

Unilever Global Compact Advanced COP 2021 Self-Assessment

Implementing	Implementing the Ten Principles into Strategies & Operations					
GC Scope or Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards		
Scope: Implementing the Ten Principles into Strategies & Operations	Criterion 1: The COP describes mainstreaming into corporate functions and business units.	Our commitment to responsible business and sustainable living is embedded into our business agenda through our purpose, vision, business model and, for the last ten years, the Unilever Sustainable Living Plan (USLP). The USLP ran until the end of 2020. The USLP has been followed by the Unilever Compass, our new business strategy, which has sustainability embedded at its core. The Unilever Compass was formally launched in 2021 and is built on three beliefs: that brands with purpose grow; companies with purpose last; and people with purpose thrive. During 2020, we continued to embed sustainability into every part our business under the umbrella of the USLP and the USLP remained the guiding framework for Unilever's sustainability progress during the reporting period (to 31 December 2020). To achieve our vision to be a global leader in sustainable business, we are focused on using our size and scale to	Our strategy Our strategy: The Unilever Compass Annual Report and Accounts 2020 p1; 8-11 (our strategy); 12-13 (business model) USLP 2010 to 2020 Summary of 10 years' progress Our sustainability governance	102-14 102-15 102-18 102-20		

help drive change in our extended value chain and making our brands prominent vehicles for driving social and environmental change. Our people agenda ensures our employees find purpose in their work and are equipped for the future of work. It also aims to deepen our culture of pioneering to fuel innovation.

We are integrating sustainability into our brands and innovation processes to help drive business growth.

To help achieve our Unilever Sustainable Living Plan (USLP) goals, we developed a systematic approach to integrate sustainability into brand strategy. Previously known as our Sustainable Living Brands, we now call this Brands with Purpose and we're continuing with this approach in the Unilever Compass, our new business strategy which has sustainability embedded at its core. The Unilever Compass has now superseded the USLP, which finished at the end of 2020. Our Brands with Purpose have both a defined purpose and sustainable products. The purpose captures the action the brand will take to measurably make the world a better place. Brands that wish to feed into the Unilever Compass Goals require a Basis of Preparation document to qualify their impact numbers.

We are working with our customers, and suppliers, engaging employees and forging new partnerships. We have developed a simple four-point framework to help capture the ways in which sustainability contributes to our business success – more growth, lower cost, less risk, more trust.

The world's food system needs to change

Clean home.
Clean Planet.
Clean future.

Our Positive
Beauty vision for
people and planet

Code of Business
Principles and
Code Policies

<u>Human rights in</u> our operations

Human rights in our extended value chain

The Unilever Leadership Executive (ULE), led by our Chief Executive Officer monitored implementation and delivery of the USLP and will continue to monitor the implementation and delivery of the Unilever Compass. In 2019 we integrated the management of sustainability issues into the ULE, our highest operational leadership group. The ULE meets monthly and its agenda incorporates the agenda of our former USLP Steering Team. The ULE comprises our CEO, COO, CFO, Chief Digital & Marketing Officer, Chief Supply Chain Officer, Chief HR Officer, two regional presidents and two divisional presidents.

The Board's Corporate Responsibility Committee (CRC) of Non-Executive Directors monitors USLP progress as one of its allocated focus risks. The ULE and CRC benefit from the insights of the USLP Advisory Council – a group of external specialists who guide and critique our sustainability strategy. In 2020, the <u>Advisory Council</u> comprised seven independent external specialists in sustainability from not-for-profit organisations, impact investors and academia, chaired by our Chief Sustainability Officer.

The Unilever Compass will continue the USLP's focus on our entire portfolio of brands, all countries in which we sell our products and applies across our whole value chain – from the sourcing of raw materials to our factories and the way consumers use our products. To embed sustainability into every stage of the lifecycle of our products, we are working with our suppliers to

	support responsible approaches to sourcing raw materials. Our Code of Business Principles and Code Policies are mandatory for all employees and others working for Unilever, including our board of directors, and apply to all Unilever companies, subsidiaries and organisations over which Unilever has management control. The Code was refreshed in 2020 and now includes the provision of a living wage to our employees, ethical data use, transparency and a greater focus on safety and mental wellbeing.	
Criterion 2: The COP describes value chain implementatio n.	Until the end of 2020, the USLP was our detailed blueprint to achieve sustainable growth, while delivering our purpose. From 2021 onwards, the USLP has been replaced by the Unilever Compass, our new business strategy, which has sustainability embedded at its core.	Annual Report and Accounts 2020 p12-13 (business model)
	Our aim is to create transformational change across our value chain – from our operations, to our sourcing, to the way consumers use and dispose of our products. We work to use our scale and influence to alter the systems we are part of so positive change becomes possible.	Responsible Sourcing Policy Responsible Business Partner Policy
	Through our Responsible Sourcing Policy (RSP) and our Responsible Business Partner Policy (RBPP) we work with farmers and suppliers to drive social and environmental standards in our supply chain. The policies embody our commitment to conduct business with integrity, openness and respect for universal human rights and	People and Nature Policy Unilever's Supply Chain

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core labour principles advocating a beyond compliance approach to both our supply and distribution channels.

We believe that as a business we have a responsibility to our consumers and to the communities in which we have a presence. Around the world, we invest in local economies and develop people's skills inside and outside of Unilever.

We are continually looking for new ideas and ways to influence our wider value chain. We know that collaboration with others holds the key to tackling many sustainability challenges and our transformational change initiatives aim to help bring about the systems change needed to address some of the most complex social and environmental problems. Through our business and brands, we run a range of programmes and use our scale, influence and resources to make a real difference to issues such as taking action on climate change, creating a waste-free world, raising living standards, equity, diversity and inclusion, positive nutrition, improving health & wellbeing, protecting and regenerating nature and improving food security.

Sustainable and regenerative sourcing

Future of work

<u>Partner with</u> <u>Purpose</u>

The world's food system needs to change

Clean home.
Clean Planet.
Clean future.

Our Positive

Beauty vision for
people and planet

Human Rights Management Policies & Procedures

GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2: Businesses should make sure that they are not complicit in human rights abuses	Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.	In line with the UN Guiding Principles on Business and Human Rights (2011), we base our human rights commitment and policy on the International Bill of Human Rights (consisting, in addition to the Universal Declaration of Human Rights, of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We also support the OECD Guidelines for Multinational Enterprises. Our approach is to uphold and promote human rights in three ways: • In our operations by upholding our values and standards. • In our relationships with our suppliers and other business partners. • By working through external initiatives, such as the UN Global Compact. A key requirement of the UN Guiding Principles is for businesses to have a policy statement that addresses their responsibility to respect human rights. Our Human Rights Policy Statement provides clarity on our commitment to respect universal principles, our due diligence processes and our governance. We were the first company to adopt and use the UN Guiding Principles Reporting Framework to produce a	Human Rights Report 2020 Human Rights Progress Report 2017 Human Rights Report 2015 Respecting Human Rights Human rights in our operations Human rights in our extended value chain Human Rights Supplier Audit Update 2020 Unilever Human Rights Policy Statement	406-1 407-1 414-1 414-2

comprehensive, standalone Human Rights report, published in June 2015, fulfilling our commitment to report publicly on our implementation of the UN Guiding Principles on Business and Human Rights. In the report we focus on our 'salient' human rights issues - that is, those that are at risk of the most severe negative impacts through our activities or business relationships. This approach is in line with the UN Guiding Principles on Business and Human Rights. We published our second standalone Human Rights Report in December 2017.

