

# LIMURU TEA PLC

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Kericho, Kenya  
**Telephone: 0722307394/5**

28<sup>th</sup> April 2022

Chief Executive,  
Capital Markets Authority,  
Embankment Plaza, 3<sup>rd</sup> Floor,  
Longonot Road, Upperhill,  
P.O. Box 74800-00100.  
**Nairobi**

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Dear Sir,

**RE: CORPORATE GOVERNANCE REPORTING FOR ISSUERS OF SECURITIES TO THE PUBLIC – LIMURU TEA PLC.**

We refer to the above stated subject and to Circular NO.CMA/MRT/004/2017 dated 13 June 2017.

We hereby enclose the Corporate Governance Report for Limuru Tea Plc. for the year ended 31 December 2021 duly filled and signed together with attachments referred to in the Report as set out in Annexure I of this letter.

Kindly acknowledge receipt.

**Yours faithfully,  
for LIMURU TEA PLC**

DocuSigned by:  
  
Lydia Musili

**COMPANY SECRETARY**

*Encl.*

## **ANNEXTURE I : INDEX OF DOCUMENTS ATTACHED TO THE REPORT**

1. Governance of Limuru Tea Plc;
2. Code of Business Principles;
3. Code of Business Principles Policy – Avoiding Conflicts of Interest;
4. Code of Business Principles – Reporting Avenues;
5. Training program by KIM
6. Copies of Training Certificates
7. Company's Strategy;
8. Board Composition;
9. Extract of the Board Minutes of 1<sup>st</sup> April 2022
10. Annual Report for the Financial year ended 31<sup>st</sup> December 2021;
11. Diversity Policy;
12. Board Evaluation Results for 2021;
13. Related Party Transactions Policy;
14. Unilever Regenerative Agriculture Principles and Implementation Guide - April 2021  
<https://youtu.be/r048p-xujt0> ;
15. Board Workplan, 2022;
16. Published AGM Notice and abridged version of the financial statements;
17. Induction Program;
18. Training Plan, 2022;
19. Remuneration Policy & Minutes of AGM held on 25 May 2018 approving the Policy;
20. Legal, Compliance & Governance Audit Report for the year ended 31 December 2021;
21. Board Communication & Disclosure Policy;
22. AGM Notices for AGM conducted in 2021 in the Annual Report and the newspapers;
23. Audit Committee Minutes – meetings held on 2021;
24. Code of Business Principles Policy – Responsible Risk Management;
25. Code of Business Principles Policy - Use of Information Technology;
26. Responsible Sourcing Policy – procurement policy  
<http://www.unilever.com/responsible-sourcing-policy/> updated from time to time

CORPORATE GOVERNANCE REPORTING TEMPLATE FOR ISSUES OF SECURITIES TO THE PUBLIC

TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR ISSUERS OF SECURITIES TO THE PUBLIC, 2015

Company Name (in full)

LIMURU TEA PLC.

Company market to book ratio at end of financial year

24,000,000 : 768,000,000

Reviewer's Name

No of outstanding shares at end of financial year

2,400,000

Stock Code

Closing price of stock at end of financial year

Ksh. 320.00

Sector

Net sales as per Income Statement at end of financial year

Ksh. 84,269,000

Year -

Net loss as per Income Statement at end of financial year

Ksh. 9,555,000

Date of Financial Year End

Total debt (short and long term) as per Balance Sheet at end of financial year

NIL

Chair's Signature

DocuSigned by: Dorcas Muli 29 April 2022

Total equity as per Balance Sheet at end of financial year

Ksh. 182,290,000

CEO's Signature

DocuSigned by: Geridina Johanna Maria ten Dena 28 April 2022

Total no. of Board members at end of financial year

6

Company Secretary's Signature

DocuSigned by: Lydia Musili 28 April 2022

No. of independent directors at end of financial year

2

3

of non-executive directors at end of financial year

Consecutive No.	Mandatory or 'apply or explain'	Part No.	Question	Kenya Code Reference	Application - FA, PA or NA - See Notes 1, 2, 3&4	Application or Explanation - Note 3 & 4	Source of Information
		A	INTRODUCTION				
1	M	A.1	Has the company developed and published a Board Charter which is periodically reviewed and which sets out the Board responsibility for internal control?	1.1.2, 2.6.2, 6.3.2	FA	The Company's Board Charter, sets out the responsibilities if the Board on internal controls, it is published and available on the Company's website.	Governance of Limuru Tea Plc Section 5.1.1. & Section 8.1.3
2	M	A.2	Do the Board Charter or company documents distinguish the responsibilities of the board from management in line with Code requirements?	1.1.2, 2.3.1, 2.3.2, 2.6.2	FA	The Company's Board Charter clearly differentiates the duties and responsibilities of the Directors of the Board from the duties and responsibilities of Management.	Governance of Limuru Tea Plc Section 6, 7 & 8
3	A or E	A.3	Is there a statement indicating the responsibility of Board members for the application of corporate governance policies and procedures of the company?	1.1.6	FA	The Board Charter clearly states that the Board is committed to comply with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the "Corporate Governance Code") and the ("Corporate Governance Regulations") as issued by the Capital Markets Authority.	Governance of Limuru Tea Plc Preamble

4	M	A.4	How has the Board ensured all directors, CEOs and management are fully aware of the requirements of this Code?	1.1.6	FA	Directors and Management were sensitized on the provisions of the Code of Corporate Governance and got a refresher training on the requirements of the Code. New Directors are made aware during their on-boarding session.	Training program by KIM Copies of Certificates
5	M	A.5	Do company documents indicate the role of the Board in developing and monitoring the company strategy?	Part II - Overview, 2.3	FA	The Board Charter states that the Board has the final responsibility for the management, direction and performance of the Company and its business. The identification and management of risk is fundamental to carrying through the Company's strategy and to achieving its long-term goals.	Governance of Limuru Tea Plc Section 3.1
6	A or E	A.6	Does the company strategy promote sustainability of the company?	2.3.6	FA	The Board Charter states that the Company has a simple but clear purpose – to make sustainable living commonplace. The Company believes this is the best long-term way for the business to grow. It also states that the Company is committed to making continuous improvements in the management of its environmental impact and to the longer-term goal of developing a sustainable business. The Company's Strategy confirms that the Mission of the Company is being ' <i>Serious about a Sustainable and Profitable Tea business, Passionate about taking Care of our People and Communities</i> '; and the Vision of the Company is ' <i>To be a truly sustainable Tea Plantation; Providing Future Proofed Tea solutions and Enhanced Livelihood</i> '.	Governance of Limuru Tea Plc & the Company's Strategy
7	M	A.7	Are all board committees governed by a written charter/terms of reference, disclosing its mandate, authority, duties, composition, leadership and working processes?	2.2.2	FA	The Board has two Committees i.e. : i) Audit Committee which also oversees risk management, finance, investment and governance; and ii) Nominations Committee which also oversees remuneration.  The Committees have specific Committee Terms of Reference, set out in the Board Charter.	Governance of Limuru Tea Plc
		B	BOARD OPERATIONS and CONTROL				
8	M	B.1	Has the Board established a Nomination Committee comprised mainly of independent and non-executive Board members?	2.1.2, 2.2.2	FA	The Board has established a Nomination Committee comprised mainly of independent and non-executive Board members. The current Composition is: a. Sarah Mbwaya (Chair of Committee) - Independent & non-executive director b. Felgona Omollo- Non-executive director c. Philp Sigey - Executive director	Board Composition Extract of the Board Minutes of 1 April 2022
9	M	B.2	Is the chairperson of the Nomination Committee an independent director?	2.2.3	FA	Yes - Sarah Mbwaya - Independent & non-executive director	Board Composition
10	M	B.3	Has the board adopted and published procedures for nomination and appointment of new Board members?	2.1.1, 2.1.7	FA	Appendix 5 of the Board Charter outlines the selection criteria and appointment procedures for Directors . The Board Charter is published on the Company's website.	Governance of Limuru Tea Plc
11	M	B.4	Is the Board size adequate for the exercise of the company business?	2.1.4	FA	The Board is comprised of six Directors which is sufficient given the size of the organization full consideration taken to ensure a balance the skills, knowledge, experience, diversity and independence. The Profiles of the Directors have been published in the Annual Report which is published on the Company's website	Board Composition & Annual Report



