UNILEVER PENSION PLAN OFP

Institution for Occupational Retirement Provision

Authorised on 06/09/1993

FSMA identification number: 50.125

Registered office:

Industrielaan 9

1070 Brussels

Company number : 0409.606.947

INTERNATIONAL COMPARTMENT (IPP)

STATEMENT OF INVESTMENT POLICY

September 2023

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Section 1 - Purpose

*Capitalised terms used herein not otherwise defined shall have the meaning attributed to them in the pension rules of the Unilever Pension Plan – International Compartment (the "**Rules**").*

1.1 The Unilever Pension Plan (the "**UPP**") is registered in Belgium as an "OFP" (Organisation for Financing of Pensions) under the Belgian law of 27 October 2006 on the supervision of institutions for occupational retirement provision (IORP Act) and related regulations. The OFP is recognised authorised by Royal Decree of 6 September 1993 and registered with the FSMA with number 50.125. The OFP is extended with multiple separate funds within the meaning of article 80 of the IORP Act (Compartments) as from 1 October 2023.

1.2 Since 3 May 2000, Unilever PLC (together with the sponsoring undertakings of the Plan as defined in the Rules, the "**Company**") provides retirement benefits to certain categories of their internationally mobile employees (the "**Plan**") through the Unilever Pension Plan – International Compartment (the "**Compartment**") of the UPP in Luxembourg and then in Belgium from 1 October 2023. Since June 2011, the Plan also provides retirement benefits to a group of locally hired Irish employees. Since April 2015, the Plan further provides retirement benefits to a group of locally hired Dutch employees (whose participation is voluntary). Since 1 April 2017, the Plan provides retirement benefits for a group of locally hired Belgian employees. Since July 2020, the Plan provides retirement benefits for a group of locally hired Greek employees (whose participation is voluntary). The Plan is a defined contribution arrangement, and under such an arrangement it is the members of the Plan (the "**Members**") who bear the investment risk. The objective of the Plan is to provide members with an appropriate range of investment options to ensure that they can design an investment structure to meet their specific needs. The prudent and effective management of the Plan's assets (the "**Assets**") will have a direct impact on the achievement of that objective.

1.3 This statement of investment policy (the "**Statement**") addresses the manner in which the Assets shall be invested. Investments shall be selected in accordance with the criteria and limitations set forth herein and in accordance with all relevant legislation. The Statement has been prepared by the board of directors of the UPP (the "**Board**"), to ensure a continued prudent and effective management of the Assets. The Statement also defines the management structure and other procedures adopted for the ongoing operation of the UPP. The Statement complies with all relevant legislation.

1.4 In addition to adhering to local regulations and legislation, the UPP also aims to adhere to the Company's Corporate Investment Policy for the Plan. This policy addresses all major areas of pension fund investment and forms the basis of this Statement.

2.1 Responsibilities of the Board

The Board shall in relation to the investments of the Assets:

- establish and adopt the Statement;
- review the investment structure of the Plan and ensure the Plan complies with the Belgian legislative framework;
- review the Statement every three years unless certain events or developments make an earlier review necessary, and confirm or amend it as needed;
- select and appoint the custodian (the “Custodian”) to hold the Assets;
- select and appoint of the notional portfolio accounting service provider (the “Notional Portfolio Accounting Service Provider”) of the Plan;
- establish the specific investment options of the Plan, and manage the Assets in accordance with such options;
- evaluate quantitatively and qualitatively each Fund Manager's performance at least annually. The review shall include a comparison of the rates of return achieved against the objectives previously established, an analysis of the reasons for such returns, and an assessment of the risk taken in the pursuit of such returns as well as of the Fund Manager’s capability to add value in the future;

2.2 <u>The Service Providers</u>

2.2.1 The Custodian

The Custodian shall:

- perform the regular duties required of the Custodian under the 2006 Law; and
- perform the duties required of the Custodian pursuant to agreements entered into by and among the Custodian and the UPP.

2.2.2 The Investment Manager(s)

The Investment Manager(s) shall:

- perform the duties required of the Investment Manager(s) pursuant to agreements entered into by and among the Investment Manager(s) r and the UPP in respect of the Plan;
- meet with the Board at least annually to present its analysis of the investment performance of the Plan, and to describe its current and future investment strategies regarding its specific investment mandate; and
- provide the UPP, on a quarterly basis, with summaries of the performance of each investment option during the past quarter.