In 2018, we started a review of our salient human rights issues, carrying out internal and external consultations with rights-holders and their representatives. In 2019 we held internal and external stakeholder meetings in Kenya and Thailand, and carried out a salient issue review in Brazil. This series of regional stakeholder consultations helped us to identify specific salient issues relevant to each market, and inform our efforts in 2020.

In 2020 we published detailed analysis of the latest findings from our <u>human rights supplier audits covering</u> our eight salient human rights issues. This follows similar reports on audit findings in 2018 and 2019.

In 2020, our <u>third Human Rights Report</u>, set out our human rights journey over the last decade and our ambitions for the future.

We are committed to ensuring that all our employees work in an environment that promotes diversity, trust, human rights and equal opportunities, and is free from discrimination or victimisation. Our Respect, Dignity and Fair

Unilever Code of
Principles: Our
Respect, Dignity
and Fair
Treatment Code
Policy

<u>Unilever</u>
<u>Responsible</u>
<u>Sourcing Policy</u>

Responsible
Business Partner
Policy

Raising living standards

Modern Slavery
Transparency
Statement 2021

Basis of preparation 2020: USLP Progress Summary; p10-13

	<u>Treatment Code Policy</u> sets out what we and our employees must do to ensure this, and forms part of the framework of policies supporting our <u>Code of Business Principles</u> .	
Criterion 4: The COP describes effective management systems to integrate the human rights principles	Our Responsible Sourcing Policy sets out our expectations with regards to the respect for the human rights, including labour rights, of the workers in our extended supply chain. We will only work with suppliers who implement our Responsible Sourcing Policy. They must agree to ensure transparency, to remedy any shortcomings, and to drive continuous improvement. We continue to build the awareness and knowledge of our employees and workers on human rights, including labour rights, encouraging them to speak up, without retribution, about any concerns they may have, including through our grievance channels. We are committed to continue increasing the capacity of our management to effectively identify and respond to concerns. As part of the USLP and now within the Unilever Compass, we have set ambitious goals and are taking a number of	Links as per above for Criterion 3 Links as per above for Criterion 3
	actions to on contribute to a fairer and more socially inclusive world, a living wage, improving employee health, nutrition and wellbeing, and ensure safety at work.	
Criterion 5: The COP describes effective monitoring and evaluation	We recognise that we must take steps to identify and address any actual or potential adverse impacts with which we may be involved whether directly or indirectly through our own activities or our business relationships including with our non-supplier business partners who must align with our Responsible Business Partner Policy. We manage these risks by integrating the responses to our due diligence into	

mechanisms of human rights integration. our policies and internal systems, acting on the findings, tracking our actions, and communicating with our stakeholders about how we address impacts. We undertake impact assessments for high risk commodities/countries/interactions and take proactive steps to identify activities that may contribute to negative human rights impacts.

We work with external monitoring systems to enable suppliers to demonstrate compliance with our standards. These include Sedex Members Ethical Trade Audit (SMETA) and in 2018 we introduced the use of EcoVadis assessments to evaluate indirect procurement suppliers. In 2019 we introduced a new dashboard for our procurement teams to track global compliance with our Responsible Sourcing Policy (RSP).

Our <u>UK Modern Slavery Act Transparency Statement 2021</u> gives specific information relating to our work to eradicate forced labour from global supply chains. We identified temporary workers as an area of focus both in our own operations and in our extended supply chain. In 2018 we rolled out our internal policy and process for the Sustainable Employment of Temporary Workers, which set out 10 Golden Standards – guiding principles that include fair and equal treatment, gender equality and the prohibition of forced labour or modern slavery. By linking this to extensive work to collect global granular data relating to the employment of temporary workers in our factories and by creating a strengthened labour agency vetting process, we've gained greater insight and understanding of how temporary workers are employed.

Instances of recruitment fees being paid were found and these are being further investigated. In 2020, because of COVID-19, these assessments, including worker surveys, were done remotely, focusing initially on South East Asia. The realisation of the right to Freedom of Association in addition to the provision of grievance mechanisms in line with the UN Guiding Principles on Business and Human Rights is vital to effectively evaluate our progress. For more information of how we are both integrating human rights principles and monitoring this work see both our Human Rights. Report 2020 and our work on Respecting Human Rights.

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Labour Manag	abour Management Policies & Procedures.					
GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Principle 4: The elimination of all forms of forced and compulsory labour.	Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour	Millions of people work in our operations and extended supply chain, helping us create the products used two and a half billion people every day. For us, fairness in the workplace is about respecting, and advancing, their human rights – everywhere we operate, and in everything we do. We prohibit discrimination and we are committed to safe and healthy working conditions, the right to freedom of association and collective bargaining, and to effective information and consultation procedures. We expect our partners to adhere to business principles consistent with our own, and implement this through our Responsible Sourcing Policy and Responsible Business Partner Policy. Our Respect, Dignity & Fair Treatment Code Policy sets out our commitment to human rights within our own operations, specifically our commitment to ensuring a working environment that promotes diversity, where there is mutual trust, respect for human rights and equal opportunity, and no unlawful discrimination or victimisation. Our Code of Business Principles states that "We will not use any form of forced, compulsory, trafficked or child labour". Our internal Social Impact Hub gives guidance on issues	Responsible Sourcing Policy Responsible Business Partner Policy Human Rights Supplier Audit Update 2020 Unilever Human Rights Policy Statement Human rights in our operations Human rights in our extended value chain Human Rights Report 2020	406-1 407-1 409-1		

Principle 5:

The effective abolition of child labour.

Principle 6:

The elimination of discrimination in respect of employment and occupation

including child, migrant and contract labour and the eradication of forced labour including modern day slavery.

Since 2015 we have worked closely with the Fair Wage Network to develop a Framework for Fair Compensation. The Framework outlines how the various existing elements of our compensation packages deliver fair compensation to our employees and is supported by a methodology to monitor our employees' rewards against relevant Living Wage benchmarks.

In 2017 we increased our ambition on the Framework's living wage element by advancing our target from 2020 to 2018. We fulfilled the Framework's living wage element by the end of 2020. This meant that worldwide, all our direct employees were paid at or above a certified living wage. In 2021 we increased our ambition further when we announced that one of our new Unilever Compass goals is to ensure that everyone who directly provides goods and services to Unilever will earn at least a living wage or income by 2030.

We have a longstanding commitment to equal pay for equal work, which forms another principle of our Fair Compensation Framework. Our compensation structures are intended to be gender neutral, with any pay differences between employees in similar jobs fairly reflecting levels of individual performance and skill. Our most recent analysis highlights that there is more work to do to continue improving our gender balance, and related gender pay gaps, at various levels and in various countries throughout the business. In 2020 we published our fourth UK Gender

<u>Human Rights</u>
Progress Report
2017

Human Rights Report 2015

A living wage

Equity, Diversity and Inclusion

Business integrity

<u>UK Gender Pay</u> Report 2020

Strategy

Unilever Compass

Unilever Modern
Slavery and
Human Trafficking

Statement p.8

<u>Pay Gap Report</u> in line with the UK Government's Gender Pay Gap regulations.

We continue to focus on the eradication of forced labour in global supply chains and have made progress on the removal of worker recruitment fees through the Leadership Group for Responsible Recruitment, the Consumer Goods Forum, Humanity United and the Responsible Labour Initiative (part of the Responsible Business Alliance which we joined in 2019). In 2018 and 2019 we rolled out our internal policy on the Sustainable Employment of Temporary Workers, which set out 10 Golden Standards guiding principles that include fair and equal treatment, gender equality and the prohibition of forced labour or modern slavery. In 2019 we signed an MOU with the Fair Labour Association to improve working conditions for migrant seasonal agricultural workers in Turkey, participating in the Harvesting for the Future project. Over 2019 and 2020, five brands participated in the project and 20 participant suppliers. 9,440 workers were reached via 528 worker groups, 363 labour contractors were reached and 746 producers.

