

INTRODUCTION

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Unilever is one of the largest consumer goods companies in the world. For over 100 years now, our brands have been a part of the South African home and we identify the local needs and aspirations of South Africa as our own. It is based on this relationship, and our loyalty to our consumers, that we have taken on the target of doubling our business whilst reducing our environmental impact.

Our Sustainable Living Plan seeks to implement sustainable ways of doing business by identifying areas where we hold expertise and can make the greatest difference. To this end, we are partnering with industry bodies, Government, NGOs, educational institutions and local communities to ensure that our small actions together translate into a big difference for our consumers and for the world at large.

To give impetus to our Sustainable Living Plan, we have set targets for various initiatives that will underpin our national and global efforts.

As Unilever, we can have the most influence through our products. In South Africa's emerging economy there are still many people who, due to lack of awareness or resources, suffer from diarrhoeal and respiratory disease. In order to meet this need, and to improve overall health and hygiene conditions, we have committed to reach one million rural and urban women with an education programme that improves their understanding of hygiene through our Lifebuoy brand. Our commitment to improving the quality of people's diet and providing the right nutrients can be seen through our various awareness campaigns, such as the Flora 'Test the Nation' programme which talks about cholesterol and heart health, as well as through the steps we are taking to reduce salt, sugar and saturated fats in our food products.

We have ambitious plans to grow our company, but growth at any cost is not viable. We will continue to reduce the environmental impact of our factories. We have invested significantly in the country through the construction of our two new warehouses in Pietermaritzburg and Johannesburg as well as our new savoury foods factory in Riverhorse Valley, Kwa-Zulu Natal due for completion in 2011. Not only is this an indication of our commitment to growing South Africa but we have also

designed these complexes, from the buildings and equipment through to the logistics, to ensure that their environmental footprint is minimised.

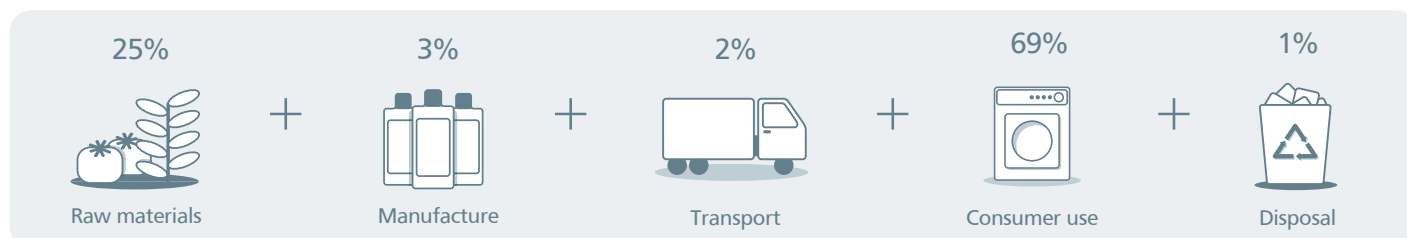
We are also, however, looking beyond our factories to explore how we can reduce our environmental impacts from the sourcing of raw materials, to the use of our products by consumers at home, to how our packaging gets disposed of. We will focus on greenhouse gases, water, waste and sustainable sourcing because these are the areas where we have the largest impact and can make the greatest difference.

Key determinants of our success in achieving our growth ambitions are our people, both within the company and in the community in which we operate. As an organisation we are dedicated to up-skilling people, thereby helping them create sustainable livelihoods for themselves. Our Unilever Trade Development Programme, our learnership schemes and our partnerships with organisations such as the Mandela Rhodes Foundation are examples of our commitment to create a better future for South Africans. Our workforce is demographically representative of the country and reflects our commitment to diversity. Within the work environment, our wellness programmes have been developed to enhance the personal health and vitality of our employees. Ever mindful of South Africa's fight against HIV/AIDS, our HIV Roadmap is designed to support the Government's strategic framework as well as address the needs of the individuals within our organisation, and through them, the community.

Through our efforts across the board, we aim to deliver long-term sustainable growth – by helping to create a South African community that is healthy, empowered and poised for further growth.

UNILEVER GREENHOUSE GAS FOOTPRINT ACROSS OUR VALUE CHAIN

Unilever 2008 Baseline Study across 14 countries. Total in tons.





