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ABOUT US

€53.3 BILLION SALES IN 2015

2 BILLION
CONSUMERS USE
OUR PRODUCTS
ON ANY GIVEN DAY

190 COUNTRIES
WHERE OUR
PRODUCTS
ARE SOLD

169,000 EMPLOYEES WORLDWIDE

13 BRANDS WITH SALES OF MORE THAN €1 BILLION A YEAR

FOREWORD BY PAUL POLMAN



In 2015, UN member countries adopted the Sustainable Development Goals (SDGs) - a roadmap for a more inclusive, equitable and sustainable world by 2030. The Global Goals are our chance of fixing what's broken and creating a brighter and more prosperous future for all.

The Goals can create a life of dignity and opportunity for all while offering a huge potential to boost profitable growth for businesses everywhere, working within the boundaries of the planet. Every organisation will benefit from operating in a more equitable, resilient world. There is no business case for enduring poverty.

Within our own activities we have identified where Unilever has the biggest potential to contribute to the SDGs, using the reach and scale of our organisation, and how this will add value to our business at the same time. Through our Unilever Sustainable Living Plan (USLP), and our transformational change agenda, we are doing our part to achieve the overarching goal of a 'zero poverty and zero carbon' world.

Access to water and sanitation is one of the most pressing challenges of our time. Today 2.5 billion people still lack effective sanitation and good hygiene facilities. The sustainable provision of safe drinking water, sanitation and hygiene is essential to achieving the SDGs.

As part of our USLP, we have set an ambitious goal to reach 1 billion people by improving their health and wellbeing. With our Lifebuoy handwashing behaviour change programme and our 'Help a Child Reach 5' campaign, we have reached 337 million people since 2010. As part of our commitment, we aim to help 25 million people gain improved access to a toilet by promoting the benefits of clean toilets and by making toilets accessible.

We are committed to achieving this target, and contributing to driving progress against the SDGs, but we cannot do this alone. We must work together to create a brighter future for all.

I'm therefore delighted that our first Hygiene Centre in Mumbai has opened. It is a true example of the progress we can achieve if the private sector partners with governments, civil society and citizens to implement the SDGs.

PAUL POLMAN

Chief Executive Officer, Unilever

INTRODUCTION

With a population of 1.3 billion and accelerated urbanisation, India faces immense pressures on its cities. As a result, its slum population has more than doubled in the past decade and is projected to continue growing. This growth poses challenges for communities to access water, hygiene and sanitation. Improving access to these basic needs is essential to offering people a better life.

We know that simple changes can make a big difference: washing hands with soap; providing safe drinking water; and building and maintaining clean toilets. With our portfolio of health and hygiene brands, Hindustan Unilever is well placed to tackle these challenges in India. Through our brands and affordable products, we are working with partners to promote life-saving behaviours.

Since 2010, Lifebuoy's handwashing programmes have reached over 65 million people in India, and since 2005 Pureit has provided 70 billion litres of safe drinking water through its purification devices. Our Domestos toilet cleaner brand, known as Domex in India, is also working with governments and partners to help support access to improved sanitation.

However, to accelerate progress on Water, Sanitation and Hygiene (WASH) and the SDGs, we questioned our current thinking on WASH issues: what solutions can we provide to address the SDGs in an urban context? With this mindset, we developed a new approach to doing business. Whilst many people may think of us as a company that sells products, sustainable development requires us to think about services, new types of collaborations, innovation and partnerships.

In 2016 we launched the Suvidha ('convenience') Centre, the first of what we hope will be many community hygiene centres in India. The Centre offers toilets, handwashing, showers, washing machines and safe drinking water to the local community. What is more, the Suvidha Centre considers the environmental impact of water. Through innovative design, it uses a closed-loop approach to re-using water. Water recycling is an integral part of the design of the Centre, from harvesting rainwater from the roof, through to treating and re-using 'grey' water from showers and laundry to flush the toilets.

This pilot project is just the start and something of a bold experiment for us as a company. We believe that tackling the WASH challenge will not only save lives but it will also create market opportunities. It is helping us to better understand how to grow our business whilst increasing our positive social impact and reducing our environmental impact.



