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Certain sections of the Unilever Annual Report and Accounts 2021 have been audited. These are on pages 114 to 166, and those parts noted as audited within the Directors' Remuneration Report on pages 84 to 104.

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Directors' Remuneration Report

Committee members and attendance

	Attendance
Andrea Jung Chair (Chair from 18 February 2021)	5/5
Vittorio Colao (Member and Chair until 18 February 2021)	1/1
Nils Andersen	5/5
Laura Cha	5/5
Ruby Lu (Member from 1 November 2021)	1/1

This table shows the membership of the Compensation Committee (Committee) together with their attendance at meetings during 2021. Attendance is expressed as the number of meetings attended out of the number each member was eligible to attend.

Letter from the Chair

Dear shareholders,

As the Committee Chair, I am pleased to present Unilever's Directors' Remuneration Report (DRR) 2021. In the sections below, I set out the Committee's activities in 2021, including Unilever's business performance in 2021 and how it links to key remuneration outcomes for the year. I also reflect on the feedback we received on our new Directors' Remuneration Policy, which was approved at the May 2021 AGM (referred to as the Remuneration Policy).

Business performance and remuneration

2021 was a year of volatility with continued impact from the Covid-19 pandemic and unprecedented global commodity inflation driven by supply constraints and demand spikes.

In this context, we delivered Underlying Sales Growth (USG) of +4.5%, above our par target of 3.5%, driven by strong pricing of +2.9% and volume growth of 1.6%. Our growth was competitive with 53% of our business gaining market share on a Moving Annual Total basis.

The severe mismatch between supply and demand resulted in a once in a two-decade spike in commodity and logistics cost inflation. Prices of core ingredients have risen significantly versus early 2020 levels; Brent Crude Oil +60%, Soyabean Oil +90% and Palm Oil +130%. We accelerated pricing action and stepped up savings, which helped to offset much of the inflation challenge. We delivered Underlying Operating Margin (UOM) of 18.4%; -10bps versus prior year, below the threshold range of -5bps. Overall, Underlying Operating Profit grew 2.9%.

Free Cash Flow (FCF) (excluding taxes paid on disposals) delivery remained strong at €6.5 billion ahead of our par target of €6.3 billion.

Underlying Earnings per Share (EPS) grew by +5.5% at current rates and included +0.9% from the €3 billion share buy-back programme announced in April 2021.

Return on Invested Capital (ROIC) was 17.2%, being sustained in the mid to high teens, and Unilever's sustainability performance measure for the long-term incentive plan, the Sustainability Progress Index (SPI), achieved a 125% outcome, as detailed on page 92.

Incentive outcomes and wider stakeholder considerations

2021 Annual Bonus
After careful consideration, the Committee decided neither to change the targets in response to volatile business conditions nor to exercise discretion on the formulaic outcome, which will set the global bonus pool for all eligible Unilever employees.

Accordingly, the Committee confirmed a bonus of 81% of target opportunity for both the CEO Alan Jope (resulting in a bonus of 122% of fixed pay against a target of 150%), and the CFO Graeme Pitkethly (resulting in a bonus of 97% of fixed pay against a target of 120%), as detailed in the chart on page 90.

Under the Remuneration Policy, 50% of the net bonus award will be deferred in shares for three years.

2018-2021 Management Co-Investment Plan (MCIP)
Similarly, no discretion was applied to the MCIP vesting based on performance in 2021.

Accordingly, the Committee confirmed the formulaic outcome for the 2018-2021 MCIP was 87% of target, which will be applied to all eligible Unilever employees. This outcome is detailed in the chart on page 91, and corresponds to a vesting of 44% of the maximum of 200% for our two Executive Directors.

Wider stakeholder considerations
When considering the annual bonus and MCIP outcomes, the Committee carefully took into account the experiences of our wider stakeholders in order to ensure that outcomes were aligned.

In particular, our decision not to amend targets mid-year in light of significant inflationary conditions was taken to ensure that employees and Executive Directors are treated commensurately with the interests of our shareholders. The final outcomes of 81% of target for annual bonus and 87% of target for MCIP are below our expectations. However, the Committee believes these outcomes represent the performance delivered to shareholders in challenging trading circumstances.

Our Remuneration Policy for 2021

We are delighted the Remuneration Policy was approved at the May 2021 AGM with 93.51% votes in favour, which is available on our website.

As detailed in full in last year's DRR, the key changes to the Remuneration Policy for the Executive Directors were to:

- replace the former long-term incentive plan, MCIP, with a new Performance Share Plan (PSP) that is entirely separate from the annual bonus plan;
- replace the voluntary investment of bonus through MCIP with a mandatory deferral of 50% of the net annual bonus in shares for three years;
- set performance measures for the PSP that are strategically aligned with the business; and
- reduce the long-term performance period for the PSP from four to three years while maintaining a five-year period from award to release by increasing the retention period from one year to two years.

The Remuneration Policy is operating as intended and, following the high level of support, no material changes are proposed in relation to how we implement the Remuneration Policy in 2022.

Remuneration arrangements are determined throughout Unilever based on the same principles as for the Board, as set out in the Remuneration Policy.

Executive Director fixed pay increases

2021 increases
As set out in last year's DRR, we did not conduct a fixed pay review for the Executive Directors in the first half of 2021, and we planned to undertake such a review in the second half of 2021. This review was conducted taking into account business performance, external circumstances and salary increases awarded to the wider workforce.

The Committee conducted a review of the CEO and CFO packages against external market data* in the second half of 2021, as planned, which shows the CEO is between lower quartile and median on a fixed pay and target total compensation basis and the CFO is between median and upper quartile on fixed pay and just below median on a target total compensation basis.

The Committee approved a 2021 fixed pay increase of 3.5% for both the CEO and the CFO, effective from 1 July 2021. This is in line with the average increase awarded to the wider Unilever workforce in 2020.

Given the fixed pay increases were delayed and took place mid-year, they also reduced the incentives for 2021 compared to if the increases were awarded at the start of the year: PSP grants in 2021 were based on previous salary levels; and annual bonus opportunities for 2021 were based on the actual salary received during the year.

2022 increases
There will be no fixed pay review for the Executive Directors in the first half of 2022. Such a review will take place in the second half of 2022, with any potential changes based on performance, external circumstances and with any increase below the level applied for the wider workforce.

In line with the Remuneration Policy and subject to the performance and workforce alignment, the Committee will, over time, continue to review the CEO's fixed pay positioning and progress towards the market median benchmark.

*Our benchmarking peer group consists of other global companies of a similar financial size and complexity to Unilever and is set out in full in the Remuneration Policy.

Engaging with shareholders

In 2020, the Committee engaged extensively with shareholders and major advisory bodies (including the Investment Association, ISS, Glass Lewis, Hermes and Eumedion) on the Remuneration Policy. In the run-up to the 2021 AGM, we had further consultation with some of these shareholders and advisory bodies on the Remuneration Policy.

On behalf of the Committee, I spoke with investors and advisory bodies in the autumn of 2021 on how the Remuneration Policy landed in the organisation and wider investor community. Through this engagement, shareholders and major advisory bodies requested to better understand the performance measure on competitiveness, which was introduced for 2021, and how SPI targets are calculated. We have shared additional information and explanation with shareholders, advisory bodies and on our website, including:

Competitiveness: % Business Winning Market Share (% Business Winning)
- Competitiveness, measured as % Business Winning, was introduced as a new measure for the PSP. Growing competitively ahead of our markets is a key strategic driver of long-term growth.
- % Business Winning incentivises all country/category cells (e.g. UK deodorant) to win share, not just the big cells, thus supporting broad-based competitive growth.
- There is an end-to-end governance framework in place consisting of a cross-function steering committee and regular updates to, and evaluation by, the Committee.

See the remuneration topics section of our website under investors, corporate governance and other governance information for more on Business Winning Market Share.

Sustainability Progress Index
- SPI has been an established feature of our long-term incentive (LTI) scheme since it was introduced in 2017, in recognition of our vision to be the global leader in sustainable business and the importance of sustainability KPIs in driving business performance. SPI was based on a selection of KPIs from our Unilever Sustainable Living Plan (USLP) which ran until 2020, reflected in the PSP up to and including the 2021 award.
- In 2021, Unilever introduced the Compass, which includes a series of new sustainability commitments for the business, and as such, we have updated the SPI incentive performance measure to reflect the Compass from the 2022 PSP award onwards.
- Within the Unilever Compass strategy, we have three overarching strategic actions: to improve the health of the planet; to improve people's health and wellbeing; and to contribute to a fairer, more socially inclusive world.
- These three strategic actions are underpinned by eight key pillars, all of which are represented in new SPI KPIs. Each of the eight KPIs are equally weighted and have specific annual KPIs that are fixed for the next three years. These enable the meaningful evaluation of progress against the overarching mid- to long-term Unilever Compass KPI.
- The eight KPIs are agreed between the Unilever Board's Corporate Responsibility Committee (CRC) and the Committee. The CRC and the Committee work together to review a detailed quantitative and qualitative update on performance against each KPI. The CRC and the Committee also look at the overall sustainability performance across the strategic actions of the Unilever Compass strategy. This information together is used to make a recommendation on the performance outcome for each year in the range of 0–200% for the Committee to consider.
- Because performance against the SPI incentive performance measure is calculated after the performance year has ended, the previous year's SPI applies to the performance year for LTI. For example, the 2020 SPI KPIs (based on USLP) were used for the 2021 performance year for LTI whereas the 2021 SPI KPIs (based on the Unilever Compass strategy) will be used for the 2022 performance year for LTI.
- The SPI KPIs for the 2021 PSP award are set out on page 92 and the SPI KPIs for the 2022 PSP award are set out on page 88.