Working with Government and other stakeholders, we will help to improve the health and well-being of South Africa's citizens.

HEALTH AND HYGIENE

Improving quality of life by educating communities on the importance of simple hygiene procedures.

Personal Hygiene and Lifebuoy

Through the WASH Project and Global Hand Wash Day initiative we aim to reach 1 million rural and urban women in South Africa with an educational programme designed to improve their knowledge and understanding of basic hygiene.

We will partner with UNICEF to undertake a schools intervention, where Lifebuoy will provide educational material and teaching aids for teachers, linking in to an established syllabus module.

We plan to reach approximately 80% of South Africa's primary schools by 2012.

Lifebuoy will work in conjunction with the South African Paediatricians Association to supply educational materials for display and use in the consulting rooms of 400 medical practitioners in South Africa. These materials will promote the importance of washing with soap at key hygiene occasions as a means of reducing the incidence of diarrhoeal and other diseases.

Community Health and Domestos

Through the World Toilet Day initiative we aim to reach areas of high

risk in South Africa where diarrhoeal disease is endemic in certain months of the year.

To do this, Domestos will partner with the Department of Health and the World Toilet Organisation (WTO) in an outreach programme engaging health workers in an intervention to follow up on infected children.

We aim to target impoverished community schools, where ablution facilities are lacking, through a partnership with the WTO and the Department of Basic Education, in an endeavour to build capacity and improve conditions for children in selected areas of South Africa. By 2015 we hope to reach approximately 1,000 community schools with this initiative.

Future partnership aims

Opportunities will be sought for engagement with Government bodies and relevant stakeholders to substantially expand the Lifebuoy and Domestos community initiatives, with the target of reaching a minimum of 1 million people each year.





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NUTRITION

Improving the quality of peoples' diets to help improve heart health and tackle both over and under-nutrition.

Improve heart health

Working with the Heart and Stroke Foundation of South Africa we raise awareness of Cardiovascular Disease (CVD) and the importance of a healthy diet and lifestyle in reducing CVD risk factors through our Flora 'Test the Nation' campaign. In 2010 we tested the cholesterol levels of approximately 22,000 people across the country. We intend to reach approximately 1 million more people by 2015 through a campaign to increase awareness and understanding of CVD and encourage heart healthy diet and lifestyle choices.

Flora is also the main sponsor of the annual Comrades Marathon.

Reduce salt levels

We are committed to continuously reducing the salt content of our foods portfolio.

- In line with the global programme we have already significantly reduced salt levels in our products.
- Our goal is to reduce the sodium levels in our products further by up to 25% to help consumers meet the recommended level of 6g of salt per day. We aim to achieve this through gradual salt reductions across our foods portfolio between 2010 and 2020.
- Beyond 2020 further gradual reductions will be made to assist consumers in reaching the 5g per day salt target.

Reduce saturated fat

We are committed to improving the fat composition of our products by reducing saturated fat as much as possible and increasing levels of essential fats.

- All of our Flora margarine and our Rama Original and Spread for Bread tubs already contain less than 33% saturated fat as a proportion of total fat.
- By 2012 a daily portion of our leading spread brands, Rama and Flora, will provide at least 15% of the essential fatty acids recommended by international dietary guidelines.

Nutrition, health and hygiene education

We are working with the Department of Basic Education and other partners to develop and implement a curriculum aligned schools programme to ensure that primary and secondary South African teachers and learners have access to appropriate information on hygiene, health and nutrition. We aim to provide the majority of schools in South Africa access to this information by 2012.

Better nutrition for kids' growth

Together with the Department of Health and the Global Alliance for

Improved Nutrition (GAIN) we are educating consumers on the importance of essential fatty acids and vitamins which are necessary for the growth of children.

We will continue to invest heavily in children's nutrition education through relevant communication channels.

Partnerships

We collaborate with many public health partners in our efforts to improve the nutrition situation in our country, for example, nutrition and health academics, health care professionals, Government and non-Governmental organizations. Some of our key partners include the Heart and Stroke Foundation of South Africa, and the Global Alliance for Improved Nutrition (GAIN).

