

Unilever Global Compact Advanced COP 2020 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 and sustainable living is embedded into our business agenda through our purpose, vision, business model and Unilever Sustainable Living Plan (USLP), which is our blueprint for sustainable growth. It is also articulated in our Code of Business Principles and Code Policies. In 2019 we continued to embed sustainability into every part our business and announced our new purpose-led, future-fit Unilever Compass strategy. This will follow the USLP and is built on three beliefs: that brands with purpose grow; companies with purpose last; and people with purpose thrive. To achieve our vision to be a global leader in sustainable business, we are focused on using our size and scale to 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	Our strategy Our vision Annual Report and Accounts 2019 p6 and 9-11 Sustainable Living Report: About our strategy Sustainable Living Report: 10 years of sustainable living Our sustainability governance	102-14 102-15 102-18 102-20	

equipped for the future of work, and deepening our culture of pioneering to fuel innovation.

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.

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 Unilever Leadership Executive (ULE), led by our Chief Executive Officer monitors implementation and delivery of the USLP. In 2019 we integrated the management of sustainability issues into the ULE, our highest operational leadership group. The ULE meets monthly and its agenda now incorporates the agenda of our former USLP

<u>Consumers and</u> <u>sustainability</u>

Code of Business
Principles and
Code Policies

Advancing human rights in our own operations

Advancing human rights in our extended supply chain

Responsible
Sourcing Policy

Responsible
Business Partner
Policy

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 2019, the Advisory Council comprised seven independent external specialists in sustainability from not-for-profit organisations, impact investors and academia, chaired by our Chief Sustainability Officer.

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 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.

Criterion 2: The COP describes value chain implementatio n.

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. We work to use our scale and influence to alter the systems we are part of so positive change becomes possible.

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 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

Sustainable Living
Report 2019

Our Value Chain

<u>Transformational</u> change

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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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	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.	Human Rights Report 2015 Human Rights Progress Report 2017 Human Rights Supplier Audit Update 2019 Unilever Human Rights Policy Statement	406-1 407-1 414-1 414-2	

complicit in human rights abuses

• 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 <u>Human Rights Policy Statement</u> 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 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.

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 we are carrying out a salient issue review in Brazil. This series of regional stakeholder consultations will help us to identify specific salient issues relevant to each market, and inform our efforts in 2020.

We describe our progress in our second <u>Human Rights</u> <u>Report</u>, published in December 2017. In 2019 we published <u>Unilever Code of</u>

Principles: Our

Respect, Dignity

and Fair

<u>Treatment Code</u>

Policy

Unilever

Responsible

Sourcing Policy

Responsible

Business Partner

Policy

<u>Understanding and</u>

reporting on our

<u>Human Rights</u>

<u>impacts</u>

Advancing human

rights in our own

<u>operations</u>

Enhancing

Livelihoods

Modern Slavery

Transparency

Statement 2020

		1	
	detailed analysis of the latest findings from our		

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. **Criterion 5:** We recognise that we must take steps to identify and The COP address any actual or potential adverse impacts with which describes we may be involved whether directly or indirectly through effective our own activities or our business relationships including with our non-supplier business partners who must align monitoring and with our Responsible Business Partner Policy. We manage evaluation these risks by integrating the responses to our due mechanisms diligence into our policies and internal systems, acting on of human the findings, tracking our actions, and communicating with our stakeholders about how we address impacts. We rights integration. 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 2020</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, in 2019 we rolled out on-the-ground assessments of labour agencies in UAE and Asia. Transporters are often migrant workers vulnerable to forced labour so in 2019 we worked with partners to pilot a new protocol to map transporters and the transport supply chain to improve conditions

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 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 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	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 2019 Fairness in the Workplace	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. By the end of 2019, we were paying at or above a certified living wage in most places and are actively working through the small number of remaining issues which are in areas with complex pay arrangements.

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 2019 we published our third Gender Pay Gap Report 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

Advancing human rights in our own operations

Advancing human rights in our extended supply chain

Advancing diversity & inclusion

Business integrity

Working with others on human rights

Gender Pay Gap Report 2019

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 2019 we continued to roll out our internal policy on the Sustainable Employment of Temporary Workers. In 2019 we signed an MOU with the Fair Labour Association to improve working conditions for migrant seasonal agricultural workers in Turkey. We ran training for our suppliers in UAE on ethical recruitment, with a focus on recruitment fees.