See the remuneration topics section of our website for a video explanation on SPI.

Non-Executive Director fees

There was no increase to Non-Executive Director fees in 2021. Following a review in 2021, the Committee decided to keep Non-Executive Director fees the same for 2022. The Committee will review the fees again in 2022.

Engaging with employees

As previously announced, the Board decided to share the responsibility for workforce engagement among all Non-Executive Directors to ensure that all Directors have a collective responsibility for bringing employee views into relevant Board discussion. We continued these engagements in 2021, see page 69 for a summary of the discussions that took place.

In July 2021, I attended a virtual town hall meeting open to all employees globally. This was an opportunity for employees to ask me questions, including in relation to Unilever's approach to remuneration. I was able to share that the Board considers topics on pay, such as living wage and pay equity, because the Board understands the issue of income equality, how it is expressed in society and what corporations can do to address it.

We sought feedback from employees globally who were eligible for the new PSP and 71% of respondents answered positively that PSP offers a more valuable reward for them personally. In addition, 85% understood how their role can impact the long-term business performance measures that determine final PSP pay-out. Overall, the Committee is pleased to receive such positive feedback.

One of the Non-Executive Directors attended an engagement session with employees on the subject of compensation and benefits. Employees shared feedback on progression within pay bands, differentiation of annual bonus, benefits of PSP over MCIP and competitiveness of Unilever's pension schemes.

See the Board and management committees section of our website under investors and corporate governance for a copy of Unilever's workforce engagement policy introduced in 2021.

Implementation report

The annual report on remuneration in this report describes 2021 remuneration in detail as well as the planned implementation of the Remuneration Policy in 2022.

On behalf of the Committee and the entire Board, I thank all shareholders and their representatives for their constructive engagement in 2021. Shareholders will have an advisory vote on the DRR at the 2022 AGM.

Andrea Jung
Chair of the Compensation Committee

Annual report on remuneration

This section sets out how the Remuneration Policy (which was approved by shareholders at the May 2021 AGM and is available on our website) was implemented in 2021 and how it will be implemented in 2022.

See the remuneration topics section of our website for a copy of the Remuneration Policy.

Implementation of the Remuneration Policy for Executive Directors

The Remuneration Policy was implemented with effect from the May 2021 AGM as set out below.

Elements of remuneration	
Fixed Pay	
Purpose and link to strategy	Supports the recruitment and retention of Executive Directors of the calibre required to implement our strategy. Reflects the individual's skills, experience, performance and role within the Group. Provides a simple competitive alternative to the separate provision of salary, fixed allowance and pension.
At a glance	Details of the rationale for our Executive Directors' fixed pay amounts can be found on page 85.
Implementation in 2021	Effective from 1 January 2021: ▪ CEO: €1,508,000 ▪ CFO: €1,135,960 Effective from 1 July 2021: ▪ CEO: €1,560,780 (3.5% increase) ▪ CFO: €1,175,719 (3.5% increase)
Planned for 2022	Effective from 1 January 2022: ▪ CEO: €1,560,780 (no change) ▪ CFO: €1,175,719 (no change)
Annual Bonus	
Purpose and link to strategy	Incentivises year-on-year delivery of rigorous short-term financial, strategic and operational objectives selected to support our annual business strategy and the ongoing enhancement of shareholder value. In 2021, a new requirement was introduced to defer 50% of the net annual bonus into shares or share awards to link to long-term performance.
At a glance	▪ Target annual bonus of 150% of fixed pay for the CEO and 120% of fixed pay for the CFO. ▪ Maximum annual bonus is 225% of fixed pay for the CEO and 180% for the CFO. ▪ Business performance multiplier of between 0% and 150% based on achievement against business targets over the year. ▪ Performance target ranges are considered commercially sensitive and will be disclosed in full with the corresponding performance outcomes retrospectively following the end of the relevant performance year. ▪ Requirement to defer 50% net annual bonus into shares, as set out in the Remuneration Policy. ▪ Subject to ultimate remedy/malus and claw-back provisions, as set out in the Remuneration Policy.
Implementation in 2021	Implemented in line with the Remuneration Policy: ▪ Underlying Sales Growth: 1/3 ▪ Underlying Operating Margin Improvement: 1/3 ▪ Free Cash Flow: 1/3
Planned for 2022	The performance measures for 2022 will remain the same. However, USG will be up-weighted to 50% to reflect Unilever's focus on delivering growth as a key priority. It is the Committee's intention to keep these weightings unchanged for the duration of the Remuneration Policy. ▪ Underlying Sales Growth: 50% ▪ Underlying Operating Margin Improvement: 25% ▪ Free Cash Flow: 25%
Long-Term Incentive: Performance Share Plan	
Purpose and link to strategy	From 2021, the PSP replaced the MCIP as the sole LTI plan. The PSP aligns senior management's interests with shareholders by focusing on the sustained delivery of high-performance results over the long-term.
At a glance	▪ As approved by shareholders at the May 2021 AGM, the new PSP grants rights to receive free shares (awards) on vesting. Awards normally vest after three years, to the extent performance conditions are achieved. The first PSP award was made on 7 May 2021, vesting on 15 February 2024 (with a requirement to hold vested shares for a further two-year retention period). ▪ The normal maximum award for the CEO is 400% of fixed pay and for the CFO is 320% of fixed pay. At target, 50% of maximum vests, equating to 200% and 160% of fixed pay respectively. ▪ Upon vesting, Executive Directors will have a further two-year retention period to ensure there is a five-year duration between the grant of the award and release of the shares. ▪ The PSP is subject to ultimate remedy, discretion, malus and claw-back provisions, as set out in the Remuneration Policy.
Implementation in 2021	The PSP was implemented in line with the Remuneration Policy. Details of the performance measures for the 2021 PSP awards can be found on page 93.

Elements of remuneration continued

Planned for 2022

As detailed in the Remuneration Policy, the performance conditions for PSP awards are assessed over a three-year period with a further two-year retention period. The performance conditions and target ranges for 2022 awards under the PSP will be as follows:

PSP 2022 – 2024 awards

	Weighting	Threshold	Max
Competitiveness: % Business Winning	25%	45% (0%)	60% (200%)
Cumulative Free Cash Flow (€bn) (Current rates ex cash tax on disposal)	25%	€16.0bn (0%)	€22.0bn (200%)
Return On Invested Capital (Exit year %)	25%	15% (0%)	19% (200%)
Sustainability Progress Index (€bn) (Committee assessment of SPI progress)	25%	0% (0%)	200% (200%)

Performance at threshold results in nil PSP awards vesting, target performance results in an award equal to 200% of fixed pay (at time of award) for the CEO and 160% for the CFO, up to a maximum of 400% for the CEO and 320% for the CFO, with straight-line vesting between threshold and maximum. A retention period of two years applies from vesting.

PSP awards (based on target performance) to be made on 11 March 2022 as follows:
- CEO 200% Fixed Pay: €3,121,560
- CFO 160% Fixed Pay: €1,881,150

Cumulative FCF from operating activities in current currency ensures sufficient cash is available to fund a range of strategic capital allocation choices.

ROIC measures the return generated on capital invested by the Group and is calculated as underlying operating profit after tax divided by the annual average of: goodwill, intangible assets, property, plant and equipment, net assets held for sale, inventories, trade and other current receivables, and trade payables and other current liabilities. The target range of a threshold of 15% and maximum of 19% expresses our commitment to deliver ROIC at a level of mid to high teens, whilst continuing to reshape our portfolio through acquisitions and disposals.

Competitiveness measured by % Business Winning was introduced as a new metric for the PSP in 2021 and is explained in more detail in the Chair letter on page 85. % Business Winning will be assessed each year as the aggregate turnover of the portfolio components (country/category cells) gaining value market share as a % of the total turnover measured by market data. As such, it assesses what percentage of our revenue is being generated in areas where we are gaining market share. The outcome for the 2022-2024 PSP is the average of the three years % Business Winning performance. With intense competition and changing shopper trends, winning share in each portfolio or geography segment presents a challenge for all players; repeating these wins over successive years is even more demanding. At consolidated Group level delivering consistently in the range of 50% Business Winning will enable us to grow with our markets, delivering above 50% Business Winning over successive years supports our objective of growing ahead of our markets. Keeping this in mind, the Committee believes that a stretch goal of 60% and threshold performance of 45% resulting in a zero pay out for this performance measure to be appropriate.

SPI KPI setting under the Unilever Compass

SPI is explained in the Committee Chair's letter on page 85. The eight SPI KPIs agreed between the CRC and Committee for 2022 PSP awards are as follows:
- Climate action: The total number of suppliers with whom we have signed agreements to develop renewable or recycled carbon surfactants (surface active agent).
- Protect and regenerate nature: % of volume of supply of palm oil, soy, paper and board, cocoa and tea purchased and/or contracted from low-risk sources.
- Waste-free world: Total tonnes of recycled plastic material content ('recycled plastic') used in our plastic packaging portfolio as a percentage of total tonnes of plastic packaging used in products sold.
- Health and wellbeing: Number of people reached by brand communications and initiatives that help improve health and wellbeing, and help advance equity and inclusion.
- Positive nutrition: Total sales (euros) of Unilever's products containing plant-based meat and dairy alternatives.
- Raise living standards: Value of contracts including the living wage requirement.
- Equity, diversity and inclusion: Monetary value (euros) of all invoices received from Tier 1 suppliers that are either verified as a diverse business by an approved certification body or have self-declared as a diverse business.
- Future of work: % of employees with a future-fit skills set.