2.2.3 The Notional Portfolio Accounting Service Provider

The Notional Portfolio Accounting Service Provider shall:

- perform the duties required of the Notional Portfolio Accounting Service Provider pursuant to agreements entered into by and among the Notional Portfolio Accounting Service Provider and the UPP in respect of the Compartment;
- ensure notional accounting of the Pools (described hereunder) based on pricing and dealing schedules as well as related information provided by the Custodian and the Fund Promoters;
- provide bi-monthly unit prices for the Pools (described hereunder) and maintain notional accounts for such Pools;
- provide valuation statements for the Pools (described hereunder) to the Plan Administrator Manager;
- coordinate with the Custodian and the Plan Administrator in case of asset transfer or of switching between the available investment options in respect of the Assets held by the Custodian;
- investigate any differences between the Asset-related information collected from the Custodian and the Plan Administrator respectively, prepare and recommend monthly unit and cash reconciliations in this respect and report accordingly to the Custodian and the Plan Administrator;
- provide quarterly reports on the notional accounts of the Pools (described hereunder) to the Board; and
- prepare monthly statements detailing the number of units held, their value and the transactions processed in relation therewith during the previous month and communicate them to the Plan Administrator.

2.2.4 The advisor - Univest Company BV

Univest Company is a global unit in which investment expertise of Unilever pension funds is centralized worldwide. Univest Company operates independently and provides services to Unilever's large and medium-sized pension funds. The role of Univest Company includes:

- advising the Board of Directors on the investment policy
- support to the Board of Directors in the implementation of the strategic investment plan (SIP) within the specified ranges
- support to the Board of Directors in the selection of investment funds
- supporting the Board of Directors in the selection and appointment of investment managers
- monitoring and following up the investment managers for the purpose of evaluation by the Board of Directors
- monitoring and following up on the identified risks
- taking care of the investment reports to the Director and Board of Directors

Section 3 - Investment Objectives and Principles

3.1 Investment Objectives

The Board shall manage the Assets on a going-concern basis in accordance with the following objectives:

- The primary purpose of the Plan is to help Members provide for their core security and life event needs;
- The investment structure must allow Members to manage the level of investment risk they are willing to assume, mindful of the fact that in a defined contribution arrangement Members carry the investment opportunity and associated investment risk; and
- Members should be given an appropriate level of choice in terms of investment options.

3.2 Investment Principles

The Board believes that the Plan should offer Members an appropriate range of investment options for them to choose from, as well as investment strategies via lifecycle schemes.

3.3 Investment Management Structure

The Board has established an investment management structure composed of fifteen (15) pools of underlying funds (the "**Pools**"), to give Members a satisfactory choice of investment alternatives in which they may invest either pursuant to their own mix of asset allocation (i.e., "*help me do it*" scheme) or pursuant to a lifecycle arrangement (i.e., "*do it for me*" scheme), as further detailed in Sections 6 and 7 below. The Pools may be classified as follows:

Multi-asset:

(1) Growth Pool - EUR denominated;
(2) Growth Pool - USD denominated;
(3) Cautious Growth Pool - EUR denominated;
(4) Cautious Growth Pool - USD denominated;
(5) Real Assets Pool - EUR denominated;
(6) Real Assets Pool - USD denominated;

Equity:

(7) Global Equity Pool - EUR denominated;
(8) Global Equity Pool - USD denominated;
(9) Emerging Market Equity Pool - EUR denominated;
(10) Emerging Market Equity Pool - USD denominated;

Bond:

(11) Global Corporate Bond Pool - EUR denominated;

(12) Global Corporate Bond Pool - USD denominated;

(13) Annuity Proxy Pool - EUR denominated;

Cash:

(14) Cash Pool - EUR denominated;

(15) Cash Pool - USD denominated.

As indicated under Section 5.1.3 below, Irish and Greek Members are only offered investments options in EUR currency, and Belgian Members are only offered lifecycles in EUR currency.

Particulars regarding the above-listed Pools and related performance objectives assigned to the Investment Manager are contained in Section 7 below.

The Board maintains these investment options under review, and in case a need is assessed then either the currency or the investment options may be extended.

Section 4 - Permitted Investments and Constraints

4.1 The Assets are invested in accordance with the Members' choice exclusively in the underlying funds of the Pools selected. Consequently, the Investment Managers shall also be governed by their own investment policy in respect of the underlying funds forming part of the Pools.

The Board is engaged in an ongoing process of monitoring in order to ensure that the underlying funds made available to the Members within each Pool remain consistent with the guidelines of the Pools as assessed at the time of selection.

4.2 The FSMA should be informed of any changes to the Statement. A change in Underlying Fund or Benchmark (section 7.1) is not considered as a change to the Statement.

Section 5 - Plan Characteristics and Investment Options

The Plan is a registered defined contribution pension scheme. Under the Plan, it is the Member who bears the investment risk associated with under-performing Assets.

5.1 Plan characteristics applicable to all Members except those covered by Appendix B of the Rules (Dutch Members) and those covered by Appendix C of the Rules (Belgian Members)

5.1.1 Members may make Additional Voluntary Contributions (hereinafter the "**AVCs**") at the discretion of the employing Company. The AVCs are not necessarily tax-exempt, as their status will depend on the jurisdiction from which the Member shall make the payment.

