Unilever's proposed commitments to EU Code of Conduct – June 2021

Introduction

Unilever is fully supportive of the European Green Deal, which aligns with our <u>ambition</u> to achieve net zero emissions for all our products by 2039 and our long term approach to sustainable business.

As one of the leading consumer goods companies in the world, with a large Foods & Refreshment portfolio, we want to drive systemic change through our scale and reach and be a force for good. We therefore want to play an important part in the EU Code of Conduct for Responsible Business and Marketing Practices.

Our objective is to make sustainable living commonplace, by driving a progressive agenda on issues like climate and social inequality, while continuing to serve our consumers through our purposeful brands, which are more relevant than ever.

At Unilever we believe that companies with purpose last, people with purpose thrive and brands with purpose grow. In 2020 we launched the **Unilever Compass**, comprising five strategic choices and supporting strategic actions that cover the full spectrum of our business and wider value chain. See <u>our website</u> for more details.

Rationale and motivation for the commitments

As one of the largest food manufacturers in Europe, we have a responsibility to help shape a global food system that is fair for everyone. This is why we have launched our 'Future Foods' initiative - a plan to help people transition towards healthier diets and reduce the environmental impact of the food chain.

We put forward a set of industry-leading, company-wide sustainability commitments for all our brands. These commitments tackle the key challenges of our time, such as packaging and waste, human rights, fair value, climate change and social inclusion. While the adoption precedes the launch of the Code of Conduct, our commitments fit perfectly with the three pillars of the Code and its timeframe.

But we cannot change the food system alone, and need partners, like-minded companies, academia, NGOs, start & scale-ups, SMEs, regulators and disruptors to work together in this eco-system. That's why we want to share our expertise and commit to helping smaller companies by sharing best practices. We hope the Commission can facilitate this work.



We will report about progress annually by providing a specific report to the European Commission, containing relevant excerpts of our <u>Annual report</u> which we release in early March.

Commitments

1/Health and nutrition pillar

The food system should provide every citizen access to quality nutrition, with plenty of plant-based choices. It should be serving consumers and producers fairly. It should be cutting waste and promoting sustainable agriculture. We therefore commit to:

• **Doubling the number of products delivering positive nutrition globally by 2025** – defined as products containing impactful amounts of vegetables, fruits, proteins, or micronutrients like vitamins, zinc, iron and iodine.

<u>Performance measure</u>: The % of Unilever's Food and Refreshment product sales, by volume, that meet Unilever's Standards for Positive Nutrition, in the period 1st October of the previous year to 30th September of the current year.

Baseline: 2020

- Continuing lowering calorie, salt and sugar levels across products
 - 85% of Unilever's global Foods portfolio will help consumers reduce their salt intake to no more than 5g per day, by 2022.
 - 95% of Unilever's packaged ice cream will not contain more than 22g of total sugar, and 250 kcal per serving, by 2025. This is in addition to the company's children's ice creams, which have been capped at 110 kcal since 2014.
 - 70% of our portfolio will meet WHO-aligned nutritional standards by
 2022
- Reaching an annual global sales target of €1 billion from plant-based meat and dairy alternatives, by 2025-2027.

<u>Performance measure:</u> Total sales (euros) of Unilever's products containing plant-based meat and dairy alternatives, in the reporting period from 1st January to 31st December.

Baseline: 2021

2/Sustainability pillar

With the planet in crisis, we must do our part to stop the damage and restore its health. That is why we have set out a range of ambitious actions to fight climate change and protect nature and commit to:



• Halving food waste in our direct global operations by 2025 – five years earlier than previously committed, as part of the Champions 12.3 coalition target.

<u>Performance measure:</u> The percentage % change of food waste in our operations (measured in kilograms of food wasted per tonne of food handled) between the period measured from 1 January 2019 to 31 December 2019 and the period measured.

Baseline: 2019

The performance measure covers manufacturing sites and logistics sites (warehouses and distribution centres).

- Achieving a deforestation-free supply chain in palm oil, paper and board, tea, soy and cocoa by 2023
- Protect and regenerate 1.5M hectares of land, forests and oceans by 2030
- Achieving net-zero emissions for all Unilever products from sourcing to point of sale by 2039
- 100% of plastic packaging reusable, recyclable, or compostable by 2025
- Halving our use of virgin plastic by 2025 by reducing plastic packaging by more than 100,000 tonnes and increasing the use of recycled plastic

<u>Performance measure:</u> Unilever measures the total tonnes of virgin plastic packaging used each year vs the total tonnes of virgin plastic packaging used in 2018. As a result of this commitment, Unilever is committing to have a virgin plastic packaging footprint of no more than 350,000 tonnes by 2025.

Baseline: 2018

3/Social pillar

149,000 people work directly for Unilever around the world – and many thousands more indirectly through our supply chain. We are, without doubt, a sizeable employer. We commit to:

- Ensuring that everyone who directly provides goods and services to the company earns at least a living wage or income, by 2030
- Helping 5 million small and medium-sized enterprises grow their business by 2025
- Spending *€2 billion annually* with diverse businesses worldwide by 2025
- Pioneering new employment models for Unilever employees by 2030, reskilling and upskilling our employees with future fit skills by 2025, and equipping 10m young people with essential skills by 2030