We work with trade unions at both a local and global level to improve working conditions (see Criterion 7).

We regularly engage with expert organisations such as Shift and the Institute for Human Rights and Business, and with trade unions and civil society organisations, such as Oxfam, on human rights including labour rights. We support the Children's Rights and Business Principles developed by UNICEF, Save the Children and the UN Global Compact. We are members of industry organisations such as the

		Consumer Goods Forum (CGF), Aim Progress and the World Business Council for Sustainable Development, where we use our membership to work with other businesses to scale up solutions to human rights issues. Unilever is a member of the Institute for Human Rights and Business Leadership Group for Responsible Recruitment where we are committed to the Employer Pays Principle – that no worker should pay for a job and we were instrumental in the CGF resolution on forced labour and subsequent Three Priority Industry Principles.	Links as per above in Criterion 6	
The desception of the descential of the desception of the descential of the descenti	ective nagement tems to egrate the our nciples	We know that labour rights abuses exist in the sectors and markets in which we operate – and at times, in our own value chain. These abuses are unacceptable. We have identified our eight most salient human rights issues including labour rights risks such as freedom of association, forced labour, harassment, discrimination and fair wages. We report on progress in our third Human Rights Report published in December 2020, in our Planet and Society hub on Unilever.com and in our Human Rights 2020 Supplier Audit Update.		
		We have a longstanding commitment to Freedom of Association, and we engage with both local and global trade unions through both formal and informal consultations. Formal consultations are in addition to the day-to-day interactions our leadership teams have with union representatives in the factories, and regional and global consultations we have with trade union executives. In 2019 we signed a joint commitment on Sustainable Employment in Unilever manufacturing with the IUF and IndustriALL. The commitment recognises the key role of		

trade unions in protecting worker rights. Governance of our human rights strategy is led from the top by our CEO and the Unilever Leadership Executive, with oversight provided by the Corporate Responsibility Committee of the Unilever Board of Directors. We continue to embed human rights and implement the UN Guiding Principles on Business and Human Rights throughout our operations. We work to align and expand our internal policy framework with the Principles and integrate them into pre-existing policies and codes, driving labour rights improvements. We embed our policies through audits, Human Rights Impact Assessments (HRIAs), specific local action plans and by working with others, either bilaterally with our suppliers, or through industry or other multi-stakeholder initiatives.

Our dialogue with suppliers and business partners is critical, where they feel able to raise issues so that we can work together to share best practices and respond to challenges as they emerge. For example, to keep the lines of communication open, our procurement managers work directly with suppliers to help identify risks and remediate gaps in policies and practices.

Effective grievance mechanisms, as described in the UN Guiding Principles, are critical in ensuring that human rights, including labour rights, are respected. We have developed a single integrated channel to ensure that our employees can raise grievances, issues and concerns as simply as possible. We have also further developed and strengthened our tools to analyse and resolve the grievances and breaches we receive.

External
whistleblowing
reporting site:
Business Integrity
- It's How We
Work
Unilever Code
Support Line

	Our <u>Responsible Sourcing Policy</u> includes information on grievance mechanisms and we have a specific <u>palm oil</u> <u>grievance mechanism</u> .	
Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration	Since 2012, we have provided a web-based reporting process for both employees and suppliers to raise concerns or highlight workplace or supply chain issues, in addition to existing telephone and email reporting systems. Employees can also report concerns to their line manager, local Business Integrity Officer or a member of their local Business Integrity Committee. Alternatively, they can use our confidential external 'Unilever Code Support Line' (whistleblowing line) via telephone or internet. Business Integrity training and communications materials provide details of available options. All reported breaches of the Code of Business Principles are monitored and dealt with by our local business leaders at country level.	
	We continue to align our own factories with our Responsible Sourcing Policy, using independent, external on-site audits determined from a risk-based perspective. This ensures that all internal sourcing units are held to the same standard as external suppliers.	
	We are seeking to improve our analytical capabilities to make sure any internal trends, hot spots and root causes are rapidly identified and remediated through the introduction of appropriate controls.	
	We are committed to transparency, acknowledging that many challenges remain which must be resolved. In the Salient Issues section of our Human Rights report , we discuss the complexities present in both our operations	

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and our extended supply chain. We have continued to expand our Framework for Women's Safety and created global Land Rights Principles and Implementation Guidance which we will use to monitor our work to address potential human rights issues. Our third Human Rights Progress Report published in December 2020 and our Respect Human Rights section on unilever.com explain our progress against each of our salient human rights issues in both our own operations and extended supply chain and the actions we are taking to remedy any issues.	
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Environmental M	Ianagement Pol	icies & Procedures		
GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards
Principle 7:	Criterion 9:	Our <u>Code of Business Principles</u> states that we are	<u>Unilever</u>	102-11
Businesses should support a precautionary approach to	The COP describes robust commitments,	committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.	Environmental Policy Unilever Compass	301-1 305-1
environmental challenges.	strategies or policies in the area of	Furthermore, our Code states we will work in partnership with others to promote environmental care, increase	<u>Strategy</u>	303-1 308-1
				300-1

environmental understanding of environmental issues and disseminate Unilever 308-2 stewardship good practice. Sustainable Living Principle 8: Plan 2010-2020: **Businesses** We consider the reduction of our greenhouse gas (GHG), Summary of 10 water and waste impacts across our value chain, from should years' progress undertake sourcing our raw materials to within our own manufacturing and operations and consumer use. We initiatives to p.4, 14-28 promote also aim to source our agricultural raw materials Our policies greater sustainably. environmental One of our environmental goals - which we began in the **Sustainability** responsibility. USLP and is continuing as part of the Unilever Compass -**Reporting Centre** is to halve the greenhouse gas impact of our products (Our policies and across the lifecycle by 2030. This covers our entire value management **Principle 9:** chain, from the sourcing of our raw materials and our approach) **Businesses** own manufacturing, through to consumer use and should disposal. Our eco-efficiency encourage the reporting development In 2015 we set an ambition to become 'carbon positive' in and diffusion of our manufacturing operations by 2030 which included **Climate Action** environmentally sourcing 100% of our energy across our operations from friendly renewable sources. Since we set our greenhouse gas Protect and technologies. emissions target, we have extended our focus beyond our regenerate nature manufacturing sites to apply to our global operations. Our ambition has evolved from becoming carbon positive Waste-free world to achieving zero emissions from our operations by 2030. To achieve this, we are building on our longstanding work Water across our global factory network to reduce our energy stewardship use, transition to renewable grid electricity, phase out coal and move to 100% renewable energy across our Annual Report operations. The Science Based Targets initiative has and Accounts validated this target as meeting the level of

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decarbonisation (removal of carbon dioxide from the atmosphere) needed to keep the global temperature increase to 1.5°C. In our 2020 Annual Report we published the results of a high-level scenario analysis of the impact of 2°C and 4°C global warming scenarios on our business in 2030 and the potential impact of climate change on three of our key agricultural commodities: soy, palm oil and black tea (see pages 51-57 of our 2020 Annual Report and Accounts).

We set a goal to halve the waste associated with the disposal of our products by 2020. Although we did not hit the 50% target, we achieved a 34% reduction in our consumer waste footprint. We also have ongoing waste targets, including a commitment to ensuring that 100% of our plastic packaging will be reusable, recyclable or compostable by 2025; to halve the amount of virgin plastic we use in our packaging by 2025; and to help collect and process more plastic packaging than we sell, also by 2025.