5.1.2 Members are provided with the following investment options:

5.1.2.1 The "*help me do it*" option:
Members opting for the "*help me do it*" scheme are offered the possibility to select their own mix of asset allocation among the available Pools as further detailed in Section 7 below.

5.1.2.2 The "*do it for me*" option:
Members opting for the "*do it for me*" scheme are offered the possibility to select:

a. either one (1) lifecycle among the available cash lifecycle scheme and annuity lifecycle scheme, whereby the Assets are primarily invested in equity (i.e., as part of the Cautious Growth Pool and the Growth Pool) until ten (10) years before retirement, and are then gradually converted as follows:
   - i) For the cash lifecycle scheme: into cash investments (i.e., Cash Pool) if the Member wishes to receive a cash lump sum at retirement, or
   - ii) For the annuity lifecycle scheme: into bond investments (i.e., Annuity Proxy Pool), if the Member wishes to receive a pension/annuity at retirement; or

b. For both lifecycle schemes, it is also possible to select a target retirement age (i.e., the age when the lifecycle matures) for each lifecycle, subject to a minimum of fifty (50) (fifty-five (55) for Irish and Greek Members) and a maximum of seventy-five (75).

5.1.3 Two (2) currencies are offered (i.e., United States dollars (USD) and Euro (EUR)), which the Member selects upon joining the Plan. All investments and associated benefits are converted into the selected currency. Changes to the selected currency are not permitted, unless in the presence of extenuating circumstances and subject to the Board's approval. However, Irish and Greek Members are only offered EUR currency investment options. Furthermore, Belgian Members are only offered EUR currency lifecycles.

5.2 <u>Plan characteristics applicable to Members covered by Appendix B of the Rules (Dutch Members)</u>

5.2.1 Members are not allowed to make AVCs.

5.2.2 Members are provided with a default investment structure made up of one (1) lifecycle, whereby the Assets are primarily invested in equity (i.e., as part of the Growth Pool and the Cautious Growth Pool) until ten (10) years from retirement, and are then gradually converted into a bond investment (i.e., the Annuity Proxy Pool). In addition, to the default lifecycle, an additional lifecycle is offered to members, whereby Assets are primarily invested in equity (i.e., as part of the Growth Pool and the Cautious Growth Pool) until ten (10) years from retirement, with half of the Assets gradually converted into a bond investment (i.e., the Annuity Proxy Pool). It being noted that the retirement age for both lifecycles to mature is subject to a minimum of fifty-five (55) and a maximum of sixty-eight (68) (i.e., "*do it for me*" option).

5.2.3 In terms of investment options, members can also create their own mix of asset allocation among the available Pools (i.e., "*help me do it*" option).

5.2.4 Only EUR currency investment options are offered to the Members.

5.3 <u>Plan characteristics applicable to Members covered by Appendix C of the Rules (Belgian Members)</u>

5.3.1 Members are not allowed to make AVCs.

5.3.2 Members are provided with a default investment structure made up of one (1) lifecycle, whereby the Assets are invested in the Growth Pool and the Cautious Growth Pool until ten (10) years from retirement, and are then gradually converted into a bond investment (i.e., the Global Corporate Bond Pool), it being noted that the retirement age for the lifecycle to mature is set at sixty-five (65).

5.3.3 Members can choose not to invest in the default investment structure and may instead invest in one (1) of the two (2) lifecycles set forth in Section 6.3 and investing in the same underlying Pools as the default investment structure, albeit in different proportions.

5.3.4 In terms of investment options, members cannot create their own mix of asset allocation among the available Pools (i.e., "*help me do it*" option).

5.3.5 Only Euro currency lifecycles are offered to the Members.

Section 6 - Asset Allocation

As the Plan is a defined contribution arrangement with multiple investment options offered to the Members, asset allocation is the result of Member choice.

6.1 <u>Asset allocation applicable to all Members, except those covered by Appendix B of the Rules (Dutch Members) and those covered by Appendix C of the Rules (Belgian Members):</u>

As previously outlined in Section 5.1 above, Members have a choice between:

a) an active involvement in their investment structuring, whereby the Members determine their own asset allocation by selecting among the available Pools (i.e., "*help me do it*" scheme); or

b) a lifecycle scheme, whereby the Members' Assets are primarily invested in equity (i.e., as part of the Cautious Growth Pool and the Growth Pool) until ten (10) years before retirement. Then, during the ten (10) years leading up to retirement, the equity content is gradually reduced and the bonds and cash content (i.e., Annuity Proxy Pool and Cash Pool) is gradually increased, in a proportion depending on the lifecycle the Members have opted for (i.e., "*do it for me*" scheme).

6.1.1 The lifecycle schemes denominated in <u>EUR</u> are as follows:
One hundred percent (100%) <u>cash allocation</u> at retirement – cash lifecycle. This is the default investment option except for those Irish members who joined the Company after 31 March 2010.

