

Unilever's Basis of Preparation 2016 for those Unilever Sustainable Living Plan (USLP) and Environmental and Occupational Safety (EOS) performance measures selected for independent assurance

1. Introduction

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

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

Our USLP and EOS targets and the performance results achieved are described in full in the online Unilever Sustainable Living Report for 2016. A selection of targets and the performance results achieved are also described in the 2016 Annual Report and Accounts.

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

Scope

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

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

Operations categorised as joint ventures or investments are excluded from the scope of all performance measures, unless otherwise indicated.

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

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

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

2.1. USLP performance measures

USLP indicator	Performance measured	2016 reported performance result
Health & Hygiene (pillar commitment): <i>Helping people to improve their health, hygiene or well-being.</i>	<ul style="list-style-type: none">• The number of people reached on a cumulative basis by an intervention through our programmes on handwashing, self-esteem, oral health, sanitation and safe drinking water.• The number of litres of safe drinking water provided through the sale of Pureit devices since 2005.	<ul style="list-style-type: none">• 538m people reached by end of 2016.• 85 billion litres of safe drinking water by end of 2016, of which 12 billion litres were provided in 2016.
Waste (pillar commitment): <i>Halve the waste associated with the disposal of our products by 2020.</i>	<ul style="list-style-type: none">• The percentage change in Unilever's waste impact (packaging that is not recycled or recovered, and leftover product) per consumer use between the period measured from 1 January 2010 to 31 December 2010 ("2010 baseline") and the period measured	<ul style="list-style-type: none">• 28% decrease in the waste associated with the disposal of our products.

USLP indicator	Performance measured	2016 reported performance result
	from 1 July 2015 to 30 June 2016 ("2016 footprint").	
Sustainable Sourcing: <i>Sustainable paper and board.</i>	<ul style="list-style-type: none"> The percentage of purchased paper and board packaging coming from sustainable sources (i.e. certified, recycled and recovered materials) from 1 January 2016 to 31 December 2016. 	<ul style="list-style-type: none"> Certified: 59% of our paper and board came from certified sources. <i>Recycled and recovered: 40% of our paper and board came from recycled and recovered sources.+</i> <i>All sources: 99% of our paper and board packaging came from sustainable sources.+</i>
Sustainable Sourcing: <i>Sustainable top 13 herbs and vegetables.</i>	<ul style="list-style-type: none"> The percentage of the top 13 herbs and vegetables purchased from sustainable sources from 1 January 2016 to 31 December 2016. 	<ul style="list-style-type: none"> 95% of our top 13 herbs and vegetables purchased from sustainable sources by end of 2016.
Sustainable Sourcing: <i>Sustainable fruits.</i>	<ul style="list-style-type: none"> The percentage of fruit purchased from sustainable sources from 1 January 2016 to 31 December 2016. 	<ul style="list-style-type: none"> 85% of fruit purchased sustainably by end of 2016.
Sustainable Sourcing: <i>Sustainable sugar.</i>	<ul style="list-style-type: none"> The percentage of sugar purchased from sustainable sources from 1 January 2016 to 31 December 2016. 	<ul style="list-style-type: none"> 62% of sugar purchased sustainably by end of 2016.

+ These performance measures are not subject to PwC assurance.

2.2. EOS performance measures

EOS indicator	Performance measured	2016 reported performance result
Water: <ul style="list-style-type: none"> Reduce water use in manufacturing. 	<ul style="list-style-type: none"> Water abstracted in m³ per tonne of production. Change in the volume of water in m³ abstracted in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008)*. Percentage change in the water abstracted per tonne of production in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008)*. Emissions of chemical oxygen demand (COD) in kg per tonne of production. 	<ul style="list-style-type: none"> 1.85 m³/tonne. 18.7 million fewer m³ of water abstracted in 2016 than in 2008. 37% reduction in water abstracted per tonne of production in 2016 compared to 2008. 1.17 kg/tonne.
Energy and greenhouse gas emissions: <ul style="list-style-type: none"> Reduce GHG from manufacturing. 	<ul style="list-style-type: none"> CO₂ emissions from energy use in tonnes (market based). CO₂ emissions from energy use in tonnes (location based). CO₂ emissions from energy use in kg per tonne of production (market based). Change in the tonnes of CO₂ from energy use (market based) in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008)*. Percentage change in CO₂ from energy use (market based) per tonne of production in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008)*. Energy use in gigajoules per tonne of production. 	<ul style="list-style-type: none"> 1,705,569 tonnes. 2,218,819 tonnes. 83.52 kg/tonne. 1,080,314 fewer tonnes of CO₂ from energy use in 2016 than in 2008. 43% reduction in CO₂ from energy use (market based) per tonne of production in 2016 compared to 2008. 1.34 GJ/tonne.
Waste:	<ul style="list-style-type: none"> Hazardous waste in kg per tonne of production. 	<ul style="list-style-type: none"> 0.27 kg/tonne. 0.08 kg/tonne.

