

Supply Chain Transformation

Towards a Purpose Led Future Fit Supply Ecosystem

Marc Engel



Unilever

Safe harbour statement

This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'will', 'aim', 'expects', 'anticipates', 'intends', 'looks', 'believes', 'vision', or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (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. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever's global brands not meeting consumer preferences; Unilever's ability to innovate and remain competitive; Unilever's investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth including to plastic packaging; the effect of climate change on Unilever's business; significant changes or deterioration in customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain and distribution; increases or volatility in the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; execution of acquisitions, divestitures and business transformation projects; economic, social and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters.

These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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 in the Annual Report on Form 20-F 2018 and the Unilever Annual Report and Accounts 2018.

Unilever Supply Chain

 150 billion units sold per annum

 48,000 suppliers

Reach 2.5 billion consumers daily 

3,327 production lines

 30 million outlets

580 copackers 

Available in 190 countries 



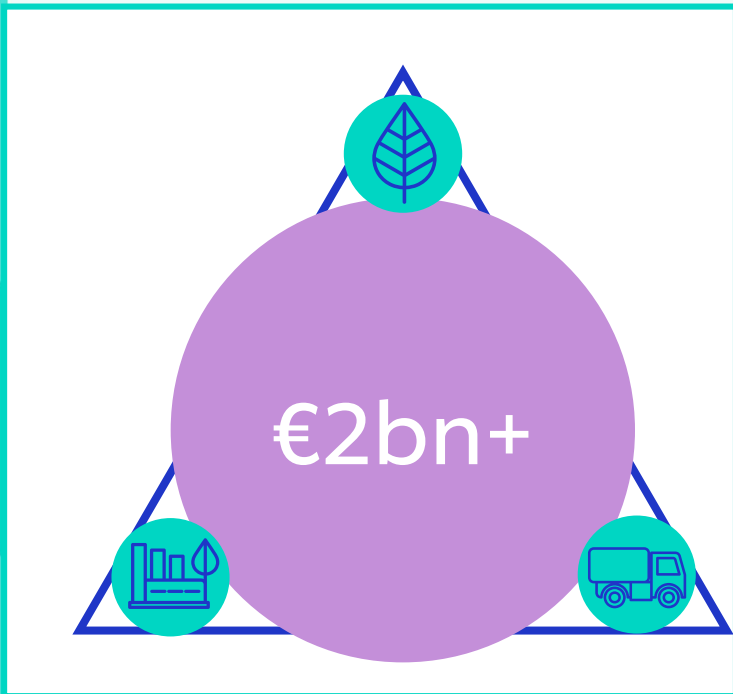
 5.3 million shipments per annum

The Unilever supply chain footprint