Years to Retirement	Growth Pool	Cautious Growth Pool	Cash Pool (EUR)	Total
11 Plus	100		0	100
10	90	10	0	100
9	80	20	0	100
8	70	30	0	100
7	60	40	0	100
6	50	50	0	100
5	40	60	0	100
4	30	45	25	100
3	20	30	50	100
2	10	15	75	100
1	0	0	100	100

One hundred percent (100%) annuity allocation at retirement – annuity lifecycle. This is the default investment option for Irish members who joined the Company after 31 March 2010.

Years to Retirement	Growth Pool	Annuity Proxy Pool	Total
11 Plus	100	0	100
10	90	10	100
9	80	20	100
8	70	30	100
7	60	40	100
6	50	50	100
5	40	60	100
4	30	70	100
3	20	80	100
2	10	90	100
1	0	100	100

6.1.2 The lifecycle scheme denominated in USD is as follows (not offered to Irish and Greek Members):

One hundred percent (100%) cash allocation at retirement – cash lifecycle

Years to Retirement	Growth Pool	Cautious Growth Pool	Cash Pool (USD)	Total
11 Plus	100	0	0	100
10	90	10	0	100
9	80	20	0	100
8	70	30	0	100
7	60	40	0	100
6	50	50	0	100
5	40	60	0	100
4	30	45	25	100
3	20	30	50	100
2	10	15	75	100
1	0	0	100	100

6.2 **<u>Asset allocation applicable to Members covered by Appendix B of the Rules (Dutch Members) in EUR</u>:**

As previously outlined in Section 5.2 above, Members have a choice between:

a) an active involvement in their investment structuring, whereby the Members determine their own asset allocation by selecting among the available Pools (only Euro currency investment options are offered to the Members) (i.e., "*help me do it*" scheme); or

b) the following lifecycle schemes (i.e., "*do it for me*" scheme) – default annuity lifecycle:

Years to Retirement	Growth Pool	Cautious Growth Pool	Annuity Proxy Pool	Total
11 Plus	70	30	0	100
10	63	27	10	100
9	56	24	20	100
8	49	21	30	100
7	42	18	40	100
6	35	15	50	100
5	28	12	60	100
4	21	9	70	100
3	14	6	80	100
2	7	3	90	100
1	0	0	100	100

the variable annuity lifecycle:

Years to Retirement	Growth Pool	Cautious Growth Pool	Annuity Proxy Pool	Total
11 Plus	70	30	0	100
10	68	27	5	100
9	66	24	10	100
8	64	21	15	100
7	62	18	20	100
6	60	15	25	100
5	58	12	30	100
4	56	9	35	100
3	54	6	40	100
2	52	3	45	100
1	50	0	50	100

6.3 **<u>Asset allocation applicable to Members covered by Appendix C of the Rules (Belgian Members) in EUR</u>:**

As previously outlined in Section 5.3 above, Members have a choice between:

a) a default investment structure made up of one (1) lifecycle, whereby sixty percent (60%) of the Assets are invested in the Growth Pool and forty percent (40%) are invested in the Cautious Growth Pool until ten (10) years from retirement, and are then gradually converted into a bond investment (i.e., the Global Corporate Bond Pool); or

b) one (1) of two (2) available lifecycles, whereby seventy percent (70%), respectively fifty percent (50%), of the Assets are invested in the Growth Pool and thirty percent (30%), respectively fifty percent (50%), are invested in the Cautious Growth Pool until ten (10) years from retirement, and are then gradually converted into a bond investment (i.e., the Global Corporate Bond Pool).

The default lifecycle scheme is as follows:

Years to Retirement	Growth Pool	Cautious Growth Pool	Global Corporate Bond Pool	Total
11 Plus	60	40	0	100
10	54	36	10	100
9	48	32	20	100
8	42	28	30	100
7	36	24	40	100
6	30	20	50	100
5	24	16	60	100
4	18	12	70	100
3	12	8	80	100
2	6	4	90	100
1	0	0	100	100

The alternative 1 lifecycle scheme is as follows:

Years to Retirement	Growth Pool	Cautious Growth Pool	Global Corporate Bond Pool	Total
11 Plus	70	30	0	100
10	63	27	10	100
9	56	24	20	100
8	49	21	30	100
7	42	18	40	100
6	35	15	50	100
5	28	12	60	100
4	21	9	70	100
3	14	6	80	100
2	7	3	90	100
1	0	0	100	100

The alternative 2 lifecycle scheme is as follows:

Years to Retirement	Growth Pool	Cautious Growth Pool	Global Corporate Bond Pool	Total
11 Plus	50	50	0	100
10	50	50	0	100
9	50	50	0	100
8	50	50	0	100
7	50	50	0	100
6	50	50	0	100
5	40	40	20	100
4	30	30	40	100
3	20	20	60	100
2	10	10	80	100
1	0	0	100	100

7.1 Composition and Benchmark

The Board has established the following Pools and has selected the following underlying funds based on the recommendations of external independent investment advice:

Pools	Underlying funds	Benchmark
Growth Pool (Multi-asset – partially currency hedged) (EUR or USD denominated)	**49%** Acadian Sustainable Multi-factor Equity UCITS Fund **15%** Blackrock IShares Emerging Markets Equity Index Fund; **10%** BlackRock Developed Real Estate Index Fund; 17% Western Asset Multi-Asset Credit Fund (Currency Hedged); **9%** Western Asset Global Credit Bond (Currency Hedged) Fund	**49%** MSCI World Index; **15%** MSCI EM Index; **10%** FTSE EPRA/NARIET Developed (net) Index; 17% 1 Month EURIBOR + 3% **9%** Composite Barclays Capital Global Credit Index
Cautious Growth Pool (Multi-asset – partially currency hedged) (EUR or USD denominated)	**10%** Acadian Sustainable Multi-factor Equity UCITS; **10%** BlackRock Developed Real Estate Index; **20%** Western Asset Global Credit Bond (Currency Hedged) Fund; **10%** Blackrock iShares Global Government Bond Index **15%** Amundi IFunds Bond Global Inflation Linked Bond Fund (Currency Hedged); **35%** Western Asset Multi-Asset Credit Bond (Currency Hedged)	**10%** MSCI World Index; **10%** FTSE EPRA/NARIET Developed (net) Index; **10%** FTSE World Government Bond Index **20%** Composite Barclays Capital Global Credit Index; **15%** Bloomberg Barclays World Government Inflation Linked All Market Index; **35%** 1 Month EURIBOR + 3%
Real Assets Pool (Multi-asset)	**50%** Amundi Funds Global Inflation Linked Bond Fund (Currency hedged);	**50%** Bloomberg Barclays World Government Inflation Linked All Markets Index;

(EUR or USD denominated)	**50%** BlackRock Global Property Securities Tracker	**50%** FTSE EPRA/NARIET Developed (net) Index
Global Equity Pool (EUR or USD denominated)	**100%** Acadian Sustainable Multi-factor UCITS Equity Fund	**100%** MSCI World Net TR Index
Emerging Market Equity Pool (EUR or USD denominated)	**100%** Blackrock iShares Emerging Markets Index Equity Fund	**100%** MSCI Emerging Markets Index
Global Corporate Bond Pool	**100%** Western Asset Global Credit Bond Fund (Currency Hedged) Fund	**100%** Barclays Capital Global Credit Index
Annuity Proxy Pool (EUR denominated)	50% BlackRock iShares Euro Government Inflation-Linked Bond Index Fund and 50% BlackRock iShares Euro Government Bond Index Fund	50% BBG Euro Government Inflation-Linked Bond Index and 50% FTSE EMU Government Bond Index
Cash Pool (EUR or USD denominated)	JPMorgan Liquidity Funds	1 Week LIBID

The Notional Portfolio Accounting Service Provider rebalances the underlying funds against the above benchmarks on a quarterly basis.

7.2 Investment Objectives

The investment objectives for the eight (8) Pools listed above are the following:

Growth Pool

- Multi-asset – partially currency hedged to EUR or USD
- Investment objective looks to reduce the probability of an extreme downside, yet still targets growth over the long run
- Invests in Equities, Bonds (Corporate and Sovereign), Emerging Market Debt, Listed property and Cash
- Provides long term Capital Growth and Income

Cautious Growth Pool

- Multi-asset – partially currency hedged to EUR or USD
- Investment objective looks to provide a lower volatility in the long term compared to the Growth Pool albeit retaining some growth potential over the long run
- Suitable for Members looking to preserve wealth over the medium term

- Invests in Equities, Bonds (Corporate and Sovereign), Emerging Market Debt, Listed property and Cash
- Provides long term Capital Growth and Income

Real Assets Pool

- Multi-asset – partially currency hedged to EUR or USD
- Investment objective looks to deliver a return at least in line with the Consumer Price Index (CPI)
- Suitable for Members looking to preserve the purchasing power of their wealth over time
- Invests in Government Inflation Linked Bonds (where the coupon broadly follows the return of an inflation index) and Listed Real Estate Investment Trusts (REITs)
- REITs are listed on equity stock exchanges, so over short periods they could exhibit a high correlation to shares, but over the long term they have shown to exhibit a high correlation to the underlying property market

Global Equity Pool

- Investment objective looks to provide a total return taking into account both capital and income returns, reflecting the total return of the equity market in the world
- Managed on an active basis
- The return will be compared with the return of the MSCI World Index. The return is expected to be in line with this benchmark gross of fees

Emerging Markets Pool

- Managed on an Index-tracking / passive basis
- The performance target is to broadly match the performance of the MSCI Emerging Markets Index
- The return will be compared with the return of the MSCI Emerging Markets Index. As indicated above, the return is expected to be in line with this benchmark gross of fees