We also support expert discussions and nutrition education for health care professionals, for example, we partnered with the Association for Dietetics in Southern Africa to convene the South Africa Expert Meeting on Health Significance of Fat Quality in the Diet, and in educating dietitians about margarine processing and nutritional value.

Future partnership aims

Our Rama and Flora Spreads already provide 35 million people with a substantial amount of their Recommended Daily Allowance of vitamins A, D, E and B vitamins, including folic acid. Our challenge is to do more - provide products which contribute to the micronutrient intake of more people, especially children, in South Africa in a way which is economically viable.



Working across all of our operations and activities and in partnership with Government, other stakeholders and the people who use our products, we will reduce our overall environmental impact.

GREENHOUSE GASES (GHG)

Reduce GHG from washing clothes

We have a long term plan to reduce the GHG impact of our laundry products. This plan includes:

- The move from cardboard packaging into flexible packaging for our 1kg and 2kg laundry packs has reduced the energy required to produce these packs by 20% and the GHG emissions by 40%.
- The development of new carbonate formulations for our laundry powders that deliver the same, high quality results consumers have come to expect from our brands, while minimising their environmental impact. This will reduce the GHG impact by between 20 to 25%.

Reduce GHG from our manufacturing

Through good manufacturing practice, complexity reduction and capital investment, we are contributing to the South African Government's target to reduce carbon emissions by 34% by 2020.

We have introduced sustainability plans into each of our manufacturing sites to reduce CO2 emissions from energy alone by 12% by 2015 vs. a 2009 baseline:

- We have saved 2,352 tons of CO2 from waste disposal via our recycling initiatives from January 2009 to April 2010.
- We have installed energy efficient motors and variable speed drives for our manufacturing equipment in two of our factory sites which will significantly reduce energy consumption.
- We have introduced a process to ensure that when acquiring new equipment for our factory sites, energy efficient motors and variable speed drives will be purchased.
- In 2010 we installed solar panels at our Boksburg manufacturing sites. Solar pipes will be installed in 2011 along with additional solar panels for our other sites.
- In addition to the solar panels we will introduce an ammonia heat recovery system to generate hot water at our Boksburg manufacturing sites.

We have commenced the construction of our new savoury foods factory in Riverhorse Valley, Kwa-Zulu Natal which has been designed in accordance with Green Building Principles. This, together with a significant investment towards the installation of technology, will reduce on-site energy consumption, reduce waste and increase water reuse, enabling this factory to work towards its goal of being water neutral, reducing carbon emissions and having zero waste go to landfill by 2020.

Reduced GHG from transport

We will deliver a 16% reduction in GHG emissions from warehouses and transport from 2010 to 2015 vs. a 2006 baseline taken prior to

commencement of this programme by:

- consolidating our distribution network from nine down to three major warehouses and rolling out environmental best practice in these warehouses, such as energy efficient lighting and solar energy.
- minimising kilometres travelled via route planning and collaboration with our customers and other manufacturers.
- improving pallet stacking configuration to optimise the impact per unit moved.

Reduced GHG from refrigeration

Currently 36% of our Ola Cabinets installed in our Ola Ice-Cream distributors are climate-friendly (hydrocarbon) cabinets.

These new refrigerants are not only better for the environment but last longer and maintain colder temperatures for longer. We aim to convert 100% of our Ola Cabinets in South Africa to hydrocarbons by 2015.

Future partnership aims

We aim to ensure that all new buildings are built in accordance with the Green Building Council of South Africa requirements.

We will partner with Wildlands Conservation Trust to explore opportunities to offset the carbon footprint of our head office through a Climate, Community and Biodiversity Standard (CCBS) carbon sink initiative to plant trees in the Pietermaritzburg area. The trees planted will be grown through the Indigenous Trees for Life community programme which teaches community children to grow trees which are then exchanged for essential goods such as food, school necessities and bicycles.





Working across all of our operations and activities and in partnership with Government, other stakeholders and the people who use our products, we will reduce our overall environmental impact.

WATER

Reduce water use in our manufacturing process

We are continuously decreasing water usage in our manufacturing process to meet a 15% reduction target by 2015 vs. a 2009 baseline through:

- on-site water-saving awareness campaigns
- using alternative dry methods to clean our factory environment.
- reviewing and minimising the water used to clean our manufacturing lines.

