

## **Unilever Global Compact Advanced COP 2019 Self-Assessment**

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 is embedded into our business agenda through our purpose and vision, articulated in our Code of Business Principles and Code Policies and carried out through the Unilever Sustainable Living Plan (USLP), which is our blueprint for sustainable growth.  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.  We are integrating sustainability into our brands and innovation processes to help drive business growth.  To assess product and purpose, we developed a methodology to help us determine how, and to what extent, each brand delivers against the two criteria. These are called our Sustainable Living Brands. 28 of our top 40 brands are now Sustainable Living brands, including recent B Corp acquisitions, Seventh Generation and Pukka Herbs. It enables brands to generate a systematic view of their progress across social and environmental factors. In 2018, we analysed our top brands using this methodology. Our analysis revealed that in 2018 our Sustainable Living brands grew 69% faster than the rest of our business and delivered 75% of Unilever's turnover growth.	Our strategy Our vision Our sustainability governance Consumers and sustainability Code of Business Principles and Code Policies Advancing human rights in our own operations Advancing human rights with suppliers & business partners Responsible Sourcing Policy	102-14 102-15 102-18 102-20

	We believe that if we want to effect change at scale, we will achieve this by making large, successful, category-defining brands recognisably sustainable and purposeful.	Responsible Business Partner Policy	
	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.		
	In 2018 our USLP Steering Team (USLP ST) included 11 Unilever Leadership Executive (ULE) members, including our Chief Marketing & Communications Officer (chair); Chief Financial Officer; Chief R&D Officer; Chief Supply Chain Officer; Chief HR Officer; Chief Legal Officer; three Divisional Presidents and two Regional Presidents, and is responsible for approving new USLP targets and monitoring progress.		
	The Board's Corporate Responsibility Committee (CRC) monitors USLP progress as one of its allocated focus risks. The USLP ST and CRC benefit from the insights of the USLP Advisory Council – a group of external specialists who guide and critique our sustainability strategy. In 2018, we invited six new members to join the Council from not-for-profit organisations, impact investors and academia.		
	The USLP spans 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're working with our suppliers to support responsible approaches to sourcing raw materials.		
Criterion 2: The COP describes value chain implementation.	The USLP is our detailed blueprint to achieve sustainable growth, while delivering our purpose. 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.	Sustainable Living Report 2018 Our Value Chain	
	Through our Responsible Sourcing Policy (RSP) and our Responsible Business Partner Policy (RBPP) we work with farmers and suppliers to drive	Transformational change	

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 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 and halting deforestation, creating more opportunities for women and enhancing livelihoods, promoting health & well-being, championing sustainable agriculture and improving food security.

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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  Criterion 3: The COP describes robust commitments, strategies or	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	Human Rights Report 2015  Human Rights Progress Report 2017	406-1 407-1 414-1 414-2	
internationally proclaimed human rights.	policies in the area of human rights.	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:	Human Rights Supplier Audit Update 2018 Unilever Human Rights	
Principle 2: Businesses should make sure that they are not complicit inhuman rights		<ul> <li>In our operations by upholding our values and standards.</li> <li>In our relationships with our suppliers and other business partners.</li> <li>By working through external initiatives, such as the UN Global Compact.</li> </ul> A key requirement of the UN Guiding Principles is for businesses to have a contract that and decrease the investment in the property of the page.	Policy Statement  Unilever Code of Principles: Our Respect, Dignity and Fair Treatment Code Policy	
abuses		policy statement that addresses their responsibility to respect human rights. Our <u>Human Rights Policy Statement</u> provides clarity on our commitment to respect universal principles, our due diligence processes and our governance.	Unilever Responsible Sourcing Policy Responsible Business	
		We were the first company to adopt and use the UN Guiding Principles Reporting Framework to produce a 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	Partner Policy Advancing human rights in our own operations	

