

December 31, 2023

Name: PT Unilever Indonesia Tbk Unsponsored ADR

Ticker: UNLRY-US

Market Cap (\$mm): \$8,440

Country: Indonesia

Sector: Consumer Staples

Industry: Household Products

Sector Outlook

Staples' defensive attributes were a positive during last year's market volatility, but looking forward we think these defensive characteristics and relatively weaker growth prospects likely present performance headwinds. As stocks move higher in the early bull market, Staples likely rise less than broader markets.

Company Description

PT Unilever Indonesia Tbk is engaged in the manufacture, marketing, and distribution of consumer goods. It operates through the following segments: Home and Personal Care and Foods and Refreshment. The Home and Personal Care segment relates to the cleaning products, which are used in the household and cosmetic products. The Foods and Refreshment segment relates to the food and beverage products, including ice cream. The company was founded on December 5, 1933 and is headquartered in Tangerang, Indonesia.

Financial Snapshot

Revenue by Product Segment	%	Revenue by Geographic Segment	%
Home & Personal Care	66%	Indonesia	96%
Foods & Refreshment	34%	International	4%

Company & Sustainability Analysis

Company Outlook:

Unilever Indonesia, a manufacturer and distributor of household goods, is well-positioned to take advantage of increasing consumer spending in Indonesia. The company has a broad portfolio of brands from the parent company, as well as a stable of domestic household brands. Globally, Unilever has long benefited from first mover status in emerging markets, where it is a sales leader of common everyday products such as shampoo and food products including soups and ice creams.

Sustainability Analysis

Unilever Indonesia is rated A by MSCI ESG Research. Its score is primarily due to stringent packaging waste management programs and strong quality control practices. Since the food production aspect of the company may expose it to safety issues, supplier audits and product inspections have been put in place to lower associated risks. With all revenue derived from products with high packaging material footprint, the company has a larger carbon footprint relative to peers. Unilever Indonesia has compensated for this through strong sustainable sourcing initiatives and limited exposure to stringent chemical regulation. Moving forward, the company stands to benefit from growth through domestic acquisitions and building strong consumer relationships through community outreach programs.

Unilever Indonesia's community outreach programs, which includes working with school children to build good brushing habits from an early age, directly support SDG 3 (Good Health and Well-Being) meant to *"Ensure healthy lives and promote well-being for all at all ages"*.

Unilever Indonesia is categorized as a Sustainable Investment aligned with the social objectives of the EU's Sustainable Finance Disclosure Regulation (SFDR) as defined by Fisher Investments. In order for a company to be considered a sustainable investment, it must be assessed by Fisher Investments as meeting the following criteria: (i) it must contribute to an environmental or social objective; (ii) it must do no significant harm (DNSH) to any other environmental or social objective; and (iii) it must follow good governance practices.

**This write-up is provided to fulfil the requirements of the Austrian Ecolabel and should be considered an 'example point in time analysis'. There is no guarantee that the security remains in the relevant strategy or the analysis remains current beyond the date of analysis.*

****Sources: Fisher Investments Research, FactSet Research Systems, Company Investor Relations**

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