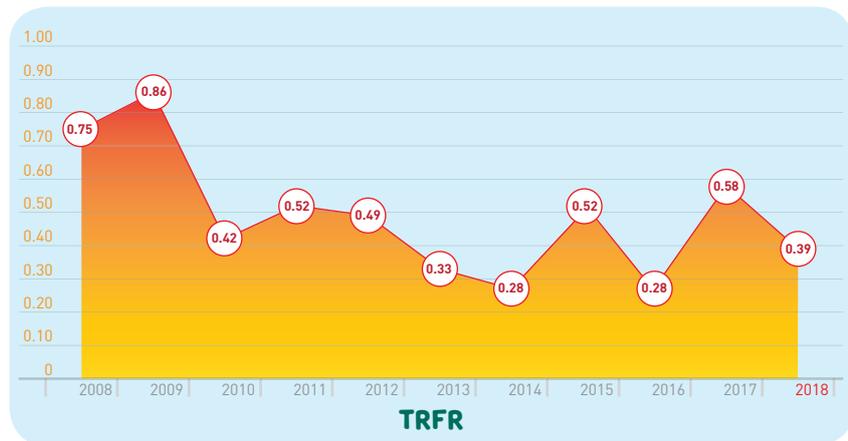
To ensure meeting the Unilever Indonesia's safety expectation, standards & requirements, as well as proper implementation of Safety Management, and good safety performance of our contractors and Business Partners; we conducted Safety Audit to contractors & business partners regularly both by internal (by our Safety Team) and external (independent auditing bodies), as well as organizing various Safety workshops and trainings.

We also continuously maintains a proper understanding of standards through various engagement with the Contractors and Business Partner's top level of management with the objective of getting the commitment, enhancing awareness and open discussion for continuous improvement. We convey them that the benefit of the compliance with our standards and requirements is also to their own business. Good safety is a good business.

## Occupational Health and Safety Performance Evaluation

At Unilever, accidents are measured as Total Recordable Frequency Rate (TRFR) per 1,000,000 (one million) man-hours. TRFR is defined as all workplace accidents, excluding only those that require simple first aid treatment. Therefore, The TRFR calculation is the sum of all lost-time accidents (LTA) plus restricted work cases (RWC) plus medical treatment cases (MTC) expressed as a rate per one million hours worked.

Overall in 2018, Unilever Indonesia has achieved good safety performance results, with the Total Recordable Frequency Rate (TRFR) of 0.39 (target of 0.41) for Employees and 0.13 (target of 0.27) for Contractors. Compared to the previous year, the Severity Index has also decreased to 0.00 (Zero Lost Time Accident). Beside occupational safety, in manufacturing across all our factories we achieved Zero Process Safety Incident. Overall in 2018, Zero Serious SHE Incident has been achieved as classified by Unilever.



However, we recognise how essential and still required it is the safety improvement at our Third Parties & Business Partners. In 2018 unfortunately, we received reports from our Third Parties & Business Partners, that their team members have been involved in road accident and resulted very unfortunate of four fatalities while driving for business.

A central feature of the road safety campaign was the 'blackbox' programme; IVMS (in-vehicle monitoring system) devices were installed in 417 ULI operational & business vehicles that track the driving behaviour and record various details of each trip, including speeds, acceleration, harsh braking, route deviations and rest times. Overall in 2018 our drivers have covered over 12,464,392 km business driving.

Our safety programme also reaches beyond the workplaces; in 2018 our Safety Start at Home programme, distributed Health and Safety related educations, has reached more than 900 people (employees with family members and nearby communities).

In 2018, Unilever Indonesia has conducted 97 Public Events (symposium, shows, festivals, concerts, road shows, etc.) involving more than 401,743 participants across the nation and successfully managed the events with Zero Accident. This was achieved through 100% compliance to our Safety Assessment and Risk Mitigation for all OBE (Organised Business Event).

Six of our factories (Liquid, NSD, Skin, TBB, Savory & BCS) achieved in joint over 5.5 millions (5,525,708) safe man-hours with Zero Recordable Accident (no accident of Medical Treatment Case and above) throughout 2018.

Beside the lagging indicators, we also track our leading KPI such as the reporting of Safety Behaviour Observation (SBO) in which employees identified and reported safe behaviour and/or unsafe situation (unsafe acts or conditions). The SBO has an objective to nurture positive safety interaction and recognition within the organisation, boost a proactive safety culture, as well as to implement any necessary actions in preventing harm or accident. In 2018 our SBO rate was 695, which reflected the number of reported SBO per 100,000 manhours.

## HUMAN CAPITAL PROFILE

NEW EMPLOYEES, THE NUMBER OF EMPLOYEES BY AGE	2018		2017		2016	
	Male	Female	Male	Female	Male	Female
< 30 years old	310	110	328	70	481	105
30 – 50 years old	22	18	12	5	21	23
50 years old	2	0	0	0	1	0
<b>Total</b>	<b>334</b>	<b>128</b>	<b>341</b>	<b>75</b>	<b>503</b>	<b>128</b>

TURNOVER*, THE NUMBER OF EMPLOYEES BY AGE	2018		2017		2016	
	Male	Female	Male	Female	Male	Female
< 30 years old	39	30	35	33	79	33
30 – 50 years old	40	21	87	37	65	31
50 years old	0	1	23	10	20	6
<b>% Turnover</b>	<b>8%</b>	<b>9%</b>	<b>3%</b>	<b>8%</b>	<b>4%</b>	<b>7%</b>
<b>% Turnover</b>		<b>9%</b>		<b>3%</b>		<b>4%</b>

THE NUMBER OF EMPLOYEES BY AGE	2018		2017		2016	
	Male	Female	Male	Female	Male	Female
< 30 years old	1,714	375	2,123	431	2,496	478
30 – 50 years old	2,922	569	2,753	551	2,538	534
> 50 years old	121	28	112	37	101	38
<b>Total</b>	<b>4,757</b>	<b>972</b>	<b>4,988</b>	<b>1,019</b>	<b>5,135</b>	<b>1,050</b>

THE NUMBER OF EMPLOYEES BY EMPLOYMENT STATUS	2018		2017		2016	
	Male	Female	Male	Female	Male	Female
Permanent	4,556	927	4,666	987	4,637	949
Non-permanent	201	45	322	32	498	101
Outsource	0	0	0	0	0	0
<b>Total</b>	<b>4,757</b>	<b>972</b>	<b>4,988</b>	<b>1,019</b>	<b>5,135</b>	<b>1,050</b>

PERCENTAGE OF EMPLOYEES BY GENDER	2018		2017		2016	
	Male	Female	Male	Female	Male	Female
Directors	Male	60%	60%	50%		
	Female	40%	40%	50%		
Managers	Male	60%	61%	60%		
	Female	40%	39%	40%		
All (excluding Directors)	Male	83%	84%	84%		
	Female	17%	16%	16%		

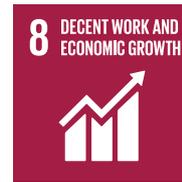




## SUSTAINABLE SOURCING

Ethics in Sourcing	84
Palm Oil	86
Black Soybean	88
Tea	89
Coconut Sugar	89

**Unilever has placed sustainable sourcing as an integral part of our supply chain management processes** in order to understand and manage the risks within supply chain. At Unilever Indonesia, sustainable sourcing go beyond legal compliance, **it aims directly to address social, environmental and economic challenges.** Our codes and initiatives enable us to contribute on several goals of UN Sustainable Development Goals (SDGs): Climate Action (SDG13); Life on Land (SDG15); Decent Work; Economic Growth (SDG8); and Quality Education (SDG4).



## ETHICS IN SOURCING

### Our Commitment

By 2020, globally, we will source 100% of our agricultural raw materials sustainably.

Many of the raw materials we use in our brands come from farms and forests. This means that a secure, sustainable supply of these materials are required for future growth of the business. At the same time, Unilever's agricultural supply chain connects us to millions of people. The business benefits are clear. Sourcing sustainably helps secure our supplies and reduces risk and volatility in our raw material supply chains. By using our scale, working with partners and harnessing advocacy, we believe we can help drive transformational change in these global systems while improving the sustainability of our own agricultural raw materials.

Our approach has five main strands:

**Sustainably sourcing to the highest standards from our network of suppliers.**

**Driving change through continuous improvement policies with suppliers.**

**Raising awareness of sustainable sourcing among our consumers.**

**Playing a leading role in the transformation of agricultural sectors relevant to our business, particularly sustainable tea and palm oil.**

**Protecting biodiversity**



Our commitment to sustainable sourcing, underpinned by our Sustainable Agriculture Programme, is a crucial part of our Unilever Sustainable Living Plan. At the heart of the programme is the Unilever Sustainable Agriculture Code (SAC) developed to give us and our farmers and suppliers a set of rigorous standards which will spur on improvements across the supply chain.

The code defines what sustainable sourcing means in practice, using 11 social, economic and environmental indicators: soil health, soil loss, nutrients, pest management, biodiversity, farm economics, energy, water, social and human capital, local economy and animal welfare.

In 2017, the Sustainable Agriculture Code (SAC 2017) was updated to raise our standards further by emphasising five key areas:

- » No deforestation
- » Human rights
- » Legal compliance
- » Migrant labour
- » Grievance processes for workers

The programme is moving from self-assessment to third-party certification, to provide greater trust and transparency and ensure more accurate reporting. In 2018, globally, we aim to certify an initial 40 suppliers against SAC 2017. These suppliers were chosen to ensure a representative variety of our crops and geographies. Our other suppliers will continue with self-assessment against the Unilever Sustainable Agriculture Code 2010, until they too are invited to transition to SAC 2017.