EOS indicator	Performance measured	2016 reported performance result
<ul style="list-style-type: none"> Reduce waste from manufacturing. 	<ul style="list-style-type: none"> Non-hazardous waste in kg per tonne of production. Total waste sent for disposal per tonne of production. Change in the tonnes of total waste sent for disposal in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008)*. Percentage change in the total waste sent for disposal per tonne of production in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008)*. 	<ul style="list-style-type: none"> 0.35 kg/tonne. 143,903 fewer tonnes of total waste sent for disposal in 2016 than in 2008. 96% reduction in total waste sent for disposal per tonne of production in 2016 compared to 2008.
<p>Occupational safety:</p> <ul style="list-style-type: none"> Reduce workplace injuries and accidents. 	<ul style="list-style-type: none"> Number of fatal accidents in 2016 (1 October 2015 to 30 September 2016). Accident rate: Total Recordable Frequency Rate (TRFR) per 1,000,000 man-hours in 2016 (1 October 2015 to 30 September 2016). 	<ul style="list-style-type: none"> 4 fatalities. 1.01 accidents per 1 million man-hours worked.

* The baseline 12 month reporting period is considered to be comparable to the 12 month reporting period for 2016.

3. Data sources

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

3.1. USLP performance measures

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

3.2. EOS performance measures

Every year we collect data on key measures of environmental performance. This is collated and analysed using a web-based Environmental Performance Reporting tool (EPR). We report our CO₂ emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol")**.

For the reporting period 1 October 2015 to 30 September 2016, 263 manufacturing sites in 71 countries reported environmental performance data. In some cases multiple factories occupy one manufacturing site.

For the two occupational safety performance measures, we collect data from our manufacturing sites and non-manufacturing sites via our Occupational Safety (OS) tool. For the reporting period 1 October 2015 to 30 September 2016, 511 sites reported occupational safety performance measures.

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

4. USLP performance data preparation

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

4.1a Health & Hygiene (pillar commitment) – Help people to improve their health, hygiene or wellbeing

Performance measures: Number of people reached through our initiatives which aim to improve health, hygiene or wellbeing by the end of 2016.

Definitions

The people reached is measured by the number of interventions achieved through our initiatives: Lifebuoy handwashing, Dove Self-Esteem, Oral Care Brush Day & Night, Domestos sanitation and through the sale of Pureit devices. In some cases the same person will be reached by more than one intervention as they have more than one health, hygiene or wellbeing need. Our cumulative total captures the sum of people reached by each of our individual interventions.

An intervention is an interaction, via one of our initiatives, with an individual regarding a health, hygiene or wellbeing need.

There are various definitions associated with our initiatives. The key ones are noted below:

i. Lifebuoy

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

Reach is calculated as the total number of direct contacts in each of our handwashing programmes multiplied by the average number of individuals in a household ('household multiplier').

Direct contact is defined as an individual who has attended a handwashing behaviour change programme consisting of interactive elements such as educational videos, games, stories as well as demonstrations regarding handwashing. These elements align to five 'non negotiables' that we have identified as being important principles of Lifebuoy's behaviour change interventions. They are: 1) programme drives sustained practice of handwashing with soap for 21 days, 2) mother-child interaction, 3) glo germ demo, 4) reward, 5) pledge. They are informed by behaviour change best practice, and are grounded in a deep understanding of the target and their soap-use behaviour. Our programmes are encouraged to cover all five non negotiables. The direct contacts are only counted once they have completed a minimum of three of these five non negotiables.

ii. Dove self-esteem

The Dove Self-Esteem Programme (DSEP) consists of a number of body confidence (building self-esteem) initiatives and tools: 1) *Confident Me* (materials enable a teacher to lead an in-class session), 2) *True To Me* (provides youth leaders and mentors of young people with interactive, offline activities for young people), 3) *Free Being Me* (educational programme developed by the World Association of Girl Guides and Girl Scouts (WAGGGS) and Dove that is delivered by Scout and Guide leaders), 4) *Uniquely Me* (activity booklet for parents and carers to use with girls), 5) *Mindful Me* (guide for mentors of girls), 6) *Dove Day* (global event where trained Unilever staff and business partners run workshops on body confidence). Additionally, *Dove.com* is the go-to destination for information and activities linked to body confidence and includes downloadable materials and articles for parents, teachers and youth leaders for the programmes mentioned above.

Reach is calculated as the number of young people (7-17 year olds) who have been meaningfully engaged with one of the above initiatives. One hour is the minimum length of time required for young people to be meaningfully engaged. This engagement time is based on analysing several different studies about self-esteem by the DSEP Global Advisory Board of 11 non-Unilever experts for self-esteem. Since 2016, the Board has been replaced by the on-going work that the Unilever global Dove team has been conducting with the academic partners at the Centre for Appearance Research on evaluating engagement tools and their impact.

iii. Oral Care Brush Day & Night

The Oral Care initiative is carried out through a series of Signal, AIM, Mentadent, Pepsodent, Prodent and P/S television campaigns (TVCs) to encourage children and mothers to brush day and night. The primary target audience for the TVCs are mothers with children in the age range 4 to 12.