Further to this we have plans in place to substantially reuse water across our operation sites by:

- optimising our waste water treatment plant operations so that 70% of waste water can be reused on site.
- making use of white water (storm water) and grey water (from showers and basins) to flush toilets and irrigate the site gardens at our factory sites and at our Ndlovu Park Mother Warehouse.

Improving water quality

In partnership with the Institute of Water Research at Rhodes University, the Unilever Centre of Environmental Water Quality (established in 2000) aims to leverage Government and relevant stakeholders to monitor and put in place programmes that improve the quality of South Africa's water.

Future partnership aims

We will optimise our waste water plants so that we can recycle and reuse our waste water.

WASTE

Reduce packaging

Unilever South Africa has been reducing the packaging material of its brands in a number of different ways. Some examples of this are:

- We replaced detergent cartons with flexible block bottom pouches. This has removed 4,457 tons of material from the waste stream annually.
- We light weighted our deodorant roll-on caps resulting in a polypropylene waste stream reduction of approximately 120 tons per annum.
- We moved OMO and SKIP 9kg plastic buckets to PET/PE flexi-bags which has removed 85 tons of packaging material per annum from the waste stream.
- We light weighted the Dawn Lotion closures saving 13.5 tons of packaging material annually.

In addition, where possible we will be moving from glass to PET packaging.

Reuse packaging

We will provide consumers with refills to make it possible to reuse the primary pack, for example:

- We launched pouch refills for our Sunlight 750ml bottles. This has removed 37.5 tons of packaging from the waste stream.
- Refills were launched for our Lifebuoy hand wash liquid which saved 8 tons of packaging.
- Where possible our packs have been designed for reuse by consumers e.g. Robertsons Spice bottles and grinders, Aromat canisters, Knorr salad dressing bottles, Flora 1.2kg tubs, our fabric conditioners and deodorant roll-ons.

Tackle sachet waste

Working in partnership with industry we have been instrumental in setting up the Multi-layer and Flexible Forum which aims to represent the business needs, interests and opinions of its members that are committed to providing environmentally responsible packaging solutions, materials and recycling systems for sachet waste.

Eliminate PVC

We will eliminate PVC from all plastic containers by the end of 2010 and all other packaging by 2012.

Recycle packaging

We will continue to support initiatives which assist in increasing the recycling rate in the country.

- Through our membership of the Aerosol Manufacturing Association (AMA) and the Packaging Council of South Africa (PACSA) we are aiming to increase the recycling rate of aerosol cans and other packaging materials by sharing our global experience and best practise.
- Through our membership of the PET Plastic Recycling Company (PETCO) and in conjunction with our suppliers we are aiming to utilise post consumer regrind in our non food contact PET bottles.
- By 2012 we will have material identification logos printed or embossed on our packs to make it easier for consumers and recyclers to identify and recycle our packaging.



REDUCING ENVIRONMENTAL IMPACT

Working across all of our operations and activities and in partnership with Government, other stakeholders and the people who use our products, we will reduce our overall environmental impact.

- We are replacing the inner liner of our corrugated cases with recycled liner.
- Currently 97% of our cartons are made from recycled material.

In partnership with Wildlands Conservation Trust we run a schools and community waste collection programme. The programme enables hundreds of community families to collect recyclable waste and exchange this for essential goods including food, school books, uniforms and bicycles. Our aim is to roll out the programme to other community sites to enable the collection of more waste and improve the livelihoods of more families.

Reduce waste from our manufacturing

We have developed a waste management plan which will ensure the reduction of waste across our manufacturing sites by 12% by 2015 vs. a baseline of 2009.

In addition, 45% of our waste stream which previously went to landfill, is now reused as raw material, or filler for composting and recycling, for example:

- Petroleum jelly, fragrance, body product and soap powder waste is reused to make lubricants and candles.
- Tea dust, food and spice waste and certain of our manufacturing effluent are treated and reworked into compost.
- The labels of our corrugate cases are removed and the cases reassembled and sold for reuse.

Future partnership aims

We will work closely with our strategic suppliers, recyclers and NGOs to identify new methodologies to increase the Recycling and Recovery Index. We will also look at additional ways to improve recycling rates at our factory sites. We will continue to work with environmental specialists on waste reduction measures and become an active member of the Institute of Waste Management in South Africa.