June 2019

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	through our activities or business relationships. This approach is in line	Advancing human	
	with the UN Guiding Principles on Business and Human Rights.	rights with suppliers &	
	In 2018, we started a review of our salient human rights issues, carrying	<u>business partners</u>	
	out internal and external consultations with rights-holders and their	Enhancing Livelihoods	
	representatives. In 2018, we held an initial consultation in London which		
	we are following up with regional consultations. Our first regional	Modern Slavery	
	consultation was held in Kenya with a wider Africa focus. In 2019 we are	<u>Transparency</u>	
	continuing with consultations in Asia, the Americas and Europe.	Statement 2019	
	We describe our progress in our second <u>Human Rights Report</u> , published in		
	December 2017. In 2018 we published detailed analysis of the latest		
	findings from our <u>human rights supplier audits</u> .		
	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 Treatment Code Policy sets out what we and our		
	employees must do to ensure this, and forms part of the framework of		
	policies supporting our Code of Business Principles.		
Criterion 4: The	Our Responsible Sourcing Policy sets out our expectations with regards to		
COP describes	the respect for the human rights, including labour rights, of the workers in		
effective	our extended supply chain. We will only work with suppliers who		
management	implement our Responsible Sourcing Policy. They must agree to ensure		
systems to	transparency, to remedy any shortcomings, and to drive continuous		
integrate the	improvement. We continue to build the awareness and knowledge of our		
human rights	employees and workers on human rights, including labour rights,		
principles	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 we have set ambitious targets on advancing human		
	rights, fair compensation, improving employee health, nutrition and well-		
	being, and reducing workplace injuries and accidents.		
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Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.

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 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.

Our <u>UK Modern Slavery Act Transparency Statement 2019</u> gives specific information relating to our work to eradicate forced labour from global supply chains. Recognising temporary workers as potentially vulnerable to poor working conditions, we carried out a survey to monitor the numbers, roles and terms and conditions of temporary workers in our operations. 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 and our work on understanding our human rights impacts (links in next column).

Labour Managen	nent Policies & Prod	cedures		
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.  Principle 5: The effective abolition of child labour.  Principle 6: The elimination of discrimination	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 everyday. 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 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 reached our	Responsible Sourcing Policy Responsible Business Partner Policy Unilever Human Rights Policy Statement Human Rights Report 2015 Human Rights Progress Report 2017 Human Rights Supplier Audit Update 2018 Fairness in the Workplace Advancing human rights in our own operations Advancing human rights with suppliers & business partners Advancing diversity & inclusion Business integrity	406-1 407-1 409-1

in respect of employment and occupation

ambition that employees should have sufficient guaranteed fixed earnings to earn a living wage by 2018 for all but 611 of our employees in 16 countries.

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 2018 we published our second <u>Gender 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 and the Consumer Goods Forum. In 2018 we rolled out our new internal policy for the Sustainable Employment of Temporary Workers and Land Rights, as well as a new Global Paternity Leave Standard. In 2018 we developed new guidance to tackle poor working conditions in the trucking industry and we worked with UN Women to develop a Global Women's Safety Framework in Rural Spaces.

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 Employers

Working with others on human rights

	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.		
Criterion 7: The COP describes effective management systems to integrate the labour principles	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 second Human Rights Report published in December 2017, in our <a href="Sustainable Living Report 2018">Sustainable Living Report 2018</a> and in our Human Rights 2018 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. We have established a global forum with the International Union of Food workers (IUF) and IndustriALL on labour rights. We have signed a joint Memorandum of Understanding (MOU) between Unilever, the IUF and IndustriALL Global Union, recognising the IUF and IndustriALL Global Union as the internationally representative bodies of unionised workers within our worldwide operations. The MOU underlines our commitment to ensure that throughout our operations workers can freely exercise their rights to union membership and collective bargaining	Links as per above in Criterion 6	
	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. For example, in 2018 we rolled out new internal policies on		