In addition to SAC, suppliers are also required to comply with Unilever's Responsible Sourcing Policy (RSP). Every aspect of this policy is focused on achieving and upholding the Fundamental Principles, which are both the foundation and vision to realise our responsible business ambitions. The Principles are not a Unilever 'creation'. They are anchored in internationally recognised standards.

The 2017 Unilever's RSP updated the previous 2014 RSP. Unilever will verify alignment to and implementation of the RSP's Mandatory Requirements through the use of supplier self-declaration, online assessments and – for designated high-risk countries and supplier types – independent verification including third-party audits.

Globally, 56% of Unilever total purchases of agricultural raw material were obtained from sustainable sources.

**THE FUNDAMENTAL PRINCIPLES ARE:**

**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 which embraces sustainability and reduces environmental impact.



## PALM OIL

We are committed to sustain our palm oil sourcing as reflected in our Sustainable Palm Oil Sourcing Policy. At the core of the policy is our commitment to the principle of No Deforestation, No Development on Peat and No Exploitation of People and Communities (NDPE). We are continuing our efforts to achieve 100% physically certified palm oil and its derivatives for our core volumes in 2019. All suppliers need to adhere to our Sustainable Palm Oil Sourcing Policy as part of our efforts to transform the palm oil sector.

Palm oil is a highly versatile crop and used across a variety of Unilever products making us one of the largest buyers of palm oil in the world. Today, over 85% of all palm oil comes from Indonesia and Malaysia.

### Our Five Principles for Sustainable Palm Oil:

- » No deforestation.
- » No development on peat.
- » No exploitation of people or communities.
- » Driving positive social and economic impact for smallholders and women while protecting forests.
- » Transparency.



Several initiatives have been implemented in 2018 regarding responsible sourcing of palm oil:

#### PT PERKEBUNAN NUSANTARA (PTPN) PROGRAMME

In January 2018, Unilever signed a Memorandum of Understanding (MoU) with PTPN. As part of the partnership, we support local mills and smallholder farmers to produce palm oil according to the NDPE standard. The produce-protect partnership will help farmers increase their yields and improve their livelihoods.

PTPN is regarded as a strategic palm oil supplier especially after Unilever opened the US\$ 150 million palm oil refinery, Unilever Oleochemicals Indonesia (UOI) in 2015 located in Sei Mangkei Special Economic Zone in North Sumatera, Indonesia. This Special Economic Zone is managed by PTPN III

In 2018, Unilever and PTPN held a number of joint workshops on sustainability and mill certification with PTPN staff. PTPN has continued to advance the certification of mills associated with PTPN III, IV, V.

## 3 MILLS

are certified in 2018

## Jurisdiction and Landscapes

Unilever supports jurisdictional efforts in commodity sourcing and will preferentially buy from areas that have in place comprehensive climate and forest policies in place. The Jurisdictional Approach offers the potential to accelerate and scale sustainable commodity production initiatives and to be more inclusive of smallholder producers across the jurisdiction.

In 2018, Unilever continued to support the Jurisdictional Approach in Central Kalimantan, Indonesia (with Yayasan Penelitian Inovasi Bumi - Inobu) which has been running since 2016. Throughout 2018, Unilever has supported INOBU's continuing work with smallholders in the Tani Subur Village Cooperative (KUD) to map, train and prepare another 500 farmers for certification.

Throughout 2018, in Siak and Pelalawan districts in Riau, Unilever has been working with a large consortium of partners to develop jurisdictional programmes. The goal of the programme is to transition large parts of both districts to becoming sustainable landscapes: which produce deforestation and exploitation free palm oil and maintain or enhance key conservation areas by building upon existing local efforts and multi-stakeholder platforms to advance a shared vision of sustainable, inclusive production models.

## SMALLHOLDERS PROGRAMMES

Globally, Unilever aims to support and empower 150,000 smallholder farmers by 2030, with three workstream to achieve the target.

### 1. Projects supported by Unilever, implemented by civil society partners

Working with smallholders is a multi-year journey, which started in 2016 and as a result we have managed to support 253 smallholders in North Sumatra and Central Kalimantan to obtain certification in 2017. During 2018, the focus of the programmes was on the socialisation, mapping and training aspects of smallholder engagement. We expect to increase the number of certified smallholders in 2019 and 2020.

### 2. Disruptive Sourcing programme

In 2017 Unilever launched the first Farm Start Palm project in Kabupaten Indragiri Hulu, Riau, Indonesia. In 2018 the training programme expanded to reach another 600 smallholder farmers around PT SKIP, taking the total farmers engaged in the programme to 1047 over a twelve month period. In 2019, the training will be expanded again to another intake of farmers. Farmer trained will be



supported through additional group strengthening activities and with activities that enable them to access improved planting materials and good quality inputs. The project is in partnership with PT SKIP, Daemeter and World Education and also involved 4000 independent palm smallholders surrounding the mill.

### 3. RSPO Smallholder Certificates

Unilever is consistently one of the largest buyers of independent smallholder RSPO certificates, particularly for Indonesia. Through certificate purchases we directly incentivise and support the livelihoods and sustainable agriculture practices of independent smallholders. We have purchased independent smallholder RSPO certificates from five out of the six independent smallholder groups currently certified in Indonesia in 2017. These groups are Amanah Association, Gapoktan Tanjung Sehati, FPS-MRM, UD Lestari, and KUD Tani Subur.

## Supply chain traceability and transparency

Palm oil supply chain traceability data collection is managed, for Unilever by Rainforest Alliance who conducts a twice-annual survey with Unilever suppliers to establish the mills and refineries from which we buy and their location.

Knowing the mills in our supply chain enables us to remotely assess the

environmental risk associated with the mill and identified required action to address the challenges. The tool we use, the Palm Risk Assessment analyzes five environmental factors (i) fire severity, (ii) extent of forest, (iii) recent deforestation, (iv) peat and (v) overall risk across these factors.

In December 2018, Unilever entered into a partnership with Aidenvironment to create a palm oil database and mapping

platform of palm oil growers, mills, refiners, traders and manufacturers. Though the database will first focus on suppliers in Unilever's direct and indirect supply chain, it is intended to be developed and used later by other stakeholders in the industry. Our investments will contribute and strengthen an existing on-line Aidenvironment platform to monitor compliance towards a palm oil company's NDPE policy.

## BLACK SOYBEAN

It has been more than 15 years, since Unilever Indonesia and Gajah Mada University started developing a programme to increase the productivity of black soybean cultivation, a vital ingredient for Bango sweet soy sauce. A new variety of black soy bean, Mallika, came out of this partnership, a supreme variety of black soybean, whose productivity can reach 2.9 tonnes/ha. Local farmers were engaged and provided technical assistance on increasing yields and improving quality and efficiency of black soy bean harvesting.

The implementation of the Unilever Sustainable Agriculture Code (USAC) initiative in black soybeans sourcing, will help Unilever absorb 100% of its black soybeans from sustainable sources by 2020 as our target. To monitor and supervise the USAC implementation, we established Internal Control System (ICS) was established, accompanied by consultants in assisting cooperatives and farmers to complete the certification process.



**DURING 2018, WE ARE SUSTAINING THE PRACTICE OF USAC AT ALL LOCATIONS OF UNILEVER INDONESIA'S BLACK SOYBEAN COOPERATIVE PARTNERS.**

“Previously, the supply of black soybeans in Kabupaten Banyuwangi was a supporting area of Unilever's black soybean vendor in Kabupaten Nganjuk. In November 2014, we started the Black Soybean Partnership, involving only 8 farmers. We continue to develop the partnership, until in March 2016 Banyuwangi was asked to form and register as independent vendor for Unilever. We established CV Sinar Agro Solusi by implementing the principle of social enterprise. Through assistance and support provided by Unilever, our farmers get knowledge, price guarantees and market guarantees. The community in our surrounding also affected by our activities, starting from additional income, capacity building for the wife of black soybean farmers, to the economy of local transport services for the delivery of soybeans. Now, our business has 10 permanent employees and 16 freelancers, 637 women and +/- 1,200 soybean farmers involved. Our revenue is approximately Rp15 billion per year.”

### Purwidyanto

CV. Sinar Agro Solusi

## TEA

Starting in 2007, Unilever became the first major tea company to commit to sustainably sourcing tea on a large scale. One of the most important ways to drive change in any agricultural sector is through certification. In collaboration with the Rainforest Alliance (RA), Unilever Indonesia develops tea suppliers to get acquire RA certification. Support is provided through consultation and advisory to meet RA sustainability certification criteria.

We expand our support by involving small holders to acquire RA certification in 2016-2017, we also encouraging traders to be certified to support our production on 2018 onward. As the result, in 2018 we have managed to increase RA certified material for our tea blend.

### Percentage of Purchased Volume from Suppliers Compliant with International Standards

	Unit	2018	2017	2016
Number of ULI's suppliers for tea		15	12	11
Number of suppliers having RA Certificate		14	10	6
Total Blends volume (A)	Tonnes	19,710	18,250	19,122
Blends volume from suppliers having RA Certificate (B)	Tonnes	17,335	12,896	11,897
Percentage = 100 x (B) / (A)	%	88	71	62

**IN 2019 WE ARE EXPECTING OTHER SUPPLIER TO BECOME RA CERTIFIED TO SUPPORT OUR GOAL OF 100% RA CERTIFIED BY THE END OF 2019, ONE YEAR AHEAD OF TARGET.**

## COCONUT SUGAR

Coconut sugar is one of the key ingredient of Bango soy sauce. Currently most of coconut trees are tall, old and their productivity is decreasing. In this context, it becomes difficult for farmers to produce coconut sugar and ensure to the next generations a sustainable income. Unilever leads several projects in order to ensure coconut sugar continuous supply and bring positive impacts to small holder farmers who produce it.