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 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 <u>Sustainable Living</u> Report 2019 and in our <u>Human Rights 2019 Supplier Audit Update</u>. In 2020 we will publish a comprehensive Human Rights Report, setting out our human rights journey over the last ten years and ambitions for the future.

Links as per above in Criterion 6

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. For example, in 2019 we continued to implement internal policies on the Sustainable Employment of Temporary Workers. 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

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, 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 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 2019 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: Businesses should support a precautionary approach to environmental challenges.	Criterion 9: The COP describes robust commitments, strategies or policies in the area of	Our Code of Business Principles states that we are committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business. Furthermore, our Code states we will work in partnership with others to promote environmental care, increase	Unilever Environmental Policy Reducing environmental impact	102-11 301-1 305-1 303-1 308-1	

	environmental	understanding of environmental issues and disseminate	<u>Tackling climate</u>	308-2
Principle 8:	stewardship	good practice.	impact in our	
Businesses		Part of our Vision is to grow our business whilst	<u>operations</u>	
should		decoupling our environmental impact from our growth.	Annual Report	
undertake		We consider the reduction of our greenhouse gas (GHG),	and Accounts	
initiatives to		water and waste impacts across our value chain, from	2019 p40-43	
promote		sourcing our raw materials to within our own		
greater		manufacturing and operations and consumer use. We	(financial impact	
environmental		also aim to source our agricultural raw materials	scenario analysis)	
responsibility.		sustainably.	Eco-efficiency in	
		By 2030 our goal is to halve the environmental footprint of	our operations	
Principle 9:		the making and use of our products as we grow our business. This covers our entire value chain, from the	PwC's	
Businesses		sourcing of our raw materials and our own	<u>Independent</u>	
should		manufacturing, through to consumer use and disposal.	Limited Assurance	
encourage the			Report 2019	
development		In 2015 we set an ambition to become 'carbon positive' in		
and diffusion of		our operations by 2030 which includes sourcing 100% of	<u>Unilever Basis of</u>	
environmentally friendly		our energy across our operations from renewable sources. The Science Based Targets initiative has	Preparation 2019	
technologies.		validated this target as meeting the level of	B	
technologies.		decarbonisation (removal of carbon dioxide from the	Responsible	
		atmosphere) needed to keep the global temperature	Sourcing Policy	
		increase to 1.5°C. In 2019 we published the results of a	Protecting our	
		high-level assessment of the impact of 2°C and 4°C global		
		warming scenarios in 2030 (for scenario analysis, see	<u>forests</u>	
		pages 40-43 of our <u>2019 Annual Report & Accounts</u>).	Global climate	
		Another goal is to halve the waste associated with the	action	
		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. In 2019 we launched two further commitments: to halve the amount of virgin plastic we use in our packaging; and to help collect and process more plastic packaging than we sell.

We are transforming our approach to plastic packing through our 'Less plastic. Better plastic. No plastic.' internal framework. In 2019 and early 2020, a number of our brands increased their use of recycled plastic including Signal's Ecolo Clean 100% recycled plastic toothbrush, a fully recycled and recyclable bottle from our Cif dishwash brand and 100% recycled bottles for our Bango soy sauce brand in Indonesia.

We're also aiming to halve the water associated with the consumer use of or products by 2020. To tackle water scarcity in 2019 we launched no-rinse conditioners in the US with our new hair care brand 'the good stuff'. Our Day2 dry wash spray for clothes prolongs time between washes, and in 2019 we launched a dry wash spray in our new Love Home and Planet range in the US.

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

Responsible
Business Partner
Policy

Rethinking plastic packaging – towards a circular economy

Water-smart products for waterstressed living

<u>Greenhouse</u> <u>gases</u>

Water use

Waste & packaging

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 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**: Our environmental management system (EMS) underpins The COP our environment strategy. All Unilever companies must describes comply with the Unilever standards for occupational effective safety and health and environmental care (SHE), as well management as our Consumer Safety Policy. Our environmental policy systems to outlines our individual and shared responsibilities to the integrate the environment and is implemented through the environmental commitments within the environmental pillars of the principles 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 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.