SANJIV MEHTA

CEO & Managing Director, Hindustan Unilever

THE URBAN **CHALLENGE**

Today, half the world lives in cities. Nearly 30% of these urban residents live in slums. 1 It's been estimated that by 2050 there will be 2.7 billion more people on earth than today, with urbanisation rising from 50% to 69%. By then, around 1.3 billion people will live in urban slums.²

Slums, by their very definition,³ are characterised by a lack of basic services such as adequate sanitation and access to safe drinking water. One in four city residents worldwide - nearly 800 million people - live without access to improved sanitation facilities. Nearly 500 million people in cities rely on shared sanitation. This number has doubled since 1990. More than 700 million lack access to improved sources of drinking water.4 Despite some progress, rapid urbanisation means that these slums are growing faster than the challenges are being solved.5

Already in urban areas, access to improved drinking water sources is failing to keep pace with growth. 6 As the global population grows further, the rate of demand for water is expected to increase twice as fast. There are many competing demands for water, such as in food and energy production, industrial processes as well as domestic uses. But often the marginalised people are the ones who lose out in the fight for water, meaning that there is less water available for domestic use in vulnerable communities.

Lack of reliable access to water has a big impact on sanitation and hygiene. Poor sanitation causes numerous problems. For example, the contamination of drinking water after storm waters wash human waste into open drinking water sources.

Contaminated drinking water causes cholera epidemics, faecal-oral diseases, such as diarrhoea, and outbreaks of malaria. The World Health Organization (WHO) estimates that one in four slum children suffer from diarrhoea at least once a fortnight. Women and girls are most acutely affected by inadequate facilities in addition to bearing the burden of collecting water.

The interconnected challenges of water, sanitation and hygiene cause millions of preventable deaths every year worldwide, as well as tremendous hardships for the growing population of the urban poor.

• Every person has the right to safe water, sanitation and hygiene. These are basic human rights as well as major SDG challenges and shared responsibilities. While government must address the needs of its citizens, there are also significant business opportunities for forward-thinking companies to help develop solutions in this area that are scalable, collaborative and equitable.

Peter Bakker President & CEO World Business Council for Sustainable Development

INDIA'S SLUMS

Mumbai, the capital city of the Indian state of Maharashtra, houses one of the largest slums in the world and India continues to carry the greatest share of the global sanitation burden.

THE SANITATION AND HYGIENE CRISIS

In 2015, India was ranked by Wateraid as the country with the longest toilet queues.8 It suffers from a lack of functional toilets, meaning that a large number remain unused and open defecation continues as a wellestablished practice. Poor construction of shared facilities and a lack of ownership and responsibility for those facilities leads to poor maintenance and cleaning and increased faecal contamination.

In many cases, toilets do not function properly due to blockages in sewers, lack of adequate water supply and failure of pumping stations. 9 Whilst flushing toilets can prevent contamination and reduce odours, it is a challenge to ensure that there is adequate water supply and enough sewers in place to guarantee functionality, especially in non-notified slums, which are not recognised by the government.

Because toilet facilities are seen as unsanitary, open defection remains an acceptable cultural norm in some parts of society. 10 Even where toilets are built as part of social initiatives, the complete transition from open defecation to using toilets has not been successful partly due to a resistance to changing behaviour.

A lack of adequate sanitation costs India an estimated US\$53.8 billion each year. equivalent to US\$48 per person or 6% of GDP. Around 140.000 children die each vear from diarrhoea in India. 11 and only 33% of children under the age of five with diarrhoea received treatment compared to a global average of 44%.12

THE HIDDEN COST **OF WATER**

Water is costly. The urban poor pay up to 50 times more for a litre of water than their richer neighbours, since they often have to buy their water from private vendors. The real cost of water, however, is frequently unaccounted for as women and girls pay the heaviest price.

Women and girls bear the burden of sourcing and fetching water from either private vendors or shared connections when supply is poor. Because they spend a considerable amount of time gathering water, this can reduce the time available for education, employment, childcare and rest. 13

Women tend to spend more time than men in the home and neighbourhood, where they are more directly exposed to environmental and health hazards of poor sanitation. 14

Safety is also a real issue for women living in slums, particularly if they must travel far away from their settlements for open defecation or to fetch water at certain times of the day or night. They are more vulnerable to harassment and assault.15

TAKING ACTION ON **WATER, SANITATION AND HYGIENE (WASH)**

The Indian government aims to achieve an Open Defecation Free (ODF) India by October 2019 through millions of new toilets for individual households as well as shared facilities for communities. 16

In support of the Swachh Bharat (Clean Indial Mission. Unilever has built its first pilot for a holistic solution for hygiene in Mumbai. We believe the solution to improving hygiene and sanitation will not come from increasing the number of toilets alone but from creating a system for efficient, functional services.

Alleviating the plight of those who live in slums will depend on co-operation between the private sector, governments and civil society, with shared goals and a willingness to pool resources.



