

Adding Vitality to Life: Health, Nutrition and Sustainability

Gavin Neath
SVP Global Corporate Responsibility/
UK National Manager

ING Consumer Goods Conference
7th December 2006



This presentation may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the Annual Report & Accounts on Form 20-F. These forward-looking statements speak only as of the date of this presentation.

Health has always been part of Unilever's corporate purpose



*To make cleanliness commonplace, to lessen the work for women; to foster **health** and contribute to personal attractiveness that life may be more enjoyable and rewarding for the people who use our products.*

William Hesketh Lever, 1890

Over the years public health concerns have helped shape our portfolio

Sunlight soap played a key role in popularising hygiene and reducing disease at the end of the 19th century



Fish fingers were developed after the war in an effort to respond to Government efforts to get children to eat more fish



Flora was a response to a government campaign in the 1960's and '70's to reduce consumption of saturated fats



In Asia and Africa we are still promoting the health benefits of good personal hygiene



- Lifebuoy launched *Swasthya Chetna* (Health Awakening) in India in 2002
- 5 year programme - \$5.4m investment
- Goal: To educate 200 million Indians to wash their hands with soap
- By end 2004 had reached 70 million people, including 20 million children, in 18,000 villages
- Extended to Pakistan in 2003 and to five African countries in 2006



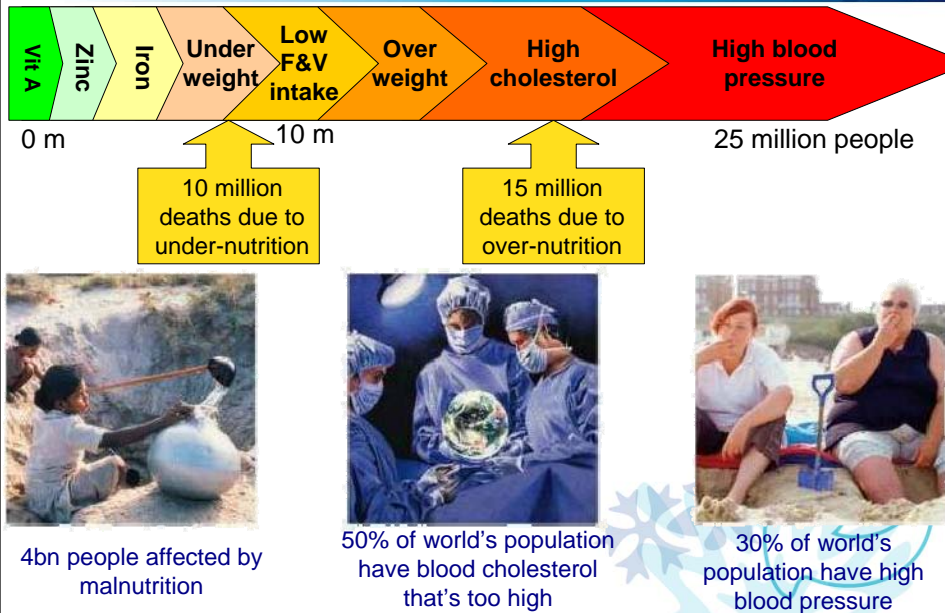
Today we encapsulate this way of doing business in our Vitality mission



Agenda for today –
The Vitality mission in Foods

- Nutrition: Vitality in our products
 - Over-nutrition in the developed world
 - Under-nutrition in developing countries
- Sustainability: Vitality of the environment and the world in which we conduct our business

Global nutrition – the challenges... and the opportunity



In the developed world the debate is focused on **over-nutrition**

Fatty foods banned from school dinners

Andrew Porter and Jonathan Ungoed-Thomas

DOZENS of fatty foods, fizzy drinks and puddings are to be banned from school menus by the government in an effort to tackle obesity.

Burgers, chicken nuggets and turkey shapes with more than 10% fat will be on a "blacklist" that aims to transform the eating habits of schoolchildren.

There will also be restrictions on chips, sticky puddings and ice cream. They will only be served once a week instead of three or four times as in many schools at present.

The cafeteria-style system currently used in many secondary schools will be phased out because it allows children to "pick and mix" to avoid healthy foods.