### Replanting as an investment for the future

In 2016 Unilever Indonesia initiated a pioneering project to identify local varieties of productive coconut trees and replant them in collaboration with coconut sugar small holder farmer communities. In collaboration with Balai Penelitian Palma, a research was conducted to identify best varieties of early maturing coconut trees. The advantages of these varieties are faster maturity, higher density of tree per hectare and they grow shorter than ordinary coconut trees so that it is easier to work on it.

At the end of 2018 we have involved 900 farmers to plant 176,000 young coconut trees on 800 hectares of land. The programme provided coconut seedlings, training on good agriculture practices and technical assistance to farmers in order to ensure a successful plantation development. This programme is gaining a lot of interest from farmers and it will be replicated in 2019.

### Provide alternative incomes to local communities

In 2018, Unilever Indonesia also contribute to develop communities living on forest borders in Kotawaringin Timur (Sampit, Kalimantan), to produce coconut sugar as an alternative income source. In collaboration with Katingan Project managed by Rimba Makmur Utama. This project objective is to provide job opportunities and generate higher incomes for local communities.

As coconut sugar production requires specialised skills, funding has been provided to set up farmer field school in Kotawaringin Timur through the Puter

# 95%

of coconut sugar obtain from local farmers.

Foundation. At the end of 2018, 70 farmers had been trained in the area. Moreover, micro loans were also provided to establish cooking facilities in order to produce coconut sugar. During 2018, more than 1.3 tonnes of sugar was produced and sold to local market at a better price than copra, which was previously produced. When the production volume is large enough, Unilever Indonesia is committed to offtake coconut sugar coming from the area.

### Explore new sources of sugar

Another project that has been started to ensure the sustainability of materials and support local communities, is nypa palm sugar production. In collaboration with our local partner in Pangandaran, 3 groups of 20 farmers were trained to produce good quality nypa palm sugar as per Unilever standards, got support to build the cooking facilities and logistic to convey their production to Unilever. Every week, Unilever buys Nypa palm sugar from this area and is now looking to extend this initiative to outer islands of Indonesia where nypa palm are available.





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# FAIRNESS IN THE WORKPLACE

## Our Commitment

By 2020, globally, we will drive fairness in the workplace by further building human rights across our operations and advancing human rights in our extended supply chain, developing a continuous improvement roadmap and promoting best practice.



Millions of people work in Unilever operations and our extended supply chain, helping create the products used by billions. In the company's view, fairness in the workplace is about respecting, and advancing, human in every location and aspect of business.

Fairness in the workplace is a vital element in maintaining trust in our business, and is directly linked to operation licensing, and the reputation of Unilever and its brands. It contributes to business continuity, helps attract and retain the best talent, increases productivity, and builds long-term value for shareholders.

Unilever continues to value the importance of human rights with a focus on the eight salient human rights issues documented in the company's Human Rights Reports. To support this, we integrated our Human Rights function into our Supply Chain organisation.

Efforts are made focusing on the eradication of forced labour in Unilever's global supply chains by supplier audits, raising awareness and training events. A Responsible Sourcing Policy has also been rolled out to remediate identified issues in our suppliers. The Framework for Fair Compensation provides a structured way

for Unilever to outline how the various elements of company compensation packages deliver fair compensation to all employees. These efforts enable us to contribute to the two of UN Sustainable Development Goals (SDGs): Reduce Inequalities (SDG10); and Peace, Justice and Strong Institutions (SDG16)

Other initiatives implemented by Unilever Indonesia centred on employment aspects, can be found in the 'Nurturing Our Precious Talents' section of this report.

# OPPORTUNITY FOR WOMEN

## Our Commitment

By 2020, globally, we will empower 5 million women by advancing opportunities for women in our operations; promoting safety; providing up-skilling; and expanding opportunities in our retail value chain.

Unilever sees clear benefits in respecting and promoting women's rights and advancing their opportunities. Women are 70% of our consumer base, 50% of the talent pool from whom we recruit our workforce, and play critical roles in the supply chain enabling us to reach consumers with our products. By creating and supporting opportunities for women in society and the economy, Unilever will in turn grow markets, brands and business as well as contributes to Gender Equality (SDG5).

The Saraswati women's empowerment programme run by the Unilever Indonesia Foundation since 2007, demonstrates concrete efforts to fulfill USLP commitments. The programme is run in collaboration with local Persada partners, ASPPUK and Spectra .

The programme focuses on self-development, economics and social affairs, and organisational development to encourage the formation of Kelompok Unit Bisnis (KUB), Lembaga Keuangan Perempuan (LKP), and Kelompok Tani Perempuan (KWT).

Evaluations are carried out annually, and in 2018 presented opportunities to provide more significant economic impact. In addition to continuing to provide group assistance, focus was put on individual small businesses.



Throughout 2018, we assisted the women individually in building their capacity to develop small businesses and expand their opportunities in terms of loans.

We strive to make these individual groups as a centre of excellence, where they can be examples and as a place of learning for their groups. This approach succeeded in increasing the number of small businesses by 109% and increasing assets by four times to the number of the previous year.

### OUR ACHIEVEMENTS UPTO 2018

**46**  
Groups

**3,500**  
Women Participants

**536**  
Women Trained Directly

**285**  
SME

**2.1** billions  
of Assets

# INCLUSIVE BUSINESS

## Our Commitment

By 2020, globally, we will have a positive impact on the lives of 5.5 million people, by improving the livelihoods of smallholder farmers, improving the incomes of small-scale retailers and increasing the participation of young entrepreneurs in our value chain.

Millions of people help source, make and sell Unilever products. A network of ranging from the smallholder farmers in the extended supply chain, to the retailers and entrepreneurs bring Unilever brands to new and existing consumers. We realise that our business growth is greatly influenced by these people.

Unilever is grateful to the people who contribute to our success and in reciprocation, we want to help to remove the barriers they face, enabling growth Unilever contributes to economic wellbeing through wealth creation, employment, skills improvement and providing access to markets, therefore creating a productive cycle of growth that both drives, and is driven, by our business. Hence, our initiatives will unlock the opportunity to several goals of UN Sustainable Development Goals (SDGs): No poverty (SDG1); Zero Hunger (SDG2); Quality Education (SDG4); and Reduce Inequalities (SDG10).

### WELFARE OF SMALLHOLDERS

Unilever Indonesia concerted effort in developing farmer cooperatives, which are important commodity vendors for us. Since 2001, Unilever has worked with black soybean farming communities to increase income and welfare. Training is provided in reporting, management, business plans, and various other modules aimed at strengthening cooperatives' abilities to run their businesses and become reliable vendors.

In 2018, Unilever took a different approach. Partnered with Micra Indonesia, hands on assistance was given to farmer cooperatives in solving common problems faced by cooperatives, related to organisation and management, business, and accountability. The aim is to strengthen their business in the present and in the future. As one of the results the cooperative get access for loan from commercial bank Rp6.5 billion.

In collaboration with Universitas Gajah Mada (UGM), training was provided to farmers through cooperatives to apply organic and safe liquid fertiliser which is easily absorbed by plants. This fertiliser can be made by farmers themselves. In addition, information about the application to estimate the weather was given, so farmers can be prepared for weather changes. These methodologist help farmers improve their yields.

### OUR ACHIEVEMENTS UPTO 2018

**10,500**  
Farmers Participated  
since the beginning  
of the programme

**3,300**  
Active Farmers  
(4 local suppliers)

**1,2** MT/HA yield  
(increased by 13% from 2017)

**6.5** billion  
access to loan

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# 25,000

Farmers Participated

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## COCONUT SUGAR QUALITY IMPROVEMENT

Unilever Indonesia has expanded scope by making a positive impact on coconut sugar farmers. In 2018, the following initiatives were conducted:

- » Placing experienced field assistants from the black soybean project to assist coconut sugar farmers. Mentoring was given to improve the quality of coconut sugar and coconut cultivation.
- » Providing training and literature compiled by the Unilever Indonesia Foundation in coconut tree cultivation and coconut sugar production.

In partnership with the Palma Research Institute, Unilever Indonesia maximised the opportunity to improve coconut sugar farmers' income, with the application of early maturing coconut seeds which can be harvested faster, have a higher density and are safer because they are shorter than ordinary coconut plants.

## CHILI COOPERATIVE DEVELOPMENT PROGRAMME

Chili is the main raw material for one of Unilever's products, Jawa. This commodity has high risk, from planting to reaching the consumers. This risk influence the income of chili farmers

Unilever Indonesia is eager to develop the establishment of chili farmers'

cooperatives in an effort to cut the supply chain of chili and to develop potential for farmers to increase crop productivity. The ultimate goal is to increase farmers' income.

In order to help give chili farmers a greater role in the supply chain, Unilever collaborates with Prestani and Bina Swadaya Consultant. Development and reinforcement for group of farmers are

provided, in order to establish farmers' cooperative. We identify the farmer who have the potential to be cooperative managers and provide series of training to prepare them to run cooperatives.

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# 150

Chili Farmers Involved

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## SELLING WITH PURPOSE

Unilever must acknowledge the contribution of retailers in bringing company brands to the households of Indonesia. However, in these modern times, traditional retailers are now in competition with modern retailers.