In addition to the three elements mentioned above, our Executive Directors are provided with non-monetary benefits. These include medical insurance cover, actual tax return preparation costs and provision of death-in-service benefits and administration.

Ultimate remedy/malus and claw-back

Grants under the PSP and the legacy MCIP are subject to ultimate remedy and discretion as explained in the Remuneration Policy. Malus and claw-back apply to all performance-related payments as explained in the Remuneration Policy.

In 2021, the Committee did not reclaim or claw-back any of the value of awards of performance-related payments to current or former Executive Directors.

Single figure of remuneration and implementation of the Remuneration Policy in 2021 for Executive Directors (Audited)

The table below shows a single figure of remuneration for each of our Executive Directors for the years 2020 and 2021.

	Alan Jope CEO (€'000)				Graeme Pitkethly CFO (€'000)			
	2021	**Proportion of Fixed and Variable Rem**	2020	Proportion of Fixed and Variable Rem	**2021**	**Proportion of Fixed and Variable Rem**	2020	Proportion of Fixed and Variable Rem
(A) Fixed pay[(a)]	**1,534**		1,508		**1,156**		1,136	
Total fixed pay	**1,534**		1,508		**1,156**		1,136	
(B) Other benefits	**76**		56		**47**		38	
Fixed pay & benefits subtotal	**1,610**	**32.9%**	1,564	45.4%	**1,203**	**35.0%**	1,174	39.6%
(C) Annual bonus[(b)]	**1,864**		1,086		**1,123**		654	
LTI: MCIP Match Shares	**1,416**		797		**1,114**		463	
LTI: GSIP Performance Shares[(c)]	**n/a**		n/a		**n/a**		670	
Variable Remuneration subtotal	**3,280**	**66.9%**	1,883	54.6%	**2,237**	**65.0%**	1,787	60.3%
(D) LTI subtotal	**1,416**		797		**1,114**		1,133	
Total Remuneration (A+B+C+D)	**4,890**		3,447		**3,440**		2,962	

(a) Fixed pay increased by 3.5% to €1,560,780 for CEO and €1,175,719 for CFO from 1 July 2021 and pro-rated for annual bonus i.e. the maximum amount of 2021 bonus increased by 1.75%.
(b) In line with the Remuneration Policy, 50% of the 2021 net annual bonus will be deferred into Unilever shares that must be held for a period of three years.
(c) Alan Jope received his last GSIP award in 2017 that vested on 13 February 2020 as disclosed in the 2019 DRR. Graeme Pitkethly received his last GSIP award in 2018 that vested on 17 February 2021, as disclosed in the 2020 DRR.

Where relevant, amounts for 2021 have been translated into euros using the average exchange rate over 2021 (€1 = £0.8605), excluding amounts in respect of MCIP, which have been translated into euros using the exchange rates at the vesting date at 16 February 2022 (€1 = £0.8379 and €1 = $1.1354).

Amounts for 2020 have been translated into euros using the average exchange rate over 2020 (€1 = £0.8877), excluding amounts in respect of MCIP and GSIP, which have been translated into euros using the exchange rates at the vesting date on 16 February 2021 (€1 = £0.8711 and €1 = $1.2136) for MCIP and 17 February 2021 (€1 = £0.8703) for GSIP.

We do not grant our Executive Directors any personal loans or guarantees.

Elements of single figure remuneration 2021

(A) Fixed pay (Audited)

Fixed pay set in euros and paid in 2021: CEO – €1,534,390, CFO – €1,155,840.

(B) Other benefits (Audited)

For 2021 this comprises:

	Alan Jope CEO(€)[(a)] 2021	Graeme Pitkethly CFO(€)[(a)] 2021
Medical insurance cover and actual tax return preparation costs	**59,522**	**34,983**
Provision of death-in-service benefits and administration	**16,000**	**12,000**
Total	**75,522**	**46,983**

(a) The numbers in this table are translated where necessary using the average exchange rate over 2021 of €1 = £0.8605.

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Directors' Remuneration Report continued

(C) Annual bonus (Audited)

Annual bonus 2021 actual outcomes: CEO – €1,864,284 (which is 54% of maximum, 122% of fixed pay). CFO – €1,123,476 (which is 54% of maximum, 97% of fixed pay).

Alan Jope

Bonus @ target = 150% x fixed pay **(€2,301,585)** **x** Business performance **81%** **=** **€1,864,284**

Graeme Pitkethly

Bonus @ target = 120% x fixed pay **(€1,387,007)** **x** Business performance **81%** **=** **€1,123,476**

Annual bonus measures are not impacted by share price growth.

50% of the net annual bonus earned is deferred into shares (€494,035 for Alan Jope and €297,721 for Graeme Pitkethly). Shares are deferred for three years and not subject to performance or service conditions, in line with the Remuneration Policy.

The annual bonus measures and performance against targets are set out below. All performance ranges are straight-line between threshold and maximum:

Performance: Annual Bonus

Performance metric (weighting)	Threshold 0%	Actual	Target 100%	Maximum 150%	Result vesting (% of target)
Underlying Sales Growth (1/3)	0.5%	4.5%		5.0%	133%
Free Cash Flow (€bn) (1/3)	€4.9bn	€6.5bn		€7.0bn	111%
Underlying Operating Margin Improvement compared to prior year (1/3)	-5bps	-10bps		+40bps	0%
Overall performance ratio (based on actual performance bonus formula) and endorsed by the Committee after quality of results assessment	0%	81%		150%	**81%**

Further details of the annual bonus outcomes are described in the Committee Chair's letter on page 84.

(D) MCIP – UK law requirement (Audited)

2021 Outcomes

This includes MCIP match shares (operated under the Unilever Share Plan 2017) granted to Alan Jope on 23 April 2018 and Graeme Pitkethly on 3 May 2018, based on performance in the four-year period to 31 December 2021, which vested on 16 February 2022.

The values included in the single figure table for 2021 are calculated by multiplying the number of shares granted to Alan Jope on 23 April 2018 and Graeme Pitkethly on 3 May 2018 (including additional shares in respect of accrued dividends through to 31 December 2021) by the level of vesting (% of target award) and the share price on the date of vesting (PLC £38.18 and PLC ADS $51.88). These have been translated into euros using the exchange rate on the date of vesting (€1 = £0.8379 and €1 = $1.1354).

Performance against targets:

Performance: MCIP 2018–2021

Performance metric (weighting)	Threshold 0%	Actual	Maximum 200%	Result vesting (% of target)
Underlying Sales Growth (CAGR) (25%)	1.5%	3.1%	5.5%	81%
Underlying Earnings Per Share Growth (CAGR, Current FX) (25%)[a]	6.1%	3.6%	11.1%	0%
Return On Invested Capital (Exit year %) (25%)	14.4%	17.2%	18.4%	140%
Sustainability Progress Index (Committee assessment of USLP progress) (25%)	0%	125%	200%	125%
Overall vesting	0%	87%	200%	**87%**

(a) Excludes share buy-back of +110bps in 2018 and +90bps in 2021.

Further details of the MCIP outcome are described in the Committee Chair's letter on page 84. Further detail on the SPI outcome is set out below. On the basis of this performance, the Committee determined that the MCIP awards at the end of 2021 will vest at 87% of initial target award levels (i.e. 44% of maximum for MCIP).

Outcome of SPI for MCIP cycle 2018-2021:

As explained in the Committee Chair's letter on page 85, the SPI is an assessment of the business's sustainability performance by the CRC and the Committee that captures quantitative and qualitative elements (see page 92). The CRC and the Committee agree on a SPI achievement level against the KPI taking into account performance across the entire SPI pillar.

The 2021 SPI performance (based on 2020 USLP performance) is set out below. The SPI index for the four-year MCIP performance period is calculated by taking a simple average and is set out at the bottom of the table for MCIP 2018-2021 (see page 92).

The USLP was our 10-year plan to make sustainable living commonplace by halving our environmental footprint and increasing our social impact through our brands, innovation, sourcing and operations.

Since 2010, we helped 1.3 billion people improve their health, wellbeing and hygiene through programmes led by some of our biggest brands: Lifebuoy, Dove, Domestos, SMILE, Pepsodent and Vaseline. We enhanced the livelihoods of millions of people by driving fairness and human rights in our operations and extended supply chain. We achieved our commitment to pay every direct Unilever employee at or above a living wage.

We have made progress on our ambition to halve the environmental footprint of the making and use of our products. We have achieved a 75% reduction of CO_2 emissions from energy in our factories per tonne of production and decreased the waste per consumer by 34%. Through innovation, R&D expertise, and partnerships with suppliers, we are finding lower carbon solutions for our everyday products, which has resulted in good progress, particularly in Foods & Refreshment and Home Care where we have reduced emissions by 30% and 37% respectively since 2010.

Through our 'less plastic, better plastic, no plastic' framework, we have continued to progress against our waste-free world plastic packaging goals. We have scaled the use of recycled material in our packaging, achieving 16% of our packaging using recycled plastic or 112,000 tonnes across the portfolio. Our brands played a major part in increasing our use of recycled plastic. Dove and Sunlight for example, moving to 100% recycled material bottles in their biggest markets, and innovations in Foods & Refreshment using ice cream tubs made with food-grade recycled plastic in key markets in Europe.

We also continue in our journey to deforestation-free supply chains, where in 2020, we purchased and/or contracted 83% of volume of supply of palm oil, soy, and paper and board from low-risk sources.

We maintained our leading status by achieving top ratings in industry indexes and continue to use our scale and influence to drive wider changes on issues that are relevant to our business.