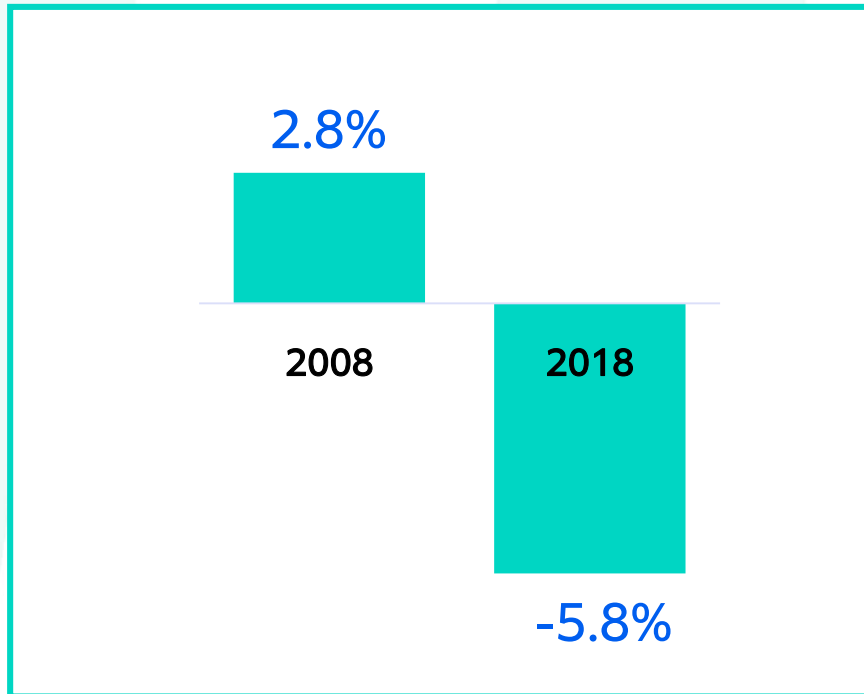


Focus on fundamentals

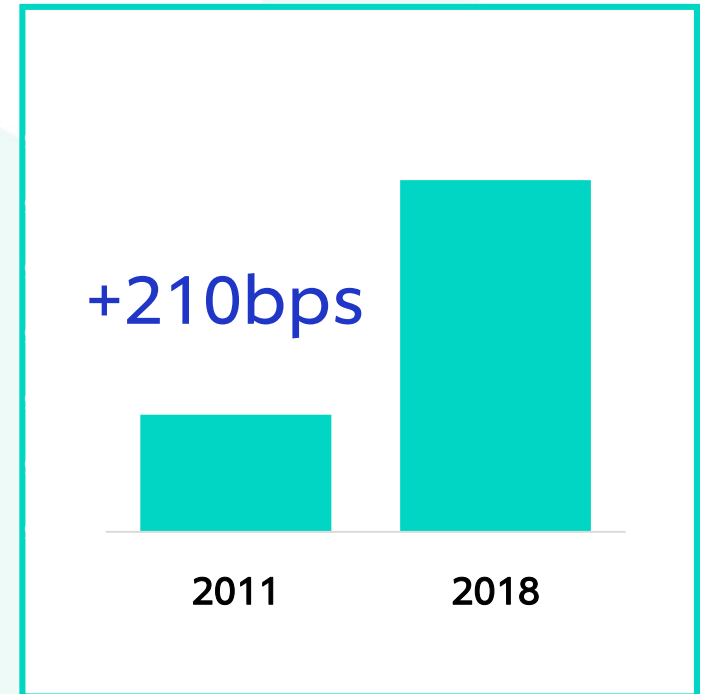
Cost
(Annual savings)



Cash
(Working Cap.% turnover)



Service
(Dispatch rate)



Fuel for growth

Material costs



Production costs



Distribution costs



The fundamentals of FMCG are changing fast



Mass
communication



Mass
distribution



Mass
production

Supply chains need to change too...

FROM

TO



Portfolio

Mass & popular heavy

Hyper-segmented



Minimum order quantity

1 pallet or 1 case

1 unit and/or
customized



Distribution points

300,000 customers

7 billion consumers



Lead time to service an order

c.2-10 days

c.30 mins - 1 day



Impact on people and planet

Good to have

Must have + social impact

The Connected Supply Chain

Deliver today, transform tomorrow

Agility for a
changing market



Reshape the asset
and cost base



Care for people and
the planet



Partnerships



Future fit people

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Reshape the asset
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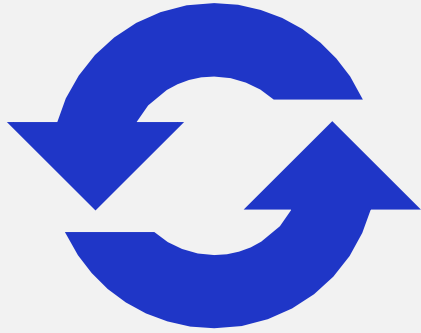


Partnerships



Future fit people

Planning agility



Real time POS (Point of Sale) data



Daily and concurrent planning

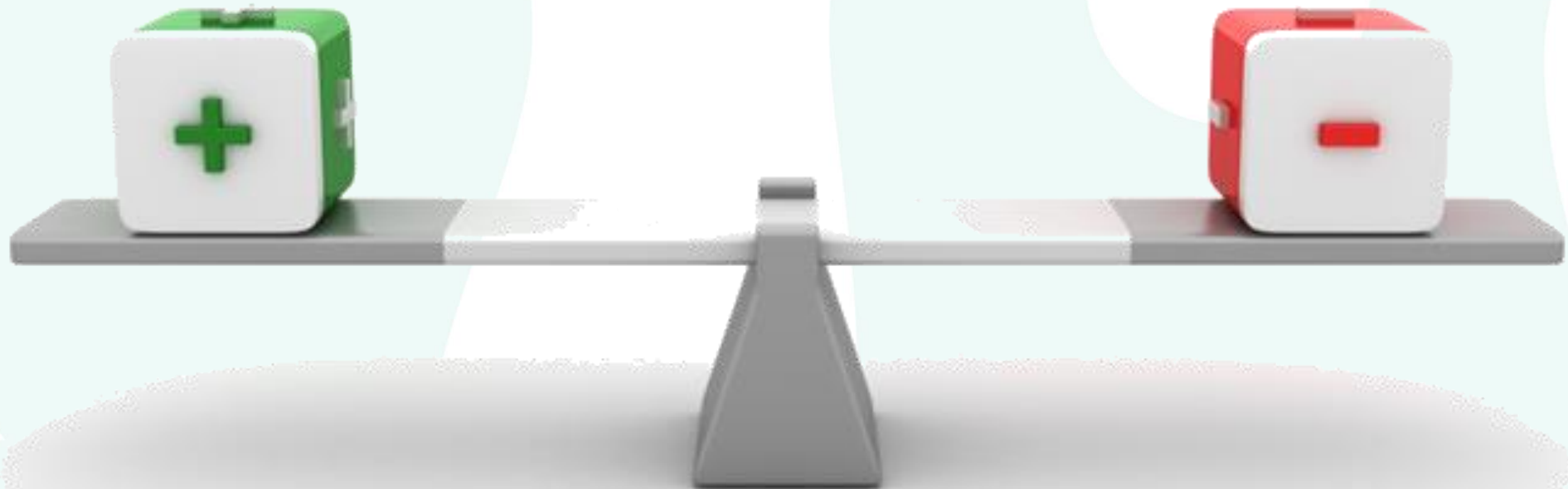


“No touch planning”
through artificial
intelligence &
machine learning



Produce tomorrow
what we sold
yesterday

Mastering complexity



Supply chain for new channels



Enabling e-route to market



Design for channel

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Agility for a
changing market