12	A or E	B.5	Has the board adopted a policy to ensure the achievement of diversity including age, race and gender) in its composition?	2.1.2, 2.1.3, 2.1.5, 2.5.1	FA	There is a Board Diversity Policy in place, which addresses diversity in various criteria and clearly discloses the measurable objectives for the diversification of the Board.	Diversity Policy
13	M	B.6	Do the Board members represent a mix of skills, experience, business knowledge and independence to enable the discharge of their duties?	2.2.1	FA	The Board members are diverse in skills and experience as set out in the Profiles of the Directors that has been published in the Annual Report . In line with the Company's Board Diversity Policy which was adapted on 9 March 2018 the Board has 50% Non - Executive Directors, 33% Independent Directors, and more than 33% Female Directors.	Board Composition & the Diversity Policy
14	M	B.7	Has the board adopted and applied a policy limiting the number of board positions each Board member may hold at any one time?	2.1.6	FA	The Board Charter has a Policy Limiting Multiple Directorships, which provides that: (i) The Chairperson should not hold such position in more than two public listed companies at any one time; (ii) A Non-Executive Director should not hold such position in more than three public listed companies at any one time; and (iii) An Executive Director of a public listed company should not hold such position in more than two public listed companies at any one time.	Governance of Limuru Tea Plc Section 5.7
15	M	B.8	Have any Alternate Board members been appointed? If so, have the Alternate Director/s been appointed according to regulation and Code requirements?	2.1.6, 2.1.7	FA	The Board does not have Alternative Directors	The Board does not have Alternative Directors
16	M	B.9	Are independent directors at least one-third of the total number of Board members?	1.1.2, 2.1.3, 2.4.1	FA	The Board has 33% Independent Non - Executive Directors Dorcas Muli and Sarah Mbwaya	Board Composition
17	A or E	B.10	Does the Board have policies and procedures to annually assess the independence of independent Board members?	2.4.1	FA	The Board Charter provides for an annual board evaluation to be conducted, a Board Evaluation for the year ended 31 December 2021 was conducted on 19 November 2021 and the results were discussed by the Nominations Committee on 26 November 2021.	Governance of Limuru Tea Plc & Board Evaluation Results
18	M	B.11	Do all independent Board members have a tenure of less than 9 years?	2.4.2	FA	Yes	Board Composition
19	M	B.12	Is the Board comprised of a majority of non-executive board members?	2.1.3	FA	In line with the Company's Board Diversity Policy which was adapted on 9 March 2018 the Board has 50% Non - Executive Directors which is sufficient given the size of the organization.	Board Composition & the Diversity Policy
20	M	B.13	How does the Board ensure a smooth transition of Board members?	2.1.8	FA	The Remit of the Nominations Committee as set out in its Terms of Reference is to ensure succession planning within and to the Board including evaluating and recommending termination of service of individual members of the Board as appropriate for the cause or for other proper reasons. Induction and handover for new directors is carried out to ensure smooth onboarding.  As set out in Appendix 5 of the Board Charter which outlines the selection criteria and appointment procedures for Directors the Nominations Committee give full consideration to succession planning of Directors taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.	Governance of Limuru Tea Plc
21	M	B.14	Has the Board established an effective Audit Committee according to Code requirements?	2.2.4, 6.5.1, 2.1.7	FA	The Board has established an Audit Committee comprised mainly of independent and non-executive Board members. The current Composition is: a. Sarah Mbwaya (Chair of Committee) - Independent & non-executive director b. Felgona Omollo- Non-executive director c. Samson Korir - Executive director (holds a professional qualification in audit or accounting and is in good standing with ICPAK.	Board Composition

22	M	B.15	Are the functions of the Chairperson and the Chief Executive Officer exercised by different individuals?	2.3.3	FA	The Board Charter clearly outlines the role of CEO and that of the Chairman and both are different individuals	Governance of Limuru Tea Plc & Board Composition
23	M	B.16	Is the Chairman of the Board a non-executive board member?	2.3.4	FA	The Chairman of the Board is Non-Executive.	Board Composition
24	A or E	B.17	Has the Board established procedures to allow its members access to relevant, accurate and complete information and professional advice?	2.3.5	FA	The Board Charter provides that:- Directors, both as a group and individually, are entitled to access or take independent professional advice, at the expense of the Company, on matters relating to the proper discharge of their office and the Company Secretary will arrange for advice to be obtained. However this does not extend to issues regarding their personal interests.	Governance of Limuru Tea Plc
25	M	B.18	Has the Board adopted a policy on managing conflict of interest?	2.3.8	FA	The Code of Business Principles has a Policy on managing conflict of interest. The 'Code of Business Principles' which contains the Policy on 'Conflicts of Interests' can be found on Appendix 3 of the Governance of Limuru Tea, the Company has also provided a more detailed extract of the Policy on 'Avoiding Conflicts of Interests' which is also annexed to the Governance of Limuru Tea this is also uploaded on the Company's Website.	Code of Business Principles
26	M	B.19	Has the Board adopted a policy on related party transactions to protect the interests of the company and all its shareholders and which meets the requirements of the Code?	2.3.7	FA	The Board has adopted a policy on related party transactions	Related Party Transactions Policy
27	M	B.20	Has the company appointed a qualified and competent company secretary who is a member in good standing of ICPSK?	2.3.9	FA	Company Secretary is a Certified Public Secretary who is a member in good standing of ICPSK	Board Composition
28	A or E	B.21	Has the Board adopted policies and processes to ensure oversight of sustainability, environmental and social risks and issues?	2.3.2, 2.3.6	FA	The Company has adopted the Unilever Regenerative Agriculture Principles and Implementation Guide - April 2021 which address sustainability, environmental and social risks and issues	Unilever Regenerative Agriculture Principles and Implementation Guide - April 2021 <a href="https://youtu.be/r048p-xujt0">https://youtu.be/r048p-xujt0</a>
29	A or E	B.22	Has the Board developed an annual work-plan to guide its activities?	2.6.3	FA	A Board Workplan for 2022 has been developed for the Board	Board Workplan 2022
30	M	B.23	Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, the Board Committees, the CEO and the company secretary?	2.6.4, 2.8	FA	The Board Charter provides for an annual board evaluation to be conducted, a Board Evaluation for the year ended 31 December 2021 was conducted on 19 November 2021 and the results were discussed by the Nominations Committee on 26 November 2021.	Governance of Limuru Tea Plc & Board Evaluation Results.
31	A or E	B.24	Has the Board established and applied a formal induction program for incoming members?	2.7.1	FA	There is a formal documented draft induction program template for Directors in place, which was approved by the Board 9 March 2018, this is customized and updated when Directors join to capture timelines for the induction.	Induction Programme
32	A or E	B.25	Do Board members participate in on-going corporate governance training to the extent of 12 hours per year?	2.7.3	FA	More than 12 hours training was provided for financial year 2021 by the Kenya Institute of Management and the Directors attended the training sessions.	Certificates of Participation in the Training
33	A or E	B.26	Has the Board set up an independent Remuneration Committee or assigned to another Board committee the responsibility for determination of remuneration of directors?	2.9.2	FA	The Board has established a Nominations Committee which determines the remuneration of Directors, as set out in the Committee's Terms of Reference	Governance of Limuru Tea Plc
34	M	B.27	Has the Board established and approved formal and transparent remuneration policies and procedures that attract and retain Board members?	2.9.1	FA	A Remuneration Policy is in place, which was approved and adopted by the Board on 9 March 2018 and approved by shareholders on 25 May 2018.	Remuneration Policy Minutes of AGM held on 25 May 2018
35	M	B.28	How does the Board ensure compliance with all applicable laws, regulations and standards, including the Constitution and internal policies?	2.10, 2.10.1, 2.10.2	FA	The Board is responsible for ensuring compliance with all applicable laws, regulations and standards, including the Constitution and internal policies	Governance of Limuru Tea Plc Delegated authority in Section 7.1

36	M	B.29	In the past year, has the Board organized a legal and compliance audit to be carried out on a periodic basis?	2.10.3	FA	A comprehensive independent Legal & Compliance Audit was carried out and opinion of the Auditor is disclosed in the Annual Report for the year ended 31 December 2021.	Legal, Compliance & Governance Audit Report for the year ended 31 December 2021
37	A or E	B.30	Has the Board undertaken an annual governance audit?	2.11.1	FA	A comprehensive independent Governance Audit was carried out and opinion of the Auditor is disclosed in the Annual Report for the year ended 31 December 2021.	Legal, Compliance & Governance Audit Report for the year ended 31 December 2022
		C	RIGHTS of SHAREHOLDERS				
38	M	C.1	Does the governance framework recognize the need to equitably treat all shareholders, including the minority and foreign shareholders?	3.0 Overview, 3.2.1	FA	Board Communication & Disclosure Policy states that "the Board recognizes, respects, protects and upholds the rights of its Shareholders, as such the Company's governance framework aims to ensure the equitable treatment of all Shareholders, including the minority."	Governance of Limuru Tea Plc
39	M	C.2	Other than at the AGM, how does the Board facilitate the effective exercise of shareholders' rights?	3.1.1	FA	Board Communication & Disclosure Policy provides for the avenues of communication	Board Communication & Disclosure Policy
40	M	C.3	How does the Board facilitate shareholders participation at the AGM?	3.1.1	FA	The Board sends requisite notices to shareholders with audited financial statements, and published an abridged version of the financial statements in two newspapers of nation wide circulation to ensure shareholders prepare adequately for the AGM.	AGM Notices in the Annual Report and the Company Website Published abridged version of the financial statements
41	A or E	C.4	Are minority and foreign shareholders holding the same class of shares treated equitably?	3.2.1	FA	Board Communication & Disclosure Policy states that "the Board recognizes, respects, protects and upholds the rights of its Shareholders, as such the Company's governance framework aims to ensure the equitable treatment of all Shareholders, including the minority."	Board Communication & Disclosure Policy
42	A or E	C.5	Is there evidence that the Board proactively provides information to shareholders and the media, (and in a timely basis) on corporate affairs and corporate governance?	3.1.1, 3.4.1	FA	Yes, timely communication with CMA & Press Publications	Communication with CMA done in a timely manner
		D	STAKEHOLDER RELATIONS				
43	A or E	D.1	Does the Board have a stakeholder-inclusive approach in its practice of corporate governance and which identifies its various stakeholders?	4.1.1	FA	The Communication and Corporate Disclosures Policy which was approved and adopted by the Board on 9 March 2018 and approved by shareholders on 25 May 2018 highlights stakeholder engagement modalities and also states that Board has adopted stakeholder-inclusive approach in its practice of corporate governance because it recognized stakeholder contribution in achievement of the Company's strategy and long -term sustained growth	Board Communication & Disclosure Policy & Governance of Limuru Tea Plc
44	A or E	D.2	Has the Board developed policies, procedures and strategies to manage relations with different/key stakeholder groups?	4.1.2, 4.1.3, 4.1.5, 4.2.1	FA	The Communication and Corporate Disclosures Policy highlights stakeholder engagement modalities	Board Communication & Disclosure Policy
45	A or E	D.3	How does the Board take into account the interests of key stakeholder groups prior to making decisions?	4.1.4	FA	The Annual Report states that; in all its dealings, the Board has regard to the interests of the Company as a whole, including its shareholders, employees, customers and suppliers, together with its social and legal responsibilities in the communities in which it operates and to the environment.	Annual Report
46	M	D.4	How does the Board ensure effective communications with stakeholders?	4.2, 4.2.1	FA	Yes. The Communication and Corporate Disclosures Policy states that the Board will proactively engage the media on dissemination of important company information and issues relating to good corporate governance to inform and protect investors and other stakeholders.	Board Communication & Disclosure Policy