Global Corporate Bond Pool

- The benchmark target is to be invested fully in non-government investment grade bonds
- Managed on an active basis
- The performance target is to broadly match the return of the Barclays Capital Global Credit Index

Annuity Proxy Pool

- Hedges part of the interest rate and part of the inflation risk an average pension fund Member may face

- Invested in Developed market Government and non-Government bonds
- Derivatives are also used to achieve the desired interest rate and inflation sensitivity

Cash Pool

- Investment objective looks to achieve maximum current income to the extent consistent with the preservation of capital, as well as maintenance of liquidity by investing in high quality fixed income or adjustable rate securities denominated in the base currency of the pool
- The base currencies are EUR or USD

7.3 Reasons for Termination of the mandate of an Investment Manager

The Board shall from time to time determine whether any or all of the Investment Managers(s) should be replaced. Although not limited to the reasons set out below, the Board may replace an Investment Manager due to:

- changes in business management;
- breach of contract, whereby the breach is of such severity that the Board no longer retains confidence in the Investment Manager;
- the Investment Manager may no longer be suitable for the investment strategy set by the Board;
- loss of key staff i.e., staff largely responsible for the Investment Manager's high rating leaving the firm;
- change of process showing an internal lack of confidence in the Investment Manager's own process; and
- investment performance being lower than expected.

Section 8 – Monitoring & Reporting

8.1 The Board is responsible for the ongoing monitoring of all arrangements in relation to the Plan. The Board will carry out this function in compliance with local regulation and legislation as well as the Corporate Investment Policy.

8.2 The Board, with the assistance of its advisors, will ensure that reviews are carried out as follows:

- Investment Managers – as part of the UPP's agreements with the Investment Managers, there will be formal reporting requirements to facilitate the continuous monitoring of the Investment Managers. On a formal basis, the Board will review the Plan's Investment Managers at least every three (3) years. This review will focus on the terms and conditions of the Investment Managers' agreements with the UPP, and on the achievement (or not) of the assigned investment objectives; and
- Custodian / Notional Portfolio Accounting Service Provider - On a formal basis, the Board will review the Custodian and the Notional Portfolio Accounting Service Provider at least every three (3) years. The performance of the service providers will be evaluated against assigned objectives and formal service level agreements where established.

8.3 Univest Company, in collaboration with the Notional Portfolio Accounting Service Provider, will regularly draw up an analysis of the returns of the investments:

- On a quarterly basis, a global overview of the asset allocation split by amount invested in each Pool, currency, lifecycle type and where members have made their own investment choices;
- On a quarterly basis, a performance overview is made and the return per Pool and the relative return compared to the benchmark are displayed over different periods. These periods are: the last 3 months, year to date, 1 year, 3 years, 5 years and since inception (if longer than 5 years);
- On a quarterly basis, a market commentary is provided and specific commentary on the performance of the Pools.
- On a quarterly basis, a factsheet by Pool is produced which contains a summary of performance, risk profile of the Pool, charges, the underlying funds and benchmarks as well as a market commentary. The factsheets are made available to the members on the member website.
- Univest Company is responsible for the ESG oversight and monitoring of the investment managers and will report to the Board on how their sustainable investment policy is implemented. In practice, because the assets are invested into pooled funds, the Board have little influence however, sustainability is an important factor in the selection and retention of the underlying managers and funds.

Upon request, additional information is collected and/or analysis is made for the Board and will discussed in Board meetings.

Section 9 – Custody

9.1 The Board has, employed Northern Trust Global Services SE to fulfil the role of Custodian. Northern Trust Global Services SE will be responsible for carrying out the relevant functions in connection therewith listed in Section 2 above.

9.2 The details of the arrangement between the OFP and Northern Trust Global Services SE acting in its capacity as Custodian are set out in the Custody Contract dated 7 January 2005 with the predecessor ASSEP in Luxembourg and the new contract/appendix with the OFP dated 7th August 2023.

Section 10 – Administration Arrangements

10.1 The Board has employed Mobius Life Administration Services Limited ("**Mobius**") to fulfil the role of Notional Portfolio Accounting Service Provider. Mobius is part of Mobius Life Group, a UK-registered Insurance Company, and is thus regulated in the UK by the Prudential Regulatory Authority and the Financial Conduct Authority. Mobius is a specialist service provider in the administration of investment funds.

10.2 The details of the arrangement between the predecessor ASSEP in Luxembourg and Mobius in respect of the Plan are set out in an agreement dated 10 November 2015 and the new contract/appendix with the OFP dated XXX. Pursuant to such arrangement, the Plan Administrator communicates all Member instructions to Mobius, which inputs these instructions into its system. Trades are generated by the Custodian for Members investments. The Custodian deals in the underlying investments following which it provides contract notes for the trades to Mobius. Member record-keeping and administration remain with the Plan Administrator, whereas the custody of the Assets remains with the Custodian. Underlying fund investments continue to be registered in the Custodian's nominee account and all cash continues to flow directly to and from the Custodian account based on the Plan Administrator's instructions.