Reshape the asset
and cost base



Care for people and
the planet



Partnerships



Future fit people

Reshape the asset and cost base

Manufacturing network design



- Consolidate
- Outsource
- Streamline

Digital manufacturing



- Drive out cost and waste
- Automation and digital twin

Digital voice of consumer



- Real time data for fast response
- Early warning of serious issues

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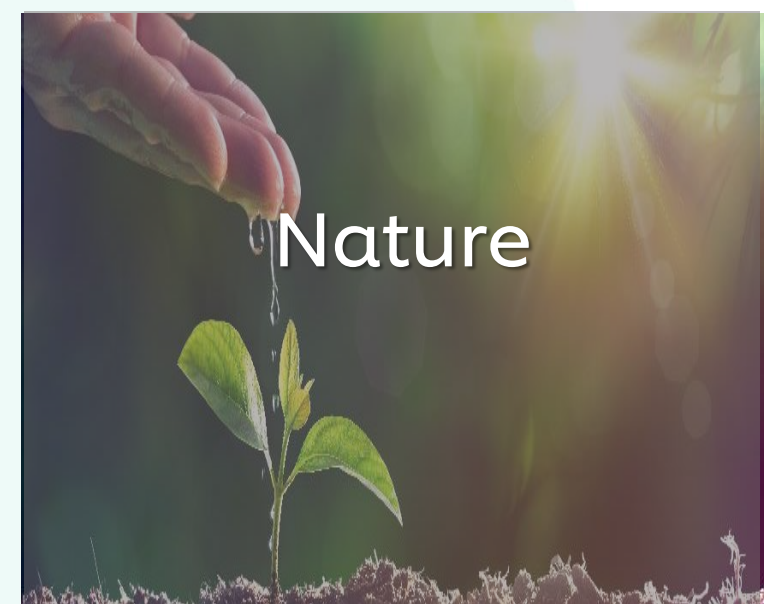


Partnerships



Future fit people

Brands with purpose require a supply chain with purpose



Climate strategy

How does Unilever's commitment stack up?



100% Renewable electricity at no incremental cost

The journey at Unilever



Net zero carbon in all operations

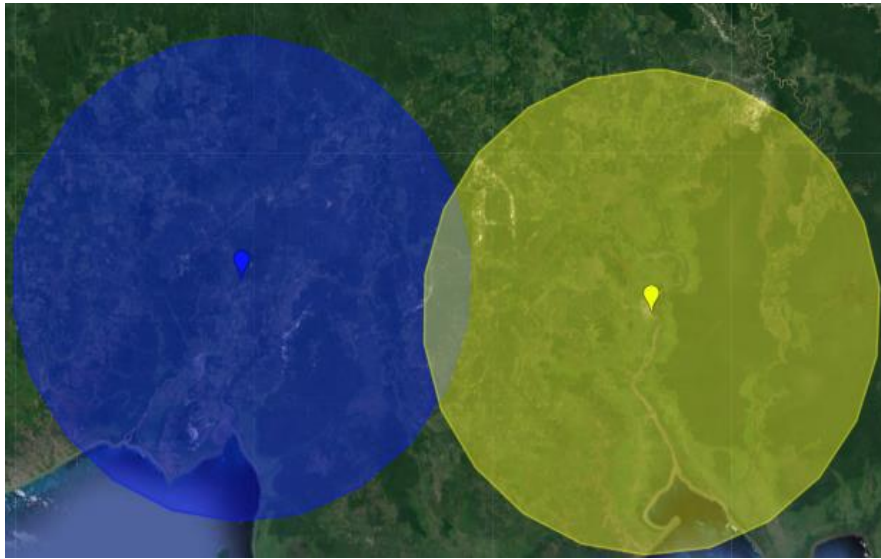
Unilever journey to 2030



Conversion to biogas, biomass, electrification

Using digital to drive sustainability

Lead a revolution in traceability and transparency of key commodities



Past: assumptions based



Today: digital native approach

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Partnerships



Future fit people

Future fit people

Learn – Unlearn - Relearn

The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.

Alvin Toffler

Investment in future readiness



**Citizen Data Scientist
Foundation 1**

This certifies that

Marc Engel

Has successfully passed Citizen Data Scientist
(Foundation 1)



Tim Munder, Unilever CLO

16/07/2019
Date

Build – Buy - Borrow



Responsible automation



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