47	M	D.5	Has the Board established a formal dispute resolution process to address internal and external disputes?	4.3.1	FA	<p>The Code of Business Principles provides an avenue through which the Company can receive and resolve disputes:  <a href="https://www.unilever.com/planet-and-society/responsible-business/business-integrity/">https://www.unilever.com/planet-and-society/responsible-business/business-integrity/</a>  <a href="https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e">https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e</a></p> <p>In various contracts with its Suppliers, the Company provides a Dispute Resolution Mechanism where disputes can either be resolved - amicably by representatives of both Parties; through Arbitration; or Court.</p> <p>The Company also has a Disciplinary Policy through which it has laid down the process of addressing and employee related disciplinary issues. The company also relies on the internal Legal department to resolve contractual as well as contentions issues as they arise.</p>	Code of Business Principles
		E	ETHICS AND SOCIAL RESPONSIBILITY				
48	A or E	E.1	Does the Board ensure that all deliberations, decisions and actions are founded on the core values (responsibility, accountability, fairness and transparency) underpinning good governance and sustainability?	5.1.1	FA	The Board Charter provides that the Audit committee has responsibility for the oversight of the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.	Governance of Limuru Tea Plc
49	M	E.2	Has the Board developed a Code of Ethics and Conduct (which includes sustainability) and has it worked to ensure its application by all directors, management and employees?	2.6.1, 5.2.2, 5.2.3, 5.2.4	FA	There is a Code of Business Principles has been published in the Board Charter on the website	Governance of Limuru Tea Plc
50	A or E	E.3	How does the Board ensure that compliance with the Ethics Code and Conduct is integrated into company operations?	5.2.3	FA	The Board Charter provides that the Board is responsible for ensuring that the policies of the Code of Business Principles are applied throughout the Company. The Chief Executive Officer is responsible for implementing these principles and is supported in this by the Code and Policy Committee, which is chaired by the Business Integrity Officer. Day to day responsibility is delegated to all senior management. They are responsible for implementing these principles, supported by the Business Integrity Committee. Assurance of compliance is given and monitored each year.	Governance of Limuru Tea Plc Mandate is delegated to the Business Integrity Officer by the CEO
51	A or E	E.4	Does the Board incorporate ethical and sustainability risks and opportunities in the risk management process?	5.2.1	FA	The Board Audit Committee terms of reference provide that it is the duty of the Committee for reviewing and providing input to the Company on the management of current and emerging sustainability matters affecting the Company and providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business. The Company has a Sustainable Agriculture Code that governs its operations and also has obtained Rainforest Alliance Certification. In the Annual Report the Chairman's Statement highlights the risks that the Company faces that are likely to affect its sustainability. In the Annual Report the Company has also highlighted sustainability and ethical opportunities in Environmental Conservation, Employee Welfare and Soil Conservation.	Governance of Limuru Tea Plc
52	A or E	E.5	How is the company performance on ethics assessed, monitored and disclosed to internal and external stakeholders?	5.2.4, 5.2.5	FA	The Company's performance on ethics is assessed and monitored by the Board Audit Committee.	Board Audit Minutes
53	A or E	E.6	Has the company established and implemented a whistle blowing policy?	5.2.5	FA	<p>The Code of Business Principles provides for avenues through which employees, suppliers and stakeholders can report anonymously.</p> <p>Any breaches of the Code must be reported. The Board of the Company will not criticize management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so. The whistle blowing policy is referred to as 'Confidential Reporting of Issues or Concerns' and is contained in the Code of Business Principles - it provides avenues for anonymous reporting through a telephone hotline, a web page as well as through Business Integrity Officers and line managers. This avenue of reporting is available to both external Stakeholders and employees and is annexed to the Governance of Limuru Tea and uploaded on the Company's Website.</p>	Code of Business Principles

54	A or E	E.7	Has the Board/or management developed policies on corporate citizenship and sustainability and strategies for company use?	5.3.1, 5.4	FA	The Company has adopted the Unilever Regenerative Agriculture Principles and Implementation Guide - April 2021 which address sustainability, environmental and social risks and issues	Unilever Regenerative Agriculture Principles and Implementation Guide - April 2021  <a href="https://youtu.be/r048p-xujt0">https://youtu.be/r048p-xujt0</a>
55	M	E.8	Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?	5.3.2, 5.3.3	FA	The Board charter states that, in all their dealings, the Board has regard to the interests of the Company as a whole, including its shareholders, employees, customers and suppliers, together with its social and legal responsibilities in the communities in which it operates and to the environment. In the Annual Report the Company has also highlighted its impact and initiatives undertaken in Environmental Conservation, Employee Welfare and Soil Conservation, the Company has also provided pictorials of some of these initiatives i.e. section of indigenous forest, Rongai Primary School, and a micro catchment to prevent sheet erosion.	Governance of Limuru Tea Plc Annual Report
56	A or E	E.9	Does the Board monitor and report activities leading to good corporate citizenship and sustainability to demonstrate they are well coordinated?	5.4.1	FA	The Audit Committee has responsibility for the oversight of the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen. In the Annual Report the Company has also highlighted its impact and initiatives undertaken in Environmental Conservation, Employee Welfare and Soil Conservation, the Company has also provided pictorials of some of these initiatives i.e. section of indigenous forest, Rongai Primary School, and a micro catchment to prevent sheet erosion.	Governance of Limuru Tea Plc Annual Report
		F	<b>ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL</b>				
57	M	F.1	Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for truthful and factual presentation?	6.1, 6.1.1a	FA	The Board Charter states that one of the roles of the Audit Committee is the oversight of the integrity of the Company's financial statements and the review of the Company's half year and end of financial statements	Governance of Limuru Tea Plc & Annual Report
58	M	F.2	Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about his/her reporting responsibilities?	6.1.2	FA	There is a statement in the in annual report confirming that the Directors are responsible for the preparation and presentation of the financial statements of Limuru Tea PLC and there is a statement by the external auditor about their reporting responsibilities. The Board Charter also states that; the Directors are responsible for the preparation and presentation of the financial statements of Limuru Tea PLC	Governance of Limuru Tea Plc & Annual Report
59	A or E	F.3	Does the board or audit committee have a process in place to ensure the independence and competence of the Company's external auditors?	6.1.1b	FA	The Board Charter states that one of the roles of the Audit Committee is; the oversight of performance, qualifications and independence of the External Auditors and the oversight of the work that can and cannot be performed by the External Auditors and the compliance thereof.	Governance of Limuru Tea Plc & Annual Report
60	M	F.4	Do the shareholders formally appoint the external auditor at the AGM through a formal and transparent process?	6.1.3	FA	The Board Charter states that one of the roles of the audit committee is making recommendations to the Board on the nomination of the External Auditor; and the shareholders formally appoint the external auditor at the AGM through a formal and transparent process as evidenced by the agenda on the notice of AGM for 2021 circulated to shareholders.	Governance of Limuru Tea Plc & Annual Report
61	A or E	F.5	Is the Company working towards the introduction of integrated reporting (incorporating financial and non-financial information) or is the company's Annual Report prepared on an integrated basis using a framework available from the Integrated Reporting Council, The Global Reporting Initiative, G4 Sustainability Guidelines and/or Sustainability Accounting Standards Board standards?	6.1.5	FA	Integrated reporting has been implemented	Governance of Limuru Tea Plc & Annual Report