Reach is based on the percentage of the audience which is the primary target watching the TVCs in the relevant countries.

iv. Pureit

Pureit offers a range of in-home water purifiers that provide safe drinking water and meets stringent safety standards.

Reach was calculated as the number of people who gained access to safe drinking water based on the sale of Pureit devices and its consumables for the period 1 January 2005 to 31 December 2013. In 2014 we stopped counting the number of people reached from sale of Pureit devices and added a new target which measures the number of litres of safe drinking water provided since 2005. (see 4.1b).

v. Domestos

Domestos provides partial or full funding to the UNICEF sanitation programme which helps people gain improved access to a toilet.

Improved access to a toilet is defined as the promoting of the benefits of using clean toilets in communities to encourage a change in behaviour so that people get, use and/or clean toilets. For example, through behaviour change or capacity building programmes encouraging communities to stop the practice of open defecation.

The number of people reached is measured in two ways:

- The number of people living in a community where behaviour change programmes have been run by UNICEF and the practice of open defecation has ended in that community; and
- The number of people indirectly reached through capacity building programmes run by UNICEF.

Scope

The number of countries in which the initiatives have been carried out is:

- Lifebuoy:** Lifebuoy programmes have been carried out in 29 countries.
- Dove self-esteem:** Dove self-esteem programmes have been carried out in 139 countries.
- Oral Care Brush Day & Night:** Oral Care Brush Day & Night campaigns have been carried out in 21 countries.
- Pureit:** People have been reached through the sale of Pureit devices in 12 countries.
- Domestos:** Domestos programmes have been carried out in 62 countries.

Performance data preparation and assumptions

The performance measure is calculated by the Unilever group team by summing the number of people reached by each of the initiatives. This performance measure is subject to internal review to identify and correct material anomalies before it is reported.

The approach taken to measure our performance data is dependent on the initiative and is set out below:

- Lifebuoy:** Number of people reached by Lifebuoy handwashing programmes since 2010 (this covers period from 1 January 2010 to 31 December 2016).

The average number of attendees of intervention sessions (direct contacts) are logged and consolidated into the total number of direct contacts per programme in each 'in scope' country. This data is captured by local programme administrators (third party agencies and/or Unilever staff), consolidated and reviewed at country level, before being shared with our Unilever group team for review and reporting.

A household multiplier is applied when the specific programme has met at least three of the five non-negotiables. The application of the household multiplier is based on previous research evidence which demonstrates that each individual will take back to their family household the learning from attending the intervention programme.

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

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

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

- Where two programmes are run in the same area the programme with lower reach (by direct contact) is excluded.
- In Vietnam and Indonesia, where programmes which target mothers and programmes which target schoolchildren run concurrently, a statistical analysis is used to determine any double counting.

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

ii. Dove self-esteem: Number of young people reached through the DSEP initiatives since 2005 (this covers the period 1 January 2005 to 31 December 2016).

The young people reach number is measured using a combination of registers (of individuals or number of materials handed out) at local events and data analytics tools for materials downloaded from selfesteem.dove.com or those of our partner organisations (i.e. WAGGGS and member associations).

The majority of the reach data is captured by local programme administrators (third party agencies/associations and/or Unilever staff) and then reviewed at country level by Unilever Dove brand managers. The data is consolidated and reviewed by the Unilever global Dove team.

The reach count for downloaded materials is determined by applying discounting and multiplier factors depending on the type of materials being accessed. For example, with WAGGGS, using Google analytics we:

- 1) measure the number of downloads of the 11-14s activity pack and the 7-10s activity pack;
- 2) reduce this by 50% to account for double downloads or material not being with a group of girls; and
- 3) multiply by the average group size of girls attending (based on information provided by WAGGGS).

The risk of double-counting of lives reached is taken into account as follows:

- The overall take up of multiple DSEP initiatives (i.e. at school and youth group) remains relatively low.
- Teachers' lesson planning ensures the risk of students receiving body confidence education more than once in the same school year is highly unlikely.
- Specific discounting and multiplier factors have been applied to the programmes.

iii. Oral Care Brush Day & Night: The number of people reached through the Brush Day & Night campaign since 1 January 2010 (this covers the period 1 January 2010 to 31 December 2016).

The number of people reached is based on the penetration of specific Oral Care television campaigns (TVCs) in-scope countries for the 12 month period.

The TVC data is captured by local third party agencies that determine what percentage of the relevant target audience (mothers with children aged 4-12) would have seen the Oral Care TVCs. A global third party media data agency, Mindshare, consolidates the country level data.