Since the end of 2016, Unilever Indonesia has created a specific programme intended to assist traditional retailers in keeping up with modern practices. Through this programme, we introduce technology-based solutions enabling them to compete in the current market.

The benefits of embedded technology solutions are: (1) recommendation of suitable products for their shopper, (2) product promos recommendation, (3) lay out recommendation, (4) sales report, and (5) loyalty programme for their shopper. With those benefits, the retailers could manage their business more effective and offer a better shopping experience. At the end they will have their stores developed.

However, in these times of constant technological updates, some technology is not always compatible with retailer facilities. Therefore, in the first half of 2018, our applications were redesigned and launched in the second half of the year.

In 2018 we also change our approach to traditional retailer, by learning their context, we can identify what their needs before they join with the programme. Through this way, we able to escalate our impact efficiently and we even could embed this programme with others Unilever Indonesia's programme



# 1,128

 stores-Go live

In 17 cities



### JURAGAN SERU

Unilever Indonesia develop new road to market (RTM) deliver Seru – our new ice cream – to consumers. Small Medium Enterprise (SME) plays a pivotal role in this RTM, to distribute ice cream deep in the traditional stores, closer to consumers. This model allows us to have a true activity of selling with purpose by putting micro-entrepreneur, or we call them “Juragan Seru”, as our backbone.

Juragan Seru come from variety of backgrounds, ranging from stockpoint, food entrepreneur, waste bank community, to Family Welfare Movement (PKK). They are taking the role as salesman, merchandiser, deliveryman and cash collector. Therefore, empowering Juragan is obligatory to ensure quality of service. We equip them with business, operational, and technology training and mentoring throughout the year. A simple mobile technology will also be introduced to Juragan to allow for a seamless, effective and efficient distribution management system.

Through this scheme, Juragan Seru are able to get attractive income, flexibility in managing their own time, and self-development through business knowledge and experience for their future. This model enables us to open up a new market offering high quality product at affordable price to low income consumers; while enhancing the livelihoods of our resellers.

## BENEFITS TO SHAREHOLDERS

As a business entity, Unilever Indonesia remains optimistic in developing the business in a sustainable and responsible manner, in Indonesia. By the end of December 2018, the company recorded a net profit of Rp9.1 trillion, thus profit growth increased at 30.1% compared to the same period last year.

Unilever able to maintain positive growth by various transformational initiatives which continuously done by the Company, both through the launch of various innovations, and the digitalisation in some aspects of business operations that we have. In terms of innovations, in 2018, the Company entered a new business category through the launch of Jawa chili sauce, launched a new brand on Skin Cleansing category, as well as various products in the new format. Regarding business operations, the Company has done digitalisation in the Company's distribution system called Digital Logistics.

With a robust strategy throughout the year, Unilever Indonesia has adapted to understanding consumer needs and focusing on execution and efficiency across all lines of operations. This has enabled the company to maintain its commitment to deliver more value and grow competitively.

### OUR ACHIEVEMENTS IN 2018

**RP9.1** trillion

Net Profit on the Year

ECONOMIC PERFORMANCE (Rp million)	2018	2017	2016
<b>ECONOMIC VALUE GENERATED</b>			
Revenue	<b>41,802,073</b>	41,204,510	40,053,732
<b>DISTRIBUTED ECONOMIC VALUE</b>			
- Operating Cost	<b>27,824,895</b>	30,028,269	29,778,957
- Employee Fees	<b>1,791,414</b>	1,804,581	1,702,890
- Dividend	<b>6,981,450</b>	6,638,100	6,096,370
- Payments to the Government (Taxes, levies, etc.)	<b>3,076,319</b>	2,367,099	2,181,213
- Social Investment (CSR cost)*	<b>NR*</b>	NR*	NR*
<b>Total Distributed Economic Value</b>	<b>39,674,078</b>	40,838,049	39,759,430
<b>Retained Profit (= Generated Economic Value – Economic Value Distributed)</b>	<b>2,127,995</b>	366,461	294,302

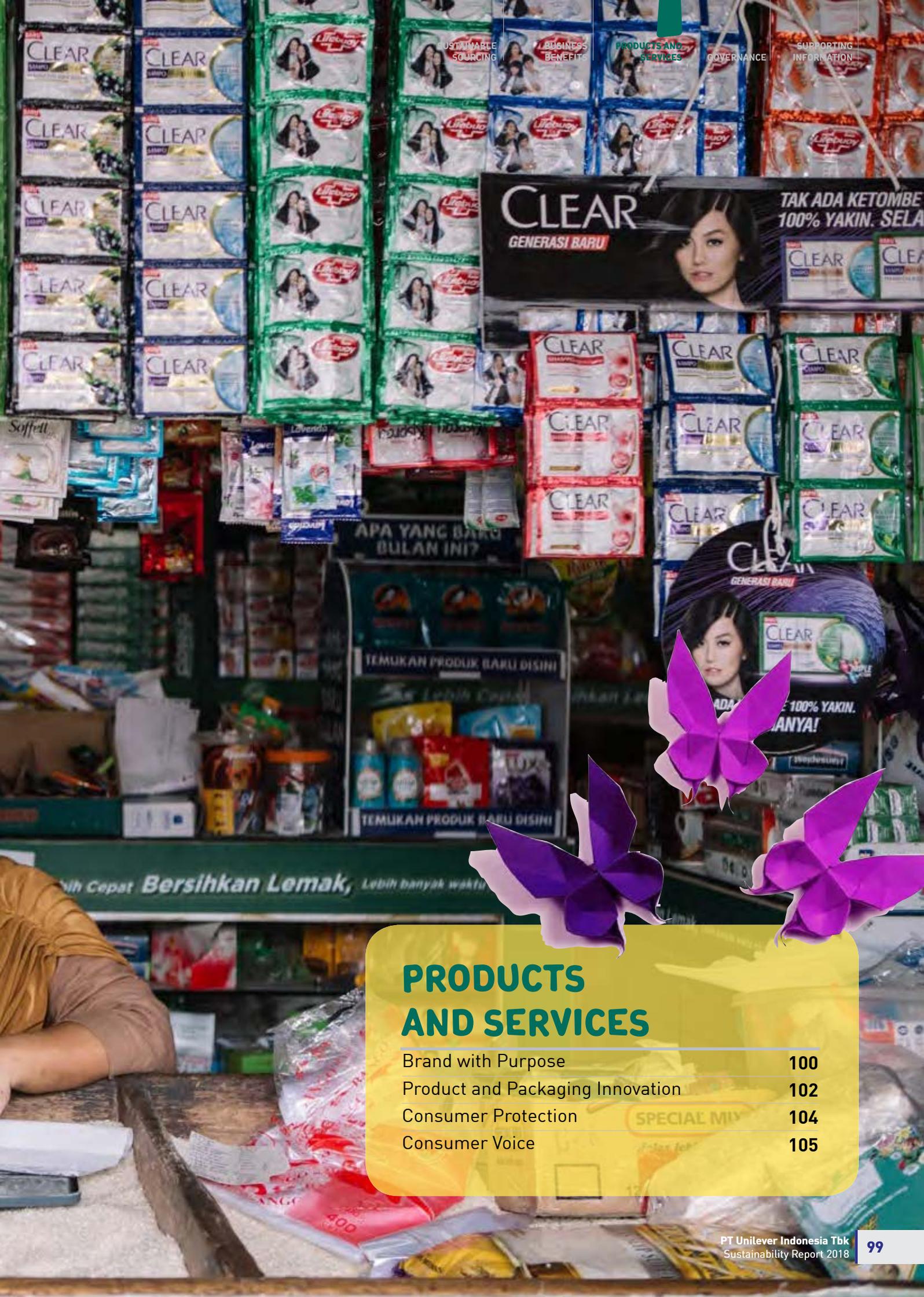
\*NR = Not Reported



Lebih banyak untuk 10x Lebih Kuat

Hanya Rp 2000\*

Lebih Untung Rp 3000\*



**CLEAR**  
GENERASI BARU

TAK ADA KETOMBE  
100% YAKIN. SEL

APA YANG BARU  
BULAN INI?

TEMUKAN PRODUK BARU DISINI

TEMUKAN PRODUK BARU DISINI

Bersihkan Lemak, Lebih banyak waktu

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## BRAND WITH PURPOSE

Unilever make some of the world's best brands used by 2.5 billion people every day. At least 1 Unilever product is likely to be found in every Indonesian home.

In addition to creating some of the world's best known products, Unilever strives to promote cleanliness commonplace; to lessen work for women; to foster health and contribute to personal attractiveness, that life may be more enjoyable and rewarding for the people who use our products. These are the motivations behind every Unilever brand that we created, bring purpose and mission, which we hope can inspire people to make small changes that have a significant impact on their lives.

### OUR BRANDS THAT HAS REALISED ITS PURPOSE TO INCREASE POSITIVE SOCIAL IMPACT



#### Purpose

Wholeheartedly upholding Authentic Indonesian Cuisine and improve the livelihood of farmers.

#### Mission

Popularised Indonesian culinary hawkers through trading forums or markets and support the regeneration of hawker. Inspired mothers through Indonesian food recipes. Assisted black soybean farmers through training on sustainable farming practices and support the regeneration of farmers to make sure the Indonesian authentic dishes will not gone because there is no regeneration of famers to supply the authentic Indonesian ingredients



#### Purpose

Help mothers ensure their kids fall ill less often.

#### Mission

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



#### Purpose

Encourage people on 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.



#### Purpose

Improve community's oral health



#### Purpose

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

#### Mission

Educate children about safe and healthy snacks.



#### Purpose

Encourage people to stay active and remain confident.