62	A or E	F.6	Has the Board established an effective risk management framework which is inclusive of key risks as well as foreseeable risks, environmental and social risks and issues ?	6.2.1	FA	The Board Charter states that the one of the key roles of the Audit Committee is oversight of risk management and internal control arrangements. As evidenced by the Minutes of the Audit Committee the following risks are included in the Risk Framework and are discussed from time to time: Legal Risk, Financial Risk, Reputational Risk, Market Risk, Economic Risk, ER/IR Risk, Political Risk, Governance Risk, Credit Risk, Operational Risk, Environmental Risk, Ethical Risk - as such all socioeconomic Risks are discussed.	Governance of Limuru Tea Plc & Annual Report Audit Committee Minutes
63	M	F.7	Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems (including for compliance with all applicable laws, regulations, rules and guidelines)?	6.3.1, 6.3.2, 6.3.3	FA	The Board Charter states that the Board has overall responsibility for the management of risk and for reviewing the effectiveness of the system of internal control and risk management approach and in compliance with all relevant rules and applicable laws.	Mandate is delegated by the CEO to the Internal Audit Department
64	M	F.8	Does the Board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to shareholders?	6.4.1	FA	Company's risk management practices and internal control systems, reviewed by the Audit Committee	Mandate is delegated by the CEO to the Internal Audit Department Code of Business Principles Policy – Responsible Risk Management
65	M	F.9	Has the Board established an effective internal audit function according to Code requirements and which reports directly to the Audit Committee?	6.5.2	FA	There is an internal audit function in place which reports to the Audit Committee	Mandate is delegated by the CEO to the Internal Audit Department
66	A or E	F.10	Does the Board disclose details of Audit Committee activities ?	6.5.2	FA	The Annual Report and Board Charter highlights the Audit Committee activities and the composition of the Committee	Governance of Limuru Tea Plc & Annual Report
		G	TRANSPARENCY and DISCLOSURE				
67	M	G.1	Does the company have policies and processes to ensure timely and balanced disclosure of all material information as required by all laws, regulations and standards and this Code.	7.0 Overview, 7.1.1	FA	The Board Communication and Corporate Disclosure policy states that the Board will disclose and make a public announcement of all material information within 24 hrs of happening of any event in line with the CMA Public Offers Regulations	Board Communication & Disclosure Policy
68	A or E	G.2	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's governance, the Board and the Audit Committee?	7.1.1	FA	The Annual Report has details on Board Members and Board Committees including their activities, Board Composition and Governance Report	Annual Report
69	A or E	G.3	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's mission, vision and strategic objectives?	7.1.1	FA	The annual report highlights the mission, vision and strategic objectives of the company The Annual Report has highlighted the Strategic Initiatives that the Company would undertake during the year.	Annual Report
70	A or E	G.4	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to remuneration and whistleblowing?	7.1.1	FA	The annual report has disclosed remuneration for all directors and whistle blowing	Annual Report
71	A or E	G.5	As a minimum, does the company website disclose current information on all areas prescribed in 7.1.1 (Board Charter, Whistleblowing Policy, Code of Ethics and information on resignation of directors)?	7.1.1	FA	The website has a Board Charter, the Code of Business Principles in the website also provide for avenues through which employees, suppliers and stakeholders can report anonymously. The Company has also provided an avenue for Whistle Blowing i.e. ' Confidential Reporting of Issues or Concerns' - which is annexed to the Governance of Limuru Tea this was also uploaded on the Company's Website	Website <a href="https://www.unilever-ewa.com/investor-relations/limuru-tea-financial-reports-and-accounts/">https://www.unilever-ewa.com/investor-relations/limuru-tea-financial-reports-and-accounts/</a>

72	A or E	G.6	Does the Board disclose the management discussion and analysis as required in 7.1.1?	7.1.1	FA	The Board's disclosure on matters affecting the Company's business are highlighted in the Annual Report	Annual Report
73	A or E	G.7	Has the Board provided disclosures as required in 7.1.1 on compliance with laws, regulations and standards; ethical leadership, conflict of interest, corporate social responsibility and citizenship?	7.1.1		The Board Charter has made disclosures on corporate citizenship, conflict of interest and adherence to rules	Governance of Limuru Tea Plc
74	A or E	G.8	Has the Board made all required disclosures, including confirming requirements of 7.1.1 which include that a governance audit was carried out and that there are no known insider dealings?	7.1.1	FA	The Board made all required disclosures	Annual Report
75	A or E	G.9	Has the Board disclosed the company's risk management policy, company procurement policy, policy on information technology as per 7.1.1?	7.1.1	FA	The company has disclosed its risk management, procurement and Information technology policies <a href="#">IT Policy</a> - The Published Unilever Code of Business Principles as adopted by Limuru Tea Plc in its Board Charter has a detailed Policy on Use of Information Technology <a href="#">Procurement Policy</a> - The Published Unilever Responsible Sourcing Policy as adopted by Limuru Tea Plc is the Procurement Policy.	Limuru Tea Plc and Unilever Website
76	M	G.10	Has the Board disclosed information on shareholders, including the key shareholders, including shareholding by directors and senior management and the extent of their shareholdings as required in 7.1.1 and on stakeholder who influence company performance and sustainability?	7.1.1	FA	Annual Report discloses information on shareholders, directors and senior management holdings. It also has details of the Company's Distributors and Suppliers	Annual Report
77	M	G.11	Has the Board disclosed all related-party transactions?	7.1.1t	FA	Related party transactions have been disclosed in the Annual Report	Annual Report
78	M	G.12	Does the Board include in its Annual Report a statement of policy on good governance and the status of the application of this Code?	1.1.3, 7.1.1r	FA	The Annual Report states that Limuru Tea Plc is committed to comply with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public. It also states that besides complying with external corporate governance regulations, the Company has embedded internal rules of engagement to support corporate governance. These internal guidelines are constituted in the Governance of Limuru Tea Plc.	Annual Report

Note 1 The Reporting Template shall be used by companies to report on their application of the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code). The completion of the Reporting Template and its filing with the Capital

Note 2 Column 'F' should be marked as follows: 'FA' - Full Application, PA - Partially Applied or 'NA' - Not Applied. Full application of this Code is required by the Code. Therefore anything less than 'full application' is considered 'non compliance or non-application' of the Code. A response of PA or NA is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance. See also Note 4.

Note 3 An explanation of how the Code provision is applied is required in column 'G' and shall be supported by evidence of how application has been achieved. If the provision is NOT applied, an explanation for why it is not applied or only partially applied is required in column 'G'. For each question, column 'G' must be completed.

Note 4 If an explanation is required because of non-application of any element of the Code, the explanation must be satisfactory, must be provided to relevant stakeholders including the Capital Markets Authority and shall include:

a: reasons for non-application

b: time frame required to meet each application requirement

c: the strategies to be put in place to progress to full application.

72	A or E	G.6	Does the Board disclose the management discussion and analysis as required in 7.1.1?	7.1.1	FA	The Board's disclosure on matters affecting the Company's business are highlighted in the Annual Report	Annual Report
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75	A or E	G.9	Has the Board disclosed the company's risk management policy, company procurement policy, policy on information technology as per 7.1.1?	7.1.1	FA	The company has disclosed its risk management, procurement and Information technology policies IT Policy - The Published Unilever Code of Business Principles as adopted by Limuru Tea Plc in its Board Charter has a detailed Policy on Use of Information Technology Procurement Policy - The Published Unilever Responsible Sourcing Policy as adopted by Limuru Tea Plc is the Procurement Policy.	Limuru Tea Plc and Unilever Website
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# GOVERNANCE OF LIMURU TEA PLC

**DECEMBER 2017**

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## GOVERNANCE OF LIMURU TEA PLC

Limuru Tea Plc (the “Company”) is a public limited company incorporated in the Republic of Kenya under the Companies Act (Chapter 486 now repealed and replaced by the Companies Act 2015) and is listed with its shares publicly traded on the Nairobi Securities Exchange.

This document describes the Corporate Governance of Limuru Tea Plc. This document also contains certain sections which set out the terms of delegations which have been made by the Board of Limuru Tea Plc (“the Board”) to the Chief Executive Officer, the Finance Manager, the Nominations Committee and the Audit Committee. Without prejudice to these delegations and without limiting the authority conferred by these delegations, this document has been adopted by the Board as a statement of practices and procedures to be followed by the Company, its officers and employees. The form of resolution passed by the Board to effect these delegations and the adoption of these practices and procedures is set out in Appendix 6.

The Board is committed to comply with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the “Corporate Governance Code”) and the Capital Markets (Licensing Requirements) (General) (Amendment) Regulations, 2016 (the “Corporate Governance Regulations”) as issued by the Capital Markets Authority.

### 1. FUNDAMENTALS

#### 1.1. THE FOUNDATION DOCUMENTS

The Foundation document of the Company is the Articles of Association which is made available to shareholders and other stakeholders on the Company’s website: <https://www.unilever-ewa.com/investor-relations/limuru-tea-financial-reports-and-accounts/>

#### 1.2. MANAGEMENT

The rules for the appointment of Directors are set out in the Articles of Association the Company.

#### 1.3. CODE OF BUSINESS PRINCIPLES AND CODE POLICIES

The Code of Business Principles (“Code”) and any amendment thereto, represents the standard of conduct which all employees are expected to meet in their business endeavours. It forms the benchmark against which the outside world is invited to assess the Company’s activities. The Code must be adhered to strictly. A copy of the Code is set out in Appendix 3.

The Code Policies have been developed to provide a set of mandatory rules designed to ensure consistency in key areas within our operations.

Unilever Code Policies govern the principles and practices of how the Company run’s its business. Compliance with the Code and Code Policies is an essential element in our business success. The Board is responsible for ensuring these standards of conduct are applied throughout Unilever. The Chief Executive Officer is responsible for implementing these standards of conduct and is supported in this by the Legal Director.

Day-to-day responsibility is delegated to senior management of the company. They are responsible for implementing these standards of conduct. Assurance of compliance will be given and monitored each year.

#### **1.4. CORPORATE PURPOSE**

The Company has a simple but clear purpose – to make sustainable living commonplace. We believe this is the best long-term way for our business to grow.

Our distinct Purpose and our operational expertise across our business model will help realise our vision of accelerating growth in the business, while reducing our environmental footprint and increasing our positive social impact.

Our Purpose and vision are ambitious but are consistent with the changing attitudes and expectations of consumers.

Our unswerving commitment to sustainable living is increasingly delivering both more trust from consumers and a strong business for shareholders with lower risks and consistent, competitive and profitable long-term growth.