SUSTAINABLE SOURCING

Sustainable Tea

In line with our global target, Unilever South Africa has committed to sourcing the tea in all Lipton Yellow Label tea bags from Rainforest Alliance Certified™ estates by 2015. We will source the majority of other teas sustainably by 2018.

Sustainable Palm Oil

Unilever South Africa is fully aligned with the global target of 100% of palm oil being sourced from certified sustainable sources by 2015.

Future partnership aims

Unilever South Africa has an ongoing relationship with our suppliers, industry bodies, Government and non-Government agencies to explore further options in sustainable sourcing.

ENHANCING LIVELIHOODS

Through the establishment of strategic partnerships across our Supply Chain we contribute to the development of small enterprises around South Africa and in so doing ensure that the livelihoods of South African's are enhanced.

BETTER LIVELIHOODS

Helping smallholder farmers

In partnership with the Development Bank of Southern Africa (DBSA) and the Accelerated Shared Growth Initiative of South Africa – Eastern Cape (AsgiSA-EC) we have established a small holder farming initiative to grow and procure Paprika for our Robertsons Spice brand. Based in Keiskammahoek in the Eastern Cape, an area which has an 87% unemployment rate, the programme has successfully completed two production cycles and has provided employment to over 200 community members.

Unilever South Africa is committed to supporting the initiative to make this a sustainable and commercially viable agricultural model thereby increasing the benefit to the wider community.

South African Supplier Diversity Council (SASDC)

Unilever South Africa is a founding member of the SASDC, part of the National Business Initiative (NBI), which has been established to promote black suppliers through the sharing of knowledge, experience and best practice in supplier diversity. We also support member commitments to increase procurement and development opportunities for black-owned suppliers.

We will work with the Council to achieve their aim of creating a supplier database of 2,000 certified black suppliers by 2013.

Unilever Trade Development Programme

For over ten years Unilever South Africa has worked with Smollans to deliver the Unilever Trade Development Programme. 4,700 Small General Traders around South Africa receive regular on-the-job business development, pricing advice and in-store layout guidance to ensure that their business becomes successful and sustainable. The traders also receive a quarterly Trader Value Club magazine which ensures further transfer of skills.

Future partnership aims

Together with the DBSA and AsgiSA-EC we will explore further opportunities for local small holder farming initiatives. By 2012 we plan to have established a Supplier Development Programme which will identify and support our Exempted Micro Enterprise (EME) and Qualifying Small Enterprise (QSE) suppliers who require development assistance.





We will enable our people to make sustainable and healthy choices at home and at work.

PEOPLE

Reduce workplace injuries and accidents

Our safety record has improved steadily since 2007 and we are well on track with our Safety Programmes to ensure we meet the Unilever global target of reducing the total recordable accident frequency rate in our factories and offices by 50% versus 2008.

Healthy workforce

Our Vitality Wellness Programme has reached 2,000 of Unilever South Africa's permanent employees and 500 contractors. In partnership with Discovery Health and Vitality Assist the programme covers aspects of medical health, nutrition, physical activity and stress and resilience. Wellness Days are run on-site and these include assessing employee physical health, online wellness questionnaires, eye screening, cholesterol, blood pressure, blood sugar and HIV testing as well as providing information on exercise programmes and diet plans.

The aim of the programme is to reach our entire permanent and temporary workforce to ensure that the personal health and wellness of our employees is enhanced by the end of 2011.

HIV and Aids Employee Roadmap

Unilever South Africa's HIV/AIDs Employee Roadmap is anchored in the Government's strategic HIV/AIDs framework and forms an integral component of our occupational health strategy.

The Roadmap addresses the needs of individuals at key stages of prevention and treatment and also encourages the building of joint programmes within local communities.

We are committed to improving the percentage of employees who conduct voluntary HIV/Aids testing year on year through continued internal awareness programmes and peer educator support. In 2010 our goal is to have 80% of all employees tested for HIV/Aids.

Unilever South Africa's biggest investment in dealing with HIV/Aids has been through the Thokomala Orphan Care Organisation which provides a loving home to 120 children through 20 homes around the country and outreach to a further 3,000 children in the surrounding communities. In partnership with Child Welfare South Africa, other NGO's and local and international funders the programme aims to provide HIV/Aids infected and affected children with the best possible chance of leading a normal family life.