2021 marks the final year of reporting against the USLP commitments. In 2022, the SPI indicators will be based on progress made against the Unilever Compass commitments (see page 88 for details).

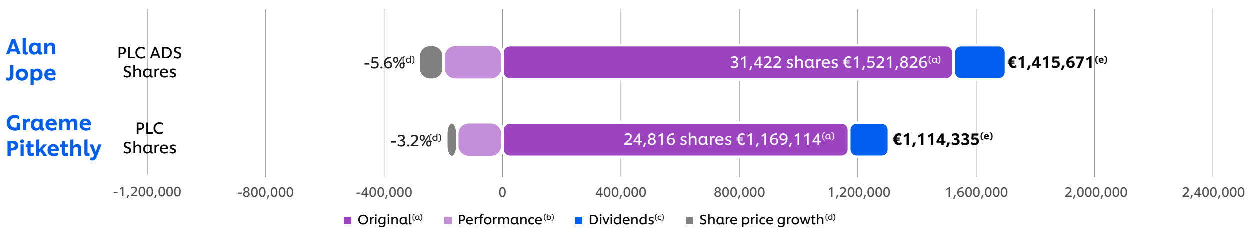
Directors' Remuneration Report continued

The average SPI outcome for MCIP 2018-2021 is set out at the bottom of the table and is audited.

SPI Category	KPIs	SPI 2021 Judgement [a]	SPI 2021 2020 actuals	SPI 2020 2019 actuals	SPI 2019 2018 actuals	SPI 2018 2017 actuals
USLP						
Health & Wellbeing	With our Dove brand, we'll help young people build up positive body confidence and self-esteem through educational programme (millions)	**Partly achieved**	**69m**	>60m	35m	29m
Reducing Environmental Impact	Reduce CO_2 emissions from energy from our factories per tonne of production vs 2008 baseline (%)	**Over-achieved**	**-75%**	-65%	-52%	-47%
	Increase the recycled plastic material content in our packaging (% purchased)	**Over-achieved**	**16%**	5%	4,845 tonnes (<1%)	4,850 tonnes (<1%)
Enhancing Livelihoods	Source our procurement spend through suppliers meeting the mandatory requirements of our Responsible Sourcing Policy (%)	**Partly achieved**	**83%**	70%	61%	55%
	Reduce our Total Recordable Frequency Rate (TRFR) for accidents in our factories and offices (# per million hours worked)	**Over-achieved**	**0.63**	0.76	0.69	0.89
Transformational change agenda						
Sustainable Sourcing	Purchase and/or contract volume of our supply of palm oil, soy and paper and board from low risk sources (%)[b]	**Achieved**	**83%**	95%	81%	56%
External recognition						
Rankings and ratings	Achieve Leader/A ratings (number)	**Over-achieved**	**6 of 6**[c]	5 of 5	3 of 5	4 of 5
Annual SPI outcome		**125%**		130%	125%	120%
Average SPI outcome for **MCIP 2018-2021**		**125%**				

(a) Judgement of the Committee and CRC.
(b) Measure for 2020 actuals. Measure for 2017-2019 actuals was: 'purchase crude palm oil from physically certified sustainable sources (%)'.
(c) DJSI, CDP Climate, CDP Water, CDP Forests, GlobeScan plus Bloomberg Equality Index in 2020.

Share price growth MCIP 2018-2021



(a) The conditional number of shares awarded (including decimals) at the share price on the award date.
(b) The business performance ratio applied to the original conditional share award (including decimals) at the share price on the award date.
(c) The dividends accrued on the original conditional share award (including decimals) at the share price on the award date.
(d) The nominal movement in share price between the award date and the vesting date applied to the original conditional share award plus accrued dividends (including decimals) multiplied by the business performance ratio.
(e) The final value of the award on the vesting date using the exchange rate on the day of vesting of €1 = £0.8379 and €1 = $1.1354. The actual number of vested shares can be found on page 94. The share values for Alan Jope are grossed up for tax and social security.

Scheme interests awarded in the year (Audited)

PSP performance share award made in 2021

Basis of award	The following numbers of performance shares were awarded on 7 May 2021 (vesting on 7 May 2024): CEO: ▪ PLC - 61,233 CFO: ▪ PLC - 36,901 Maximum vesting results in 200% of the above awards vesting. Dividend equivalents may be earned (in cash or additional shares) on the award when and to the extent that the award vests.
Maximum face value of awards[a]	▪ CEO: €6,081,295 ▪ CFO: €3,664,799
Threshold vesting (% of target award)	Four equally weighted long-term performance measures. 0% of the target award vests for threshold performance.
Performance period	1 January 2021 – 31 December 2023 (with a requirement to hold vested shares for a further two-year retention period).
Details of performance measures	Performance measures:

PSP 2021 – 2023 awards

	Weighting	Threshold	Max
Competitiveness: % Business Winning	25%	45% 0%	60% 200%
Cumulative Free Cash Flow (Current FX)	25%	€16.7bn 0%	22.7bn 200%
Return On Invested Capital (Exit year %)	25%	15% 0%	19% 200%
Sustainability Progress Index (Committee assessment of SPI progress)	25%	0% 0%	200% 200% 200%

(a) Face values are calculated by multiplying the number of shares granted on 7 May 2021 (including decimals) by the share price on that day of PLC £42.73, assuming maximum performance and therefore maximum vesting of 200% and then translating into euros using an average exchange rate over 2021 of €1 = £0.8605.

Annual bonus deferral share award made in 2021

Basis of award	The following numbers of annual bonus deferral shares were awarded on 7 May 2021: CEO: ▪ PLC - 5,743 CFO: ▪ PLC - 3,461 Annual bonus deferral shares accrue dividends, which are reinvested.
Face value of awards[a]	CEO: €285,181 CFO: €171,864
Deferral period	7 May 2021 – 7 May 2024.
Details of performance measures	No performance measures.

(a) Face values are calculated by multiplying the number of shares granted on 7 May 2021 (including decimals) by the share price on that day of PLC £42.73 and then translated into euros using an average exchange rate over 2021 of €1 = £0.8605.

Minimum shareholding requirement and Executive Director share interests (Unaudited)

Executive Directors are required to build and retain a personal shareholding in Unilever within five years of their date of appointment to align their interests with those of Unilever's shareholders. Incoming Executive Directors will be required to retain all shares vesting from any share awards made since their appointment (after deduction of tax) until their minimum shareholding requirements have been met in full.

The table below shows the Executive Directors' share ownership against the minimum shareholding requirements as at 31 December 2021 and the interest in PLC ordinary shares of the Executive Directors and their connected persons as at 31 December 2021.

When calculating an Executive Director's personal shareholding, the following methodology is used:
- fixed pay at the date of measurement;
- shares in PLC will qualify provided they are personally owned by the Executive Director, by a member of their (immediate) family or by certain corporate bodies, trusts or partnerships, as required by law from time to time (each a 'connected person');
- shares purchased under the legacy MCIP or legacy GSIP, whether from the annual bonus or otherwise, will qualify as from the moment of purchase as these are held in the individual's name and are not subject to further restrictions;
- shares or entitlements to shares that are subject only to the Executive Director remaining in employment will qualify on a net of tax basis (including deferred bonus awards);
- shares awarded on a conditional basis by way of the legacy MCIP or legacy GSIP will not qualify until the moment of vesting (i.e. once the precise number of shares is fixed after the four-year vesting period for the legacy MCIP or three-year vesting period for the legacy GSIP has elapsed);
- shares awarded on a conditional basis under the PSP will not qualify until the moment of vesting (i.e. once the precise number of shares is fixed after the three-year vesting period for PSP has elapsed); and
- the shares will be valued on the date of measurement or, if that outcome fails the personal shareholding test, on the date of acquisition.

The share price for the relevant measurement date will be based on the average closing share prices and the euro/sterling/US dollar exchange rates from the 60 calendar days prior to the measurement date.

Any Executive Director who leaves after the date of the Remuneration Policy took effect will be required to maintain at least 100% of their minimum shareholding requirement for two years after leaving (or if less, their actual shareholding on the date of leaving). ULE members are required to build a shareholding of 400% of fixed pay (500% for the CEO). This requirement is 250% of fixed pay for the management layer below ULE.

Executive Directors' shareholdings are ring-fenced to ensure they meet the minimum shareholding requirement, including for two years after leaving. This means that even if the shares are vested, they are blocked until the end of the minimum shareholding requirement period (excluding any shares above the minimum shareholding requirement).

Executive Directors' and their connected persons' interests in shares and share ownership (Audited)

	Share ownership guideline as % of fixed pay (as at 31 December 2021)	Have guidelines been met (as at 31 December 2021)	Actual share ownership as a % of fixed pay (as at 31 December 2021)[a]	Shares held as at 1 January 2021		Shares held as at 31 December 2021[b]	
				PLC	PLC ADS	PLC	PLC ADS
CEO: Alan Jope	500%	Yes	789%	37,508	214,714	43,251	223,140
CFO: Graeme Pitkethly	400%	Yes	717%	144,366	—	182,058	—

(a) Calculated based on the minimum shareholding requirements and methodology set out above and the headline fixed pay for the CEO and CFO as at 31 December 2021 (€1,560,780 for the CEO and €1,175,719 for the CFO).
(b) PLC shares are ordinary $3^1/_9$p shares. Includes annual bonus deferral shares dividend accrual, which is reinvested.