To succeed also requires, we believe, the highest standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact.

### **2. THE BOARD**

The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of the Company.

The Executive Directors have additional responsibilities for the operation of the Company's business as determined by the Chief Executive Officer.

Every Director may request that any matter should be discussed by the Board.

#### **2.1. COMPOSITION**

The Board determines the numbers of Executive and Non-Executive Directors.

The composition of the Board must be such to enable them to discharge their responsibilities and provide effective leadership to the Company.

The Board will comprise a balance of executive and non-executive directors. Non-Executive Directors shall be at least one third of the total number of Board members.

Non-Executive Directors are chosen for their ability to make a contribution to the governance and strategic development of the Company.

#### **2.2. DIRECTORS' INTERESTS**

Any conflict of interest or apparent conflict of interest between Unilever and its Directors is to be avoided. The Board is responsible for ensuring that there are rules to avoid conflicts of interest by Board members. Where conflicts arise, the Board is also responsible for ensuring that in dealing with them all applicable laws, regulations and Corporate Governance Codes are complied with.

#### **2.3. MEETINGS AND LOCATION**

The Board meet on such dates each year as it determines and also at such other times upon the requisition of a Director, as provided in the Articles of Association of Limuru Tea Plc.

There should be a minimum of four meetings throughout the calendar year. These include meetings to consider the half-year and full year results statements of the Company.

There are ad hoc Board meetings to discuss matters that arise.

Meetings of the Board may be held either in Nairobi, Kericho, Limuru or such other locations as the Board thinks fit.

Attendance by means of video and telephone link is permitted.

The Board may adopt written resolutions to approve matters at other times.

## **2.4. AGENDAS**

The agenda for Board meetings is set by the Chairman in consultation with the Chief Executive Officer and the Company Secretary. It must enable the Board to discharge its responsibility for the strategy, management, direction and performance of the Company.

The Board develops an annual Board Work-Plan to guide its activities. The agenda of each of the meetings of the Board includes:

- (a) regular items, such as reports by the Chief Executive Officer, or such other member of the Leadership Team as he may nominate on the exercise of the Delegated Powers, on the financial affairs of the Company and reports from Board Committees;
- (b) special items, such as Business Reviews;
- (c) items for approval and noting and papers for information.

## **2.5. SUPPORT**

The Company Secretary is responsible for collating and distributing all papers submitted to the Board for consideration and for organisation of the Board meetings. The Company Secretary procures the taking and circulation of the minutes of all meetings of the Board.

# **3. THE ROLE OF THE BOARD**

## **3.1. RESPONSIBILITY**

The Board is responsible for the overall conduct of the Company and has the powers, authorities and duties vested in it pursuant to the relevant laws of the Republic of Kenya and the Articles of Association of Limuru Tea Plc.

In all their dealings, the Board has regard to the interests of the Company as a whole, including its shareholders, employees, customers and suppliers, together with its social and legal responsibilities in the communities in which it operates and to the environment.

The Board has the final responsibility for the management, direction and performance of the Company and its business. The identification and management of risk is fundamental to carrying through the Company's strategy and to achieving its long-term goals. The Board has overall responsibility for the management of risk and for reviewing the effectiveness of the system of internal control and risk management approach.

## **3.2. BOARD POWERS**

The Board exercises all the powers, authorities and discretions in relation to the Company. The Board has delegated (but not to the exclusion of its powers, authorities and discretions) to the Chief Executive Officer all its powers, authorities and discretions which relate to the operational running of the Company and the matters set out in paragraphs 7.2 to 7.13 (with the financial matters in paragraphs 7.8 and 7.9 delegated to the Chief Executive Officer and the Financial Officer acting individually or jointly).

In addition, certain matters have been delegated to Committees of the Board all pursuant to the resolutions set out in Appendix 6. The powers, authorities and discretions exclusively within the remit of the Board, and which have not currently been delegated, include making or approving the following:

### **3.2.1. STRUCTURAL AND CONSTITUTIONAL MATTERS**

- (a) any proposal to the general meeting of shareholders to amend its Articles of Association;
- (b) any alteration in the capital including without limitation the purchase, disposal, allotment, re-issue, share split or cancellation of share capital whether issued or not and in any event subject to the authorities of the general meetings of shareholders;

**3.2.2. GOVERNANCE**

- (a) the convening of meetings of the shareholders and the setting of the agenda thereof and generally ensuring that a satisfactory dialogue with shareholders takes place;
- (b) the Annual Report and Accounts for adoption by the shareholders;
- (c) nominations for Board appointments, including Board succession planning;
- (d) the appointment or removal of the Company Secretary;
- (e) the review of the functioning of the Board and their Committees;
- (f) the remits and membership of Committees of the Board and deciding upon any issues rising from its receipt and review of reports from the same;
- (g) conflicts of interest involving Directors or significant (holders of 10% or more) shareholders;
- (h) overall responsibility for compliance with all relevant legislation and regulations;

**3.2.3. DIVIDENDS**

The determination of retained profit reserves and declaration or recommendation of a dividend of the Company;

**3.3. DECISION MAKING BY THE BOARD**

Resolutions by the Board are passed by a majority of votes. Each member of the Board shall have one vote.

**3.4. DELEGATION**

The Board has delegated certain powers, authorities and discretions (including the power to sub-delegate) to the Chief Executive Officer, to the Finance Manager and to the Board' Committees as set out in Appendix 6.

The Board supervises the execution of its responsibilities by the Chief Executive Officer, the Finance Manager and the Board' Committees and is ultimately responsible for the fulfilment of its duties by them.

**4. COMMITTEES****4.1. BOARD COMMITTEES**

The following are Committees of the Board and have the membership and terms of reference laid down by the Board pursuant to the resolution set out in Appendix 6.

Further Committees of the Board may be established by the Board from time to time and the membership and terms of reference of the Committees can be modified by the Board.

Each Committee of the Board meets as a single Committee of the Board and minutes shall be prepared as a record of the business of such Committees.

**4.1.1. AUDIT COMMITTEE**

The Audit Committee concerns itself with:

- (a) setting out the corporate governance principles that are appropriate for the nature and scope of the Company's business;
- (b) the oversight of matters relating to corporate governance bringing any issues to the attention of the Board.
- (c) the oversight of the integrity of the Company's financial statements;
- (d) the review of the Company's half year and end of financial statements;
- (e) the oversight of the Company's risk management and internal control arrangements;

- (f) the oversight of the Company's compliance with legal and regulatory requirements;
- (g) making recommendations to the Board on the nomination of and compensation payable to the External Auditors;
- (h) the oversight of performance, qualifications and independence of the External Auditors;
- (i) the oversight of the work that can and cannot be performed by the External Auditors and the compliance thereof;
- (j) the performance of the internal audit function;
- (k) the oversight of the Company's investments; and
- (l) establishing standards of business conduct and ethical behaviour for directors, managers and other personnel.

The Audit Committee comprises a minimum of two Directors.

Appendix 2 sets out the Terms of Reference of the Audit Committee.

#### **4.1.2. NOMINATIONS COMMITTEE**

The Nominations Committee concerns itself with:

- (a) candidates for nomination as Executive Directors, Non-Executive Directors and Chairman;
- (b) succession planning within and to the Board;
- (c) ensuring that the Board and its Committees consist of Directors with the appropriate balance of skills, experience, independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively;
- (d) reporting on the Board' policy, and any measurable objective, on diversity, including gender;
- (e) leadership training and development;
- (f) remuneration and benefits of the Directors;
- (g) evaluation of the Directors; and
- (h) Induction on new Directors.

The Nominations Committee comprises a minimum of two Directors.

The Nominations Committee is entitled to use the services of recruitment consultants and other external experts at the expense of the Company.

Appendix 1 sets out the Terms of Reference of the Nominations Committee.

## **5. DIRECTORS**

### **5.1. DUTIES AND RESPONSIBILITIES**

As members of the Board, all Directors are required to:

- 5.1.1.** provide leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- 5.1.2.** maintain the Company's values and standards as outlined in the Code of Business Principles and ensure that its obligations to its shareholders and others are understood and met;
- 5.1.3.** act within powers granted to them by the constitutive documents. Any acts outside are ultra vires and Directors may become personally liable for them;
- 5.1.4.** act in such a way as to promote the success of the company for the benefits of its members. When exercising this duty Directors need to consider:
  - (a) the long-term consequences of their decisions;
  - (b) the interests of their employees;



- (c) the need to develop good relationships with customers and suppliers;
- (d) the impact of the Company on the local community and environment;
- (e) the desirability of maintaining high standards of business conduct and a good reputation; and
- (f) the need to act fairly as between all members of the Company;
- 5.1.5.** exercise independent judgment in the execution of their duties;
- 5.1.6.** apply reasonable care, skill and diligence to their tasks;
- 5.1.7.** avoid conflicts of interest. As agents Directors:
  - (a) are therefore enjoined to retain their freedom of action and not fetter their discretion;
  - (b) owe a fiduciary duty to avoid conflict of interest and personal interest; and
  - (c) must not obtain any personal advantage from their position;
- 5.1.8.** not to accept benefits from third parties;
- 5.1.9.** declare interests in a proposed transaction or arrangement in writing to the other Directors and since the Company is a public company, to the members of the Company.

All Directors must be able to allocate sufficient time to be able to perform their responsibilities effectively.