Schools will instead be required to menus, on a more typical set night in brown, followed either fra with milk.

Ruth K secretary, new nutri Labour pa this month in this year say by me

The gu agreed by Review Pa in respos Janet Oliv

His tele School Di lize this y local auaric only 37p devised in



worse than we thought, says expert

Doctors issue warning after diabetes cases top 2million

Diabetes UK director Simon O'Neill

Unilever's response to the "obesity crisis"

- Improving the nutritional profile of our **existing** product range
- Targeting market segments that bring health benefits in **new** products
- Clear, simple, informative labelling
- Responsible advertising and marketing
- Promoting healthy lifestyle and physical activity

Unilever's response to the "obesity crisis"

- Improving the nutritional profile of our **existing** product range
- Targeting market segments that bring health benefits in new products
- Clear, simple, informative labelling
- Responsible advertising and marketing
- Promoting healthy lifestyle and physical activity

Improving the nutritional profile of our existing product range

The Nutrition Enhancement Programme (NEP)



This is a technique which takes International dietary guidelines for saturated fat, trans fat, sodium, sugars and translates them into benchmarks for key nutrients



Since 2003, all our 27,000 products have been put through this nutrition profiling model



Brands that pass the screen are given a "nutrition passport"
Those that don't have to be reformulated

The NEP has transformed our existing portfolio

Saturated fats being reduced by up to 40% in Heart brand ice creams in Europe

Sodium in (US) Ragu Old World Style Sauce reduced by 25%

Family Goodness spreads to be virtually free of trans fats by 2007

Many US vegetable oil spreads reformulated to 0 g trans fat per serving

In 2005 and 2006, reformulation changes will eliminate 15,000 tons of trans-fats 10,000 tons of saturated fats 2,000 tons of sodium and 10,000 tons of sugars from our portfolio

20-25% reduction in sugar levels in US RTD teas completed.

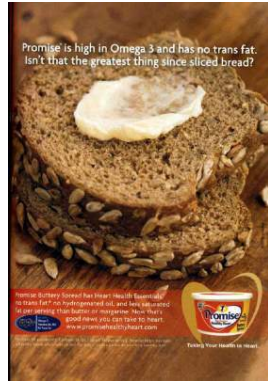
Soups sodium levels reduced by 10% (Europe)

Ketchup sugar levels reduced by 10%



Not only have we eliminated “baddies”...

Promise spreads US



Lipton Ice Tea US



Knorr soups Europe



...we have upgraded the profile of core ranges

Ragu sauces



Now with a full serving of vegetables in every half cup

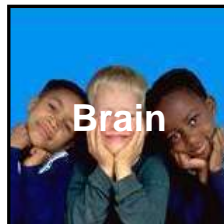
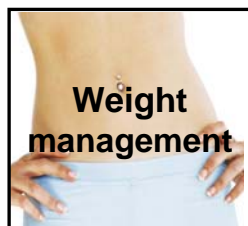
Knorr bouillon



Unilever's response to the "obesity crisis"

- Improving the nutritional profile of our existing product range
- Targeting market segments that bring health benefits in new products
- Clear, simple, informative labelling
- Responsible advertising and marketing
- Promoting healthy lifestyle and physical activity

Our innovation programme is targeting five key benefit areas



Heart health – Flora/Becel



Omega 3 plus
Packed with more omega 3
than any other spread or
minidrink



pro.activ
Spreads, milk, yoghurt and mini-
drinks clinically proven to lower
cholesterol

Mental development – Rama Idee!



The first margarine to contain
nutrients that support mental
development

A low-fat spread that is a rich
source of selected brain nutrients
(DHA, ALA, B-vitamins)

...where we have long-standing expertise



Our brands' heritage in tea dates back over a century



Soy-based AdeS drinks were first launched in Argentina 20 years ago

We have been researching the dietary impact of vegetable oils since the 1960s

Vegetables – Knorr “fresh” soups



Healthy, premium ingredients

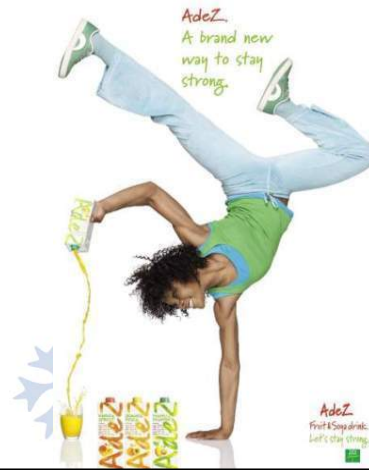
Delicious recipes

New packaging for a fresher taste.