We are transforming our approach to plastic packing through our 'Less plastic. Better plastic. No plastic.' internal framework. In 2020, a number of our brands increased their use of recycled plastic. For example, Magnum collaborated with supplier SABIC, to develop recycled plastic ice cream tubs in Europe that are foodgrade and able to withstand freezing temperatures. This new technology uses low quality, mixed plastic waste that wouldn't otherwise be recycled. Magnum's new tubs – more than 7 million of them – are now going global.

2020 p28-30
(Planet and
Society); p51-60
(sustainability
deep-dives,
including TCFD
reporting)

Climate Transition
Action Plan

PwC's
Independent
Limited Assurance
Report 2020

Basis of preparation 2020

Responsible
Sourcing Policy

Responsible
Business Partner
Policy

Zero deforestation

In the USLP, we also set a target to halve the water associated with the consumer use of or products by 2020. We didn't achieve this challenging target by the end of 2020 and our water impact per consumer remains the same as when we set the target. This is partly because progress has been counterbalanced by changes in our product portfolio since 2010. Our portfolio is now made up of more products that have a higher than average water footprint compared to 2010 and our biggest water impact – over 99% – occurs when consumers shower, bathe and wash clothes with our products.

We did see water savings in some of our product categories since 2010. This was most notable in Skin Cleansing (e.g. growth of Lifebuoy hand soap sales in Asia) and Fabric Solutions (e.g. growth of Rin and Wheel laundry detergents in Asia), which together account for 76% of the total water footprint. These changes were in part due to water-smart innovations such as our Rin detergent bar which uses SmartFoam technology and up to halves the water needed for rinsing, making the washing process easier and quicker for consumers in water-scarce regions.

To tackle water scarcity, in 2019 we launched a range of no-rinse conditioners in the US with our new hair care brand 'the good stuff'. Our Love Home and Planet dry wash sprays are made with only 0.02% of the water used in a normal UK laundry load. And our Rin detergent bar uses up to half the water needed for rinsing, making the

Sustainability
performance data

CDP Climate 2020 response

CDP Water 2020 response

CDP Forests 2020 response

	washing process easier for consumers in water-scarce regions. We have two new goals relating to water in the Unilever Compass as part of our Protect and Regenerate Nature pillar: implement water stewardship programmes in 100 locations in water-stressed areas by 2030; and making 100% of our ingredients biodegradable by 2030. All of our environmental targets can be found in our new business strategy, the Unilever Compass. We are founding members of the CDP (formerly Carbon Disclosure Project) Supply Chain Leadership Collaboration. CDP aims to increase companies' disclosure of their GHG management plans and impacts, and to encourage them to put reduction plans in place. CDP's supplier programme has a global reach and involves businesses collaborating through their supply chains. We are part of the Natural Capital Coalition and we working to advance work in this area, through the WBCSD	
Criterion 10:	and Natural Capital Project amongst others. Our environmental management system (EMS) underpins	
The COP describes effective management	our environment strategy. All Unilever companies must comply with the Unilever standards for occupational safety and health and environmental care (SHE), as well as our Consumer Safety Policy. Our <u>environmental policy</u>	
systems to integrate the	outlines our individual and shared responsibilities to the environment and is implemented through the	

environmental principles

commitments within the environmental pillars of the Unilever Sustainable Living Plan.

Each Unilever organisation must establish a formal SHE Framework Standard for Environmental Care, based on the ISO 14001 management systems standard. Our EMS is designed to achieve continuous improvement.

Lifecycle assessment (LCA) is one of a number of techniques we use to help us understand the impacts of our products on the environment. We conduct LCAs on our existing products and ingredients to help identify improvement opportunities, to improve data quality and relevance to our studies.

We require all suppliers to comply with our <u>Responsible Sourcing Policy</u>, which mandates suppliers to conduct their business in a manner which embraces sustainability and reduces environmental impact. Our mandatory requirement is that suppliers are environmentally compliant with all necessary legal permits, but the policy expects them to proceed towards best practice. We are willing to apply more stringent criteria than those required by law when we believe this to be appropriate.

Within our own operations, our World Class Manufacturing (WCM) programme provides tools, techniques and awareness to integrate sustainability through continual improvement and investing in new equipment and technology.

We share best practice with those people responsible for reducing the environmental impact of our manufacturing

operations. Our central Best Practice Portal has over 360 replicable examples of environmental improvements.

Over the past five years, we piloted different carbon pricing schemes including a programme that 'taxed' divisional capital expenditure budgets in order to create a centrally managed Low Carbon Fund. The fund was used to accelerate clean technology investment at our sites. We have decided to replace this programme with an explicit commitment to ensure that future capital expenditure is aligned with the Paris Agreement's objective of limiting global average temperature rise to 1.5 degrees.

Criterion 11:

The COP describes effective monitoring and evaluation mechanisms for environmental stewardship We use a number of <u>metrics to assess our environmental</u> <u>impacts</u> across the value chain covering greenhouse gas (GHG) emissions, water, waste and sustainable sourcing.

<u>Eco-efficiency data</u> is used to track performance, set targets and identify the best opportunities to drive reductions in each of our key indicators.

Many of our manufacturing sites also make use of real-time eco-efficiency data. This is collected through automated systems – known as measurement, monitoring and targeting (MM&T) systems. This helps our manufacturing sites to better track their performance and identify reduction opportunities.

We collect financial information through our Environmental Performance Reporting system for all manufacturing sites and by each energy and water type, which enables us to measure the economic benefits of

our eco-efficiency programme. Since 2008 we have avoided costs of more than €1.2 billion through improving water and energy efficiency at our factories, using less material and producing less waste.

Regular environmental audits help our sites to achieve continuous improvement. We use a mixture of internal and external audits. Of our sites, 100% receive a regular audit (at least every three years) to assess the robustness of the implementation of our Environmental Care Framework Standard. More than 25% of our sites are audited every year, whether that is via internal or external parties. In 2020, approximately 32% of our production output from group-wide operations was certified or still certified by ISO14001. We developed the Environmental Care Framework Standard with inputs and requirements on par with ISO14001 which is now mandatory for sites to adopt and operate by. Our Framework Standard, aligned with ISO14001, is audited by external and internal professionals.

At least once a year, all operating units conduct a review of their environmental business risks and their compliance with corporate policies. They also conduct a continuous self-assessment of their operating controls. These exercises are summarised in a Positive Assurance letter that is sent to our Corporate Risk Committee each year.

A selection of our environmental metrics are independently assured by PwC.

Anti-Corrupti	on Managemen	t Policies & Procedures		
GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti- corruption	Unilever has a global zero tolerance approach to all forms of corruption, which is outlined in our Code of Business Principles. Our Code of Business Principles (launched in 1995) and 24 related Code Policies (updated and also published externally in 2016 and subsequently updated in 2020) are at the heart of our Business Integrity framework. This extends to all our employees, board members, third parties, new acquisitions and joint ventures, irrespective of financial values involved. We elaborate our commitment in multiple Code of Business Principles (CoBP) Code Policies including (i) Avoiding Conflicts of Interest, (ii) Anti-Bribery, Gifts & Hospitality (G&H), (iii) Anti Money Laundering, Accurate Records, Reporting and Accounting; (iv) Protecting Unilever's Physical and Financial Assets and Intellectual Property, (v) Contact with Government, Regulators and Non-Governmental Organisations; and (vi) Political Activities and Political Donations. All were updated in 2016 and give clear instructions on mandated behaviours. In 2018, we launched a new company-wide platform for online disclosure of G&H and conflict of interest to enhance recording practices and oversight. Our Code Policies go beyond complying with applicable laws and regulations and are mandatory in all jurisdictions to set	Code of Business Principles and Code Policies Business integrity (including countering corruption policy documents) Unilever Code Support Line (whistleblowing line) Annual Report and Accounts 2020 p18 (Working with integrity); p72 (Report of the Corporate Responsibility Committee)	102-16 102-17 205-3

consistently high standards. Periodic mandatory training on all relevant Code Policies is provided to managers and additional higher risk teams and we offer other bespoke training and awareness raising events for specific business activities and functions. In order to enhance capabilities and standards, in 2018 we reviewed some of our guidance and resources, refreshed our country risk profiles, and launched an Anti-Corruption Community of Practice for all staff involved in advisory and case resolution.