All Directors should see to it that they are informed on a timely basis and in sufficient detail about all important matters relating to the Company and the functioning of the Board. The Chief Executive Officer has a particular responsibility to ensure that the Chairman promptly receives timely and clear information (in particular about the Company's performance). The Chairman is required to ensure that all members of the Board have the information they need to take sound decisions, monitor effectively and provide advice to promote the success of the Company.

The responsibility for the operational management the Company lies with the Chief Executive Officer under the final and ultimate responsibility of the Board as a whole.

In their capacities as members of the Board the Non-Executive Directors supervise the functioning of the Chief Executive Officer.

## **5.2. ANNUAL RE-ELECTION**

Directors, shall retire at the Annual General Meeting each year and offer themselves for re-election, in accordance with the Articles of the Company.

## **5.3. TENURE**

Executive and Non-Executive Directors hold office as long as they are appointed as such by the shareholders of the Company, unless they resign or are dismissed by the shareholders.

## **5.4. LIMITATIONS**

Executive Directors retire from the Board in accordance with their service contracts or as otherwise negotiated.

## **5.5. INDEPENDENCE**

All Non-Executive Directors are expected to provide the Company with independent character and judgement.

The criteria chosen by the Board for judging the independence of Non-Executive Directors:

- 5.5.1.** has not been employed by the company in an executive capacity within the last three years;
- 5.5.2.** is not associated with an adviser or consultant to the company or a member of the company's senior management or a significant customer or supplier of the company or

- with a not-for-profit entity that receives significant contributions from the company; or within the last three years, has not had any business relationship with the company (other than service as a director) for which the company has been required to make disclosure;
- 5.5.3.** has no personal service contract with the company, or a member of the company's senior management;
  - 5.5.4.** is not employed by a public listed company at which an executive officer of the company serves as a director;
  - 5.5.5.** is not a member of the immediate family of any person described above, or has not had any of the relationships described above with any affiliate of the company;
  - 5.5.6.** is not a representative of a shareholder who has the ability to control or significantly influence management;
  - 5.5.7.** is free from any business or other relationship which could be seen to interfere materially with the individual's capacity to act in an independent manner;
  - 5.5.8.** does not have a direct or indirect interest in the company (including any parent or subsidiary in a consolidated group with the company) which is either material to the director or to the company. A holding of five percent or more is considered material;
  - 5.5.9.** does not hold cross-directorships or significant links with other directors through involvement in other companies or bodies; and
  - 5.5.10.** has not served for more than nine years since they were first appointed.

The Board will decide on the independence of a Non-Executive Director by applying these criteria to the particular circumstances of the individual concerned and will also consider, where relevant, circumstances of immediate family members.

Where there are additional criteria for a member of the Audit Committee or the Nominations Committee to be considered "independent" imposed by applicable laws and regulations, the Board will apply these criteria.

## **5.6. ACCESS TO INDEPENDENT PROFESSIONAL ADVICE**

Access to Independent Professional Advice Directors, both as a group and individually, are entitled to take independent professional advice, at the expense of Unilever, on matters relating to the proper discharge of their office. This does not extend to issues regarding their personal interests. The Company Secretary will arrange for advice to be obtained.

## **5.7. POLICY LIMITING MULTIPLE DIRECTORSHIPS**

The Chairperson shall not hold such position in more than two public listed companies at any one time.

A Non-Executive Director shall not hold such position in more than three public listed companies at any one time.

An Executive Director of a public listed company shall not hold such position in more than two public listed companies at any one time.

# **6. THE CHAIRMAN**

## **6.1. THE CHAIRMAN**

The Board appoints from its members, on a recommendation from the Nominations Committee, a Non-Executive Director to be Chairman of the Company.

## **6.2. RESPONSIBILITIES**

The Chairman's general and specific responsibilities cover:

- 6.2.1.** conducting shareholders meetings of the Company including AGMs;

- 6.2.2.** leading the Board and ensuring that they operate effectively in relation to all aspects of their role;
- 6.2.3.** ensuring that the members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company;
- 6.2.4.** encouraging active engagement by all the members of the Board;
- 6.2.5.** in consultation with the Chief Executive Officer, setting and approving the Board agenda to take full account of the issues and the concerns of all Directors and ensuring that adequate time is available for discussion on strategic issues;
- 6.2.6.** promoting effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors and the Executive Directors;
- 6.2.7.** building an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board and shareholders' approval;
- 6.2.8.** monitoring effective implementation of Board decisions;
- 6.2.9.** ensuring a clear structure for and the effective running of Board Committees;
- 6.2.10.** together with the Chief Executive Officer and facilitated by the Company Secretary, maintaining effective communication with major shareholders so as to ensure the Board develop an understanding of their views;
- 6.2.11.** in conjunction with the Company Secretary, taking the lead in providing a properly constructed induction programme for new Directors that is comprehensive, formal and tailored;
- 6.2.12.** taking the lead in identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalised approach to training and development with each Director;
- 6.2.13.** addressing the development needs of the Board as a whole with a view to enhancing their overall effectiveness as a team;
- 6.2.14.** in conjunction with the Company Secretary, ensuring that the performance of individuals and of the Board as a whole and their Committees is evaluated at least once a year;
- 6.2.15.** establishing a close relationship of trust with the Chief Executive Officer, by providing support and advice while respecting executive responsibility;
- 6.2.16.** acting where appropriate as the Company's representative on corporate aims and policies including environmental and corporate social responsibility matters;
- 6.2.17.** guarding the corporate reputation including, in conjunction with the Chief Executive Officer, relations with major shareholders, government, academia and other relevant stakeholders and commentators;
- 6.2.18.** receiving direct reports from the Company Secretary.

## **7. CHIEF EXECUTIVE OFFICER**

### **7.1. DELEGATION OF BOARD POWERS**

The resolution pursuant to which certain of the Board's powers, authorities and discretions are delegated to the Chief Executive Officer is set out in Appendix 6. Pursuant to that resolution the Chief Executive Officer is entrusted with all the Board's powers, authorities and discretions (including the power to sub-delegate any of those powers, authorities, decision-making powers and discretions) in relation to the operational running of the Company and specifically all the Board's powers, authorities and discretions in relation to the following matters (subject to the matters reserved to the Board set out in paragraph 3.2 and with financial matters in paragraphs 7.8 and 7.9 delegated to the Chief Executive Officer and the Financial Officer acting individually or jointly) with power to sub-delegate.

**7.2. MANAGEMENT**

Ensuring delivery of the Company's agreed strategy, business plans and financial performance including:

- 7.2.1.** profit responsibility of the Company; and
- 7.2.2.** managing business performance.

**7.3. STRATEGY AND MANAGING THE CORPORATE PORTFOLIO**

- 7.3.1.** proposing for approval by the Board, the strategies for the direction of the Company and priorities in corporate resource allocation;
- 7.3.2.** implementing and monitoring strategies and annual plans and ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Board;
- 7.3.3.** monitoring the development and trends in global and regional markets which may affect the Company, testing future economic scenarios against growth objectives and making proposals to the Board for the corporate strategic priorities in the light of these;
- 7.3.4.** preparing for approval by the Board periodic business performance reports including quarterly and annual results announcements.

**7.4. MERGERS, ACQUISITIONS, JOINT VENTURES AND DISPOSALS**

Proposing for approval by the Board any merger, acquisition, joint venture or disposal.

**7.5. CAPITAL EXPENDITURE**

Any capital expenditure project approved by the Board including land and property agreements.

**7.6. CONTRACTS**

On behalf of the Company entering into any agreement or contract for goods or services [other than land and property agreements].

**7.7. LITIGATION**

Initiation or settlement of any litigation or claim.

**7.8. FINANCIAL**

- 7.8.1.** setting financial and treasury strategies for the Company and implementing them, including approving borrowings of any amount;
- 7.8.2.** setting financial and treasury strategies for the Company and implementing them, including (a) approving short term borrowings (i.e. with a maturity of up to one year) of any amount (b) approving long-term borrowings (and for this purpose any issues of debt instruments) and (c), approving the entering into by the Company as borrower or guarantor or both and approval of the terms of any standby loan facilities as may be approved by the Board from time to time;
- 7.8.3.** the establishment or update of (and approval of the amount (including any increase) and other terms of) any debt issuance programme of any kind;
- 7.8.4.** in respect of any borrowings approved in accordance with or relating to the previous two paragraphs, the issue or guarantee by the Company of any debt instruments (including the signing of any agreements or other documents necessary or conducive thereto, e.g. final terms, subscription agreements, underwriting agreements), and the listing of any debt instruments on any securities market, and the entering into by the Company whether as borrower or guarantor of any other form of financing agreement or

arrangement and any amendment or supplement thereto in connection with such debt instruments;

- 7.8.5.** the giving by the Company of any other guarantees of the Company's obligations in respect of any borrowings;
- 7.8.6.** the granting of security (not being a guarantee) of any nature over the assets of the Company;
- 7.8.7.** cross currency funding and deposits of any amount;
- 7.8.8.** investor relations guidelines;
- 7.8.9.** capital injections into the Company, capital reductions of the Company;
- 7.8.10.** entering in to contracts with brokers and other intermediaries for the purpose of exchange swaps and derivatives transactions;
- 7.8.11.** entering into by the Company of any swaps or derivatives transactions.

## **7.9. GUARANTEES**

The giving by the Company (and the approval of the terms of) any guarantee of the activities of the Company.