Section 11 – ESG

11.1 ESG considerations are taken into account in the selection, retention and realisation of investments to the extent that they are relevant in assessing the future prospects of specific investments. The Board do not take any non-financial matters (i.e., matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) into account in the selection, retention and realisation of investments. The UPP's ESG statement is included in Annex 1.

11.2 Corporate governance activities have been delegated to the Plan's investment managers with the understanding that they will exercise voting rights in the best long-term financial interests of the assets that they manage. The Board may consider appointing a specialist ESG engagement organisation depending on the underlying funds/investment managers it appoints in the future, The Board may, from time to time, ask the Plan's investment managers or (specialist ESG engagement organisation if appointed) to explain their corporate governance policy and practices, and review voting activities.

Section 12 – Sustainability related disclosures

12.1 Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Plan is required to disclose the manner in which Sustainability Risks (as defined below) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Plan.

Sustainability Risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Plan.

Such risk is principally linked to climate-related events resulting from climate change (also known as Physical Risks) or to the society's response to climate change (also known as Transition Risks), which may result in unanticipated losses that could affect the Plan investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

The Plan does not actively promote ESG characteristics/sustainability factors and does not maximize portfolio alignment with sustainability factors, however it remains exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

The Plan offers diversified investment options. Therefore, the Plan will be exposed to a broad range of Sustainability risks, which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Plan considering its diversification.

The Board does not consider the adverse impacts of its investment decisions on sustainability factors as there insufficient data available of satisfactory quality to allow the Committee to adequately assess the potential adverse impact of its investment decision on sustainability factors.

12.2 Notwithstanding the above, the investments underlying the Plan do not take into account the EU criteria for environmentally sustainable economic activities which are determined by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time.

Section 13 – Risk Management

13.1. The Board have identified a number of risks in relation to the investments.

- Poor investment returns / fall in account value towards retirement
- Poor choice of manager
- Inappropriate lifecycle design
- Inappropriate investment selections by members
- Inappropriate currency options
- Mismatch between currency and country where member retires
- Lack of diversification in the investment strategy.
- Stock market volatility or market crash due to significant financial event eg, country leaving the Eurozone/EU, pandemic, war, disaster
- Fees and costs too high
- Inflation risk
- ESG Risk: Failure to capture major ESG risks (like climate risk) could result in a material impact to the account value

Annex 2 provides a summary of the risks and how they are managed. This summary should be read in conjunction with the risk policy and the risk register. The Daily Management team and the Risk Manager will, based on the monitoring by Univest Company, follow up the risks and report annually to the Board of Directors.

Section 14 - Statement Review

14.1 The Board review the Statement every three years unless certain events or developments make an earlier review necessary, and consider whether any of the following developments have occurred:

- governance changes;
- changing investment philosophy;
- new investment products;
- changes to legislation;
- practical issues arising from the application of the Statement; and
- changes to resources used to implement the Plan’s strategy.

Approved and Adopted by
The Board of the Unilever Pension Plan on 21 September 2023 and ratified at the General Meeting of 28 September 2023

Annex 1 – The UPP's ESG statement

THE UNILEVER PENSION PLAN (UPP)

ESG Statement

We, the Directors of the Unilever Pension Plan, believe that investing responsibly, looking at both explicit financial factors and environmental, social and governance (ESG) factors, allows us to better assess the value and performance of an investment over the medium to long-term. Responsible investing is about generating a long-term risk adjusted return aligned with the Fund's objectives, whilst at the same time promoting a stable, well-functioning and well governed social, environmental and economic system on which long-term sustainable returns are dependent. The Directors are signatories to the United Nations Principles for Responsible Investment (UNPRI) through the Unilever Pension Funds umbrella agreement.

It is our view that ESG factors can offer portfolio managers added insight into the quality of a company's management, culture, risk profile and other characteristics, which in turn allows them to find companies who;

- Are leaders in their industries
- Are better managed and are more forward-thinking
- Are better at anticipating and mitigating risk
- Meet positive standards of corporate responsibility
- Are focused on the long term

This statement is owned by the UPP Board. Day to day management and oversight of the implementation is delegated to the Univest Company and overseen by the UPP Board.

Implementation of Guidelines: DB Compartments

Investment strategy and decisions

We allocate the Fund's assets in a manner that is aligned with the long-term interests of our beneficiaries considering future financial returns and the resilience of those returns. Amongst other things, the investment service providers are requested to take account of ESG risks in our risk management policies and, where appropriate, identify ESG opportunities when making investment decisions.
Where appropriate our investment service providers integrate ESG factors into investment decision-making across asset classes. Some asset classes, allow for more thorough integration than others.