In 2018 we also rolled out new principles for recruiting employees from the public sector to ensure the right balance is struck between the benefit from such recruitment and avoiding potential conflicts of interest with previous employers (revolving doors).

The Code Policies are also distilled into a 'Winning with Integrity' booklet for non-managers, translated into multiple languages.

Countering corruption remains a focus area. In 2018 and 2019, we deployed mandated interactive training across the business to all employees on topics such as Anti-bribery; Gifts and Hospitality; Avoiding Conflicts of Interest; Anti-Money Laundering; and Accurate Records, Reporting and Accounting, which are ongoing. Our approach to training employees in 2020 was based on a combination of external and internal risks which resulted in tailored learning curriculums deployed based on geography and function. Learning materials, which are regularly updated, are available both online and for face-to-face awareness and learning sessions. They are designed to highlight key risk, our

Responsible Sourcing Policy

Human rights in our operations

Human rights in our extended value chain

Responsible
Business Partner
Policy

June 2021

"musts" and "must nots" and are available in numerous languages. Materials target not only office-based employees, but also those working in factories and more remote areas.

In 2020 our offline learning approach which was expanded to include more African and Asian languages, was centred around 6 animated videos supported by guidance materials for the local trainers and 34,529 of our offline employees were trained using these materials.

In total, 450,854 individual online Business Integrity training sessions were completed by Unilever employees in 2020. Unilever is committed to working with others who share our values and seek to operate to the same standards as we do. We perform due diligence on all our suppliers and business partners, and we extend our zero-tolerance approach to them through mandatory compliance with our Responsible Sourcing Policy and Responsible Business Partner Policy.

Criterion 13:

The COP describes effective management systems to integrate the anticorruption principle Our CoBP framework is built on the pillars of "Prevent – Detect – Respond" to ensure we have a continuous ability to develop our compliance programme based on learnings (e.g. from CoBP cases, self-assessments and audits). We also actively monitor regulatory developments and participate in conferences to share, learn and adopt best practices.

The Chief Legal Officer and Group Secretary (CLO) is responsible for the strategy implementation of the full compliance programme. The Business Integrity (BI) team is part of Unilever's legal function, giving Unilever dedicated

expert resource to embed a compliance culture and make Unilever more agile in identifying and mitigating compliance risks. The BI organisation features five dedicated regional BI Directors who oversee BI work in North America, Latin America, Europe, Asia & Russia/Africa/Middle East: reporting to the Chief Business Integrity Officer (CBIO), they are supported by a team of BI Officers across the globe, including dedicated team members in geographic "hot spots" to drive operational excellence. In 2018 we also hired a Global Anti-Corruption Counsel to provide specific subject matter expertise to the business and lead the different enhancements to our compliance framework.

The Global Code and Policy Committee (GCPC) oversees compliance globally including related policies and standards, and reports to the Unilever Leadership Executive (ULE) and to the Audit & Corporate Responsibility Committees of the Board of Directors. The GCPC is chaired by the CLO.

Unilever's Chief Business Integrity Officer also attends meetings of the Board Corporate Responsibility Committee.

In 2020, the Corporate Responsibility Committee studied Unilever's latest methodology for assessing anti-bribery and corruption risks and the comprehensive mapping of these risks by country and business activities. These and a number of other initiatives have helped Unilever move to Band A of Transparency International UK's Anti-Corruption Compliance Benchmark.

We partner with Maplecroft for detailed indices of compliance risk by country (updated in 2018) and we have historically partnered with PwC to review our third-party compliance programme for external validation and recommendations to build into our 2017-2020 Roadmap. Further, Unilever's risk assessment methodology builds on UN Global Compact, OECD, Transparency International and external advisor PwC's best practice.

Unilever is a founding signatory of the <u>United Nations Global Compact (UNGC)</u> to help drive global efforts to combat bribery. Realising UNGC Principle 10 (regarding corruption in all its forms) is a core focus for us. As part of our culture of continuous improvement we periodically benchmark through peer groups and formally through Transparency International UK's annual anti-corruption benchmark – their deep-dives series and their Business Integrity Forum.

Unilever leaders make a visible commitment to fighting corruption in all its forms, through active participation in government consultations and key fora such as the UNGC and its Business for the Rule of Law Steering Committee (B4ROL), the World Economic Forum Partnering Against Corruption Initiative (WEF PACI), the International Chamber of Commerce (ICC), successive B20 task forces and the Institute of Business Ethics. These efforts result in public policy transformation and resources that aim at sharing best practices on developing strong anti-corruption practices in business and beyond.

Criterion 14: The COP

We foster a speak-up culture. <u>Unilever provides external</u> <u>channels</u> for employees and third parties to confidentially

describes
effective
monitoring
and
evaluation
mechanisms
for the
integration of
anticorruption

log concerns through a dedicated web portal or 24-hour toll-free hotline. A dedicated helpdesk covers questions about CoBP compliance so issues can be discussed to preemptively find solutions that avoid breaches.

Any suspected CoBP breach with a potential anti-corruption angle is subject to triage that ensures accelerated review supported by internally-created tools involving subject-matter experts from the BI team. Investigations are overseen by local Business Integrity Committee unless senior executives are involved (in which case the CLO and CBIO are personally involved). Confirmed breaches result in disciplinary action in line with Unilever's Global Sanctions Standard. 'Reportable' breaches are escalated to the GCPC as well as to the Unilever Leadership Executive (ULE), Audit and Corporate Responsibility Committees of the Board. They see a quarterly review of case analytics and 'reportable' Code breaches by country.

Incidents or concerns involving third parties are managed in ways that align with our overall approach, by reference to our internal Red Flag Mitigation Guidance that ensures prompt escalation and consistency. Since 2018 a newly staffed Investigations Centre of Excellence provides enhanced capabilities and resources to all BI investigators.

In 2020, we worked to simplify and improve the whistleblowing process for users. This year, we received 1,357 reports, closed 1,434 reports (including some from prior years) and confirmed 723 reports as breaches, which led to 338 people leaving the business.

GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards
Scope: Taking Action in Support of Broader UN Goals and Issues	Criterion 15: The COP describes core business contributions to UN goals and issues Criterion 16: The COP describes strategic social investments and philanthropy Criterion 17:	 We believe the UN Sustainable Development Goals (SDGs) are a once-in-a-lifetime opportunity to create a better world. We use our scale and reach to contribute to the UN's agenda, and benefit from them. We contributed to the development of the SDGs, with actions including: 2012: Our former CEO, Paul Polman, served on the UN's High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, seeking to ensure that the voice of business was included. 2014: Unilever co-ordinated the development of a Post-2015 Business Manifesto, endorsed by more than 20 leading international companies, laying out a vision for strengthening the ability of business to substantially help achieve the SDGs. 2015: The UN General Assembly adopted the 2030 Agenda for Sustainable Development, including 17 Sustainable Development Goals (SDGs). 2016: Our former CEO, Paul Polman, began serving on the UN Secretary-General's Advocacy Group for the 	Sustainable Development Goals Planet & Society Hub Human rights in our operations Human rights in our extended value chain Human Rights Report 2020 Engaging with our stakeholders Raising living standards	102-12
	The COP	Global Goals.		

describes advocacy and public policy engagement

Criterion 18:

The COP describes partnerships and collective action

- 2017: Paul Polman (our then CEO) co-founded the Business & Sustainable Development Commission in 2016, which culminated in the launch of a seminal report in 2017, Better Business, Better World, on the business case for action on the SDGs.
- 2018: We agreed a partnership with UNDP specifically aimed at collaborations that will help achieve the SDGs in Bangladesh. A key element will be delivered through our Pureit brand, helping to ensure safe drinking water for Bangladeshis, in support of clean water and sanitation (SDG6).
- 2019 and 2020: We continued our work with TRANSFORM – which we set up in 2015 with the UK's Department for International Development – supporting projects across a number of SDGs aligned to our business. TRANSFORM is currently supporting over 45 projects across 11 countries, which have reached more than a million people so far.

In 2017 we mapped the SDGs to the nine pillars of the USLP, and in 2021 we mapped the SDGs to the eight pillars of the Unilever Compass and found 12 have a strong and direct link. Furthermore, six of those SDGs have strong and direct links to more than one pillar.

Our <u>Planet & Society Hub</u> on the Unilever website outlines our contribution to the SDGs.

We are a founding signatory to the UN Global Compact (UNGC). This sets out commitments for business in relation to human rights, labour, the environment and anti-corruption. We have pledged to uphold these principles across our

<u>Using our voice for</u> <u>a zero carbon</u> <u>future</u>

Climate Transition
Action Plan

Transform:
Unlocking the
power of markets
through
partnership

Sustainability performance data

business. Our former CEO, Paul Polman, is the Vice Chair of the UNGC and a long-standing member of the Board. We are active participants in the Action Platforms.

We are members of UNGC's Human Rights Working Group, Business for the Rule of Law Committee, CEO Water Mandate and Caring for Climate Initiative, and we have implemented the UNGC's Business Leadership Criteria on Carbon Pricing. We also support its Guide to Responsible Engagement in Climate Policy. We are also members of 16 UNGC local networks in a number of countries including the Netherlands, Vietnam, Zambia, Romania, South Africa, Turkey, Myanmar, Mozambique, Ghana, Chile, Indonesia, Sri Lanka, Singapore, Argentina, Colombia, Kenya and the UK. We are actively increasing our membership of UNGC local networks.

In July 2013, we endorsed the Women's Empowerment Principles, a collaboration between UNGC and UN Women. We are implementing these across our business, as well as taking steps to increase women's rights and economic inclusion in our supply chain. We have also given our support to UNGC's Food and Agriculture Principles.

We are signatories to the UNGC Business for Peace, a platform of over 130 leading companies from 37 countries dedicated to catalysing collaborative action to advance peace. Companies who join Business for Peace commit to paying heightened attention to the implementation of the UN Global Compact Ten Principles in high-risk and conflict-affected areas, take action to advance peace, either

individually or in collaboration with others, and annually communicate on our progress.

Unilever partners with global organisations Oxfam, Save the Children, PSI, World Food Programme and UNICEF. These partnerships helped us to meet our ambitious goal of helping 1 billion people improve their health and well-being two years early in 2018. In addition to our focus on water, sanitation and hygiene (WASH), we are also investing in livelihoods, sustainable sourcing and women's empowerment. Our partners in these areas include: Acumen, Clinton Giustra Enterprise, the Ford Foundation, and the Global Alliance for Improved Nutrition (GAIN).

We believe that Unilever should play an active role in shaping legislation and regulations that enhance positive social and environmental outcomes. We have an advocacy team that works together with other stakeholders to bring about changes in public policy in key areas of health and sustainability.

Unilever's social and community investment strategy is aligned with our business priorities and strategy in support of our brands with purpose agenda and the USLP. It is not based on the traditional model of charitable philanthropy. Our social and community investment contributions excluding management costs totalled €169.7 million in 2020 (including management costs the total was €172.7 million (2019: €81.9 million including management costs).

In 2020, our spend on Commercial Initiatives designed to deliver positive social and environmental impact at the same time as growing our brands – was 11% of our total corporate community investment. We continue to invest in community activities that are strategically aligned to the USLP, accounting for 69% of community investment in 2020. Charitable donations made up the remaining 20% of spend. Our reporting of community investment is aligned with the LBG methodology for corporate community investment.

In 2020, we considerably increased our community investments and charitable donations to respond to the COVID-19 pandemic. A large portion of these contributions was made through in-kind donations of essential hygiene products (soap, sanitiser, bleach) to respond to our partners' needs as handwashing and hygiene are two of the most effective, affordable and easiest ways to help reduce the spread of germs. For example, in partnership with UNHCR, we have delivered 30 million bars of soap, hand sanitizer and disinfectant to more than 50 countries worldwide. This does not reflect a change of our Corporate Citizenship strategy.

Corporate Sustainability Governance and Leadership

GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards
Scope: Corporate Sustainability Governance and Leadership	Criterion 19: The COP describes CEO commitment and leadership Criterion 20: The COP describes Board adoption and oversight	The Unilever Leadership Executive (ULE), led by our Chief Executive Officer, monitored implementation and delivery of the USLP and this is continuing for the Unilever Compass. Sustainability criteria are built into our senior executive remuneration procedure in the form of a Management Co-Investment Plan (MCIP) which includes consideration of progress against our sustainability targets. Governance of our conduct as a responsible corporate citizen is provided by our Boards' Corporate Responsibility Committee (CRC). The CRC monitored USLP progress as one of its allocated focus risks and will monitor the progress of the Unilever Compass. In 2019, we integrated the management of sustainability issues into the Unilever Leadership Executive (ULE), our highest operational leadership group. The ULE agenda now incorporates the agenda of our former USLP Steering Team (which comprised 11 members of our 12-member ULE plus representatives from our global Sustainability and Finance teams). The ULE meets monthly. As part of MCIP, we have introduced The Unilever Sustainabile Progress Index, a long-term incentive linked to our sustainability performance. To avoid over-focus on any one element of the USLP (until the end of 2020) and the	Our sustainability governance Corporate governance Our strategy for sustainable growth Our strategy: The Unilever Compass Annual Report and Accounts 2020 p72 (Report of the CRC) Engaging with our stakeholders Annual Report and Accounts 2020 p14-15, p93 (Stakeholder review) Take Action	102-14 102-18 102-19 102-20 102-21 102-40 102-42 102-43 102-44
		Unilever Compass (2021 onwards), the progress index is an assessment made by the Board's Remuneration Committee.		

	In 2020, it took into account progress towards five targets in our reported USLP scorecard.	Our position on
Criterion 21: The COP describes stakeholder engagement.	To succeed in our purpose of making sustainable living commonplace, we need to engage and work in partnership with a wide range of stakeholders. These include: investors; consumers; customers; suppliers; governments; regulators and legislators; NGOs; civil society; and peer companies. We seek to understand the issues of concern to our stakeholders and to respond openly and transparently to any questions raised about our products and the way we run our business. We publish our responses to some of these	
	questions in the Our Position On section of our global website. Both our ULE and Corporate Responsibility Committee benefit from the insights of the Unilever Sustainability Advisory Council – a group of external specialists in corporate responsibility and sustainability who guide and critique the development of our sustainability strategy (see Our sustainability governance). In 2020, the Council comprised seven members from not-for-profit organisations, impact investors and academia.	
	The variety of our relationships means we engage in different ways, depending on the nature of the interest, the relevance to the business and the most practical way to meet stakeholders' specific needs and expectations.	