In order to determine the reach data for each in-scope country, discounting and multiplier factors are applied as follows:

- The percentage of the target audience watching the TVCs (over the 12 month period) is multiplied by the number of mothers (with children aged 4-12) in each country to give a total reached number. The household data is provided by Euromonitor International (same source used for Lifebuoy).
- A discounting factor is applied to take account of possible double-counting risks when similar TVCs are aired over a number of years. For example, if a TVC was run in the prior year, only 1/12 of the current year total reached number is used, and if the TVC was run in the year before, only 2/12 is used, and so on.

In some countries, where access to the coverage data from TVCs or population data is not available or there has been a socio-political crisis, reach data is excluded.

The total data, per in-scope country, is provided to the Unilever Oral Care team for review and reporting.

iv. Pureit: The number of people reached (gaining access to safe drinking water) through sales of Pureit devices (Pureit water purifiers and Germ Kill Kits) between 1 Jan 2005 to 31 Dec 2013.

The numbers of Pureit devices sold are obtained from the relevant Unilever sales management systems in each 'in scope' country. It is assumed that all Pureit devices distributed in each 'in scope' country are used by individual households in that country.

The number of people gaining access to safe drinking water is calculated from the total number of Pureit devices sold multiplied by the average number of individuals in a household applicable to each of the 'in scope' countries.

The following assumptions have been included in the calculations:

- Unilever's range of Pureit devices and consumables sold to its customers (e.g. retailers) are sold onto end-consumers.
- All consumables and devices sold are used upon purchase.
- The full purification capacity of each consumable is used within one year.
- The full purification capacity of each consumable is used before replacement.
- There is a zero percent failure rate, as all returns can be repaired and returned to consumers.

The average number of individuals in a household in each 'in scope' country is based on national census data or recognised survey data.

The number of people who have gained access to safe drinking water from Pureit has been rounded down to the nearest 5 million.

v. Domestos: The number of people reached by Domestos funded programmes which help people gain improved access to a toilet (this covers the period 1 January 2012 to 31 December 2015).

The performance measure is calculated by the Unilever group team by summing the number of people reached by each of the UNICEF programmes.

All information is collected, assessed and calculated by UNICEF in accordance with its own methodology and reported to Unilever. The number of people reached is calculated in two ways:

- The number of people reached by behaviour change programmes or indirectly reached by capacity building programmes in certain in-scope countries, is calculated by estimating the number of people living in communities that have been declared as open defecation free. UNICEF or the government/relevant organisation assesses whether the practice of open defecation has ended at that given point in time. Once a community has been declared open defecation free, the whole population of that community is included, as it is assumed that they will all benefit from the change in behaviour.
- The number of people indirectly reached by capacity building programmes in other in scope countries, is calculated by multiplying the number of households with a new toilet by a household multiplier (UNICEF source data). This is based on the assumption that all individuals in the household will use the new toilet.

Where programmes have been entirely funded by Unilever, all people reached are included in the reported number. Where programmes are partially funded by Unilever the number of people reached is reported based on Unilever's proportion of funding i.e. the % of Unilever funding is applied to the total people reached. Where programmes have run for several years and Unilever has not (wholly or partially) funded all years, the total number of people reached is divided by the number of years the programme has been running to obtain an average annual figure to date.

4.1b Health & Hygiene (pillar commitment) – Help people to improve their health, hygiene or wellbeing

Performance measure: The number of litres of safe drinking water provided through the sales of Pureit devices (Pureit water purifiers and Germ Kill Kits) since 2005. The reporting period is from 1 January 2005 to 31 December 2016.

Definitions

- Pureit offers a range of in-home water purifiers that provide safe drinking water and meets relevant safety standards in the countries that the Pureit devices are sold.
- The volume, in litres, of safe drinking water is based on the capacity of the Pureit devices sold.

Scope

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

In March 2014, Unilever acquired Qinyuan, which sells water purification devices in China. The number of litres of safe drinking water provided by Qinyuan is not currently in the scope of this performance measure.

Performance data preparation and assumptions

The number of litres of safe drinking water provided is calculated as the total number of devices and consumables sold multiplied by the total purification capacity (in litres) of each device or consumable during its lifetime, for each of the countries in scope of the performance measure.

The volume measured is the capacity of the device and not the actual/assumed consumption by individuals. The purification capacity of each product has been determined through product certificates and tests to confirm the purity which have been reviewed and signed-off by Unilever’s Research and Development team.

The following assumptions have been included in the calculations:

- Unilever’s range of Pureit devices and consumables sold to its customers (e.g. retailers) are sold onto end-consumers.
- All consumables and devices sold are used upon purchase.
- The full purification capacity of each consumable is used within one year.
- The full purification capacity of each consumable is used before replacement.
- There is a zero percent failure rate, as all returns can be repaired and returned to consumers.

A number of consumables (Germkill Kits) were provided to distributors to package with Pureit devices and not sold separately as replacements. This has resulted in double counting litres of safe water between 2011 and 2015 for these consumables. The cumulative number to 2015 is restated from 78 billion litres to 73 billion litres.