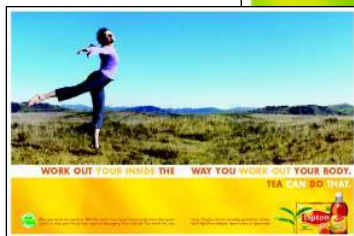
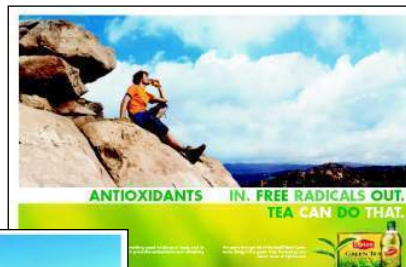
Soy - AdeZ

AdeZ a Healthy Drink that combines the Goodness of Soya with the Refreshment Taste & Health from Fruit Juice!



Tea – Lipton

Celebrating the unique combination of health benefits of tea, with antioxidants to fight free radicals



Oils – Family Goodness spreads

“Goodness of margarine”
Communication on healthy oils and fats in Europe and Africa

Milk – Moo ice cream

NOVO SIS-MILK.
O GELADO COM 70% DE LEITE.
Chegou o gelado que vai deixar você e o Filho Felizes!
Composto por leite, leite doce, queijos tipo Feta, do leite pasteurizado,
15% de óleo vegetal recombinado de cálcio. Já o seu Filho
vai adorar o delicioso sabor do chocolate Milk.

Ice cream that is 70% milk and contains as much calcium as a glass of milk

Unilever's response to the "obesity crisis"

- Improving the nutritional profile of our existing product range
- Targeting market segments that bring health benefits in new products
- Clear, simple, informative labelling
- Responsible advertising and marketing
- Promoting healthy lifestyle and physical activity

Labelling principles

- Provide clear information which allows the consumer to make the right choice
- Make the healthy choice the easy choice
- Recognise that in some countries more information is required

Healthy choices made easy – My Choice

- A simple, consumer-friendly system that can work across companies and categories
- Products must meet benchmarks for saturated fat, trans fat, sodium, sugar
- Launched in Holland, Belgium and US
- Global roll-out planned in 2007/8



In some countries more information is required

26 NEWS

26C

THE TIMES

Shoppers want traffic light labels to show healthy food

By Valerie Elliott
Consumer Editor

SHOPPERS want clear "traffic light" labels on food to help them to choose healthy items, according to the Government's food watchdog.

Symbols to steer people away from junk food are being devised by the Food Standards Agency and will also eventually appear in TV adverts. It is part of the Government strategy to tackle obesity and improve diet.

Ministers want to see the health alerts on foods by 2006. The aim is for supermarkets, manufacturers, corner shops and perhaps even catering outlets which sell prepacked food to adopt a standard scheme that alerts people to the health benefits — or otherwise — of the food they buy.

The symbol may even appear on food sold in vending machines and in schools, hospitals and canteens.

The plan has been condemned by food industry chiefs as simplistic and in danger of demonising certain

products and may be reluctant to adopt a new standard version within a year.

Shoppers have, however, made it clear that they want to see a standard label because they do not trust the food information found on packaging.

The standards agency tested five types of label on consumer groups of various ages around the country. The overwhelming message from those tested was that they needed help to choose healthy food and would

'If everything I was eating had a red dot, it would make it hard to ignore'

like to see the labels on fresh as well as prepacked food.

They chose two favourite symbols. One was a single traffic light symbol in red, amber or green with advice to "eat sparingly", "eat in moderation", or to "eat plenty".