Annex: Business & Peace			
GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More
Scope: Business & Peace	Annex 1: The COP describes policies and practices related to the company's core business operations in high-risk or conflict-affected areas	In addition to ensuring compliance with our Code of Business Principles and Code Policies, an important way in which Unilever monitors our due diligence – particularly in high-risk or conflict areas is through Human Rights Impact Assessments (HRIAs) which include on-site visits by third party experts who engage and consult right-holders and other stakeholders. The results of HRIA's enable us to adapt our due diligence and sourcing decisions. For example, in 2019 we carried out HRIAs in Guatemala, Thailand and Turkey — and their findings are reported in here. We continue to monitor working conditions or our tea plantations including ensuring that any issues of harassment are addressed, focussing on the prevention of incidents through increased education and awareness, strengthening the management team, and improving the grievance and reporting procedures. Progress is continually monitored through monthly reviews with the VP of Tea Procurement and Operations and bi-monthly meetings with the Chief Procurement Officer. In addition, we are working with UN Women to externally review the measures we have implemented and to extend our Safety Framework in Kenya and Assam, India. In countries with a particularly high risk of forced labour, we are rolling	Code of Business Principles and Code Policies Business integrity (values and principles) Human rights in our operations Human rights in our extended value chain Human Rights Report 2020 Human Rights Progress Report 2017 Human Rights Report 2015

		out awareness raising and capacity building for our employees and suppliers. In 2018 we worked with UN Women to develop a Global Women's Safety Framework in Rural Spaces to help tackle harassment.	Human Rights Supplier Audit Update 2020 Our salient human rights issues Human Rights Impact Assessments (HRIAs) 2019
	Annex 2: The COP describes policies and practices related to the company's government relations in high-risk or conflict-affected areas	Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests, in line with our Code Policy on political activities and donations. We prohibit participation in the activities of political parties for business purposes.	Code of Business Principles αnd Code Policies, p41

Annex 3: The COP describes local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas

Unilever takes a targeted approach to its social investments by focusing our support on helping to improve the quality of people's lives through the provision of hygiene, sanitation, basic nutrition and access to safe drinking water, as well as by enhancing self-esteem. A number of these programmes take place in high-risk countries.

We've been responding to global disasters and humanitarian crises for years. We know that we can maximise our assistance by working through partnerships.

In response to the devastating Australian wildfires in 2020, for instance, we distributed hygiene and food products to those affected via our partner Foodbank. And we supported relief efforts by offering extra paid leave to brave employees volunteering as first responders.

Following the Beirut explosion in 2020, we donated to the Lebanese Red Cross and to NGOs Beit el Baraka and Live Love Beirut. And we donated Lifebuoy hygiene products to Our Lady of Hope, Save the Children and Ajialouna.

Since 2012, we have partnered with five leading global organisations – Oxfam, Population Services International (PSI), Save the Children, UNICEF and the World Food Programme (WFP). By working together, we have expanded the delivery of life-saving solutions and contributed to systemic and scalable social change.

Since 2017 we have partnered with international humanitarian aid organisation <u>Direct Relief</u> to help people get the products they need as fast as possible in times of crisis. Our soap, body wash and shampoo are part of the emergency kits distributed through Direct Relief's networks.

<u>Disasters and</u> <u>emergencies</u>

So far, Direct Relief has distributed over 800,000 kits in response to a number of emergencies in over 35 countries. And since the onset of Covid-19, Direct Relief has been providing PPE, ventilators and medical essentials to health workers worldwide. In response to Covid-19, we're donating €100 million worth of soap, sanitiser, bleach and food. We're also giving approximately €50 million to the Covid Action Platform of the World Economic Forum, supporting organisations including UNICEF and UNHCR.

We've donated 32 million bars of soap to UNHCR, which were distributed through 55 operations – this is one of the largest in-kind donations received by UNHCR from the private sector. We've also launched the Hygiene & Behaviour Change Coalition to teach a billion people about practical steps to help avoid infection (see below).

To support suppliers, we offered €500 million of cash flow relief across our extended value chain, and early payment for our most vulnerable SME suppliers, to help them with financial liquidity. And we extended credit to selected small-scale retail customers whose business relies on Unilever, to help them manage and protect jobs.

We protected our own workforce from sudden drops in pay – as a result of market disruption or being unable to perform their role – for up to three months. This included our employees, contractors and those who manage or work on our sites.

As lockdowns were eased, we saw widespread feelings of apprehension as people tried to do 'normal things' with the threat of infection continuing to loom. So we created the

Hygiene & Behaviour Change Coalition with the UK government to give practical advice and peace of mind to help people move forward with their lives, while protecting health.

Together, we're aiming to make sure up to a billion people across the world are washing their hands with soap regularly, practising distancing and mask wearing in public places, and disinfecting surfaces with bleach.

To achieve this, we're using our scale (including in low- and middle-income countries) and our experience of rapid, mass-reach campaigns and programmes, as well as our ecosystem of partners. We began by adapting our evidence-based behaviour change programmes specifically for Covid-19, using our consumer insights through hygiene brands Lifebuoy and Domestos.

Working with 21 partners across 37 countries in Africa, Asia and South America, we're reaching the most vulnerable communities. We will also advocate for increased investment in behaviour change programmes and infrastructure – especially in schools – to promote Water, Sanitation and Hygiene (WASH).

We support refugees' long-term needs through a number of initiatives:

 In Lebanon, Iraq and Jordan, we have partnered with the <u>United Nations High Commissioner for Refugees</u> and Carrefour, the supermarket chain, to help vulnerable individuals.

In 2020, Lifebuoy carried out its first public fundraising campaign, supporting Syrian refugees. More than a quarter of this community lacks access to water, sanitation and hygiene facilities, making them particularly vulnerable to disease. We introduced a special Lifebuoy purpose pack in the Gulf states and Saudi Arabia to support the health of Syrian refugee children.In Turkey, we've developed a reverse mentoring scheme with ideas platform, Xynteo. The 'Embark' partnership connects talented young Syrians in Istanbul with business leaders across Unilever Turkey to build refugees' personal and professional networks. In return, we benefit from insights into where young people see culture, technology and business heading. We're now running this in collaboration with Mastercard.

Unilever was one of the first businesses to join the <u>Tent</u> <u>Partnership for Refugees (Opens in a new window)</u>. This works to help businesses hire refugees and use their voice to advocate for refugees' right to work. In Malaysia, for example, we're working with Tent, UNHCR and other business leaders to call on the government to give refugees the right to work.

We also sit on the Centre for Global Development's 'Expanding Refugee Labour Market Access' Advisory Group alongside government, UN and civil society representatives. This is aimed at creating a stronger policy evidence base to drive policy change in this area.