## **7.10. HUMAN RESOURCES**

- 7.10.1.** appointing and removing all managers including the Company's Leadership Team who report directly or indirectly to the Chief Executive Officer, with the exception of the appointment and removal of the Executive Directors which requires shareholder approval and the Company Secretary which requires the approval of the Board and the Chief Auditor which requires the approval of the Audit Committee;
- 7.10.2.** proposing to the Nominations Committee the remuneration policy
- 7.10.3.** supervising and determining the roles, activities and responsibilities of the Leadership Team;
- 7.10.4.** approving the appointment, removal, remuneration, bonuses and other terms of employment of senior managers not dealt with by the Nominations;
- 7.10.5.** ensuring that the performance of members of the Leadership Team is systematically assessed and adequately rewarded;
- 7.10.6.** ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Company;
- 7.10.7.** monitoring staff development and recruitment and dealing with deviations from planned performance. Establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Principles and Code Policies; and
- 7.10.8.** subject to the powers of the Nominations Committee in, exercising powers (with the power to sub-delegate) granted by the Board under any existing or future executive or all employee share-based incentive plan, including powers to determine: (i) the treatment of leavers (except members of the Leadership Team) within the discretion of the Board or the Nominations Committee under any such executive or all employee share-based incentive plan (ii) to purchase shares to meet obligations under any executive or all employee share-based incentive plan, (iii) to operate any executive or all employee share-based incentive plan and (iv) to establish and operate (share based) incentive sub-plans, to set and agree performance targets and to determine the actual performance against these targets upon vesting, including any particular vesting condition, claw back (consistent with standard policy) or other discretionary element; (v) to make arrangements for the administration of any executive or all employee share-based incentive plan, including powers to set-up, register, operate and approve the

design and actual terms of any sub-plan under, or deviations from, any executive or all employee share-based incentive plan, to allow the Company and/or employees to benefit from favourable tax and/or social security regimes.

## **7.11. PENSIONS**

The following matters with respect to pensions:

### **7.11.1.** the establishment and maintenance of appropriate policies covering:

- (a) the design of benefit arrangements, including specific provision for the treatment of employees on the acquisition or disposal of businesses;
- (b) selection of financing mechanisms, funding methods and accounting procedures;
- (c) pension fund investment practices, including:
  - investment objectives, strategy and allocation
  - limits on the Company's related investment of pension fund assets
  - investment management and custody services
  - internal investment management
  - controls on the use of derivatives and other investments;

### **7.11.2.** all necessary governance and approval procedures relating to the above;

### **7.11.3.** any agreements with pension funds on contributions which are:

- (a) changes in the level of normal contributions following an actuarial valuation;
- (b) contributions to correct deficits (as measured under IFRS or local funding as applicable) which have an aggregate value, over the period of the agreement;
- (c) changes to benefits provided under the Company's pension (and similar) arrangements which increase the value of the liabilities (as measured under IFRS).

## **7.12. MANAGING RISK AND CORPORATE REPUTATION**

### **7.12.1.** preparing for approval by the Board, and implementing and managing, the Company's risk management approach;

### **7.12.2.** interacting with the media and approving any press release in relation to any matter within the ambit of the Chief Executive Officer;

### **7.12.3.** implementing and managing compliance with the Code of Business Principles and Code Policies and standards;

### **7.12.4.** preparing all public filings, reports and statements relating to the Company; and

### **7.12.5.** representing the Company with major customers, suppliers, trade and professional bodies.

## **7.13. ENTERING INTO DOCUMENTS**

The powers of the Chief Executive Officer (and for paragraphs 7.8 and 7.9, the Chief Financial Officer) include the authority to enter into commitments, agreements, contracts, instruments or other documents on behalf of the Company in relation to the matters described above.

## **7.14. BOARD NOTIFICATION**

Notwithstanding the authorities outlined in paragraph 7, the Chief Executive Officer will notify the Board of any issues, projects or transactions that in his judgement have the capacity to impact the reputation of the Company.

## **7.15. OTHER**

The Chief Executive Officer in discharging his duties is responsible to the Board as a whole. However, in articulating their view of the Chief Executive Officer's performance the Board

will operate through the Chairman.

The Chief Executive Officer's direct reports will comprise all members of the Leadership Team and such other functional heads as the Chief Executive Officer elects.

All internal business-related communications are the responsibility of the Chief Executive Officer.

## **8. NON-EXECUTIVE DIRECTORS**

### **8.1. PRIMARY RESPONSIBILITIES**

As Directors, the Non-Executive Directors share full responsibility for the execution of the Board's duties. Within this broad responsibility the role of the Non- Executive Director is, essentially, a supervisory one, having the following key elements:

- 8.1.1.** Strategy: they constructively challenge and help develop proposals on strategy;
- 8.1.2.** Performance: they scrutinise the performance of management in meeting agreed goals and objectives;
- 8.1.3.** Risk: they satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- 8.1.4.** People: they take responsibility for determining appropriate levels of remuneration of Non-Executive Directors, and have a prime role the in-succession planning of the Board;
- 8.1.5.** Reporting: they take responsibility for the processes for accurately reporting on performance and the financial position of the Company;
- 8.1.6.** Compliance: they should keep governance and compliance with the legislation and regulations under review and the conformity of the Company practices to accepted norms; and
- 8.1.7.** The Board will adopt criteria for candidates for Non- Executive Directors responding to such issues as relevant experience on financial, social, economic and business-related matters, diversity, and geographical expertise.

## **9. COMPANY SECRETARY**

### **9.1. FORMAL STATUS**

The appointment or removal of the Company Secretary is a matter for the Board as a whole. The Company Secretary is appointed by the Board as the Company Secretary. The Company is allowed by its Articles of Association to appoint one Secretary. The Company is also required by law to appoint an appropriately qualified person to the office of Company Secretary. All Directors have open access to the Company Secretary at any time and on any matter relating to the Company. The Company Secretary reports to the Chairman and administratively to the VP Legal, General Counsel, Africa.

### **9.2. RESPONSIBILITIES**

The Company Secretary is responsible for:

- 9.2.1.** providing administrative and general support to Directors;
- 9.2.2.** preparation of the Annual Report and Accounts;
- 9.2.3.** corporate legal and regulatory compliance;
- 9.2.4.** formal relations with shareholders including maintenance of the share registers and convening of shareholder meetings;
- 9.2.5.** matters relating to share capital and shareholding structure;
- 9.2.6.** arrangement of induction, training/development and performance evaluations for the Board and Board Committees;
- 9.2.7.** drafting and publishing standard regulatory announcements (such as those related to



Director share dealing transactions) that do not normally require consideration by the Board; and  
The Company Secretary is the Secretary to the Nominations Committee and the Audit Committee.

## **10. DIRECTORS' INDUCTION AND TRAINING**

### **10.1. BACKGROUND**

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards in the Company.

The Chairman is responsible for ensuring that such induction programmes and training are provided, and the Company Secretary actually provides them.

Ultimately, however, it is the individual Director's responsibility to identify his/her needs and take steps to ensure that he/she is adequately informed about the Company and his/her responsibilities as a Director.

### **10.2. INDUCTION PROGRAMME**

The Company Secretary provides new Directors, both Executive and Non-Executive, with a briefing on their legal and regulatory responsibilities as Directors. This includes provision of a Director's Information Pack containing all key Company documents relevant to their roles and responsibilities. The Company Secretary also provides documents setting out the current structure and performance of Company's business.

The induction briefing may include briefings from internal and outside legal counsel, the External Auditors, Senior Corporate Executives and others as the Company Secretary judges appropriate. This is weighted to cover any particular areas of responsibility that the Director is taking on. As part of the induction, Directors may meet major shareholders.

The Company Secretary procures that new Non-Executive Directors are briefed on the business of Unilever. This programme comprises initial documentation, presentations from members of the Leadership Team and other Senior Corporate Executives and opportunities to visit business operations.

The induction process is designed to:

- (a) build an understanding of the nature of Unilever, its businesses and the markets and regulatory environments in which it operates;
- (b) provide an appreciation of the responsibilities of a Non-Executive Director of Unilever;
- (c) build links to Unilever's people; and
- (d) build an understanding of Unilever's main relationships.

### **10.3. ONGOING EDUCATION**

The Company Secretary keeps the Board briefed on legal and regulatory developments relevant to the responsibilities of the Directors.

The Chairman agrees and regularly reviews a personalised approach to training and development with each Director. The Company Secretary ensures that the programme to familiarise the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individuals involved.

The Company Secretary confers with the Chairman and Chief Executive Officer to ensure that this is the case.



## 11. BOARD' EVALUATION

### 11.1. BACKGROUND

It is important that the Board and Board Committees evaluate the effectiveness of their performance in a rigorous and structured way so that Unilever may confirm to its shareholders that it has high corporate governance standards.

The Chairman is responsible for ensuring that such evaluation exercises take place and the Company Secretary is responsible for their organisation.

### 11.2. THE BOARD

The evaluation process of the Board is undertaken internally by the Company Secretary. Following each evaluation, a report will be prepared based on appropriate interviews and responses to questionnaires. The report shall be reviewed and discussed by the Board following its submission to the Board by the Chairman. Thereafter the Chairman implements the actions that the Board decide are appropriate.

### 11.3. BOARD COMMITTEES

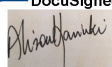
Each Chairman of a Board Committee leads the process of evaluating the performance of that Committee. This includes taking the views of the Board on the performance of that Committee. The Chairman of the Committee reports on the results of the process to the Board.

### 11.4. TIMING

The evaluation is carried out on an annual basis.