During the period between 31 December 2021 and 24 February 2022, the following changes in interests have occurred:

- Graeme Pitkethly purchased 6 PLC shares under the PLC ShareBuy Plan: 3 on 11 January 2022 at a share price of £39.20, and a further 3 on 8 February 2022 at a share price of £38.64; and
- as detailed under heading (D) on page 91, on 16 February 2022:
  - Alan Jope acquired 14,252 PLC ADS shares following the vesting of his 2018 MCIP award; and
  - Graeme Pitkethly acquired 13,280 PLC shares following the vesting of his 2018 MCIP award.

The voting rights of the Directors (Executive and Non-Executive) and members of the ULE who hold interests in the share capital of PLC are the same as for other holders of the class of shares indicated. As at 24 February 2022, none of the Directors' (Executive and Non-Executive) or other ULE members' shareholdings amounted to more than 1% of the issued shares in that class of share. All shareholdings in the table above are beneficial. On page 76 the full share capital of PLC has been described. Pages 131 and 132 set out how many shares Unilever held to satisfy the awards under the share plans.

Information in relation to outstanding share incentive awards

As at 31 December 2021, Alan Jope held awards over a total of 139,664 shares which are subject to performance conditions and a total of 5,743 shares which are not subject to performance conditions, and Graeme Pitkethly held awards over a total of 112,343 shares which are subject to performance conditions and a total of 3,461 shares which are not subject to performance conditions. There are no awards of shares in the form of options.

Annual bonus deferral shares (Audited)

The following bonus deferral shares were outstanding at 31 December 2021 under the Unilever Share Plan 2017:

	Share type	Balance of bonus deferral shares at 31 December 2021[a]
Alan Jope	PLC	5,743[b]
Graeme Pitkethly	PLC	3,461[c]

(a) Annual bonus deferral shares accrue dividends, which are reinvested.
(b) This includes a grant of 5,743 PLC shares made on 7 May 2021 (vesting 7 May 2024).
(c) This includes a grant of 3,461 PLC shares made on 7 May 2021 (vesting 7 May 2024).

PSP (Audited)

The following conditional shares were outstanding at 31 December 2021 under the PSP:

	Balance of conditional shares at January 2021		Conditional shares awarded in 2021							Balance of conditional shares at 31 December 2021
	Share type	No. of shares	Performance period 1 January 2021 to 31 December 2023	Price at award	Dividend shares accrued during the year[c]	Vested in 2021[d]	Price at vesting	Additional shares earned in 2021	Shares lapsed	No. of shares
Alan Jope	PLC	—	61,233[a]	£42.73	1,680	—	—	—	—	62,913
Graeme Pitkethly	PLC	—	36,901[b]	£42.73	1,012	—	—	—	—	37,913

(a) This includes a grant of 61,233 PLC shares made on 7 May 2021 (vesting 7 May 2024).
(b) This includes a grant of 36,901 PLC shares made on 7 May 2021 (vesting 7 May 2024).
(c) Reflects reinvested dividend equivalents accrued during 2021 and subject to the same performance conditions as the underlying performance shares.
(d) First year of grant, no vesting to take place until 2024.

MCIP (Audited)

The following conditional shares vested during 2021 or were outstanding at 31 December 2021 under the MCIP:

	Balance of conditional shares at January 2021		Balance of conditional shares at 31 December 2021					
	Share type	No. of shares	Dividend shares accrued during the year[c]	Vested in 2021[d]	Price at vesting	Additional shares earned in 2021[e]	Shares lapsed	No. of shares
Alan Jope	PLC	58,233[a]	2,137	—	—	—	—	60,370
	PLC ADS	25,414[a]	587	7,985	US$55.74	—	1,635	16,381
Graeme Pitkethly	PLC	83,914[b]	2,653	10,074	£40.06	—	2,063	74,430

(a) This includes a grant of 8,607 PLC ADS shares made on 17 May 2017 (which vested on 16 February 2021), a grant of 14,454 PLC ADS shares made on 23 April 2018 (vesting on 16 February 2022), a grant of 16,668 PLC shares on 23 April 2019 (vesting on 9 February 2023) and a grant of 39,594 PLC shares on 24 April 2020 (vesting on 15 February 2024) and 2,353 PLC ADS shares and 1,971 PLC shares from reinvested dividends accrued in prior years in respect of awards. Please note, any Unilever N.V. shares were converted to PLC shares on unification in November 2020, which is why only Unilever PLC shares are provided in this table.
(b) This includes a grant of 5,423 each NV and PLC shares made on 17 May 2017 (which vested on 16 February 2021), a grant of 12,408 of each NV and PLC shares made on 3 May 2018 (vesting on 16 February 2022), a grant of 19,196 PLC shares on 23 April 2019 (vesting on 9 February 2023) and a grant of 23,795 PLC shares on 24 April 2020 (vesting on 15 February 2024), 5,261 PLC shares from reinvested dividends accrued in prior years in respect of awards. Please note, any Unilever N.V. shares were converted to PLC shares on unification in November 2020, which is why only Unilever PLC shares are provided in this table.
(c) Reflects reinvested dividend equivalents accrued during 2021, subject to the same performance conditions as the underlying matching shares.
(d) The 17 May 2017 grant vested on 16 February 2021 at 83% for both Alan Jope and Graeme Pitkethly.
(e) This includes any additional shares earned and accrued dividends as a result of a business performance multiplier on vesting below 100%.

GSIP (Audited)

The following conditional shares vested during 2021 or were outstanding at 31 December 2021 under the GSIP:

	Balance of conditional shares at January 2021[a]		Balance of conditional shares at 31 December 2021					
	Share type	No. of shares	Dividend shares accrued during the year	Vested in 2021	Price at vesting	Additional shares earned in 2021	Shares lapsed	No. of shares
Alan Jope	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Graeme Pitkethly	PLC	28,149[b]	—	14,638[c]	£39.80	—[d]	13,511	—

(a) In accordance with the Remuneration Policy adopted by shareholders in May 2018, no GSIP award has been granted after 2018. Alan Jope's last GSIP vested in 2020. Graeme Pitkethly's last GSIP vested in 2021.
(b) This includes a grant of 12,772 of each NV and PLC shares made on 16 February 2018 (which vested on 17 February 2021), 1,298 PLC EUR and 1,307 PLC shares from reinvested dividends accrued in prior years in respect of awards. Please note, any Unilever N.V. shares were converted to PLC shares on unification in November 2020, which is why only Unilever PLC shares are provided in this table.
(c) The 16 February 2018 grant vested on 17 February 2021 at 52% for Graeme Pitkethly.
(d) This includes any additional shares earned and accrued dividends as result of a business performance multiplier on vesting above 100%.

Executive Directors' service contracts

Starting dates of our Executive Directors' service contracts:
- Alan Jope: 1 January 2019 (signed on 16 December 2020); and
- Graeme Pitkethly: 1 October 2015 (signed on 16 December 2015).

Service contracts are available to shareholders to view at the AGMs or on request from the Group Secretary, and can be terminated with 12 months' notice from Unilever or six months' notice from the Executive Director. A payment in lieu of notice can be made of no more than one year's fixed pay and other benefits. Other payments that can be made to Executive Directors in the event of loss of office are disclosed in our Remuneration Policy.

See the remuneration topics section of our website for a copy of the Remuneration Policy.

Payments to former Directors (Audited)

The table below shows the 2021 payments to Paul Polman in accordance with arrangements made with him upon his stepping down as CEO on 31 December 2018 and his retirement from employment with Unilever effective 2 July 2019. These arrangements were disclosed in the 2018 DRR.

Paul Polman	(€'000)
Benefits[a]	74
MCIP 2018-2021 (pro-rated)[b]	779
Total Remuneration	853

(a) This includes tax preparation fees and social security.
(b) Actual time pro-rated MCIP vesting (87%) on 16 February 2022 of 17,095 Unilever PLC shares at a closing share price of €45.58 on vesting date. Vesting based on MCIP 2021 outcomes on page 91.

There have been no other payments to former Directors nor have there been any payments for loss of office during the year.

Implementation of the Remuneration Policy for Non-Executive Directors

There was no increase to Non-Executive Director fees in 2021. Following a review in 2021, the Committee decided to keep Non-Executive Director fees the same for 2022. The Committee will review the fees again in 2022.

The table below outlines the current fee structure with fees set in euros and paid by Unilever PLC (in sterling) shown using the average exchange rate over the year of £1 = €0.8605 (rounded).

Roles and responsibilities	2022 Annual Fee €	2021 Annual Fee €
Basic Non-Executive Director Fee	95,753	95,753
Chair (all-inclusive)	732,225	732,225
Senior Independent Director (modular)	45,060	45,060
Member of Nominating and Corporate Governance Committee	16,898	16,898
Member of Compensation Committee	20,277	20,277
Member of Corporate Responsibility Committee	16,898	16,898
Member of Audit Committee	25,910	25,910
Chair of Nominating and Corporate Governance Committee	33,795	33,795
Chair of Compensation Committee	33,795	33,795
Chair of Corporate Responsibility Committee	33,795	33,795
Chair of Audit Committee	45,060	45,060

All reasonable travel and other expenses incurred by Non-Executive Directors in the course of performing their duties are considered to be business expenses and so are reimbursed. Non-Executive Directors also receive expenses relating to the attendance of their spouse or partner, when they are invited by Unilever.

Note, the Committee decided to update the foreign exchange (FX) rate used to disclose Non-Executive Director fees from 1 January 2022 to align with the FX rate used for other reporting in the DRR (i.e. average FX rate for the reporting year (€1 = £0.8605 for 2021) rather than a fixed exchange rate). This explains the change to the 2021 annual fees set out above compared to the 2020 DRR. Non-Executive Director fees are paid in GBP, therefore, actual pay to Non-Executive Directors will remain consistent.