the Sustainable Employment of Temporary Workers and Land Rights as well as a new Global Paternity Leave Standard. 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. **Criterion 8: The** Since 2012, we have provided a web-based reporting process for both employees and suppliers, in addition to existing telephone and email **COP** describes reporting systems. Employees can also report concerns to their line effective manager, local Business Integrity Officer or a member of their local monitoring and evaluation Business Integrity Committee. Alternatively, they can use our confidential external 'Unilever Code Support Line' (whistleblowing line) via telephone mechanisms of or internet. Business Integrity training and communications materials labour principles integration provide details of available options. All reported breaches of the Code of Business Principles are monitored and dealt with by our local business External leaders at country level. whistleblowing We continue to align our own factories with our Responsible Sourcing reporting site: Policy, using independent, external on-site audits determined from a risk-Business Integrity based perspective. This ensures that all internal sourcing units are held to It's How We Work the same standard as external suppliers. **Unilever Code Support** We are seeking to improve our analytical capabilities to make sure any Line 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 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 second Human Rights Progress Report published in December 2017 and our Sustainable Living Report 2018 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 Management Policies & Procedures				
GC Principle	Criteria for GC Advanced Level	Unilever Approach	Where To Find Out More	Reference to GRI Standards
Principle 7:	Criterion 9: The	Our Code of Business Principles states that we are committed to making	<u>Unilever</u>	102-11
Businesses should support	COP describes robust	continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.	Environmental Policy	301-1
a precautionary approach to	commitments, strategies or	Furthermore, our Code states we will work in partnership with others to promote environmental care, increase understanding of environmental	Our environmental management system	305-1
environmental challenges.	policies in the area of	issues and disseminate good practice.	Reducing	303-1
	environmental stewardship	Part of our Vision is to grow our business whilst decoupling our environmental impact from our growth. We consider the reduction of our	environmental impact	308-1
		greenhouse gas (GHG), water and waste impacts across our value chain,		308-2

## **Principle 8:**

Businesses should undertake initiatives to promote greater environmental responsibility.

## **Principle 9:**

Businesses should encourage the development and diffusion of environmentally friendly technologies. from sourcing our raw materials to within our own manufacturing and operations and consumer use. We also aim to source our agricultural raw materials sustainably.

By 2030 our goal is to halve the environmental footprint of the making and use of our products as we grow our business. This covers our entire value chain, from the sourcing of our raw materials and our own manufacturing, through to consumer use and disposal.

In 2015 we set an ambition to become 'carbon positive' in our operations by 2030 which includes sourcing 100% of our energy across our operations from renewable sources. Two of our greenhouse gas reduction targets are approved by the Science-Based Targets Initiative and in 2018 we began modelling climate change scenarios to understand the potential impacts on our supply of agricultural ingredients.

Another goal is to halve the waste associated with the disposal of our products by 2020. In January 2017, we committed to ensuring that 100% of our plastic packaging will be reusable, recyclable or compostable by 2025. Our longstanding aim has been to develop a closed loop system; one that would allow us to continue to provide the price and convenience of sachets to consumers while tackling the environmental issues associated with their use. In 2018 we opened the world's first pilot plant using the CreaSolv® Recycling technology in Indonesia. We co-developed this technology for recycling polymers from sachet waste that can be repeatedly reused. In 2019 we also announced a Loop™ waste-free shopping and delivery pilot project in the US and France that helps customers return and refill products.

We're also aiming to halve the water associated with the consumer use of or products by 2020. To tackle water scarcity in 2018 we launched water saving products including Domestos Flush Less toilet spray in South Africa and our Day2 dry wash spray for clothes which prolongs time between washes, saving 60 litres of water per bottle. Our Love Beauty and Planet range launched in the US and Europe uses fast-rinse technology in its conditioners, which require less water for rinsing.