Under this formula red alerts would appear on packets of crisps or sugar-coated cereals, amber on a chicken wrap or processed cheese squares and

multiple traffic light scheme — is more complicated. It has four lights to indicate content of fat, salt, sugar and saturated fat.

A prawn mayonnaise sandwich, for example, might have two red spots denoting high fat and salt content, a green for low sugar content, and an amber for saturated fat levels.

Shoppers rejected the food industry's scheme to include fat, salt, sugar, and saturated fat content on the label and remind people of their maximum

recommended daily intakes. The single traffic light symbol was the easiest for most consumers to follow. A middle-aged woman said: "It's like a traffic light — stop, don't eat it."

Parents thought that their children would understand the traffic light message. One young mother said: "I could say to my children 'it's not me, look at the dots, it's telling you.'" Par-

old schoolboy admitted that his eating habits might be changed by the symbols.

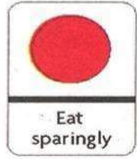
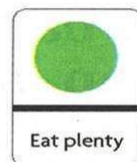
He said: "It would make me feel guilty if I knew everything I was eating was a red dot, it would make it hard to ignore."

People in the focus groups were not, however, keen for the warnings to appear on menus in restaurants and pubs. They thought eating out was special and did not want the treat spoiled by health warnings.

Discussions are to take place with the food industry and consumer groups to decide the way forward.

Gill Fine, the agency's director of consumer choice and dietary health, said: "People have told us they want to make healthier choices and they would welcome signposting to help them. We will test out the options in shops."

Martin Paterson, of the Food and Drink Federation, said that the industry was keen to give consumers more informative nutrition labeling but added: "Simplistic schemes which categorise products into good and bad could seriously



In the UK GDAs are likely to become the standard on front of pack



Tesco have started to educate the market

Each pudding contains

Calories	Sugar	Fat	Saturates	Salt
420	33.8g	14.5g	8.2g	1.0g
21%	60%	21%	41%	17%

at your guideline daily amount

Syrup sponge.
 Our label tells you it contains 60% of your daily sugar intake.
 Serving suggestion:
 Once every now and again.

Chocolate chip syrup pudding 120g, Selected sizes

TESCO | Every little helps

Unilever's response to the "obesity crisis"

- Improving the nutritional profile of our existing product range
- Targeting market segments that bring health benefits in new products
- Clear, simple, informative labelling
- **Responsible advertising and marketing**
- Promoting healthy lifestyle and physical activity

Responsible advertising and marketing

Our guiding principles

- We sympathise with societal concerns about the advertising of food (especially to children)
- We are working with regulators to find a proportionate response
- Our strict code of Marketing Principles sets out limitations on advertising to children

For example

- **In the UK** we were one (of only two) manufacturers to support the FSA's proposal to ban the advertising of foods high in sugar, fat and salt in children's programmes.
- **In the USA** we will participate in the "Advertising Pledge" programme – where 50% of adverts targeted at children under 12 must include a healthy lifestyle message.

Unilever's response to the "obesity crisis"

- Improving the nutritional profile of our existing product range
- Targeting market segments that bring health benefits in new products
- Clear, simple, informative labelling
- Responsible advertising and marketing
- Promoting healthy lifestyle and physical activity

We use our brands to promote physical activity...

Obesity is as much about the lives people choose to lead as the food which they consume



...and not just food brands

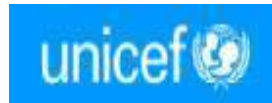
The collage features several elements: the 'dirt is good' logo (a stylized starburst) and the text 'dirt is good' in black; a 'Persil' advertisement with a young girl and the headline 'MUM, WILL YOU BE MY COACH?'; another 'Persil' advertisement with the headline 'WE BELIEVE DIRT IS GOOD AND NEVER BETTER THAN WHEN PARENTS AND KIDS ARE LEARNING THROUGH SPORT'; the 'skip' logo with the tagline 'Partenaire officiel de l'école des Rugby'; and a group of children playing with a ball. A small blue box at the bottom right of the collage reads: 'That's why we've created the Dirt is Good coaching programme. WWW.BENMYCOACH.COM'.