Since 2019 we introduced a new approach of internally taxing the notional capital expenditure budgets of our three Divisions – Home Care, Beauty & Personal Care and Foods & Refreshment – based on the emissions from the prior year. So far, over €120 million has been allocated to our Clean Technology Fund for energy, waste and watersaving projects.

Criterion 11:

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

Eco-efficiency data 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. By the end of 2019, over 80% of our production volume was covered by these systems, with more than 114,000 data reading points across our manufacturing network.

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 €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 25% of our sites are audited every year, whether that is via internal or external parties, and in 2019, around 20% of them were also certified by ISO 14001. In total, 92% of our manufacturing sites were covered by either our Care Framework Standard or ISO 14001 in 2019. The remaining 8% had audits managed locally.

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 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 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	Code of Business Principles and Code Policies Our values & principles Business integrity Unilever Code Support Line (whistleblowing line) Annual Report and Accounts 2019 p16, 33 and 53 Responsible Sourcing Policy Advancing human rights in our own operations Advancing human	102-16 102-17 205-3

	an Anti-Corruption Community of Practice for all staff	extended supply
	involved in advisory and case resolution.	<u>chain</u>
	In 2018 we also rolled out new principles for recruiting	Our Responsible
	employees from the public sector to ensure the right balance	Sourcing Policy in
	is struck between the benefit from such recruitment and	action
	avoiding potential conflicts of interest with previous	detroi:
	employers (revolving doors).	<u>Responsible</u>
	employers (revolving doors).	<u>Business Partner</u>
	The Code Policies are also distilled into a 'Winning with	Policy
	Integrity' booklet for non-managers, translated into multiple	
	languages.	
	Countering corruption continued to be a focus area in 2018	
	and 2019 and we continued to deploy mandated interactive	
	training across the business to all employees on topics such	
	as Anti-bribery; Gifts and Hospitality; Conflicts of Interest;	
	Anti-Money Laundering; and Accurate Records, Reporting	
	and Accounting. In 2019 we saw over 55,000 employees	
	make the Code Declaration in our Global Business Integrity	
	Pledge Week.	
	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.	
	Journing Folicy and Responsible Business Father Folicy.	
Criterion 13:	Our CoBP framework is built on the pillars of "Prevent –	
The COP	Detect – Respond" to ensure we have a continuous ability to	
describes	develop our compliance programme based on learnings	
effective	(e.g. from CoBP cases, self-assessments and audits). We also	

management systems to integrate the anticorruption principle 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.

In 2019, the Corporate Responsibility Committee continued to analyse the adequacy and robustness of Unilever's antibribery compliance programme to ensure it has the right controls to prevent, detect and respond to corruption threats. The Committee reviewed efforts to assess risk

through country risk profiles, studied trends and insights from investigations data and was updated on risk-based training and capacity building.

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 (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 for a 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 the integration of anti- corruption	We foster a speak-up culture. Unilever provides external channels 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. 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 2019, we received 1,575 reports from whistleblowers. Of these, we closed 1,410 and confirmed 733 as breaches, which led to 413 people leaving the business.	
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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 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	 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). 	UN Sustainable Development Goals Working with others on Human Rights Engaging with our stakeholders Transformational change Creating and sharing wealth Transform: Unlocking the power of markets	102-12		

Criterion 17:

The COP describes advocacy and public policy engagement

Criterion 18:

The COP describes partnerships and collective action

- 2016: Our former CEO, Paul Polman, began serving on the UN Secretary-General's Advocacy Group for the Global Goals.
- 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: We continued our work with TRANSFORM supporting projects across a number of SDGs aligned to our business. For example, in 2019 Unilever Pakistan partnered doctHERs which is implementing a genderinclusive, technology-enabled healthcare solution across rural Pakistan.

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 SDGs on our website for completeness.

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

through partnership

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 €79 million in 2019 (€81.1 million including management costs).