How we're becoming carbon positive in our operations

Eco-efficiency in our operations

Our eco-efficiency performance

PwC's Independent Limited Assurance Report 2018

<u>Unilever Basis of</u> <u>Preparation 2018</u>

Responsible Sourcing
Policy

**Protecting our forests** 

**Global climate action** 

Responsible Business
Partner Policy

Rethinking plastic
packaging – towards a
circular economy

Water-smart products for water-stressed living

	We are founding members of the CDP (formerly Carbon Disclosure Project)	Greenhouse gases	
	Supply Chain Leadership Collaboration. CDP aims to increase companies' disclosure of their GHG management plans and impacts, and to encourage	Water use	
	them to put reduction plans in place. CDP's supplier programme has a	<u>water use</u>	
	global reach and involves businesses collaborating through their supply	Waste & packaging	
	chains.		
	We are part of the Natural Capital Coalition and we working to advance		
	work in this area, through the WBCSD and Natural Capital Project amongst		
	others.		
	We are promoting the involvement of suppliers of both agricultural and		
	non-agricultural based raw materials in the CDP programme. This		
	represents a global standard approach for disclosure of GHG management		
	plans and performance. We believe that involvement in the CDP		
	programme is of intrinsic value to our suppliers and we encourage their participation.		
Criterion 10: The	Our environmental management system (EMS) underpins our environment		
COP describes	strategy. All Unilever companies must comply with the Unilever standards		
effective	for occupational safety and health and environmental care (SHE), as well as		
management	our Consumer Safety Policy. Our environmental policy outlines our		
systems to	individual and shared responsibilities to the environment and is		
integrate the	implemented through the commitments within the environmental pillars		
environmental principles	of the Unilever Sustainable Living Plan.		
principles	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 Responsible Sourcing Policy, 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. Our Clean Technology Fund helps turn our employees' sustainable business ideas into reality at our factories. In 2018, we invested €40 million in energy, CO<sub>2</sub> and water saving projects through our Clean Technology Fund. Together the projects will reduce our global CO<sub>2</sub> emissions by 4.0%, global energy use by 3.4% and water use by 3.3%. Criterion 11: The We use a number of metrics to assess our environmental impacts across **COP** describes the value chain covering greenhouse gas (GHG) emissions, water, waste effective and sustainable sourcing. monitoring and Eco-efficiency data is used to track performance, set targets and identify evaluation the best opportunities to drive reductions in each of our key indicators. mechanisms for environmental Many of our manufacturing sites also make use of real-time eco-efficiency stewardship 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 now have more than 80,000 data reading

points across the manufacturing network. By the end of 2018, over 80% of our production volume was covered by the MM&T programme.

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 ecoefficiency programme. Since 2008 we have avoided costs of more than €900 million 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 75% of our sites are audited every year, whether that is via internal or external parties, and in 2018, around 40% of them were also certified by ISO 14001.

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.

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. This policy 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 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).	Code of Business Principles and Code Policies  Our values & principles  Business integrity  Unilever Code Support Line (whistleblowing line)  Annual Report and Accounts 2018, p16  Responsible Sourcing Policy  Advancing human rights in our own operations  Advancing human rights with suppliers & business partners	102-16 102-17 205-3

The Code Policies are also distilled into a 'Winning with Integrity' booklet Our Responsible for non-managers, translated into multiple languages. Sourcing Policy in action Countering corruption continued to be a focus area in 2018 and 2019 and we continued to deploy mandated interactive training across the business **Responsible Business** to all employees on topics such as Anti-bribery; Gifts and Hospitality; **Partner Policy** Conflicts of Interest; Anti-Money Laundering; and Accurate Records, Reporting and Accounting. 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 zerotolerance approach to them through mandatory compliance with our Responsible Sourcing Policy and Responsible Business Partner Policy. **Criterion 13:** The Our CoBP framework is built on the pillars of "Prevent – Detect – Respond" COP describes to ensure we have a continuous ability to develop our compliance programme based on learnings (e.g. from CoBP cases, self-assessments effective and audits). We also actively monitor regulatory developments and management participate in conferences to share, learn and adopt best practices. systems to integrate the The Chief Legal Officer and Group Secretary (CLO) is responsible for the anti-corruption strategy implementation of the full compliance programme. The Business principle 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.