Increasing diversity

We are dedicated to creating a working environment that enables all people, especially women, to become future leaders and role models. Our gender representation levels are ahead of industry norms, particularly at senior levels within the organisation, compared with local (JSE listed) and state-owned enterprises. We aim to have 50% female representation across management in our business by 2015.

Since 2005, Unilever South Africa has partnered with SA WomEng, a non-profit organisation, which seeks to address the issue of gender inequity in the South African engineering field. We will continue to strengthen our relationship with WomEng to further the development and advancement of women in engineering.

Unilever South Africa is committed to the Department of Trade and Industry's imperative to support transformation in South Africa through the Broad Based Black Economic Empowerment (B-BBEE) programme. In 2010 we achieved a BEE Level 6 verification certificate. To improve this we will focus on leveraging our expertise in the skills development and procurement arenas and optimising our employment equity and enterprise development programmes in to the future.

Learnerships

In line with the Skills Development Act (SDA, No. 97 of 1998) in South Africa, Unilever South Africa embarked on a national Skills Upliftment Strategy to introduce a Learnership Programme at our manufacturing sites. 750 employed and unemployed learners have been upskilled over the last 3 years. As a result Unilever South Africa is seen as a key contributor of skills development in the country, positively impacting the unemployed by playing a role in learners achieving a credible qualification, relevant wherever their career-path may take them.

By 2013 our intention is to have our entire shop floor across our nine factory sites achieve a National Qualification Framework (NQF) qualification. Beyond this achievement, Unilever South Africa will continue to contribute to the upliftment of skills in the country by assessing the need to continue with the implementation of learnerships for unemployed learners.



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Community involvement

Annually we run a volunteer week which enables employees to have one day's paid leave to spend doing volunteer work in communities. Since we started the programme in 2008, 52 charitable organisations, reaching thousands of disadvantaged individuals, have been touched by this initiative. Our aim is to roll out this scheme across all of our sites reaching even more community organisations.

As part of our charitable giving programme we distribute all of our good obsolete food, home and personal care products through FoodBank South Africa. In 2010 we donated the equivalent of R10 million worth of products and FoodBank SA saw that it reached over 1,000 beneficiaries across the country. We will work with FoodBank to provide logistics and distribution support and to explore further opportunities with them to improve food security in the country.



Education

Education is a key priority for South Africa's Government to increase the skills level of the country and in so doing reduce unemployment.

Unilever South Africa has contributed to the Mandela Rhodes Foundation which provides a post-graduate scholarship at universities within South Africa in perpetuity.

We also provide bursaries to disadvantaged children across the country through the OMO Bursary Trust Fund which ensures that these children have the opportunity to attend school, buy books and school necessities to get the best education available to them. We will continue with our commitments to build and strengthen the OMO Bursary Programme over time to achieve our education investment aspirations and thereby give each child on the programme a fighting chance against poverty.

Reduced employee travel

We have installed telepresencing facilities in to our head office with the aim of reducing international travel and in so doing our carbon footprint.

We are introducing a flexible working programme which will encourage employees to integrate home working into their regular work patterns which will significantly reduce their travel.

Reduced energy consumption in our offices

We will be reducing energy consumption at our head office by installing occupancy sensors, energy efficient light fittings and control gear. This will reduce the green house gas contribution from our head office by 20%. We have utilised natural light where possible and will adapt our working space through the installation of transparent roofing sheets at our factories and lighter wall paint in our offices so that this is more achievable in the future.

We have plans in place to optimise the utilisation of our PCs, air-conditioning units and other equipment through the installation of an auto-switch programme to alleviate unnecessary running. This together with an employee energy saving training programme will ensure the further reduction of energy consumption at our sites per employee.

Reduced waste in our offices

As a result of internal awareness programmes as well as an effective Green IT initiative we have reduced paper usage at head-office by 72%.

We have reduced our office general waste by 32% and increased recycled waste by 7% through on-site awareness and waste minimizing initiatives, including a waste separation programme and the use of recyclable materials where possible. Our aim is to continue to reduce the total waste generated by head office reaching a target of 45.5% by 2015.