4.2 Waste – Halve the waste impact associated with the disposal of our products by 2020

Performance measure

The percentage change in the waste impact of our products across the lifecycle per consumer use between the period measured from 1 January 2010 to 31 December 2010 (“2010 baseline”) and the period measured from 1 July 2015 to 30 June 2016 (“2016 footprint”).

Definitions

- The waste performance measure considers waste from disposal of our primary and secondary packaging only to the extent that this has not been recycled, reused, or recovered, plus product left behind in the primary pack at disposal (“leftover”).
- The waste performance measure is expressed on a ‘per consumer use’ basis. ‘Per consumer use’ refers to the consumed amount per individual portion, single use or serving of a Unilever product by one person. It is based on the amount of product sold to the consumer, and either the recommended dose/use or habits data.
- Recycled packaging refers to packaging that has been converted back into its original material.
- Recovery refers to the recapture of energy embedded within packaging.
- Reuse refers to packaging which is reused for its original application (e.g. refilled) or for a different application (e.g. ice cream tubs reused to store food).

Scope

Our waste performance measure calculates the waste related to the disposal of our packaging and leftover.

- In 14 key countries: Brazil, China, France, Germany, India, Indonesia, Italy, Mexico, Netherlands, Russia, South Africa, Turkey, UK, and USA.
- For our 12 sub-categories: Baking Spreading and Cooking, Beverages, Deodorants, Dressings, Hair Care, Household Care, Ice Cream, Laundry, Oral Care, Savoury, Skin Care, and Skin Cleansing.
- In two phases in our life cycle: raw materials (primary packaging and secondary packaging, which has not been recycled, recovered or reused), and consumer use (leftover).

Products excluded from the waste performance measure are:

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

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

Performance data preparation and assumptions

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

For each representative product, a number of internal and external data sources are used to describe the various life cycle activities and inputs (e.g. specification of product, consumer use data). Consumer use is determined based on either consumer habits studies or on-pack recommendations. In cases where relevant consumer habits studies are unavailable, internal expert opinion is used. Consumer use data often varies by country. The amount of packaging that has been recycled, reused, or recovered is determined using relevant Recycling and Recovery Indices (“RRI”) from each of the 14 key countries. Sources of RRI include government-published or industry-average data. In cases where these sources are unavailable or unreliable, internal expert opinion is used.

The 2010 baseline has been restated by a reduction of 0.04g per consumer use due to an error in the packaging weight of a Dove soap bar. The 2015 reported performance of a 29% reduction against the 2010 baseline has been recalculated as a 26% reduction against the 2010 baseline.

4.3 Sustainable sourcing – Sustainable paper and board

Performance measure: The percentage of our purchased paper and board packaging (that is wood fibre based) coming from sustainable sources (certified as sustainable or recycled materials) from 1 January 2016 to 31 December 2016.

Of the above performance measure only the percentage of our purchased paper and board packaging (that is wood fibre based) from certified as sustainable sources has been subject to independent assurance.

Definition

- The wood fibre based paper and board packing includes both virgin wood fibre and recycled fibre materials, often combined in a single product.
- Sustainable sources refers to the wood fibre in our purchases of paper and board packaging that has either come from a sustainably managed certified forest or plantation (virgin) with a full chain of custody, or recycled waste materials.
- The Forest Stewardship Council (FSC) and the Programme for Endorsement of Forest Certification (PEFC) schemes are considered to be acceptable in accordance with Unilever’s sustainable sourcing policy*.
- Recycled fibres are:
 - Pre-consumer waste originating from fibre that has been diverted from a waste stream during the manufacturing process and has not been used by the end consumer.
 - Post-consumer waste that has been used for its intended purpose by the end users of the product and has been reclaimed from a waste stream.
- Supplier self-declarations are requested from all of our paper and board packaging suppliers regarding the content of the materials supplied in respect of weight, wood-fibre content, certification status and composition (recycled vs virgin).
- All shipments to our manufacturing sites are uniquely identified so can be traced to specific supplier and source.

Scope

Paper and board packaging includes folding cartons, customer packaging, aseptic, and ice cream sticks, but does not include:

- Flexibles and labels – these are considered to be light weight and immaterial items compared to all other forms of primary packaging;
- Tea bags – majority of tea bags are made from food grade plastics and silks;
- Purchases by third parties that manufacture products for Unilever; and
- Packaging where the underlying data relating to weight per thousand pieces cannot be obtained or accurately estimated. These exclusions represent 1% of our total spend on paper and board packaging.