Single figure of remuneration in 2021 for Non-Executive Directors (Audited)

The table below shows a single figure of remuneration for each of our Non-Executive Directors, for the years 2020 and 2021.

	2021			2020		
Non-Executive Director	**Fees[a] €'000**	**Benefits[b] €'000**	**Total remuneration €'000**	Fees[a] €'000	Benefits[b] €'000	Total remuneration €'000
Nils Andersen[c]	**755**	**–**	**755**	778	–	778
Laura Cha[d]	**137**	**–**	**137**	134	–	134
Vittorio Colao[e]	**22**	**–**	**22**	138	–	138
Marijn Dekkers[f]	**–**	**–**	**–**	47	–	47
Judith Hartmann[g]	**126**	**–**	**126**	129	–	129
Adrian Hennah[h]	**21**	**–**	**21**	–	–	–
Andrea Jung[i]	**180**	**–**	**180**	135	–	135
Susan Kilsby[j]	**126**	**–**	**126**	129	–	129
Ruby Lu[k]	**23**	**–**	**23**	–	–	–
Strive Masiyiwa[l]	**134**	**–**	**134**	138	–	138
Youngme Moon[m]	**132**	**–**	**132**	168	–	168
John Rishton[n]	**145**	**–**	**145**	150	–	150
Feike Sijbesma[o]	**134**	**–**	**134**	138	–	138
Total	**1,935**	**–**	**1,935**	2,084	–	2,084

(a) This includes fees received from Unilever for 2020 and 2021 respectively. Includes basic Non-Executive Director fee and committee chairship and/or membership. Where relevant, amounts for 2020 have been translated into euros using the average exchange rate over 2020 (€1 = £0.8877). Amounts for 2021 have been translated into euros using the average exchange rate over 2021 (€1 = £0.8605).
(b) The only benefit received relates to travel by spouses or partners where they are invited by Unilever. There was no travel by the spouses or partners in 2021 due to the Covid-19 pandemic.
(c) Chair, Chair of the Nominating and Corporate Governance Committee and member of the Compensation Committee.
(d) Member of the Compensation Committee and Nominating and Corporate Governance Committee.
(e) Stepped down from the Board and Chair of the Compensation Committee on 18 February 2021.
(f) Retired from the Board at the May 2020 AGM.
(g) Member of the Audit Committee.
(h) Member of the Audit Committee and appointed to the Board with effect from 1 November 2021.
(i) Senior Independent Director and member of the Nominating and Corporate Governance Committee from the May 2021 AGM and Chair of the Compensation Committee from 18 February 2021.
(j) Member of the Audit Committee.
(k) Member of the Compensation Committee and Nominating and Corporate Governance Committee and appointed to the Board with effect from 1 November 2021.
(l) Chair of the Corporate Responsibility Committee.
(m) Member of the Corporate Responsibility Committee. Stepped down as Senior Independent Director from the May 2021 AGM.
(n) Chair of the Audit Committee.
(o) Member of the Corporate Responsibility Committee and Nominating and Corporate Governance Committee.

We do not grant our Non-Executive Directors any personal loans or guarantees or any variable remuneration, nor are they entitled to any severance payments.

Percentage change in remuneration of Non-Executive Directors

The table below shows the five-year history year-on-year percentage change for fees and other benefits for the current Non-Executive Directors.

	Total Remuneration[a]				
Non-Executive Director	**% change from 2020 to 2021**	% change from 2019 to 2020	% change from 2018 to 2019	% change from 2017 to 2018	% change from 2016 to 2017
Nils Andersen	**-3.0%**	253.9%	69.2%	16.1%	-12.5%
Laura Cha	**2.3%**	10.8%	5.2%	7.5%	-10.1%
Vittorio Colao[b]	**-83.8%**	-19.9%	35.4%	23.3%	-3.7%
Judith Hartmann	**-3.0%**	-11.4%	14.1%	14.3%	-8.2%
Adrian Hennah[c]	**–**	–	–	–	–
Andrea Jung[d]	**32.8%**	11.8%	51.3%	–	–
Susan Kilsby	**-3.0%**	144.0%	–	–	–
Ruby Lu[e]	**–**	–	–	–	–
Strive Masiyiwa	**-3.0%**	-0.9%	6.1%	18.0%	56.3%
Youngme Moon[f]	**-21.4%**	-0.8%	15.0%	42.7%	45.1%
John Rishton	**-3.0%**	-10.9%	17.5%	12.6%	-9.3%
Feike Sijbesma	**-3.0%**	-0.9%	3.0%	6.3%	-3.8%

(a) Non-Executive Directors receive an annual fixed fee and do not receive any Company performance-related payment. Therefore, the year-on-year % changes are mainly due to changes in committee chair or memberships, mid-year appointments of Non-Executive Directors, fee increases as disclosed in earlier directors' remuneration reports and changes in the average sterling: euro exchange rates. Susan Kilsby joined Unilever in August 2019 and therefore her change from 2019 to 2020 shows a larger % change than for a usual mid-year joiner. Nils Andersen became Chair in November 2019, hence his larger % increase from 2019 to 2020.
(b) Stepped down as Director on 18 February 2021.
(c) Member of the Audit Committee and appointed to the Board with effect from 1 November 2021.
(d) Senior Independent Director and member of the Nominating and Corporate Governance Committee with effect from May 2021 AGM and Chair of the Compensation Committee from 18 February 2021.
(e) Member of Compensation Committee and Nominating and Corporate Governance Committee and appointed to the Board with effect from 1 November 2021.
(f) Stepped down as Senior Independent Director with effect from May 2021 AGM.

Directors' Remuneration Report continued

Non-Executive Directors' interests in shares (Audited)

Non-Executive Directors are encouraged to build up a personal shareholding of at least 100% of their annual fees over the five years from appointment. The table shows the interests in Unilever PLC ordinary shares as at 1 January 2021 and Unilever PLC ordinary shares as at 31 December 2021 of Non-Executive Directors and their connected persons. This is set against the minimum shareholding recommendation. There has been no change in these interests between 31 December 2021 and 24 February 2022 (other than Adrian Hennah, who bought 4,000 PLC shares on 11 February 2022 at a share price of £37.63 and Strive Masiyiwa, who bought 520 PLC shares on 15 February 2022 at a share price of £38.34).

Non-Executive Director	Share type	Shares held at 31 December 2021	Share type	Shares held at 1 January 2021	Actual share ownership as a % of NED fees (as at 31 December 2021)
Nils Andersen	**PLC**	**21,014**	PLC	21,014	**129%**
Laura Cha	**PLC**	**3,518**	PLC	3,518	**119%**
Vittorio Colao[(a)]	**PLC**	**5,600**	PLC	5,600	**1,177%**
Judith Hartmann	**PLC**	**2,500**	PLC	2,500	**92%**
Adrian Hennah[(b)]	**PLC**	**—**	n/a	n/a	**—%**
Andrea Jung	**PLC**	**4,576**	PLC	4,576	**118%**
Susan Kilsby	**PLC**	**2,250**	PLC	1,250	**83%**
Ruby Lu[(c)]	**PLC**	**—**	n/a	n/a	**—%**
Strive Masiyiwa	**PLC**	**3,010**	PLC	1,130	**104%**
Youngme Moon	**PLC ADS**	**3,500**	PLC ADS	3,500	**125%**
John Rishton	**PLC**	**6,596**	PLC	5,340	**210%**
Feike Sijbesma	**PLC**	**10,000**	PLC	10,000	**345%**

(a) Stepped down as Director on 18 February 2021. Shares held as at 18 February 2021.
(b) Appointed with effect from 1 November 2021.
(c) Appointed with effect from 1 November 2021.

Non-Executive Directors' letters of appointment

All Non-Executive Directors were reappointed to the Board at the 2021 AGM.[(a)]

Non-Executive Director	Date first appointed to the Board	Effective date of current appointment[(a)]
Nils Andersen	**30 April 2015**	**5 May 2021**
Laura Cha	**15 May 2013**	**5 May 2021**
Vittorio Colao	**1 July 2015**	**n/a**
Judith Hartmann	**30 April 2015**	**5 May 2021**
Adrian Hennah	**1 November 2021**	**1 November 2021**
Andrea Jung	**3 May 2018**	**5 May 2021**
Susan Kilsby	**1 August 2019**	**5 May 2021**
Ruby Lu	**1 November 2021**	**1 November 2021**
Strive Masiyiwa	**21 April 2016**	**5 May 2021**
Youngme Moon	**21 April 2016**	**5 May 2021**
John Rishton	**15 May 2013**	**5 May 2021**
Feike Sijbesma	**1 November 2014**	**5 May 2021**

(a) With the exception of Adrian Hennah and Ruby Lu who were appointed by the Board with effect from 1 November 2021 and appointment to be confirmed at the 2022 AGM and Vittorio Colao who stepped down as Director on 18 February 2021. The unexpired term for all Non-Executive Directors' letters of appointment is the period up to the 2022 AGM, as they all, unless they are retiring, submit themselves for annual reappointment.

Other disclosures related to Directors' remuneration (Unaudited)

Unilever regularly looks at pay ratios throughout the Group, and the pay ratio between each work level, and we have disclosed this for a number of years. The table below provides a detailed breakdown of the fixed and variable pay elements for each of our UK work levels, showing how each work level compares to the CEO and CFO in 2021 (with equivalent figures from 2020 included for comparison purposes).