#### Mission

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



#### Purpose

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

#### Mission

Educate teenagers in increasing self-esteem and realizing their potential.



#### Purpose

Empower women with education & skills to become self-reliant and not hesitate to reach their dream.

#### Mission

Inspire women to overcome their hesitation to pursue their dream and give access to higher education through scholarships programme.



#### Purpose

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

#### Mission

Provide access to train Indonesian women in realizing the dream of entrepreneurship.



### WHOLEHEARTEDLY UPHOLDING AUTHENTIC INDONESIAN CUISINE

Unilever always wants to be closer to its customers and Bango is a product that very closely related to Indonesian cuisine. Both of these are drive Bango purpose to wholeheartedly upholding authentic Indonesian cuisine.

Besides through traditional media and social media, we hold Festival Jajanan Bango, which presenting authentic Indonesian Hawkers who sell culinary

delights from all over Indonesia. Through this event, Bango invited Indonesian to know, love and the richness of culinary Indonesia. In 2018 we partnered with the Ministry of Tourism to hold joint publications to uphold Indonesian cuisine as an important assets of Indonesia tourism. Festival Jajanan Bango 2018 is presented to celebrated the 90 years of Bango who consistency delivering high quality soya sauce for Moms, Family & Hawkers to cook authentic Indonesian dishes.

Moreover, Unilever Indonesia through Bango and Food Solution organised a search for the successor of authentic Indonesian culinary heritage through digital voting. It was done to ensure authentic Indonesian cuisine can continue to be sustainable, with the new generation becoming successors.

We selected three culinary vendor winners, who have passed a series of assessments related to authentic Indonesian cuisine, which of course the winner was entitled to participate in the 2018 Festival Jajanan Bango.



## PRODUCT AND PACKAGING INNOVATION

Unilever is aware of the environmental impact that can occur in the way consumers discard product packaging after use. Therefore, **globally, we are committed to make 100% of our plastic packaging recyclable, reusable, and compostable by 2025**, increase the use of **recycled plastic** content in our packaging to **at least 25%** by 2025, and **reduce the weight** of our packaging by **one third** by 2020.

Innovation is at the heart of Unilever's ambition to ensure sustainably. The innovation process consist of three main stages: research, development, and product launch. The implementation capability at factories and the consumer acceptance to the changes in packaging pose a challenge for us.

Design to value and smart saving programmes are the approaches taken for innovation in Foods & Refreshment factories. We identify all the products which have opportunities to be re-designed for its packaging without reducing product quality.

Our initiatives in 2018 on Foods and Refreshment factories :

- » Reducing the weight of outer case for ice cream
- » Removing the tray paper inside outer case of Shaky Shake
- » Reducing paper size of Sariwangi black tea packaging from 275 gsm to 210 gsm
- » Using thinner material for Sarimurni bags from PET 12 micron to 9 micron

## OUR ACHIEVEMENT IN HOME CARE DIVISION

### REDUCE WASTE

#### Paper Board Optimisation

**2,680** tonnes  
Paper Reduction

#### Eliminate Paper Box for Rinso Matic 1Kg

**142** tonnes  
Paper Reduction

### LESS PLASTIC

#### Thickness Reduction for Molto and Sunlight, Size >100 ml and <1 litre

**355** tonnes  
Plastic Reduction

#### CFA for Rinso Bottle

**2** tonnes  
Plastic Reduction

#### Optimisation of Powder Sachet Dimension for Rinso

**120** tonnes  
Plastic Reduction

#### Intermediate Bag Removal on Molto and Wipol Sachet

**34.1** tonnes  
Plastic Reduction

### BETTER PLASTIC Molto Tiffany Bottle

**100%** R HDPE

## ISO 9001 QUALITY MANAGEMENT SYSTEM

Applied in all Home & Personal Care factories

## FSSC 22000 FOOD SAFETY MANAGEMENT SYSTEM

Applied in all Food & Refreshment factories

## GOOD MANUFACTURING PRACTICES FOR COSMETICS

Applied in all Personal Care factories

## PRODUCT RESPONSIBILITY

At Unilever, we combine global strength with local knowledge to create unique products with proven benefits. Product design teams take our breakthroughs in science and technology one step further, turning unique insights into the products that consumers want and need.

In our factory to produce product which meet high quality and safety specification are prior for us. We manage every step of our production cycle, start from procurement, material receiving, production process, warehousing, and delivering through certain procedures and tight inspection.

We implement and obtain certificate of International Standards for Quality and Food safety Management System as assurance of good practice in our factories. Safety and Environmental Assurance Centre (SEAC) Unilever Indonesia guarantees the safety of products and all the processes involved in the production process. All new products and new technologies undergo rigorous security testing process and are carried out by independent parties.

## HALAL WARRANTY

Unilever Indonesia is the first FMCG company in Indonesia that obtained Halal certification from MUI, since we have implemented the halal assurance system in 1994. Halal certification for all 9 factories was completed in 2016.

The action we took were driven by the conditions of Indonesia as one of the country with the largest Moslem populations in the world. Unilever business model has made us aware of consumer insight, that in addition to quality, halal warranty are high consideration to consumers in choosing and using products. With a halal label, Unilever provides alternative product to our consumers. Good quality and also a sense of security and comfort to Moslem customer.

**HALAL ASSURANCE SYSTEM  
APPLIED IN 9 FACTORIES  
OF UNILEVER INDONESIA**

## CONSUMER PROTECTION



Unilever Indonesia, through various forms of standardisation and certification, strive to protecting consumers from counterfeit products. A monumental effort is made to ensure consumers feel secure and can trust Unilever products.

The following approaches are taken to ensure safety and protect consumers from counterfeit products:

- » 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, in collaboration with the Indonesian Anti-Counterfeit Society
- » Working with authorities to edify counterfeit product introductions.
- » Following up cases of counterfeit products in accordance with applicable legal corridors.
- » Applying the GUARD Tool app - an electronic system to identify counterfeit products that 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.

## CONSUMER VOICE

Our consumers have been the reason for Unilever Indonesia's growth for more than 80 years. Getting feedback from consumers enables us to continuously innovate and improve products and quality. Interaction with consumers gives us enthusiasm in continuing to develop quality and safe products for them to enjoy.

"Suara Konsumen" (consumer voice) is a communication facility enabling consumers to interact with Unilever Indonesia. The company now manages and develops social media platforms in order to provide convenience for consumers to voice their opinions and ideas. In addition to ease the interaction, social media also provides various kinds of information regarding Unilever Indonesia's latest products and activities instantly and directly to consumers.

The ten most common responses each month that are received from "Suara Konsumen" are forwarded to senior management for review. The Consumer Advisory Service (CAS) is responsible for handling complaints through strict protocols and issues must be resolved within a specific timeframe, with solutions approved by all relevant support functions. Complaints are categorised as normal, high priority, or emergency. If a CAS Agent is unable to provide an answer, the issue will be brought to the relevant department or division via the designated contact.

Unilever Indonesia use scale 1 – 5 for consumer satisfaction measurement from "Suara Konsumen", in 2018 we achieved point scale of 87.03% in 4 scale, it means the consumer satisfaction level consider to be "Satisfied"

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 with consumers and customers, about information that is gathered, what is done with the information, with whom data is shared, and to whom consumers and customers can contact if they have any concerns.
3. If consumers have concerns about how personal information is used, we contact them to resolve the issue.
4. All reasonable steps will be taken to ensure the security of consumer information.
5. All applicable data protection laws and regulations will be complied with, and cooperation with data protection authorities prioritised.



THE COMPANY HAS A SPECIAL SERVICE OF CONSUMER CARE, CALLED **CONSUMER VOICE AT**

**0800 1 55 8000**  
(TOLL FREE)

**021 5299 5299**  
(REGULAR)

Consumer Management Performance	2018	2017	2016
Consumer Satisfaction	87.03%	92,4%	95%
Complain Received	1,379	2,441	1,296
Complain Resolved	1,379	2,441	1,296





## GOVERNANCE

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**Unilever is fully committed in achieving the Company's vision and mission.** For this reason, the effectiveness and efficiency of business operational must be run well. This will increase sustainable value for stakeholders, while increasing the Company's competitiveness in the industry. To achieve all of those, good governance that is applied consistently is needed.

To measure governance performance, **we use the ASEAN Good Corporate Governance Scorecard in evaluating the Company's governance** so the quality is maintained.

## GOVERNANCE STRUCTURE

Unilever upholds the five basic principles of good corporate governance (GCG), as follows:



### TRANSPARENCY

The Company takes the initiative to consistently provide clear and relevant information to shareholders and other stakeholders, as required by applicable laws and regulations.



### ACCOUNTABILITY

The Company is responsible for all decisions and actions taken, as well as ensures its well managed, fairly, and measureable in accordance with the interests of stakeholders.



### RESPONSIBILITY

The Company complies with the prevailing laws and regulations, acts responsibly towards the community and the environment, so that businesses can develop sustainably.



### INDEPENDENCY

The company is professionally managed without any conflict of interest and without pressure or intervention from any party.



### FAIRNESS

The Company takes the initiative to consistently provide clear and relevant information to shareholders and other stakeholders, as required by applicable laws and regulations.

**TO APPLY THE ABOVE PRINCIPLES, AN ADEQUATE GOVERNANCE STRUCTURE IS NEEDED. THIS STRUCTURE WILL BE THE MAIN FRAMEWORK FOR GCG IMPLEMENTATION.**

The governance structure consist of Board of Directors, Board of Commissioners, and other committees at Unilever Indonesia. The governance structure will carry out the mandate of the General Meeting of Shareholders (GMS).