Performance data preparation and assumptions

All paper and board packaging purchases are recorded in Unilever’s purchasing systems. When purchases are recorded in Unilever’s systems, two processes are instigated to determine the total volume of paper and board purchased, and what proportion of it comes from sustainable sources:

- a) All paper and board purchases are consolidated into a single system and converted into a standard unit of weight. This volume data is subject to review and approval by relevant Unilever experts.
- b) A self-declaration request is sent to all suppliers on a quarterly basis to provide the following information per shipment :
 - weight per thousand pieces of each type of packaging material;
 - percentage of the total weight that is wood fibre;
 - certification (FSC or PEFC) claim related to the supply, if relevant; and
 - composition of packaging material in terms of percentage that is recycled fibre and percentage that is virgin wood fibre.

This information is used to calculate the sustainably sourced volumes purchased from each supplier. Some suppliers use estimates in their self-assessments on the above information.

On an annual basis Unilever commissions an independent third party (Proforest Limited) to perform a desktop based verification of a sample of supplier self-declarations. Sampling is done on a statistical basis taking into account large volume and small volume suppliers, as well as those that provide materials that meet one of the certification standards, and those that do not. The selected suppliers are sent questionnaires, by Proforest, to complete and are requested to provide relevant evidence supporting their self-declaration. The scope of the Proforest verification is from 1 October 2015 to 30 September 2016.

The results of the verification are converted into a ‘correction factor’ and applied to the actual consolidated volume of paper and board packaging purchased for the period 1 January 2016 to 31 December 2016.

* Unilever's sustainable sourcing policy (wood-fibre based materials): https://www.unilever.com/Images/final-wood-fibre-based-material-policy-for-publication_tcm244-426886_en.pdf.

4.4 Sustainable sourcing – Sustainable herbs and vegetables, fruit and sugar

Performance measure: There are three specific measures:

- The percentage of top 13 herbs and vegetables purchased from sustainable sources from 1 January 2016 to 31 December 2016;
- The percentage of fruit purchased from sustainable sources from 1 January 2016 to 31 December 2016; and
- The percentage of sugar purchased from sustainable sources from 1 January 2016 to 31 December 2016.

Definitions

- Our definitions of herbs, vegetables, fruit, and sugar raw materials are defined based on a selection of Global Local Items identified by our Ingredients Team and agreed with our Material Expert Team. Herbs, vegetables, fruit and sugar are in the top 10 agricultural raw material groups in scope for the USLP.
- The top 13 herbs and vegetables refers to a group of raw materials made up of the following crops: tomato, potato, onion, leek, pumpkin, green beans, mushrooms champignon, peas, celeriac, carrot, basil, chives, and parsley. This group of raw materials represents more than 80% of the total herbs and vegetables volume. All other herbs and vegetables crops are included in a group of raw materials called 'Other Vegetables'.
- Fruit refers to a group of raw materials made up of 58 crops.
- Sugar refers to a group of raw materials comprised of sugar beet and sugar cane derived sugar.
- All suppliers, for all raw materials defined above, are required to comply with the requirements set out in the Unilever Sustainable Agriculture Code 2010 (SAC)* in order for us to categorise them as sustainable sources. The mechanisms to demonstrate compliance are outlined in the SAC Scheme Rules**.
- The Unilever Sustainable Sourcing Assurance Committee (SSAC) is responsible for the design, maintenance and proper implementation, interpretation and documentation of the SAC Scheme Rules.

Scope

All raw material purchases are in scope for the three performance measures except for:

- Top 13 herbs and vegetables raw materials group excludes spices; and
- Sugar raw materials group excludes confectionary items, sweeteners and starches.

All three raw material groups exclude purchases by third parties that manufacture products for Unilever.

Performance data preparation and assumptions

All raw material purchases are recorded in Unilever's purchasing systems. When purchases are recorded in Unilever's systems, two processes are instigated to determine the total volume of raw materials purchased, and what proportion of it comes from sustainable sources:

i. Total purchased volumes

The purchased volume data for the raw material groups is extracted from the purchasing systems into a single system. The data is then matched against Unilever's product specification data to determine the correct proportion of raw materials purchased - for example when fruit juice purchased, its content, fruit puree and sugar, will be split by volume. The total volume (in tonnes) per raw material group is then calculated. This matching is subject to review and approval by relevant Unilever experts.

ii. Sustainable volumes

The raw materials that are sustainably sourced are tracked through one of the following activities:

- Obtaining a self-declaration from suppliers on their level of compliance with the SAC every 12 – 18 months; or
- Confirming with suppliers on an annual basis that the raw materials supplied by them are certified against third party standards determined by the SSAC to be equivalent to the SAC.; or
- The purchasing and redeeming of credits (e.g. Bonsucro for sugar cane).

Suppliers which comply with the SAC or provide raw materials which are certified against third party standards are 'tagged' as sustainable. Sustainable suppliers are matched with the consolidated total purchased volume records to calculate the proportion of sustainably sourced volumes.

On an annual basis Unilever commissions an independent third party (in 2015 this was performed by SGS S.A. and in 2016 we changed our provider to Control Union Auditors) to verify a sample of supplier self-declarations. Sampling is done on a statistical basis taking into account sustainability risks associated with the supplier location and volume purchased from each supplier. The scope of the verification is from 1 April 2015 to 31 March 2016. The results of the verification are applied to the total purchased volumes for each raw material from 1 January 2016 to 31 December 2016.