SUVIDHA: THE UNILEVER COMMUNITY HYGIENE CENTRE

Around 6.3 million people in Mumbai - 54% of the population - live in one of 2.000 slums.¹⁷ Just under half of Mumbai's slums are non-notified, which means that they do not have access to city services such as connections to water supplies. Without legal connections to water supplies, many residents are forced to illegally tap into city water pipes, which can compromise the safety of the water supply. 18

Many people in Mumbai's slums also face problems in accessing potable water because of contamination, low pressure, irregular supply and high access costs.²⁰ A shared water connection is typical; just 5% of households have private water connections. Just one in five has access to a toilet that is not shared with other households.²⁰

Residents of these slums are essentially deprived of their fundamental human rights to safe and clean drinking water and sanitation

The Suvidha Centre, which is located in one of Mumbai's most challenging slums, is a holistic approach to the issues of poor personal hygiene, lack of laundry facilities, lack of safe drinking water and poor sanitation. The community centre provides WASH services at significantly lower costs than market rates.

The Centre also promotes a safe and welcoming environment for everyone. A secure and safe children's play area has been built on the roof and there are separate entrances for women and girls, which can be accessed at night

The Suvidha Centre has been designed with careful consideration of the environmental impact of water use. The design is based on a circular economy approach to water using innovative technology to harvest rainwater from the roof and recycle water from showers, handwashing facilities and laundry to provide flushing toilets.

We built the Centre in 2016 with our partners. Mumbai Municipal Body and Pratha, a non-profit, community based organisation. The project was devised, developed and built in close consultation with the local community. It is a community centre that meets real needs, catering for over 1,500 people. It is a market-based solution that is designed to be affordable and replicable.

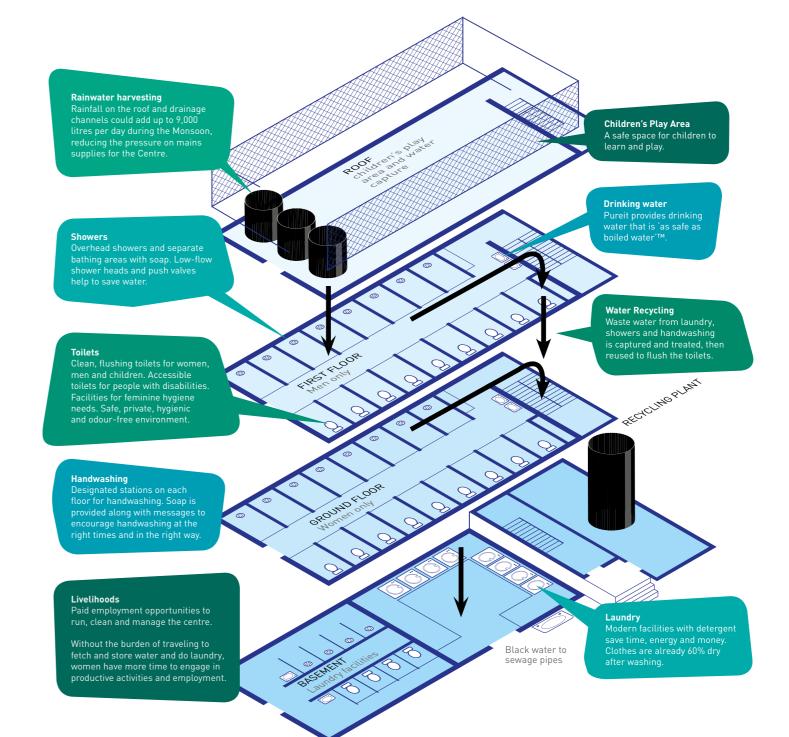
PAY PER USE IN INDIA

Pay-per-use facilities are normal across India. For example, many households spend 20-30 rupees per day and wait for up to 60 minutes in queues at the payper-use toilets. The Suvidha Center will offer this service for 1-3 rupees per day or less than 150 rupees for a monthly family pass. Children will have free access to the toilets. Laundry facilities and safe drinking water will also be offered at a much lower cost than typical market rates.

With the Suvidha Centre, Unilever has clearly articulated a practical example of how to deliver on the SDGs in a way that is aligned to commercial objectives. The challenge is this: how can the model reach scale, far beyond the slums of Mumbai? How best to marry the leadership, resources and impressive expertise of big business with the required small business innovation and a systemic service-based approach to respond successfully to the needs of millions of low-income urban residents? I look forward to watching the Suvidha Centres meet this challenge.

Neil Jeffery

Chief Executive Officer, Water & Sanitation for the Urban Poor (WSUP)











Unilever Community Hygiene Centre 7

SUPPORTING THE **GLOBAL GOALS**



Unilever's Suvidha Centre is helping to translate the SDGs into tangible action on water, sanitation and hygiene as well as other key drivers of development.