Investment manager selection and monitoring

On our behalf, the Univest Company incorporate ESG factors into the process for selecting and monitoring investment managers. They seek to promote the inclusion of ESG factors into the investment decision-making of external asset managers and therefore include sustainability factors in contracts, where appropriate. Within our manager selection process, for monitoring purposes, where appropriate the Univest Company, on our behalf, uses third party research which allows them to engage with external managers on ESG integration as well as make informed decisions. On public equity portfolios they work with a third party ESG research provider who applies a screen to external asset managers' investment portfolios to assess the extent to which those portfolios have more or less favourable ESG characteristics than the benchmark. This analysis allows us to gain insight into the sustainability of the underlying investments. They use this analysis as a basis for dialogue with the asset managers.

Active Ownership

Often in collaboration with like-minded investors, Univest on occasion may use our position to seek positive changes in corporate behaviour with respect to ESG issues, voting on and engaging with companies as well as participating in public policy matters. These active ownership efforts, sometimes called stewardship, we believe can promote a stable, well-functioning and well governed social, environmental and economic system. In helping us to fulfil our duties as an active owner, the Univest

Company will sometimes work with a third party. Through that third party, we seek to ensure that when appropriate our holdings are voted on consistently, across our portfolios and that engagement activities are executed by professionals with experience in this area. On our behalf, the third party can also work to help establish and maintain effective regulatory regimes in the various markets in which we invest to encourage governance structures that facilitate accountability of companies to their owners, give companies the certainty they need to plan for the future and to level the playing field to ensure companies are not disadvantaged for prioritising long-term profitability.

This document is not a static document and will be updated from time to time.

Implementation of Guidelines: DC Compartment

The assets are invested in pooled funds, but the Directors do require all underlying equity managers to have a ESG policy in place and to be signatories to the UN PRI as a minimum, for their fund to be made available to members. ESG factors are an important consideration within the manager selection process, and so the Directors do ask the investment managers to take all matters into account in the selection, retention, and realisation of investments to the extent that they are materially relevant in assessing the future prospects of specific investments, including ESG considerations.

The underlying investment managers have full discretion in evaluating Sustainability factors, including climate change considerations. The selected Fixed income managers must also take ESG risk factors into account when appropriate. Voting and engagement activities are carried out by the investment managers, who have full discretion. The Directors invest in a Sustainable Multi factor Equity fund with one of the underlying managers. Due to the importance of ESG, it was decided that this fund should be included within the default investment option, it now provides all the DC Compartment's Global Developed Equity holdings.

Annex 2 – Risk Management of Investments

Below is a summary of the Investment Risks and how they are managed:

Investment Risk	**Risk management comment**
Poor investment returns / fall in account value towards retirement Poor choice of manager Inappropriate lifecycle design Inappropriate investment selections by members	All assets are externally managed by specialist investment managers. Univest Company provide investment oversight and engage external independent investment advice for changes to the investment options or lifecycles. Investment performance updates are provided to the Board quarterly. Change of member investments are monitored by the Plan Administrator and will update the Daily Management Team if member makes odd selection. Belgian members choice is limited to lifecycles and Dutch member's choice needs to be aligned with their risk profile under the Dutch "duty of care" requirements.
Exchange rate risks: Inappropriate currency options Mismatch between currency and country where member retires	EURO and USD currency options are offered to international members and they can choose which option best suits their needs. For Eurozone countries, only Euro offered so is an exact match unless member retires out of Eurozone but that is their choice.
Concentration risks: Lack of diversification in the investment strategy	Univest Company review each asset category on a periodic basis. Investments monitored and reported on a quarterly basis. Three multi asset funds are offered which provide diversification to members - most members are invested in these funds.
Market risks: Stock market volatility or market crash due to significant financial event eg, country leaving the Eurozone/EU, pandemic, war, disaster	The risk of stock market crashes cannot be eliminated and is part of investing for a pension fund. As long term investors the risk in the long term should be remote, however it is partially controlled by offering multi-asset Pools which offer diversification with different asset classes. As long term investors, the Board expects market volatility and this can be mitigated by investing in a number of un-correlated asset classes and within different global geographies. Over the long

	term, it is expected the Pools to meet their objectives. Significant market events such as Brexit, Covid 19, etc and their potential impact is being monitored by Univest and the Board
Fees and costs too high	Fees borne by members reduces the overall return on their account and therefore their retirement benefits. The Plan benefits from economies of scale and leveraging of Unilever's scale to ensure investment and administration fees are kept as low as possible and they remain competitive versus the institutional market.
Inflation risk	Inflation volatility could impact the investment returns resulting in lower market values and decreasing member account value. The Plan offers diversified investment options to help mitigate the risk of inflation but expect the Growth-orientated Pools to keep pace with inflation.
ESG Risk: Failure to capture major ESG risks (like climate risk) could result in a material impact to the account value	Investments with poor Governance or lack of a feasible strategy to cope with Social or Environmental risks could be negatively impacted. Where relevant, the Board expect the investment managers to take account the ESG risk in the selection, retention and realisation of investments to the extent that they are relevant in assessing the future prospects of specific investments.