* SAC 2010 - https://www.unilever.com/images/sd_unilever_sustainable_agriculture_code_2010_tcm13-387440_tcm244-409788_en.pdf

** SAC Scheme Rules 2015 - https://www.unilever.com/images/scheme-rules_tcm244-409273_1_en.pdf

5. Environmental and Occupational Safety performance data preparation

Sections 5.1 – 5.6 detail the basis of preparation for each EOS performance measure.

5.1 Water – Quantity of water abstracted by manufacturing sites

Performance measures:

- Water abstracted in m³ per tonne of production.
- Change in the volume of water in cubic meters (m³) abstracted in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008).
- Percentage change in the volume of water abstracted per tonne of production in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008).

Definition

Each factory records water abstracted for use in manufacturing from various sources. These sources are classified as; municipal/piped sources, groundwater (direct abstraction by site), surface water (direct abstraction from river or lake), brackish/saline sources (direct abstraction from estuary or sea), water delivered to site by tanker, non-contact cooling water (any source).

Total water abstracted is the sum of these sources, measured in cubic metres.

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

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.
 - Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

Water used at our manufacturing sites from the following sources are excluded from total water abstracted:

- Rainwater captured and treated on the manufacturing site; and
- Embedded water or water contained in raw materials.

Performance data preparation and assumptions

Water abstraction data is taken from meter reads/invoices and captured by each manufacturing site in the EPR system. All data is recorded in cubic metres. The EPR system summarises and aggregates the data into standard reports by manufacturing site and at regional and global levels.

5.2 Water - Emissions of chemical oxygen demand (COD) by manufacturing sites

Performance measure:

- Chemical oxygen demand (COD) in kg per tonne of production in 2016 (this covers the period 1 October 2015 to 30 September 2016).

Definition

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

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

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.
 - Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

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

Reuse of COD on-site, for example through irrigation of land on the Unilever site, is excluded from reported COD.

Performance data preparation and assumptions

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

Where direct measurement of COD is not carried out, estimation methodologies are applied by applying a standard conversion factor to COD measurement with reference to BOD (Biological Oxygen Demand) measurements and COD:BOD ratios for sites with similar product output or by using an average COD concentration per tonne of production based on similar manufacturing sites or those obtained during production trials.

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

The COD values from effluent discharge were under-reported in the prior year for the following sites:

- Port Sunlight (UK): COD value not measured and the effluent sent off-site was incorrectly recorded as 'recycled'.
- Goiania (Brazil): Effluent treatment plant was sold to third party and therefore COD values should have been recorded at pre-treatment values.
- Recife (Brazil): COD value not measured and the effluent sent off-site was incorrectly recorded as 'recycled'.

We have calculated the prior year COD values for these sites using actual data, where available, and estimates. The total adjustment is 3,794 tonnes which accounts for 20% of group prior year COD performance. This adjustment results in emissions of chemical oxygen demand (COD) in kg per tonne of production to be restated for the prior year from 0.95 to 1.14. There are no other sites for which COD values need to be recalculated and restated.

5.3 Greenhouse gas emissions and energy use by manufacturing sites

Performance measures:

- CO₂ emissions from energy use (market and location based) in tonnes in 2016 (this covers the period 1 October 2015 to 30 September 2016).
- CO₂ emissions from energy use in kg per tonne of production (market based) in 2016 (this covers the period 1 October 2015 to 30 September 2016).
- Change in the tonnes of CO₂ emissions from energy use (market based) in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008).
- Percentage change in CO₂ from energy use (market based) per tonne of production in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008).
- Total energy use in GJ per tonne of production.

Goal setting and tracking is performed using market based CO₂ emissions.

Definition

Each factory records energy used in manufacturing under various energy sources e.g. gas, oil (Scope 1 sources), purchased electricity and steam (Scope 2 sources) etc. Each energy use is converted to gigajoules (GJ), using standard conversion factors and calorific values.

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

The carbon emission factors for scope 2 emissions are applied in terms of the two methods provided by the GHG Protocol:

1. Location-based: All electricity purchased is converted into CO₂ emissions using the average grid emissions factor for electricity in the country in which it is purchased. Renewable Energy Certificates (“RECs”) are not applied to the total Scope 2 emissions.
2. Market-based: All electricity purchased is converted to CO₂ using emissions factors from contractual instruments which Unilever has purchased or entered into.

The total amount of CO₂ emissions is the sum of CO₂ emissions for each energy source. This is measured in tonnes.

CO₂ emissions per tonne of production is the total amount of CO₂ emissions divided by the sum of production volume in tonnes reported by each manufacturing site. This is measured in kg per tonnes of production.

Energy from diesel/LPG used in forklifts, fire trucks and testing power generators on our manufacturing sites is excluded. CO₂ emissions from use of biogenic fuels (biomass, wood pellets, etc.) is also excluded.