## GMS

The General Meeting of Shareholders (GMS) has function as a decision maker on important policies which are integrated with the business continuity and operations of the Company. The Government of Indonesia through regulation No. 40 / 2007 about Incorporated Companies, required a company to conduct the GMS and its responsibilities with the Board of Commissioners and the Board of Directors. The latest annual GMS was held by Unilever Indonesia on May 23<sup>rd</sup>, 2018.

## BOARD OF COMMISSIONERS

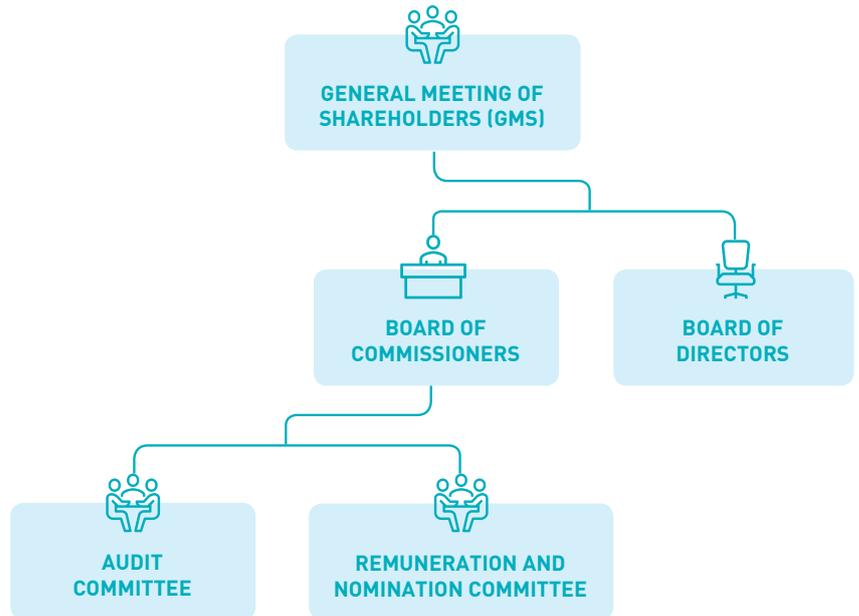
The Board of Commissioners has an important role in making active communication to the directors and other committees. The function of the board of commissioners is to supervise the management of the Company which is carried out by the Board of Directors. In the arrangement of the GMS, the Board of Commissioners will provide suggestions and responses to several issues related to corporate management governance.

## BOARD OF DIRECTORS

The responsibility of management, determination and arrangement of the company's strategic direction are carried out by the Board of Directors. The Directors are directly responsible to the Company's Board of Commissioners.

The new appointed Directors were given full orientation on their responsibilities, in the form of an introduction programme prepared by the Corporate Secretary. This programme includes reviews of various documents available in the form of soft copy and hard copy, including the Company's Annual Report, Articles of Association, CoBP and Committee Work Guidelines, as well as related rules and regulations.

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.

## COMMITTEES UNDER THE BOARD OF COMMISSIONERS

There are two committees under the Board of Commissioners: (1) Audit Committee and (2) Nomination and Remuneration Committee.

In general, the Audit Committee provides support to the Board of Commissioners by monitoring, reviewing and providing guarantees on the integrity and effectiveness of the Company's financial statements, risk management and internal control, as well as the Company's compliance with applicable laws and regulations. In carrying out its duties, the Audit Committee works in close coordination with the Internal Audit Unit and External Auditors. The Audit Committee also monitors the internal audit function, oversees the performance, qualifications and independence of external auditors, and facilitates external auditors during the audit.

The main tasks of the Nomination and Remuneration Committee include: (1) Provide recommendations to the Board of Commissioners related to the composition, nomination, evaluation and competence of the Board of Commissioners, Directors, Board Committees and the Company's executive officers; (2) Determine criteria for identifying, researching and approving candidates for the above positions, and implement the process; (3) Evaluate remuneration policies regularly; (4) Review and provide recommendations to the Board of Commissioners on the policies, structure and amount of remuneration for the Board of Commissioners and Directors, to be presented at the Annual General Meeting of Shareholders; (5) Provide recommendations to the Board of Commissioners regarding the remuneration package for Board members, officials and executive employees; and (6) Assist the Board of Commissioners in assessing the performance of the Board of Directors and/or the Board of Commissioners and the Board Committees.

# BUSINESS INTEGRITY

## BUSINESS PRINCIPLES

Unilever's Code of Business Principles and Code Policies outline and define the Company's ethics, values and compliance. This guideline describes the standards of behaviour expected from employees when interacting with colleagues, business partners, customers, and consumers. This standard of behaviour explains the behaviours that 'must or' can't 'do, through simple guidelines.

Our Business Principles are clear statements regarding our commitment to maintain a balance between Company's short-term and long-term interests, safeguarding the interests of the Company, shareholders, employees, consumers, business partners and society.

## OUR VALUES

We build business integrity by putting forward and practicing the values of each code of our business principles. Every individual who is part of Unilever Indonesia practises these values for a better sustainability of the Company. Integrity, respect for others and personal and collective responsibility are values that are summarised in it.

This awareness continues to be built for the creation of a good and standardised organisation.

## BUSINESS INTEGRITY

Release at the ASEAN Responsible Business Forum (ARBF) on 27 August 2018, PT Unilever Indonesia Tbk is recorded as top ten companies with highest disclosure rate across the five ASEAN countries based on a publication issued by ASEAN CSR Network (ACN).

The Business Integrity Committee and Business Integrity Officer are part of Unilever Indonesia in maintaining the integrity of its business that works independently. They are responsible for the implementation of prevention, detection and response of Business Integrity to all individuals in the organisation.

The three main pillars of the business integrity approach are as follows:

### PREVENTION >

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

### DETECTION >

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

### RESPONSE >

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



In 2018, globally, the business integrity team focusing on Countering Corruption theme. Four of six mandatory learning capsules launched this year are taken from this theme. There are 6 Code Policies under this theme by which 5 of them were launched, including Anti-Bribery that was launched earlier in 2017.

To ensure the understanding of Unilever Indonesia's business ethics, we conduct various types of activities both in the form of training and promotion to stakeholders. Business Integrity activities carried out in 2018 include the following:

**4** TIMES

**Integrity Moment delivered  
by senior leader in townhall**

**12** MEETINGS

**Business Integrity Committee  
Meeting**

**3** WORKSHOP

**Business integrity workshop  
for third party with high-risk  
to corruption**

**9** CAMPAIGN AND TRAININGS

#### Internal campaign and training, consist of:

1. Confidentiality campaign "Share Nggak Ya" to raise employees' awareness of confidential data and information of Unilever.
2. Activities related to data protection and privacy subjects to support the implementation of General Data Protection Regulation.
3. Business integrity session to Unilever's logistics team, focusing on anti-bribery code policy.
4. Campaign on Gift & Hospitality
5. Clear desk policy campaign.
6. Campaign on Political Activities
7. Launched five business integrity online training capsules followed by digital campaign. The five capsules are:
  - » Avoiding Conflict of Interest
  - » Gift and hospitality
  - » Protecting Unilever Assets
  - » Accurate Records, Reporting, and Accounting
  - » Respect, Dignity, and Fair Treatment
8. In-house investigation training for selected employees.
9. Business integrity campaign in HPC factory

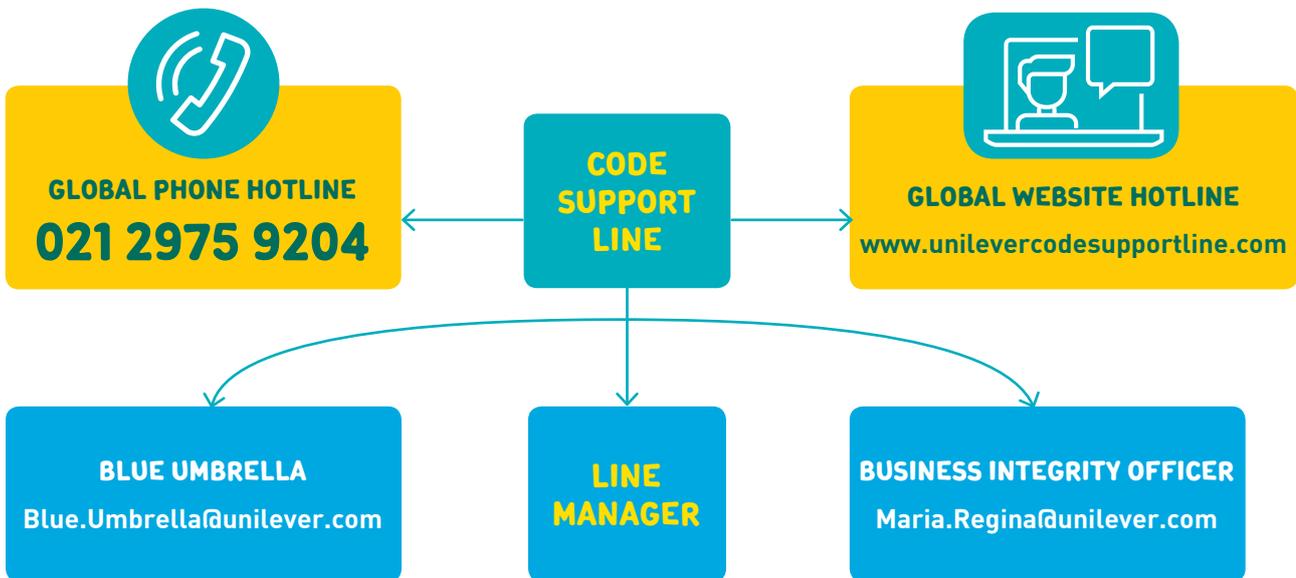
Being one of the important areas and part the Company's organisation, Business Integrity is also subject to audit by the Corporate Audit of Unilever Global in late 2017. The audit report was issued in early 2018 with Satisfactory result for business integrity.