Our partners also serve as our primary beneficiaries in times of disaster and emergency relief.		
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Annex: Women	Annex: Women's Empowerment		
GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More
Scope: Women's Empowerment	Annex 1: The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the workplace	Empowering women and girls is the focus of SDG 5, Achieving Gender Equality. But, like the need to work in partnership (SDG 17), women's empowerment is a thread that stitches all the SDGs together. In particular, it underpins the SDGs that aim to improve access to skills and employment and the resulting economic empowerment this brings. We had a target in the Unilever Sustainable Living Plan (USLP) to empower five million women by advancing opportunities for women in our operations, promoting safety, developing skills and expanding opportunities in our retail value chain by 2020. Our USLP summary of 10 years' progress shows that we did not hit this ambitious target, but we did enable 2.63 million women to access initiatives aimed at promoting their safety, developing their skills or expanding their opportunities We have a great opportunity to help create this vision of unlocking women's potential throughout our extended	Advancing diversity & inclusion A beacon of diversity and inclusion Annual Report and Accounts 2020 p19 (Open to all) Code of Business Principles and Code Policies; p25- 26 (Respect, Dignity and Fair Treatment);

	value chain and in society at large. We start with progressive policies and practices in our own workplace and supply chain operations through: building a gender-balanced organisation with a focus on management; promoting safety for women in the communities where we operate; enhancing access to training and skills; and expanding opportunities in our retail value chain.	p35 (Responsible Marketing) Advertising and Marketing Opportunities for women: Challenging
	In 2017, we introduced our Global Maternal Well-being Standard, which was rolled out to every country in which we operate by the end of 2018. The Standard gives returning mothers access to facilities that allow them to nurse their baby and to have all the flexibility they need to return to the workplace. Among other measures, it entitles all employees to 16 weeks of paid maternity leave as a minimum. Although our previous entitlements already met local regulatory requirements, our Standard is a major advance. In 54% of the countries in which we operate, it exceeded the local regulatory requirement when we introduced it. Unilever is included in the Bloomberg Gender-Equality Index 2021 which comprises companies committed to transparency in gender reporting and advancing women's equality in the workplace.	harmful social norms and gender stereotypes to unlock women's potential Championing inclusion via our brands Dove Beauty and Confidence Report Helping SME retailers Unilever
Annex 2: The COP describes policies and practices	Unilever's Opportunities for Women' training and skills target in the USLP was critical for expanding female participation in the economy. This has evolved in the Unilever Compass to new ambitions to accelerate diverse	Framework for Fair Compensation

related to supporting women's empowerment and advancing gender equality in the marketplace representation at all levels of leadership, and to achieve an equitable and inclusive culture by eliminating any bias and discrimination in our practices and policies. These two goals – as are all of the goals in the Unilever Compass – are underpinned by our commitment to respect and promote human rights and the effective implementation of the UN Guiding Principles.

Access is one of the major barriers to women participating in training. This is why Unilever's training is designed to encourage the full and equal participation of women, for example, by being held at convenient times in accessible locations or by providing online courses. Unilever is also working with partners, which helps us reach more women and encourages mutual learning.

Our Unilever Sustainable Living Plan (USLP) contained targets to expand opportunities for women in our retail value chain and to increase the number of Shakti entrepreneurs that we train, recruit and employ. In 2020 our Shakti network in India grew to around 131,000 women entrepreneurs. Shakti is a programme that catalyses rural affluence while benefiting our business by equipping women to distribute our products in villages. It's become Unilever's model to reach out to rural consumers on typically low incomes in developing and emerging markets such as South-East Asia, Africa and Latin America.

We continue to explore new models that deliver a positive social impact, including through public-private models that support social entrepreneurship, such as <u>TRANSFORM</u>, a joint initiative between Unilever and the UK's Department for International Development (DFID). By the end of 2020,

<u>UK Gender Pay</u> Report 2020

Supporting selfesteem and wellbeing

USLP 2010 to 2020 Summary of 10 years' progress

Sustainability
performance
data: People
performance data

	TRANSFORM had supported over 56 projects across 13 countries, which have already benefited over a half a million people.
Annex 3: The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the community	We want to empower women throughout our supply chain. In 2014 we introduced a new USLP target on women's safety following our study in Kenya – which confirmed safety as a critical issue for women in the communities where we operate. Our approach to this issue is systematic and inclusive and we work alongside communities. We continue to partner with expert external organisations to further strengthen this work, raising awareness, providing more information on what constitutes sexual harassment and advancing more opportunities for girls to engage in social activities. In 2016, we started a global partnership with UN Women. As a result of the joint work on tea estates in Assam, India and Kericho, Kenya, in December 2018 A Global Women's Safety Framework in Rural Spaces was published. This ground-breaking guidance was created by UN Women, with our support, and in 2019, we published Implementation Guidance to facilitate wider take-up of the Framework. We are continuing to partner with expert external organisations to further strengthen this work by raising awareness and providing information. In 2020, we supported women's rights organisations on awareness-raising initiatives on Covid-19 and on violence against women and girls in Kenya, Tanzania and Assam. We also extended our women's safety programme to Rwanda.

Our latest initiative is in India, where we've started a new partnership with IDH – the Women's Safety Accelerator Fund – to help create a safe and empowering workplace for women in its tea sector. This Fund builds on our partnership with UN Women.

More and more of our brands such as Sunsilk, TRESemmé and Radiant are developing sustainable living purposes around skills and confidence-building or, like Surf, are tackling the norms around unpaid domestic work, which is hampering women's access to opportunities outside the home, holding individuals back and contributing to the gender gap. For Unilever, unpaid care work is a priority area given that it directly impacts women every day in our workplace, supply chain and distribution network, as well as our consumers.

Unilever is taking its responsibility towards its own employees seriously, for example through progressive diversity and inclusion policies, as well as tackling this through some of our brands. We believe our laundry and other Home Care brands have a big part to play in helping to recognise, reduce and redistribute the amount of time spent by women and girls on household chores. One example is WE-Care – a three-year partnership between Surf and Oxfam that works to enable women to have more choice over how they spend their time, and greater opportunity to claim their rights and engage in social, personal, economic and political activity.

Annex 4: The COP contains or refers to sex-disaggregated data

We set a clear ambition in our USLP to have 50% women in management positions by the end of 2020. We achieved this target in 2019 and maintained it in 2020, when 50% of our total management were women (2019: 51%), up from 38% in 2010.

At the most senior levels however, we know we have more to do as women are still underrepresented at senior management level: at 42% on our Board (2019: 38%), 31% on the Unilever Leadership Executive (2019: 33%) and 22% of senior management (2019: 20%).

Improving female representation in the workforce is linked to the performance goals of our leaders.

We run programmes across the business aimed at attracting, retaining, and developing female talent. These are based on a global framework and tailored to meet the needs of individual countries and regions.

Our hiring managers must use 'balanced slates' (which means an equal number of qualified female and male candidates) to make sure there's a level playing field of talented people to promote. We've designed a range of initiatives to enable both women and men to reach their full potential. Our agile working policy, for example, allows people to work anytime, anywhere, as long as business needs are being fully met. More details on our policy commitments to diversity and inclusion are included in the Equity, Diversity and Inclusion section of our online Planet & Society Hub.

If economic growth is to be inclusive and sustainable, workers need to receive fair compensation. Not only is this

core to achieving the Sustainable Development Goals, it's vital to our ongoing success as a responsible, sustainable business. As part of the USLP, in 2014 we set ourselves the target of creating a structured way to define and assess how the elements of our compensation packages deliver compensation to our employees which is open, fair, consistent and explainable.

The result was our <u>Framework for Fair Compensation</u>, which we finalised in 2015 and rolled out across our business in 2016. It's a key part of our commitment to developing an inclusive culture and respecting the contribution of all employees regardless of gender, age, race, disability or sexual orientation. We fulfilled the Framework's living wage element by the end of 2020. This meant that worldwide, all our direct employees were paid at or above a certified living wage. In 2021 we increased our ambition further when we announced that one of our new Unilever Compass goals is to ensure that everyone who directly provides goods and services to Unilever will earn at least a living wage or income by 2030.

We review our pay structures in each country annually as part of our Framework's compliance process. If our analysis indicates any average pay differences between genders at a country or grade level (a 'gender pay gap'), we will support and identify opportunities to address gaps via our diversity and inclusion initiatives. This will help us achieve our ambition for our Framework for Fair Compensation to support full equal opportunities for all.