

Unilever Annual General Meeting 2023

Type of meeting	Annual General Meeting
Date	11:30h BST, May 3 rd , 2023
Location	Unilever House, Springfield Drive, Leatherhead, UK.
Speaker	Claire Ahlborn (Robeco)
Opt-in members	Robeco, MN, APG & Van Lanschot Kempen

Attendance AGM 71% of stock of outstanding stock represented.

	Agenda items	Vote	Result (%)
			For
1.	Accounts and Reports	For	99.48%
2.	Remuneration Report	For	41.97%
3.	Elect Nils Andersen	For	83.08%
4.	Elect Judith Hartmann	For	99.90%
5.	Elect Adrian Hennah	For	95.72%
6.	Elect Alan Jope	For	98.89%
7.	Elect Andrea Jung	For	84.73%
8.	Elect Susan Kilsby	For	99.58%
9.	Elect Ruby Lu	For	86.84%
10.	Elect Strive T. Masiyiwa	For	99.49%
11.	Elect Youngme E. Moon	For	99.68%
12.	Elect Graeme D. Pitkethly	For	99.19%
13.	Elect Feike Sijbesma	For	97.98%
14.	Elect Nelson Peltz	For	96.17%
15.	Elect Hein Schumacher	For	99.26%
16.	Appointment of Auditor	For	99.35%
17.	Authority to Set Auditor's Fees	For	99.86%
18.	Authorization of Political Donations	For	97.98%
19.	Authority to Issue Shares w/Preemptive Rights	For	96.69%
20.	Authority to Issue Shares w/o Preemptive Rights	For	98.47%
21.	Authority to Issue Shares w/o Preemptive Rights (Specified Capital Investment)	For	97.84%
22.	Authority to Repurchase Shares	For	98.77%
23.	Authority to Set General Meeting Notice Period at 14 Days	For	93.43%

My name is Claire Ahlborn, I work at Robeco, and today I speak on behalf of a group of institutional investors including: Robeco, MN, APG & Van Lanschot Kempen.

First of all, we wanted to thank Unilever for its open and constructive dialogue with investors over the last years, and the opportunity to speak to you today. As an investor group, we have 4 questions for you today, 2 on Unilever's governance and 2 on what we have identified as key sustainability risks: biodiversity and plastics.

1. We wanted to start by thanking Mr. Jope for his service to the company and congratulate Mr. Schumacher on his nomination as CEO. Mr. Schumacher, other than delivering on the current strategy, what priorities will you set for the company?

In a general introduction, Mr. Schumacher assured investors of his continued focus on both, Unilever's values and performance. Unilever's strategic priorities, as mentioned by his predecessor Mr. Jope, are to 1) strengthen its product portfolios, 2) invest in key brands, 3) invest in key growth markets, including India, China and the United States, 4) invest in fast growing marketing channels, in particular e-commerce, and 5) fulfil its mission as a Compass Organization, referring to the company's sustainability strategy. While Mr. Schumacher was not available for questions during the meeting and thus was not able to complement Unilever's broader strategy with his priorities as the new CEO, he shared that his short-term focus will be on ensuring a smooth transition, including gathering investor, employee and other stakeholder concerns and priorities.

2. Unilever's current remuneration policy has a focus on the return on invested capital, cash flow and the key components of its sustainability strategy. Next year this plan is due for re-submission for a shareholder vote at the AGM. As we are looking forward to the consultation process in the coming year, we wanted to take this moment to encourage the Remuneration committee to maintain a balance between these three priorities, while focusing on ESG KPIs which reflect the company's positive impact relative to the entirety of its business. In anticipation of the new remuneration policy, can we expect that the results on all included ESG metrics will be subject to external review from an auditor going forward?

Unilever welcomed the feedback and indicated that our comments will be considered in the discussions for the policy review for which we will be consulted. They also shared that all performance measures and outcomes in the remuneration report are reviewed by the board and auditors. However, the level of assurance was not confirmed.

Unilever's remuneration report did not receive majority vote (with 58% of votes against), and the company shared that they will conduct a wider investor consultation as they are reviewing their remuneration policy for 2024.

3. To meet climate targets and ensure long-term agricultural productivity, the industry needs to move from being nature negative to nature positive. Unilever is leading the industry as it comes to biodiversity, from using lower impact ingredients, mitigating its adverse impact on key ecosystems through its 2023 no deforestation target, to pushing its commodity suppliers towards regenerative agriculture. However, the extent to which actions taken and resources invested will allow Unilever to neutralize the entirety of its negative biodiversity footprint within scientifically required

timelines remains unclear. Is there an ambition to become nature neutral or even positive, are current nature targets sufficient to get there and are you planning to scientifically measure the evolution of your biodiversity footprint over time?

Unilever expressed their ambition to become nature positive. From the conducted biodiversity materiality assessment, agricultural sourcing has come out as their most significant biodiversity impact, underscoring the relevance of their current biodiversity strategy. While Unilever acknowledged the continued gaps in harmonized biodiversity reporting metrics, Mr. Jope indicated a clear willingness to invest in measuring and report on Unilever's biodiversity footprint according to currently existing frameworks. However, he also pointed towards the importance of finding an industry solution, as biodiversity loss remains a systemic issue in need for action beyond Unilever's influence.

4. It is encouraging to see that Unilever has made progress towards its plastics commitments. However, Unilever acknowledges that public policies are crucial to make the changes our plastics and packaging systems need to reduce their environmental and social burden. As a member of various industry groups, you have been represented in conversations around what policies are necessary to tackle the plastics problem. What regulations does Unilever deem most necessary to address the impact of your plastic packaging in both the short and long run, and how are you communicating this to governments across the markets in which you operate in?

Unilever believes in the need for system solutions around plastic, which is why they advocate for mandatory EPR (Extended Producer Responsibility) regulation to be set up across the markets they operate in. EPR frameworks draw on the 'Polluter Pays' principle, requiring producers to meet certain collection, recycling and possibly post-consumer recycled content requirements for their plastic packaging. Unilever's public policy engagement on plastic takes place primarily through global partnerships such as with the Ellen McArthur Foundation or the Business Coalition for a Global Plastics Treaty.

Additional: Through out the meeting, many climate concerned shareholders asked for a specific concrete reduction target from Unilever. Unilever explained that their climate commitment is under review and its ambition levels are likely to be increased over the coming year. The updated commitment will be submitted to the Science Based Targets Initiative (SBTI).