Under-nutrition in the developing world

- 6 million children die before their fifth birthday every year
- 800 million people go to bed hungry every day...300 million are children
- 3.6 billion people are deficient in iron
- 2.4 billion people lack basic sanitation
- 1 billion people live on < US\$ 1 per day



Problems of this scale can only be tackled in partnership with others



We have 3 programmes with UNICEF:

- Latin America: Complementary feeding
- Africa: Fortification of micro-nutrients
- India: Partnership for Child Nutrition (with Synergos/Tata/ICCI/Shell Foundation)



Our partnership with the WFP is led by our “Family Goodness” spreads brands. It consists of 3 elements:

- School feeding programmes
- Cause-related marketing
- Employee volunteering

In Ghana we have launched Annapurna, a brand of iodised salt



740 million people suffer from iodine deficiency disorders (IDD) – mostly in developing world

Iodine causes goitre, cretinism and severe mental retardation – plus hidden consequences of low IQ and underachievement

UNICEF estimates it costs 5 US cents a year to provide someone with sufficient iodine to prevent IDD

Annapurna

In 2000 Unilever launched Annapurna iodised salt in partnership with UNICEF and Ghana Health Ministry

Annapurna has helped to nearly double iodised salt use in Ghana to around 50%



In Nigeria, we fortify Blue Band margarine with micronutrients

- Vitamin A plays an important role in strengthening immunity from infections, bone growth and cell development
- 30% of children under 5 in Nigeria are deficient in the vitamin
- Blue Band margarine is fortified with vitamin A, as well as vitamins B6, B12, D, E, niacin and folic acid
- In 2001, we received commendation from UNICEF for our work on fortification



Sustainability

Our sustainability programmes are built on four pillars



Agriculture



Fish



Water



Eco- Efficiency

Sustainable agriculture

- Over two-thirds of our raw materials come from agriculture
- 40% of agricultural land suffers soil degradation
- Agriculture uses 70% of world's fresh water resources.

- We have developed sustainable agriculture guidelines for our key crops
- We play a key role in the Roundtables on Sustainable Palm Oil and Sustainable Soy
- We are founder members of the Ethical Tea Partnership – an industry-wide social and environmental responsibility initiative



Sustainable water

- 1.1 billion people have no access to water
- 2.6 billion live without basic sanitation
- Around 1 billion people live in urban slums

- Water is necessary for the consumption of all our products
- Our past focus has been on reductions in
 - Our agricultural supply chain (50% of our water imprint)
 - Our own manufacturing facilities (5% of water imprint)
- Future strategy is to be more “down stream” focussed: consumers account for 45% of our water imprint



Sustainable fish

- 1995: we founded the Marine Stewardship Council with WWF
- 2005: 56% of fish came from sustainable sources



Climate change

- Unilever has been working on this for a decade:
 - 17% of our energy is from renewable sources
 - Our CO₂ emissions are down by a third
 - Our work on ice cream refrigerants is extensive
 - We have mapped our carbon footprint
- The Carbon Disclosure Index ranks us as an “industry leader”, as does the DJSI
- Consumer impact from use of our products opens up avenues for innovation
 - Washing powders that clean at 30 degrees
 - Packaging




The key task with our Sustainability Programme is to integrate it into our innovation plans



- We have developed a simple tool – Brand Imprint – to facilitate this
 - A number of brands are putting resource behind this:
 - Knorr – sustainable agriculture
 - Lipton – sustainable supply chain
 - Laundry – water
 - All Small and Mighty – climate change (packaging)
 - The growing number of “conscience consumers” in Europe and the USA suggests that this is a fertile area
- 

Health, Nutrition and Sustainability – an opportunity we are well placed to take



- Health, Nutrition and Sustainability play to Unilever’s strengths:
- Unique consumer insights from our portfolio
 - Brands at the heart of Health and Nutrition
 - Expert R&D knowledge and resource
 - Experience and capability
 - In Health and Nutrition for over a century
 - In Sustainability for more than a decade
- 

Adding Vitality to Life: Health, Nutrition and Sustainability

Gavin Neath
*SVP Global Corporate Responsibility/
UK National Manager*



ING Consumer Goods Conference
7th December 2006