In 2019, our spend on Commercial Initiatives designed to deliver positive social and environmental impact at the same time as growing our brands – was 38% of our total corporate community investment. We continue to invest in community activities that are strategically aligned to the USLP, accounting for 56% of community investment in 2019. 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 Sus	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 sustainable	102-14 102-18 102-19 102-20 102-21			
	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 (CRC). The CRC monitors USLP progress as one of its allocated focus risks. 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	growth About our strategy Engaging with our stakeholders	102-40 102-42 102-43 102-44			

	representatives from our global Sustainability and Finance	What matters to
	teams). The ULE meets monthly.	you
	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 Remuneration Committee	
	taking into account progress towards five targets in our reported USLP scorecard.	
	reported 03LF scorecura.	
Criterion 21:	To succeed in our purpose of making sustainable living	
The COP	commonplace, we need to engage and work in partnership	
describes	with a wide range of stakeholders. These include: investors;	
stakeholder engagement.	consumers; customers; suppliers; governments; regulators and legislators; NGOs; civil society; and peer companies.	
engagement.	and tegistators, NOOs, civit 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 What Matters to You section of our online Sustainable Living Report 2019.	
	Sustainable Living Report 2013.	
	Both our ULE and Corporate Responsibility Committee	
	benefit from the insights of the USLP Advisory Council – α	
	group of external specialists in corporate responsibility and	
	sustainability who guide and critique the development of our	
	sustainability strategy. In 2019, the Council comprised seven members from not-for-profit organisations, impact investors	
	and academia.	
	3	

meet stakeholders' specific needs and expectations.		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.		
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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. 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	Our values & principles Working with others on human rights Human Rights Report 2015 Human Rights Progress Report 2017 Human Rights Supplier Audit Update 2019		

	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 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.	Fairness in the workplace Advancing human rights in our extended supply chain Understanding our human rights impacts Human Rights Impact Assessments (HRIAs) 2019 Kericho tea estates
Annex 2: The COP describes policies and practices related to the company's	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

government relations in high-risk or conflict- affected areas		
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 as possible in times of crisis. Our soap, body wash and shampoo are part of the emergency kits distributed through Direct Relief's networks. So far, Direct Relief has distributed over 800,000 kits in response to a number of emergencies in over 35 countries. In 2019, we supported communities in the Bahamas following Hurricane Dorian and in California during the wildfires. We also helped communities in Mozambique following Cyclone Idai.	Ready to respond to disasters & emergencies

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 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.
- 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.

In 2019, we continued to play an active role in the <u>Tent</u>

<u>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.

We aim to build the resilience of local communities and supply chains to respond to disasters and climate shocks, by leveraging our business expertise. In the Philippines, we

worked with the Humanitarian Leadership Academy (HLA) to create an integrated approach to help small and mediumsized businesses in our value chain prepare for emergencies. The project won the 'Barclays Developing Resilience' Award at the 2019 Business in the Community Awards in the UK.	
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 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 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	Opportunities for women Advancing diversity & inclusion Promoting safety for women Enhancing women's access to training & skills		

	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.	Enhancing entrepreneurial & life skills through our brands Expanding opportunities in our retail value chain Challenging harmful gender norms Fairness in the workplace No discrimination in compensation
Annex 2: The COP describes policies and practices related to supporting women's empowerment	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	

and advancing gender equality in the marketplace	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 2019 our Shakti network in India grew to around 118,000 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). By the end of 2019, TRANSFORM had supported over 48 projects across eleven 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	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	

and
advancing
gender
equality in the
community

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. Through the partnership with UN Women and our supplier McLeod Russel, we've been working to prevent gender-based violence in Assam, and extended this programme to ten additional suppliers 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 <u>diversity and inclusion</u> 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.
or se	nnex 4: The OP contains r refers to ex-	We've set a clear ambition in our USLP to have 50% women in management positions by 2020. By the end of 2019,51% of our total management were women, up from 38% in 2010.
	isaggregated ata	At the most senior levels however, we know we have more to do as women are still underrepresented at senior management level: at 38% on our Board, 33% on the Unilever Leadership Executive and 20% of senior management.
		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 <u>Fairness in the workplace</u> of our online 2019 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. By the end of 2019, we were paying at or above a certified living wage in most places and are actively working through the small number of remaining issues which are in areas with complex pay arrangements.

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 22% higher than male pay in 2019 (2018: 26%, 2017: 25%). This is largely due to the fact that 79% (2018: 80%) of our lower	
paying blue-collar roles are held by male employees.	