**Employee signed  
Annual Code Declaration**

# WHISTLEBLOWER SYSTEM

Unilever Indonesia’s Whistleblower System can be easily accessed by all stakeholders through the whistleblower channel. Various types of reporting can be done through these channels such as reporting violations, allegations, and/or potential violations of business ethics codes and policy guidelines, as well as other violations related to our business principles. Business Integrity Officers handle all received report confidentially and ensure it will be followed up.



WHISTLEBLOWER ACTIVITIES	2018	2017	2016
Whistleblower report	14	23	31
Case investigated	14	20	31
Case solved	18*	23	17

\* include the case from previous year

## ENGAGING STAKEHOLDERS

The business operations of a company cannot be separated from the active role of stakeholders. Unilever Indonesia is a company that prioritises the active role of stakeholders in running the business and making decisions from the activities carried out. The needs and expectations of stakeholders aim to synergise the company's performance with the sustainability principles that have been implemented.

Stakeholders	Basis of Determination of Stakeholders	Interests and expectations	Method of engagement
Consumer	<b>D, R, I, P</b>	» Product and Brand	» Social media » Suara Konsumen (Voice of Consumer) » Brand activation
Employees	<b>D, R, T, I, P</b>	» Occupational Health and Safety » Employee development	» Various internal communication channels.
Government and Regulator	<b>R, T, I, DP</b>	» Regulatory compliance » Partnership in sustainability	» Bilateral/multilateral meetings » Public hearing and socialisation session » Collaboration on Research and community development project to achieve SDGs and economic growth
Shareholders and Investors	<b>D, R, I, P</b>	» Financial performance » Clear and up-to-date information regarding corporate actions and strategic direction » Non-financial performance, progress and status » Progress of USLP	» Reporting of quarterly business performance » Face-to-face meetings with investors and analysts » Conference » Annual General Meeting of Shareholders » Annual Report » Sustainability Report
Suppliers	<b>D, R, T, P</b>	» Partnership	» Regular meetings » Supplier performance reports
Media	<b>T, I, DP</b>	» Unilever initiatives in sustainability	» Unilever sustainability narrative socialisation to proactively important media, media engagement sessions, discussions and related USLP events, Discussions and various community activities » Utilisation of media community
NGOs and the Large Communities	<b>D, R, T, I, DP, P</b>	» Status of progress and progress of USLP programmes » Opportunities to collaborate on various USLP programme campaigns » Information on corporate activities	» Collaborative activities and cooperation programmes » Unilever Indonesia's website and other social media channels » Unilever Indonesia brands associated with environmental and social campaigns

### Basis of Determination of Stakeholders

Dependency (D)	Unilever's dependence on someone or an organisation, or vice versa
Responsibility (R)	The existence of legal, commercial or ethical responsibility towards someone or an organisation
Tension (T)	Someone or an organisation has an influence on Unilever regarding certain economic, social or environmental issues
Influence (I)	Someone or an organisation has an influence on Unilever or other stakeholder strategies or policies
Diverse Perspective (DP)	Someone or an organisation has different views that can influence the situation and encourage actions that did not exist before
Proximity (P)	Someone or an organisation has a geographical and operational closeness with Unilever

## PARTNERSHIP IN SUSTAINABILITY

Establishing cooperation with partners is a manifestation of our USLP implementation. our partners come from various kinds of stakeholders within our business scope including the business associations that we run. The partnership programme and our involvement in various associations include the following:

No.	External Organisation Name	Types of involvement
1.	<b>PIPIMM</b> (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.	<b>APJP</b> (Priority Line Companies Association)	Unilever Indonesia just finished its serves as Secretary-General. 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.	<b>ASRIM</b> (Association of Soft Drinks Industry)	Unilever Indonesia is a member 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.	<b>GAPMMI</b> (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.	<b>APSAI</b> (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 stakeholders.
6.	<b>PERKOSMI</b> (Association of Indonesian Cosmetics Companies)	Unilever Indonesia serves as Chairman 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.	<b>APPINA</b> (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.	<b>DPI</b> (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.	<b>EUROCHAM</b> (European Chamber of Commerce)	Unilever Indonesia serves as Chairman of the Eurocham Cosmetic Working Group serves to support lobbying activities, advocacy, and strengthen lobbying with Government stakeholders.
10.	<b>PEKERTI</b> (Association of Indonesian Domestic Health Supplies Companies)	Unilever Indonesia serves as Secretary-General. PEKERTI serves to support lobbying activities, advocacy, and strengthen lobbying with Government stakeholders for the field of domestic health supplies.

No.	External Organisation Name	Types of involvement
-----	----------------------------	----------------------

11.	<b>PISAgro</b> (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.	<b>PRAISE</b> (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.	<b>IGCN</b> (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.	<b>IBL</b> (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.	<b>IBCWE</b> (Indonesia Business Coalition for Women Employment)	Unilever Indonesia serves as Supervisory Board within the IBCWE organisation. IBCWE serves to promote women's economic empowerment and gender equality.



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## COMPANY INFORMATION

### COMPANY NAME

PT Unilever Indonesia Tbk

### 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

### BUSINESS TYPE:

Foreign investment

### OWNERSHIP

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

### BUSINESS ACTIVITIES AND PRODUCTS PRODUCED

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

### COUNTRY OF OPERATION

Indonesia

### NUMBER OF FACTORIES

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

### MARKET SERVED

We serve market of fast moving consumer goods to all region in Indonesia, Household is our main segment, however, we also provide products and benefits to children, teenager as well as adult for all gender.

NO	DESCRIPTION	UNIT	2018	2017	2016
1.	Number of Permanent Employees	People	5,483	5,653	5,583
2.	Net Profit of the Year	Rp trillion	9.1	7.0	6.4
3.	Equities	Rp trillion	7.6	5.2	4.7
4.	Total Assets	Rp trillion	19.5	18.9	16.7
5.	Total Liabilities	Rp trillion	11.9	13.7	12
6.	Net Sales				
	• Home and Personal Care	Rp trillion	28.7	28.1	27.7
	• Food and Refreshment	Rp trillion	13.1	13.1	12.4

# ABOUT SUSTAINABILITY REPORT

## REPORT PROFILE

Unilever Indonesia is proud to share our seventh Sustainability Report. This year's theme "Continuous Transformation for Improving Lives" aligns with Unilever Indonesia's annual report and reflects our company's focus on the future. Through this Sustainability Report, we hope to provide information transparently relating to the impact of our operations on the communities and environments we operate in, as well as showcase our efforts to create sustainable living commonplace.

This report also acts as a Communication of Progress which is a manifestation of our commitment to the United Nations Global Compact (UNGC) initiative. Published in accordance with Global Reporting Initiative (GRI) standard, covering the 2018 calendar year from January 1st to December 31st .

## RELATED CONTACTS FOR THE SUSTAINABILITY REPORT

We are committed to improving the quality of our 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](mailto:sinta.kaniawati@unilever.com)

## SCOPE AND BOUNDARIES

The main focus of this report on activities at Unilever Indonesia includes headquarters, representative offices, factories and distribution centres throughout Indonesia. We also include aspects covered in our range of control, such as human rights, labour practices, regulatory compliance and environmental performance to suppliers and business partners in the supply chain.

## SELECTION OF TOPICS AND MATERIAL ASPECTS

The contents of this report remains the same as the 2017 Sustainability Report, adapted to the topics covered in the USLP and UNGC principles.

GRI standard principles were applied in establishing the report contents, which include:

1. Stakeholder Inclusiveness: In the process of preparing the report, focus was centred on the inputs and responses of the stakeholders obtained during the reporting year.
2. Materiality: the aspects selected for reporting included 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 conducted an overview of the material topics identified by Corporate Unilever, which can be viewed in the 'Defining Material Issues', to be adapted to the appropriate sustainability context of Indonesia. The results of the review and evaluation, as well as topic boundaries, 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 <sup>RD</sup> PARTY FACTORY	SUPPLIER OF GOODS AND SERVICES	OPERATION OF UNILEVER INDONESIA <sup>1</sup>	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							

<sup>1</sup> Operation of Unilever Indonesia including Head Office, Factories and Central Distribution of PT Unilever Indonesia Tbk

# GRI STANDARD CONTENT INDEX

This report has been prepared in accordance with GRI Standards: Core option and Food Processing Sector Disclosures.