We partner with Maplecroft for detailed indices of compliance risk by country (recently 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</u> (<u>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 describes effective monitoring and evaluation mechanisms for We foster a speak-up culture. <u>Unilever provides external channels</u> for employees and third parties to confidentially 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.

the integration	Any suspected CoBP breach with a potential anti-corruption angle is	
of anti-	subject to triage that ensures accelerated review supported by internally	
corruption	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 2018, 1,206 whistleblowing incidents were opened (defined as Code	
	· · ·	
	Policy cases raised). We closed 1,252 incidents across all areas of our Code	
	and Code Policies, with 662 confirmed breaches. In 2018, we terminated	
	the employment of 330 people.	

Taking Action in Support of Broader UN Goals and Issues				
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	Criterion 15: The COP describes core business contributions to	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.	UN Sustainable Development Goals	102-12 102-13

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Goals and	UN goals and	We contributed to the development of the SDGs, with actions including:	Working with others
Issues	issues	2012: Our former CEO, Paul Polman, served on the UN's High-Level	on Human Rights
	Criterion 16: The COP describes strategic social investments and philanthropy  Criterion 17: The COP describes advocacy and public policy engagement  Criterion 18: The COP describes partnerships and	<ul> <li>Panel of Eminent Persons on the Post-2015 Development Agenda, seeking to ensure that the voice of business was included.</li> <li>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.</li> <li>2015: The UN General Assembly adopted the 2030 Agenda for Sustainable Development, including 17 Sustainable Development Goals (SDGs).</li> <li>2016: Our former CEO, Paul Polman, began serving on the UN Secretary-General's Advocacy Group for the Global Goals.</li> <li>2017: Paul Polman (our then CEO) co-founded the Business &amp; 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.</li> <li>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).</li> </ul>	Engaging with our stakeholders  Transformational change  Creating and sharing wealth
	collective action	In 2017 we mapped the SDGs to the nine pillars of the USLP, and found 14 have a strong and direct link. We outline our contribution to all the all the SDGs on our website.	
		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 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. 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 €77.9 million in 2018 (€81.1 million including management costs).	
In line with our strategy we have increased our spend on Commercial Initiatives (39% in 2018 versus 34% in 2017) designed to deliver positive social and environmental impact at the same time as growing our brands. We continue to invest in community activities that are strategically aligned to the USLP, accounting for 56% of community investment in 2018. Charitable donations made up the remaining 6% of spend. Our reporting of community investment is aligned with the LBG methodology for corporate community investment.	

Corporate Sustai	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	The Unilever Leadership Executive (ULE), led by our Chief Executive Officer, monitor implementation and delivery of the USLP. 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.	Our sustainability governance Investor relations: Our corporate governance Our strategy for	102-14 102-18 102-19 102-20	
	Criterion 20: The COP describes Board adoption and oversight	Governance of our conduct as a responsible corporate citizen is provided by our Boards' Corporate Responsibility Committee.  In 2018, our USLP Steering Team (USLP ST) included 11 Unilever Leadership Executive (ULE) members, including our Chief Marketing & Communications Officer (chair); Chief Financial Officer; Chief R&D Officer; Chief Supply Chain Officer; Chief HR Officer; Chief Legal Officer; three	Sustainable growth  About our strategy  Engaging with our stakeholders	102-21 102-40 102-42	

	Divisional Presidents and two Regional Presidents, and is responsible for approving new USLP targets and monitoring progress. The Board's	What matters to you	102-43
	Corporate Responsibility Committee (CRC) monitors USLP progress as one of its allocated focus risks.		102-44
	As part of MCIP, we have introduced The Unilever Sustainable Progress Index, a long-term incentive linked to our sustainability performance. To avoid over-focus on any one element of the USLP, the progress index is an assessment made by the Board's Compensation Committee taking into account progress towards the 10 pillar targets in our reported USLP scorecard.		
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 <a href="What Matters to You">What Matters to You</a> section of our online Sustainable Living Report 2018.		
	Both our USLP Steering Team and Corporate Responsibility Committee benefit from the insights of the USLP Advisory Council — a group of external specialists in corporate responsibility and sustainability who guide and critique the development of our sustainability strategy. In 2018, we invited six new members to join the Council 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 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 for example the HRIA in Myanmar which we undertook in 2016. The results of HRIA's enable us to adapt our due diligence and sourcing decisions. In February 2017 we held meetings in five villages to train palm sugar farmers, using a video on the eradication of child labour and briefings on health and safety.  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 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 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.	Our values & principles  Working with others on human rights  Human Rights Report 2015  Human Rights Progress Report 2017  Human Rights Supplier Audit Update 2018  Fairness in the workplace Understanding our human rights impacts  Kericho tea estates