CEO/CFO Pay Ratio Comparison (split by fixed/variable pay)

Figures for the CEO and CFO are calculated using the data from the Executive Directors' single figure table on page 89. The year-on-year comparison reflects an increase in total compensation for the Executive Directors in 2021 following the significant drop in total compensation for the Executive Directors as a result of the lower performance outcomes on bonus and LTI in 2020. The numbers are further impacted by fluctuation in the exchange rates used to convert pay elements denominated in pounds sterling to euros for reporting purposes. Where relevant, amounts for 2020 have been translated using the average exchange rate over 2020 (€1 = £0.8877), and amounts for 2021 have been translated using the average exchange rate over 2021 (€1 = 0.8605).

Annual bonus and LTI for the UK employees were not calculated following the statutory method for single figure pay. Instead, variable pay figures were calculated using:

- target annual bonus values multiplied by the actual bonus performance ratio for the respective year (disregarding personal performance multipliers, which equal out across the population as a whole); and
- MCIP values calculated at an appropriate average for the relevant work level of employees, i.e. an average 20% investment of bonus for WL2 employees; 45% for WL3 employees; 60% for WL4-5 employees; and 100% for WL6 employees, multiplied by the actual MCIP business performance ratio.

Fixed pay figures reflect all elements of pay (including allowances) and benefits paid in cash.

Directors' Remuneration Report continued

CEO pay ratio comparison

The table below is included to meet UK requirements and shows how pay for the CEO compares to our UK employees at the 25th percentile, median and 75th percentile.

Year		25th Percentile	Median Percentile	75th Percentile	Mean Pay Ratio
Year ended 31 December 2021	Salary:	**£34,560**	**£42,668**	**£58,869**	
	Pay and benefits (excluding pension):	**£48,229**	**£60,306**	**£90,335**	
	Pay ratio (Option A):	**87**	**70**	**47**	**63**
Year ended 31 December 2020	Salary:	£34,298	£41,010	£55,000	
	Pay and benefits (excluding pension):	£45,713	£55,751	£80,670	
	Pay ratio (Option A):	67	55	38	50
Year ended 31 December 2019	Salary:	£38,510	£45,154	£59,988	
	Pay and benefits (excluding pension):	£50,689	£61,086	£87,982	
	Pay ratio (Option A):	83	69	48	51

Figures for the CEO are calculated using the data from the Executive Directors' single figure table on page 89 translated into sterling using the average exchange rate over 2020 (€1 = £0.8877) and 2021 (€1 = £0.8605).

Option A was used to calculate the pay and benefits (including pension) of the 25th percentile, median and 75th percentile UK employees because the data was readily available for all UK employees of the Group and Option A is the most accurate method (as it is based on total full-time equivalent total reward for all UK employees for the relevant financial year). Figures are calculated by reference to 31 December 2021, and the respective salary and pay and benefits figures for each quartile are set out in the table above. Full-time equivalent figures are calculated on a pro-rated basis.

Variable pay figures for the UK employees are calculated on the basis set out in the paragraph for other work levels below the 'CEO/CFO pay ratio comparison' table. The reason for this is it would be unduly onerous to recalculate these figures when, based on a sample, the impact of such recalculation is expected to be minimal.

Year-on-year comparisons reflects the increase in performance related pay outcomes in 2021 compared to 2020. CEO total pay in 2021 increased by 42% from 2020, notably due to performance related pay, which form a larger portion of CEO pay. In comparison, total pay for UK employees increased by 8% (at median percentile) given a high proportion of UK employees are below management level and therefore have a lower weighting on performance related pay compared to the CEO. For the overall UK employee calculation, total pay has increased by approximately 8% (at median percentile), which is aligned to our defined peer group at the 50th percentile (market median), that we benchmark against on a yearly basis. The median ratio is considered to be consistent with the pay, reward and progression policies within Unilever as the Remuneration Policy is applicable across our 14,300+ managers throughout the whole business worldwide.

Additionally, in the UK we are required to show additional disclosures on the rates of change in pay year on year. The pay ratios set out above are more meaningful as they compare to the pay of all of our UK employees. By contrast, the UK regulations require us to show the percentages below based on employees of our PLC top company only, which forms a relatively small proportion of our total UK workforce. So, whilst operationally we may pay greater attention to our internal pay ratios (included above in the 'CEO/CFO pay ratio comparison' table), these required figures are set out on the following page.

Percentage change in remuneration of Executive Directors (CEO/CFO)

The table below shows the five-year history of year-on-year percentage change for fixed pay, other benefits (excluding pension) and bonus for the CEO, CFO and PLC's employees (based on total full-time equivalent total reward for the relevant financial year) pursuant to UK requirements. The respective changes in percentages in fees for our Non-Executive Directors are included in the table 'Percentage change in remuneration of Non-Executive Directors' on page 97.

		Fixed pay	Other benefits (not including pension)	Bonus
% change from 2020 to 2021	CEO[(a)(b)]	**1.7%**	**35.7%**	**71.6%**
	CFO[(a)(c)]	**1.8%**	**23.7%**	**71.7%**
	PLC employees[(d)]	**-19.3%**	**-2.2%**	**-10.6%**
% change from 2019 to 2020	CEO[(a)(b)]	4.0%	36.6%	-39.1%
	CFO[(a)]	3.0%	40.7%	-39.7%
	PLC employees[(d)]	1.7%	30.2%	-3.0%
% change from 2018 to 2019	CEO[(a)]	-9.5%	-92.3%	-7.4%
	CFO[(a)]	4.2%	4.8%	7.9%
	PLC employees[(d)]	15.0%	-5.2%	9.7%
% change from 2017 to 2018	CEO[(a)]	11.3%	-19.2%	-16.5%
	CFO[(a)]	8.2%	8.3%	-10.5%
	PLC employees[(d)]	8.4%	-5.0%	-3.9%
% change from 2016 to 2017	CEO[(a)]	-6.9%	5.0%	0.8%
	CFO[(a)(c)]	-2.2%	-5.5%	21.1%
	PLC employees[(d)]	-6.8%	-7.0%	14.5%
% change from 2015 to 2016	CEO[(a)]	-11.0%	-5.1%	-11.0%
	CFO[(a)(c)]	-30.8%	-32.2%	14.3%
	PLC employees[(d)]	10.1%	19.1%	16.6%

(a) Calculated using the data from the Executive Directors' single figure table on page 89 (for information on exchange rates, please see the footnotes in that table).

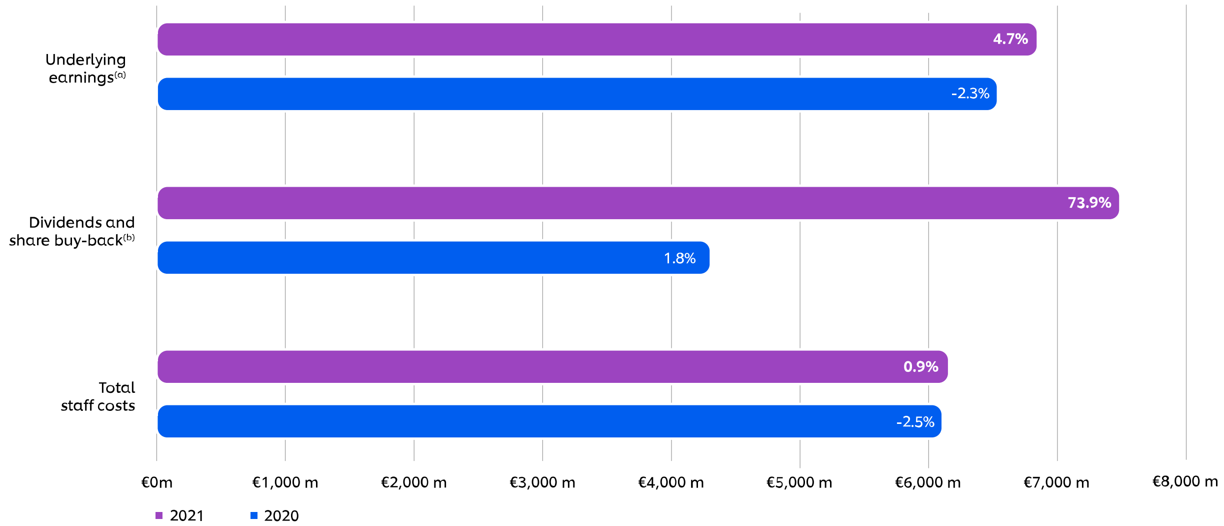
(b) The increase in fixed pay for the CEO and CFO in 2021 reflects the pay increase awarded from 1 July 2021, as explained in the Committee Chair's letter on page 85. As a result of a higher formulaic outcome for the 2021 bonus, the bonus increased compared to the previous year (2020). Conversely, a lower formulaic outcome for the 2020 bonus resulted in the bonus from 2019 to 2020 decreasing. As at 1 January 2020, the tax gross-up has been added in the cost instead of in base salary and therefore the other benefits increased from 2019 to 2020 compared to prior years. As at 1 January 2019, Alan Jope succeeded Paul Polman as CEO and therefore the CEO remuneration from 2018 to 2019 decreased compared to prior years as Alan Jope's fixed pay was set at a level lower than Paul Polman's.

(c) The increase in fixed pay for the CEO and CFO in 2021 reflects the pay increase awarded from 1 July 2021, as explained in the Committee Chair's letter on page 85. As a result of a higher formulaic outcome for the 2021 bonus, the bonus increased compared to the previous year (2020). Conversely, a lower formulaic outcome for the 2020 bonus resulted in the bonus from 2019 to 2020 decreasing. As at 1 January 2020, the tax gross-up has been added in the cost instead of in base salary and therefore the other benefits increased from 2019 to 2020 compared to prior years. Graeme Pitkethly succeeded Jean-Marc Huet as an Executive Director as per 21 April 2016, although he assumed the role of CFO as from October 2015. As a result, the figure for 2016 includes payments from May 2016 onwards.