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.

- Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

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

Performance data preparation and assumptions

Energy use data is taken from meter reads/invoices and captured for each manufacturing site in the EPR (Environmental Performance Reporting) system. The EPR system contains factors to convert common units of energy (e.g. cubic metres of gas or tonnes of oil) to a standard unit of energy (GJ). The EPR system summarises and aggregates the energy data into standard reports by manufacturing site and at regional and global levels. The total GJ of all energy used is calculated as the sum of all energy used.

Carbon emission factors are used to convert energy used in manufacturing to CO₂ emissions. Carbon emission factors for Scope 1 energy sources such as fuels are provided by the Intergovernmental Panel on Climate Change (“IPCC”). Carbon emission factors for Scope 2 energy sources such as grid electricity, applied according to the location-based method, reflect the country or sub-region where each manufacturing site is located and are provided by the International Energy Agency (IEA). Carbon emission factors for grid electricity calculated according to the ‘market-based method’ are determined by contractual instruments which Unilever has purchased or entered into such as RECs, guarantees of origin, power purchasing agreements and utility contracts. Where supplier-specific emissions factors are not available a location-based factor is used.

The most recent IEA/EPA data set, which usually has a 3 year time lag, is applied to each reporting year e.g. national grid electricity emissions factors used in the calculation of 2016 emissions comes from 2013 IEA data. There are no annual changes to the IPCC factors.

Total production volume is obtained from the EPR system.

5.4 Waste – Total waste (hazardous and non hazardous) disposed by manufacturing sites

Performance measure:

- The amount of total waste (hazardous and non-hazardous) sent for disposal in kg per tonne of production in 2016 (this covers the period 1 October 2015 to 30 September 2016).
- Change in the tonnes of total waste sent for disposal in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008).
- Percentage change in total waste sent for disposal per tonne of production in 2016 (1 October 2015 to 30 September 2016) compared to 2008 (1 January 2008 to 31 December 2008).

Definition

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

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

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

Scope

Manufacturing sites included in the performance measures are those which meet all the following criteria:

- The site is owned or leased by Unilever.
- Unilever personnel are running/controlling the site.
- The site manufactures or packs Unilever products or materials used in Unilever products.
- Production lines on new sites are only included once fully commissioned, which occurs once there has been sign-off by technology providers and R&D sign-off.

A manufacturing site may have one or more factories. Reporting will be performed for individual factories on a manufacturing site when the above conditions are met for one or more of the factories on the site.

Manufacturing sites excluded from the performance measures are those that meet the following criteria:

- Sites which are owned by Unilever but are run by third party companies.
- Sites owned by third parties that produce (pack or make) our products.
- Sites that are under commissioning. Indicators for when a site is still under commissioning, includes:
 - Site not been released for normal production for more than 72 consecutive hours.
 - No quality norms being achieved over a similar time period while running at rated throughput.
 - Not all sections / modules within the plant being able to perform to rated parameters.
 - Site not yet being depreciated.
 - Technology guarantee checks not yet performed.
 - Sites where decommissioning has started.

Non-manufacturing sites are offices, research laboratories and marketing/sales organisations.

The metric does not include:

- Waste from building/demolition projects that are not directly related to production;
- Waste that is kept permanently on-site through recycling, for example, wastes that are mixed with concrete and used as building materials.
- Waste temporarily held on site until an economic batch quantity is available for transportation off-site.
- Waste from innovation and product trials carried out at manufacturing sites.
- Medical, sanitary or clinical waste.

Performance data preparation and assumptions

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

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

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

Performance measure: The number of occupational injury or work-related ill-health (WRIH) events which results from exposure to an occupational health and safety hazard(s), in the course of employment which results in death in 2016 (this covers the period 1 October 2015 to 30 September 2016).

Definitions and scope

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

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

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

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

Occupational safety metrics are recorded for all Unilever manufacturing and non-manufacturing sites (offices, research laboratories and marketing/sales organisation).

Performance data preparation and assumptions

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

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

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

Performance measure: The number of occupational accidents per one million hours worked (this covers the period 1 October 2015 to 30 September 2016).

Definitions and scope

- Accidents are measured as a Total Recordable Frequency Rate (TRFR) per 1,000,000 (one million) man-hours. TRFR is defined as all workplace accidents, excluding only those that require simple first-aid treatment.
- The TRFR calculation is the sum of all lost-time accidents (LTA) plus restricted work cases (RWC) plus medical treatment cases (MTC) expressed as a rate per one million hours worked.
- TRFR is the preferred reporting performance measure for accidents at work.
- In line with industry best practice, we include in our definition of an 'employee', temporary staff and contractors who work under our direct supervision.

Occupational safety metrics are recorded for all Unilever manufacturing and non-manufacturing sites (offices, research laboratories and marketing/sales organisation).

Performance data preparation and assumptions

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

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