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 and Code Policies
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.  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 Direct Relief to help people get the products they need as fast	Ready to respond to disasters & emergencies
	as possible in times of crisis. Our soap, body wash and shampoo are part of the emergency kits distributed through Direct Relief's networks. Direct Relief has distributed thousands of kits in response to the Kerala floods in India, the California wildfires, the floods in Bangladesh's Rohingya refugee camps and the ongoing cholera outbreak in Yemen.  We support refugees' long-term needs through a number of initiatives:  In Lebanon, Iraq and Jordan, we have partnered with the United Nations High Commissioner for Refugees and Carrefour, the supermarket chain, to help vulnerable individuals	

<ul> <li>In Jordan, we are working with the United Nations Development Programme (UNDP) to deliver the Baqala programme. This develops Syrian refugees' selling and merchandising skills through a three month on-the-job training and internship provided by Unilever.</li> <li>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. The pilot took place in 2018 and matched 13 Syrian applicants with 16 senior Unilever employees, and a second group was selected in Autumn 2018.</li> </ul>	
In 2018, we continued to play an active role in the <u>Tent Partnership for Refugees</u> . This is a coalition of more than 100 companies making efforts to support refugees around the world. It offers a platform for companies to share information and best practices, and increase private sector coordination. It also helps to forge innovative solutions to deliver greater impact in response to the global refugee crisis.  Our partners also serve as our primary beneficiaries in times of disaster and emergency relief.	

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	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.	Opportunities for women  Advancing diversity & inclusion

women's empowerment and advancing gender equality in the workplace	We have a target in the Unilever Sustainable Living Plan to empower 5 million women by advancing opportunities for women in our operations, promoting safety, developing skills and expanding opportunities in our retail value chain by 2020.  We have a great opportunity to help create this vision of unlocking women's potential (PDF   203KB) throughout our extended 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.  In 2017 we introduced our Global Maternal Well-being Standard, which had been 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.	Promoting safety for women  Enhancing women's access to training & skills  Enhancing entrepreneurial & life skills through our brands  Expanding opportunities in our retail value chain  Challenging harmful gender norms  Fairness in the workplace
Annex 2: The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the marketplace	Unilever's Opportunities for Women' training and skills target in the USLP is critical for expanding female participation in the economy.  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) contains 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 2018	No discrimination in compensation

our Shakti network grew to around 113,000 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 TRANSFORM, a joint initiative between Unilever and the UK's Department for International Development (DFID). For example, Kasha is a mobile e-commerce and content platform founded in Rwanda to sell and deliver women's health and personal care products through an innovative system. Since 2016, it has reached nearly 20,000 customers.

COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the community

Annex 3: The

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 groundbreaking guidance was created by UN Women, with our support, and will be made available to the global tea industry and other value chains in 2019.

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 refers to see disaggregate data	management positions by 2020. By the end of 2018, 49% of our total management were women, up from 47% in 2017.	

More details on our policy commitments to diversity and inclusion are included in the <u>Fairness in the workplace</u> of our online 2018 Sustainable Living Report.

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 our 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 Framework for Fair Compensation, 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 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. When we look at our worldwide business as a whole, in countries with more than 250 employees, the average female pay was 26% higher than male pay in 2018 (2017: 25%). This is largely due to the fact that 80% of our lower-paying blue-collar roles are held by male employees.