(d) For the PLC employees, fixed pay numbers have been restated to include cash-related benefits employees receive as part of their total compensation, to ensure we can accurately compare fixed pay for them against that of the CEO and CFO. Such cash-related benefits include car allowance, acting-up allowance, transport allowance, training instructor allowance and fixed pay protection allowance. Figures are also affected by changes in the average sterling: euro exchange rates, as well as changes in the number of employees, including more junior employees than in 2020.

Relative importance of spend on pay

The chart below shows the relative spend on pay compared with dividends paid to Unilever shareholders and underlying earnings. Underlying earnings represent the underlying profit attributable to Unilever shareholders and provides a good reference point to compare spend on pay. The chart below shows the percentage of movement in underlying earnings, dividends and total staff costs versus the previous year.



(a) In calculating underlying profit attributable to shareholders, net profit attributable to shareholders is adjusted to eliminate the post-tax impact of non-underlying items in operating profit and any other significant unusual terms within net profit but not operating profit (see note 7 on page 135 for details).
(b) Includes share buy-back of €3,018m in 2021.

CEO single figure ten-year history

The table below shows the ten-year history of the CEO single figure of total remuneration:

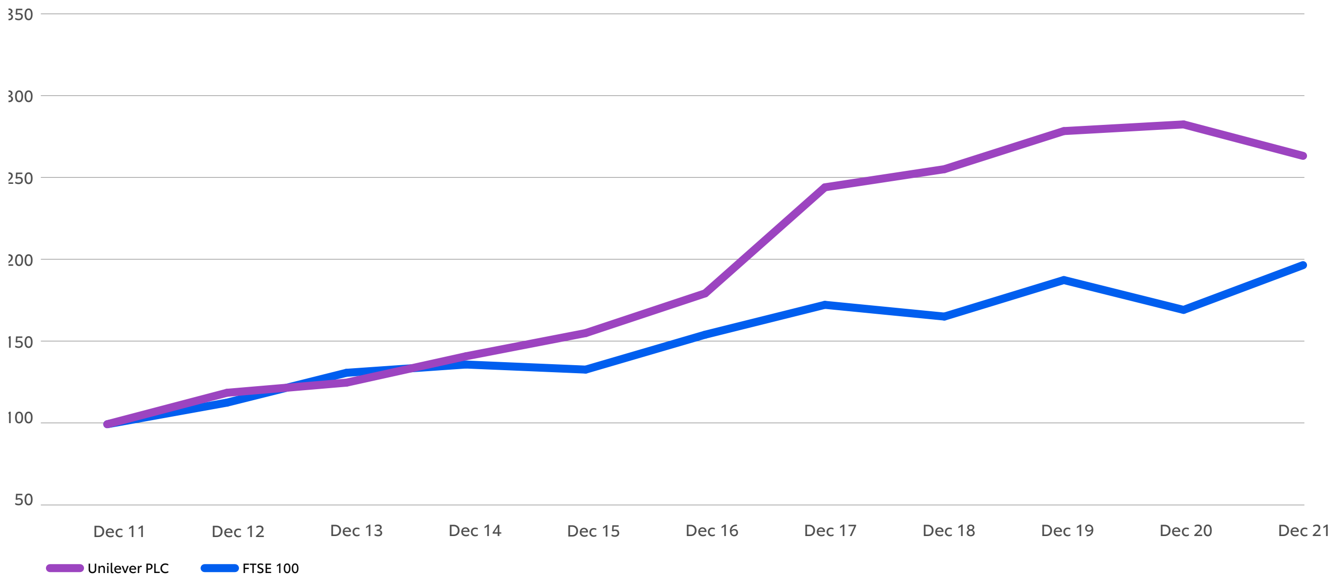
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
CEO single figure of total remuneration (€'000)	7,852	7,740	9,561	10,296	8,370	11,661	11,726	4,894	3,447	**4,890**
Annual bonus award rates against maximum opportunity	100%	78%	66%	92%	92%	100%	51%	55%	32%	**54%**
GSIP performance shares vesting rates against maximum opportunity	55%	64%	61%	49%	35%	74%	66%	60%	n/a	**n/a**
MCIP matching shares vesting rates against maximum opportunity	n/a	n/a	81%	65%	47%	99%	88%	n/a	42%	**44%**

Ten-year historical Total Shareholder Return (TSR) performance

The graph below includes growth in the value of a hypothetical £100 investment over ten years' FTSE 100 comparison based on 30-trading-day average values.

The table below shows Unilever's performance against the FTSE 100 Index, which is the most relevant index in the UK where we have our principal listing. Unilever is a constituent of this index.

Ten-year historical TSR performance



Serving as a Non-Executive Director on the board of another company

Unilever recognises the benefit to the individual and the Group of senior executives acting as directors of other companies in terms of broadening Directors' knowledge and experience, but the number of outside directorships of listed companies is generally limited to one per Executive Director. The remuneration and fees earned from that particular outside listed directorship may be retained (see 'Independence and Conflicts' on page 69 for further details).

For the reason above, Graeme Pitkethly is permitted to be a Non-Executive Director of Pearson PLC since 1 May 2019. In 2021, he received an annual fee of €108,077 (£93,000) (2020: €104,014 (£92,333)) (of which 25% of his basic fee was, in accordance with Pearson's remuneration policy, delivered in Pearson shares) based on an average exchange rate over 2021 of €1 = £0.8605. Figures for 2020 have been translated in euros based on an average exchange rate over 2020 of €1 = £0.8877.

GOVERNANCE REPORT

The Compensation Committee

During 2021, the Committee met five times and its activities included:
- finalising the Remuneration Policy;
- determining the 2020 annual bonus outcome;
- determining vesting of the MCIP awards for the CEO, CFO and the ULE;
- determining vesting of the GSIP award for the CFO;
- setting the 2021 annual bonus and PSP 2021-2023 performance measures and targets;
- reviewing fixed pay for the CEO and CFO and fees for the Non-Executive Directors;
- tracking external developments and assessing their impact on Unilever's Remuneration Policy and its implementation, in particular in the context of Covid-19;
- retrospectively reviewing how the Remuneration Policy landed with stakeholders;
- reviewing underlying reward principles, workforce pay, including pay philosophy and pay positioning;
- reviewing gender pay gap data;
- considering progress on the living wage commitment that is now extended to the wider supply chain; and
- assessing performance against 2021 SPI targets and setting 2022 SPI targets along with the CRC.

The Committee operates within its terms of reference which were last updated on 29 November 2020. The Committee's terms of reference are contained within 'The Governance of Unilever'.

See the Board and Management Committees section of our website for a copy of the Committee's terms of reference.

As part of the Board evaluation carried out in 2021, the Board evaluated the performance of the Committee. The Committee also carried out an assessment of its own performance in 2021. Overall, the Committee members concluded that the Committee is performing effectively. The Committee has agreed to further enhance its effectiveness by continuing to monitor the effectiveness of performance measures for incentives and their link to Company strategy and the assessment of the Company's talent bank and suitability for growth initiatives.

Advisers

While it is the Committee's responsibility to exercise independent judgement, the Committee does request advice from management and professional advisers, as appropriate, to ensure that its decisions are fully informed given the internal and external environment.

Fiona Camenzuli of PricewaterhouseCoopers (PwC) provided the Committee with independent advice on various matters it considered. During 2021, the wider PwC firm has also provided tax and consultancy services to Unilever including tax compliance, transfer pricing, other tax-related services, managed legal services, internal audit advice and secondees, third-party risk and compliance advice, cyber security advice, sustainability assurance and consulting, merger and acquisition support, and media assurance support. PwC is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK, which is available online.

www.remunerationconsultantsgroup.com (Code of Conduct: Executive Remuneration Consulting)

The Committee is satisfied that the PwC engagement partner and team, which provide remuneration advice to the Committee, do not have connections with PLC that might impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. The fees paid to PwC in relation to advice provided to the Committee in the year to 31 December 2021 were £137,100. This figure is calculated based on time spent and expenses incurred for the majority of advice provided, but on occasion, for specific projects, a fixed fee may be agreed.

During the year, the Committee also sought input from the CEO (Alan Jope), the Chief Human Resources Officer (Leena Nair) and the VP Global Head of Reward (Constantina Tribou) on various subjects including the remuneration of senior management. No individual Executive Director was present when their own remuneration was being determined to ensure a conflict of interest did not arise, although the Committee has separately sought and obtained Executive Directors' own views when determining the amount and structure of their remuneration before recommending individual packages to the Board for approval. The Committee also received legal and governance advice from the Chief Legal Officer and Group Secretary (Ritva Sotamaa) and the Chief Counsel Executive Compensation & Employment (Margot Fransen).

Shareholder voting

Unilever remains committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. In the event of a substantial vote against a resolution in relation to Directors' remuneration, Unilever would seek to understand the reasons for any such vote and would set out in the following Annual Report and Accounts any actions in response to it. The following table sets out actual voting in respect of this and previous report:

Voting outcome (% of votes)	For	Against	Withheld
2020 Directors' Remuneration Report (2021 AGM) (excluding the Directors' Remuneration Policy)	**96.88%**	3.12%	7,962,282
2021 Directors' Remuneration Policy (2021 AGM)	**93.51%**	6.49%	8,161,369

The Directors' Remuneration Report has been approved by the Board, and signed on their behalf by Ritva Sotamaa, Chief Legal Officer and Group Secretary.