• Access to drinking water, sanitation and hygiene are human rights, critical to achieving the SDGs and fundamental to the growth and development of children. Unilever has been at the forefront of developing innovative, market-based solutions to address this challenge. The Hygiene Centre concept builds on local customs and expertise and brings together key partners to provide a potential solution for improving hygiene and addressing the water SDG at a wider scale.

> Sanjay Wijesekera Chief of water, sanitation and hygiene, UNICEF

SUSTAINABLE DEVELOPMENT GOALS

Access to adequate and equitable sanitation and hvaiene for all.

Capacity building and participation of local communities in improving water and sanitation.

Universal and equitable access to safe and affordable drinking water for all.

Improve water quality by reducing pollution and untreated wastewater and increasing recycling and safe reuse.

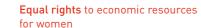


Access for all to adequate, safe and affordable housing and basic services and upgrade slums



End preventable **deaths** of newborns

and children under 5 years of age.





and girls in the public and private spheres.

Employment and decent work for All.

UNILEVER SUVIDHA CENTRE IN ACTION

The Suvidha Centre is a community facility that has been built to the highest standards. The public toilets cater to over 1.500 slum dwellers and meet almost 80% of their basic water needs for laundry, showers, toilets and handwashing.

We partnered with local NGOs to develop the concept and build the Centre. The Centre itself is strengthening participation of local communities in water and sanitation management.

Pureit provides drinking water that is 'as safe as boiled water'TM.

A closed loop system recycles around 9 to 10 million litres of water annually. Rainwater harvesting from the roof reduces the use of mains

The Centre addresses WASH challenges in an urban setting and is designed specifically for slum residents.

Studies show that washing hands with soap is one of the most effective and inexpensive ways to prevent diseases like diarrhoea. Soap and handwashing stations provide clean water and messages on washing hands at the right times.

Women typically wash clothes by hand every afternoon. Laundry facilities at the Centre will save time for women, and also provide direct employment opportunities.

Eliminate all forms of violence against all women The Centre has been designed with safety in mind with separate entrances for women and girls. Specific toilets open at night will reduce the risk of violence that is so prevalent at many slum toilets.

> Paid employment opportunities to run, clean and manage the centre.

MOBILISING COLLECTIVE **ACTION**

Collective action is the most powerful tool we have to drive positive change.

Achieving the SDGs will require a step change in the way that the private sector, governments and civil society work together. We need entirely new types of collaboration, innovation and partnership between these bodies if we are to drive collective action for a brighter and more sustainable future for all.

Unilever worked with others across the water, sanitation and hygiene sector to campaign for a stand-alone water and sanitation goal in the SDGs - including targets on ending open defecation and providing universal access to water, sanitation and hygiene. In recognition of the vital role that the private sector can play in delivering Goal 6, we helped establish the WASH4Work coalition. which aims to mobilise greater business action to address WASH challenges in the workplace, in communities where workers live and across supply chains.

The Suvidha Centre is a small step on the way to achieving the Global Goals. To translate goals into action will require more market-based solutions - backed by robust policies, corporate ambition, government support and citizen engagement.

ENGAGING CITIZENS

Raising awareness and providing people with the tools and knowledge to engage with their governments will be key to solving the WASH challenge. In India, we also run our Swachh Aadat. Swachh Bharat (Clean habits, Clean India) programme – a mass media campaign combined with an on-theground behaviour change programme to promote good hygiene habits. Bringing together Lifebuoy, Domex (Domestos) and Pureit, the programme supports the government of India's Swachh Bharat (Clean India) Mission to improve sanitation for all Indians by 2019.

DEVELOPING MARKET-BASED SOLUTIONS

We are looking to develop more

market-based solutions, which will provide opportunities for economic empowerment and sustainable business growth. For example, in partnership with Oxfam and Technoserve. Unilever's hand dishwashing brand Sunlight has created Water Centres in Nigeria. The centres make clean water more accessible in water-scarce regions, helping to reduce the time spent collecting water, as well as preventing the use of dirty water. We train local women to run the centres. hence also providing skills and an opportunity to earn an income.

the SDGs. All stakeholders must work collaboratively to define effective approaches Following the success of our first two to deliver on SDG 6. Market-Sunlight Water Centres, we scaled up based approaches and this initiative in Nigeria in 2015. We are solutions offer the highly working with other countries where the important prospect of sanitation needs are great and we have ongoing, sustainable, and a market opportunity to help at scale, including in South Africa. Indonesia and