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## SPECIFIC STANDARD DISCLOSURES

		DISCLOSURES	PAGE AND/OR URL	OMISSIONS
<b>ECONOMIC PERFORMANCE</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	97, 121	
	103-2	Management Approach and its Components	97	
	103-3	Evaluation of Management Approach	97	
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	97	Social investment data is not reported, due to unavailability
<b>RAW MATERIAL PURCHASING/ACQUISITION PROCEDURE+</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	84, 121	
	103-2	Management Approach and its Components	84 – 89	
	103-3	Evaluation of Management Approach	85	
<b>GRI G4 FPSD: Purchase/Acquisition of Raw Materials 2014</b>	FP1	Percentage of purchases earned in accordance with the purchasing policy	85	
	FP2	Percentage of purchases verified by international standards	86, 89	
<b>INDIRECT ECONOMIC IMPACT</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	93 – 96, 121	
	103-2	Management Approach and its Components	93 – 96	
	103-3	Evaluation of Management Approach	93 – 96	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2	Significant indirect economic impact	93, 94	
<b>ANTI-CORRUPTION</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	110, 121	
	103-2	Management Approach and its Components	110 – 111	
	103-3	Evaluation of Management Approach	110, 112	
<b>GRI 205: Anti-Corruption 2016</b>	205-1	Communication and training on anti-corruption policies and procedures	111	
<b>ENERGY</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	62, 121	
	103-2	Management Approach and its Components	62, 63	
	103-3	Evaluation of Management Approach	62, 63	
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption in the organisation	67	
	302-3	Energy intensity	67	
<b>WATER</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	64, 121	
	103-2	Management Approach and its Components	64	
	103-3	Evaluation of Management Approach	64	
<b>GRI 303: Water and Effluent 2018</b>	303-3	Water withdrawal by source	67	
	303-4	Water discharge by destination	67	
	303-5	Total water consumption	67	
<b>EMISSION</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	62, 121	
	103-2	Management Approach and its Components	62, 63	
	103-3	Evaluation of Management Approach	62, 63	
<b>GRI 305: Emissions 2016</b>	305-2	Indirect energy greenhouse gas (GHG) emissions (Coverage 2)	67	
	305-4	Greenhouse Gas Intensity	67	

	DISCLOSURES	PAGE AND/OR URL	OMISSIONS
	<b>EFFLUENT AND WASTE</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	50 – 58, 65, 121
	103-2	Management Approach and its Components	50 – 58, 65
	103-3	Evaluation of Management Approach	50 – 58, 65
<b>GRI 306: Effluent and Waste 2016</b>	306-1	Total water discharged based on quality and purpose	67
	306-2	Total waste weight by type and disposal method	67
	<b>EMPLOYMENT</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	70, 121
	103-2	Management Approach and its Components	70 – 76
	103-3	Evaluation of Management Approach	70 – 76
<b>GRI 401: Employment 2016</b>	401-1	New Employees and Turnover	81
	<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	80, 121
	103-2	Management Approach and its Components	77 – 80
	103-3	Evaluation of Management Approach	77 – 80
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational Health and Safety Management System	80, 59
	403-3	Occupational Health Service	79
	403-4	Worker Participation, consultation, and communication on occupational Health	78, 79
	403-5	Worker Training on Occupational Health and Safety	78, 79
	403-6	Promotion of Worker Health	79
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80
	403-8	Workers covered by an occupational health and safety management system	77
	403-9	Work related injuries	80
		<b>TRAINING AND EDUCATION</b>	
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	72, 121
	103-2	Management Approach and its Components	72
	103-3	Evaluation of Management Approach	72
<b>GRI 404: Training and Education 2016</b>	404-1	Average training hours per year per employee by gender, and by employee category	72
	<b>DIVERSITY AND EQUALITY OF OPPORTUNITY</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	74, 93, 121
	103-2	Management Approach and its Components	74, 93
	103-3	Evaluation of Management Approach	74,93
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	74, 81
	<b>NON-DISCRIMINATION</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	74, 92, 121
	103-2	Management Approach and its Components	73,74, 92
	103-3	Evaluation of Management Approach	73, 74
<b>GRI 406: Non- Discrimination 2016</b>	406-1	Number of incidents of discrimination and corrective action taken	74

	DISCLOSURES	PAGE AND/OR URL	OMISSIONS
	<b>HUMAN RIGHTS ASSESSMENT</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	92, 121
	103-2	Management Approach and its Components	92
	103-3	Evaluation of Management Approach	92 Human rights progress reports
<b>GRI 412: Human Rights Assessment 2016</b>	412-1	Operations that have been subject to human rights reviews and impact assessments	92 Human rights progress reports
	<b>LOCAL COMMUNITY</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	35, 94, 121
	103-2	Management Approach and its Components	28, 35 – 44, 94 – 96
	103-3	Evaluation of Management Approach	35 – 39, 43, 94 – 96
<b>GRI 413: Local Community 2016</b>	413-1	Operations with community engagement, impact assessment, and development programmes	28, 35 – 44, 94 – 96
	<b>HEALTHY AND AFFORDABLE FOOD</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	45, 121
	103-2	Management Approach and its Components	45
	103-3	Evaluation of Management Approach	47
<b>GRI G4 FPSD: Healthy and Affordable Food 2014</b>	FP5	Percentage of products produced from factories with food safety standards	103
	FP6	Percentage volume of products that have fat, trans fat, salt and lower sugar additives	47
	FP7	Percentage of product sales enriched with nutrients in the form of fibre, vitamins, minerals, phytochemicals or other food additives	47
	<b>MARKETING AND LABELLING</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of Material Topics and Boundaries	103, 121
	103-2	Management Approach and its Components	103, 104
	103-3	Evaluation of Management Approach	105
<b>GRI 417: Marketing and Labelling 2016</b>	417-1	Requirements for product and service information and labelling	46, 103

## UN GLOBAL COMPACT PRINCIPLES INDEX

	PRINCIPLE	PAGE OR FEEDBACK
<b>HUMAN RIGHTS</b>		
Principle 1	Recognition and respect for Human Rights	85, 92 Human right progress report
Principle 2	Not involved in human rights violations	92 Human right progress report
<b>LABOUR</b>		
Principle 3	Independence to union	76 Human right progress report
Principle 4	Abolition of forced labour	85 Human right progress report
Principle 5	Elimination of child labour	85, 110 Human right progress report
Principle 6	Elimination of discrimination at work	85, 92, 110 Human right progress report
<b>ENVIRONMENT</b>		
	Implement the precautionary principle	62
	Encourage environmental responsibility	50 – 67
	Use of environmentally friendly technology	52 – 53
<b>ANTI-CORRUPTION</b>		
	Against all forms of corruption	110 - 112



## Independent Assurance Statement

Report No. 0519/BD/0015JK

### To the management of PT Unilever Indonesia, Tbk

We were engaged by PT Unilever Indonesia, Tbk ('Unilever') to provide assurance in respect to its Sustainability Report 2018 ('the Report'). The assurance engagement was carried out by our highly experienced assurance team whose diverse and complementary skills ensure a high level of competence in carrying out their duties.

### Independence

We carried out all assurance undertakings with independence and autonomy having not been involved in the preparation of any key part of the Report. Nor did we provide any services to Unilever during 2018 that could conflict with the independence of the assurance engagement.

### Assurance Standards

Our work was carried out 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, the work was also planned and carried out to conform to AA1000AS (2008) 'AA1000 Assurance Standards (2008)', issued by AccountAbility.

### Level of assurance and criteria used

By designing our evidence-gathering procedures to obtain a limited level of assurance based on ISAE3000 and a moderate level of assurance engagement as set out in AA1000AS (2008), readers of the report can be confident that all risks or errors have been reduced to a very low level, although not necessarily to zero. Moreover, the Report was also evaluated in accordance with the criteria of AA1000 AccountAbility Principles Standard (2008) of Inclusivity, Materiality and Responsiveness.

### Scope of Assurance

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

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

### Responsibility

Unilever is responsible for the preparation of the Report and all information and claims therein, which include established sustainability management targets, performance management, data collection, etc. In performing this engagement, meanwhile, our responsibility to the management of Unilever is solely for the purpose of verifying the statements it has made in relation to its sustainability performance, specifically as described in the agreed scope, and expressing our opinion on the conclusions reached.

### Methodology

In order to assess the veracity of certain assertions and specified data sets included within the report, as well as the systems and processes used to manage and report them, the following methods were employed during the engagement process:

- Review of report, internal policies, documentation, management and information systems
- Interview of relevant staff involved in sustainability-related management and reporting
- Following data trails to the initial aggregated source, to check 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 and interviews with data providers, persons in charge of data collection and processing, as well as persons in charge of sustainability performance-related information.

## Conclusions

Conclusions in regard to adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness include 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.

Demonstration of Unilever's strong commitment to stakeholder inclusivity included the conduct of needs assessment surveys and materiality level survey of the key stakeholder groups. Thus our overall assessment was that Unilever has set in place an effective system that enables key stakeholders to participate in the development of the organization's response in the context of sustainability.

In order to maintain and strengthen the effectiveness of this inclusivity, however, we recommend that Unilever carries out regular monitoring of its systems and procedures and implements improvements where necessary.

### ■ Materiality

With stakeholders requiring material information on which to base their informed judgments, decisions and actions, an assessment was carried out to determine the extent to which Unilever has included such information in the Report.

Unilever's strong commitment to meet stakeholder needs in this field was evidenced by the provision of adequately reported and balanced information on key material issues. Nevertheless, as demands for information continue to increase, we recommend that Unilever conducts materiality tests on a regular basis for inclusion in future reports.

### ■ Responsiveness

It is increasingly important to respond in meeting stakeholder expectations and an assessment was carried out to determine the degree to which Unilever demonstrates its accountability in this area.

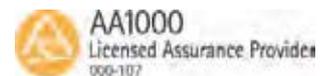
Unilever's allocation of resources to stakeholder engagement, the timeliness and accessibility of reported information, and the types of communication mechanisms regularly employed were all indicative of its responsiveness to key stakeholder concerns and expectations.

As in other areas, however, vigilance is a key and we recommend that Unilever conducts regular monitoring and improves stakeholder engagement procedures where necessary 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 10, 2019

**James Kallman**  
Chief Executive Officer



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*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







Unilever

**2018** Sustainability Report  
**PT Unilever Indonesia Tbk**



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