Brazil. We currently have a total of ten

NEW BUSINESS MODELS

TO DELIVER WASH

in 2015, a partnership with the

Unilever also launched Transform

UK's Department for International

Development and the Clinton Giustra

Enterprise Partnership. The partnership

that serve low-income households and

will identify and develop business models

fund behaviour change research. By 2025

shown to improve health, livelihoods, the

the partnership aims to help 100 million

people adopt behaviours and access

environment or wellbeing.

products and services that have been

Sunlight Centres

Administrator and Global Water Coordinator

steadily achieved results. Chris Holmes Deputy Assistant

● The private sector plays

a critical role in achieving

Unilever Community Hygiene Centre 9

KEY LESSONS LEARNT

From developing the initial concept, through to opening our first Hygiene Centre, we've learnt some key lessons along the way. We hope that these insights will be useful to others that want to adopt similar market-based solutions through novel, sustainable business models.

LESSON 1: CO-CREATE TO INNOVATE

The whole process of developing a new business model had to be as consultative as possible. We began with the end users. This was vital to ensure the whole approach was going to be useful. Co-creation with end-users in the community will help us make it a success. Having an inclusive process also helped with buy-in from local stakeholders and imparts a sense of ownership. Ultimately, getting all these insights from a wide range of different stakeholders – including end-users, regulators and other companies – helped us come up with a more resilient model.

LESSON 2: PARTNER TO REALISE THE OPPORTUNITIES

Unilever is not in the construction business. Nor are we architects, planning specialists, plumbers or carpenters. But we needed all these skills and more to build our first Hygiene Centre. We had to ask for help and draw on specialist skills. We learnt that identifying specialist subject matter experts who could understand the practical challenges and had experience delivering such projects was essential for progress.

Beyond just collaboration, we needed to enter formal partnerships to make our plans a reality. By partnering with local non-governmental organisations (NGOs) we were able to tap into the skills and networks of others. These groups often have a comprehensive understanding of community needs on the ground, and can help companies to navigate cultural sensitivities and political challenges. It's essential to select the right partners based on a set of shared objectives and values.

LESSON 3: EXPECT THE UNEXPECTED

With any project, there are always surprises. Doing something challenging and different made the surprises bigger. External factors included inclement weather that contributed to delays. Festival seasons meant interruptions to scheduled plans due to fewer working days or the absence of local labour. Working in an area without planned infrastructure like water and electricity was a major challenge. There were many unknowns, from high tension wires that run above slums to poor soil quality near the ocean on reclaimed land.

Being flexible and ready to adapt to an unpredictable environment helped us navigate everything that came up. Preparing for unknowns in advance helped us put together teams to overcome the barriers. Above all, the project required patience, perseverance and optimism to make it a reality.

LOOKING AHEAD

In India, the Swachh Bharat (Clean India) Mission can play an instrumental role in scaling-up market-based solutions. Financing these solutions will be a key part of their success. We need providers of capital – like financial services firms and intergovernmental agencies – to play their part in spurring more such innovation. By working together, private sector, government and civil society can catalyse more change, faster.

1: HOW CAN WE SHARE THE FINANCING?

We should explore new models of shared financing. Blended finance, such as between governments and international financial institutions, can enable more long-term approaches by pooling risk that delivers real social and environmental outcomes. How about governments or financial bodies collaborating with local communities? Could local families in places like Mumbai contribute and become shareholders in a self-sustaining shared service? Which financial entities could structure borrowing facilities to help local communities develop their own solutions to the big social issues like water and sanitation?

2: HOW CAN WE HELP MORE ENTREPRENEURS?

Entrepreneurs often have the insights, energy and networks to deliver on the ground. Specific funds could be set up to help small-scale entrepreneurs establish their own solutions. What types of social loans could individuals draw on to deliver a solution that meets a community need? This can not only tackle social issues but also trigger a new channel for improving livelihoods.

We are calling on others to adopt other market-based solutions that enable collective action to achieve the SDGs. By developing similar projects, we can innovate new models, share learnings and achieve change at scale.

Our vision for the future is one of taking action at scale: market-based solutions that change lives and improve livelihoods. It must be a self-sustaining model of business, working in partnerships to deliver not just to India's aims, but the Global Goals as well.

Meeta Singh

Project Lead Global Director, Sustainable Business Unilever

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THE PROJECT TEAM



CORE TEAM

Meeta Singh

Project Lead Global Director Sustainable Business

Prasad Pradhan

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Jash Sarvaiya

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Anita Bhatt Zutshi

VP Finance

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