### 11.5. PROCESSES

The Company Secretary provides guidance on how to carry out the evaluation processes and the criteria to be used. The Company Secretary updates this guidance each year in the light of internal experience and external best practice.

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Alison Kariuki

## APPENDIX 1 – TERMS OF REFERENCE OF THE NOMINATIONS COMMITTEE

### 1. CONSTITUTION

The Nominations Committee (“the Committee”) was formally constituted by the Board of Directors of Limuru Tea PLC (the “Board”). The Committee is concerned with:

- 1.1. candidates for nomination as Non-Executive Directors (including the Chairman);
- 1.2. succession planning within and to the Board;
- 1.3. ensuring that the Board and its Committees consist of Directors with the appropriate balance of skills, experience, independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively;
- 1.4. reporting on the Board’ policy, and any measurable objective, on diversity, including gender;
- 1.5. leadership development, especially of the Leadership Team; and
- 1.6. remuneration and benefits of the Non-Executive Directors;

### 2. MEMBERSHIP

- 2.1 Members of the Committee are appointed by the Board. The Committee comprises a majority of Non- Executive Directors.
- 2.2. The Chairman of the Committee is appointed by the Board.
- 2.3. The Company Secretary is the Secretary of the Committee.

### 3. REMIT

The Committee’s specific responsibilities are:

- 3.2. periodically assessing the structure, size and composition of the Board, making a proposal for a composition profile of the Board, including keeping under review the Board’s policy on diversity;
- 3.3. evaluating the balance of skills, experience, independence and knowledge on the Board, its diversity (including as to gender), how the Board work together as a unit and other factors which may be relevant to its effectiveness;
- 3.4. succession planning within and to the Board including evaluating and recommending termination of service of individual members of the Board as appropriate for the cause or for other proper reasons;
- 3.5. drawing up selection criteria and appointment procedures for Directors as set out in Annexure 5;
- 3.6. approving, on behalf of the Board, the contractual terms for Non-Executive Directors;
- 3.7. recommending to the Board’s candidates for nomination as Non-Executive Directors each year having due regard to their performance and ability to contribute to the Board in light of knowledge, skills and experience required;
- 3.8. recommending to the Board candidates for election as Chairman of the Board;
- 3.9. periodically reviewing and recommending to the Board for approval the appointment of Directors to Board Committees and the selection of a chairperson for each Board Committee. In addition, the Committee shall recommend to the Board candidates to fill vacancies or new positions on the Board Committees as necessary or desirable and review and make recommendations to the Board concerning any removal of Committee members;
- 3.10. reviewing the feedback in respect of the role and functioning of the Board Committees arising from the Board and Board Committee evaluations and making any recommendations as appropriate in respect of the Board Committees to the Chairman;
- 3.11. establish and approve a formal and transparent remuneration policy and procedures that attract and retain Board members;

3.12. the remuneration of Non-Executive Directors, if and insofar as not determined by the general meetings of shareholders of the Company.

#### 4. AUTHORITY

4.2. The Committee may form and delegate authority to sub-committees comprising one or more members of the Committee if the Committee feels appropriate. The Committee may also form and delegate authority to sub-committees comprising one or more members of the Leadership Team to conclude the final details of, and implement decisions taken by, the Committee. Any such sub-delegation shall be duly noted in the minutes of the Committee.

4.3. The Committee is authorised by the Board to investigate any matter within its terms of reference, using, at the Company's expense, resources from within the Company or from external legal, accounting or other advisers as the Committee considers necessary.

4.4. The Committee shall give due consideration to all laws, regulations, governance codes, listing and other applicable rules as appropriate.

#### 5. MEETINGS

5.2. Meetings are held at least once a year, and on such other occasions as the Chairman of the Committee considers appropriate.

5.3. Meetings are convened by written notice served on each of the members by the Company Secretary.

5.4. All members of the Committee are expected to attend each meeting. The Chief Executive Officer and the Human Resources Officer and external advisers may be invited to attend as and when appropriate.

5.5. The quorum for meetings is a minimum of one Non-Executive Directors and one Executive Director.

5.6. A member shall leave the meeting when his/her own position is discussed but the quorum is not affected thereby.

5.7. All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.

5.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote.

5.9. The Secretary of the Committee shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The Secretary of the Committee will also be responsible for liaising with the Leadership Team to ensure that all papers, reports etc. required by the Committee are forwarded to the Committee in a timely manner.

#### 6. CONSULTATION

Prior to meetings of the Committee, the Chairman of the Committee may consult among the Executive Directors and the Non-Executive Directors who are not members of the Committee in order to assist in framing the Committee's recommendations.

#### 7. REPORTING, SELF-ASSESSMENT AND PERFORMANCE EVALUATION

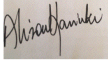
7.2. The Committee reports to the Board after each meeting and shall make whatever recommendation to the Board it deems appropriate where action or improvement is needed.

7.3. The Secretary prepares minutes of all meetings of the Committee and these are circulated to the members of the Committee before the next Committee meeting.

- 7.4. The Committee reviews and assesses annually the adequacy of these Terms of Reference to ensure it is operating efficiently.
- 7.5. The Committee ensures that its current Terms of Reference are made available at Company's website.
- 7.6. The Committee will keep the profiles of the Non-Executive Directors under review and propose improvements for approval by the Board.

8. ANNUAL GENERAL MEETING

The Chairman of the Committee or another member of the Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him/her by the Chairman of the Meeting.

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## APPENDIX 2 – TERMS OF REFERENCE OF THE AUDIT COMMITTEE

### 1. CONSTITUTION

The Audit Committee (“the Committee”) was formally constituted by the Board of Directors of Limuru Tea PLC (the “Board”). The Committee concerns itself with:

- 1.1. the oversight of the integrity of the Company’s financial statements;
- 1.2. the oversight of the Company’s risk management and internal control arrangements;
- 1.3. the oversight of the Company’s compliance with legal and regulatory requirements;
- 1.4. making recommendations to the Board on the nomination of and compensation payable to the External Auditors;
- 1.5. the oversight of performance, qualifications and independence of the External Auditors;
- 1.6. the policy on work that can and cannot be performed by the External Auditors and the compliance thereof;
- 1.7. the performance of the internal audit function;
- 1.8. the approval of the Company trading statements; and
- 1.9. the oversight of matters relating to corporate governance bringing any issues to the attention of the Board.

### 2. MEMBERSHIP

- 2.1. The Nominations Committee recommends membership of the Committee and the members are appointed by the Board.
- 2.2. The Committee comprises a majority of Non-Executive Directors. The Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 2.3. A majority of members of the Committee should be ‘independent’. The ‘independence’ of the members is adjudged by the Board in accordance with the requirements of applicable legislation and regulation, and in the light of relevant codes of practice.
- 2.4. A majority of members of the Committee should be ‘financially literate’. The ‘financial literacy’ of the members is adjudged by the Board in accordance with the requirements of current legislation and regulation, and in the light of relevant codes of practice.
- 2.5. One member of the Committee should be a ‘financial expert’. The ‘financial expertise’ of this member is adjudged by the Board in accordance with the requirements of current legislation and regulation, and in the light of relevant codes of practice.
- 2.6. Upon appointment, each member of the Committee will participate in an induction programme relating to the role and function of the Committee.
- 2.7. The Committee has a Chairman appointed by the Board.
- 2.8. The Company Secretary is the Secretary of the Committee.

### 3. MEETINGS

- 3.1. The Committee meets at least two times a year, with authority to convene additional meetings as circumstances require.
- 3.2. Meetings are convened by written notice served on each of the members by the Secretary of the Committee.
- 3.3. All members of the Committee are expected to attend each meeting.
- 3.4. The quorum for meetings is a minimum of one Non-Executive Directors and one Executive Director.
- 3.5. Meetings of the Committee may be attended by the Chief Executive Officer, Financial Officer, Internal Auditor, Legal Officer, Company Secretary, the External Auditors and other Directors, employees and third parties and executives at the invitation of the Committee.
- 3.6. The Committee may meet the External Auditors in private session (without management) and

may also meet routinely in private sessions with any of the Internal Auditor, the External Auditors and management, or any combination of these.

- 3.7. All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote.
- 3.9. The Secretary shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The Secretary will also be responsible for liaising with the Company Leadership Team to ensure that all papers, reports etc. required by the Committee are forwarded to the Committee in a timely manner.
- 3.10. Outside the formal meetings, the Chairman of the Committee shall maintain a dialogue with key individuals involved in the Company's governance (including the Chairman, the Chief Executive Officer, the Financial Officer, the Internal Auditor and the lead partner of the External Auditors).

#### 4. REMIT

The Committee's responsibilities include:

##### OVERSIGHT OF THE INTEGRITY OF UNILEVER'S FINANCIAL STATEMENTS

- 4.1. Regular review of the Company's internal and external financial reporting systems.
- 4.2. Review of significant accounting and reporting issues and how these issues were addressed, including:
  - 4.2.1. any significant changes in accounting principles;
  - 4.2.2. the methods used to account for significant or unusual transactions where different approaches are possible; and
  - 4.2.3. whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements (taking into account the views of the External Auditors). Where the Committee is not satisfied with any aspect of the proposed financial reporting of the Company, it shall report its views to the Board.
- 4.3. Review of any material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material effect on the Company, its subsidiary companies and related entities.
- 4.4. Review of the Company's quarterly and annual financial statements (including clarity and completeness of disclosure), approval and publishing of the quarterly trading statements so that taken as a whole, they are fair, balanced and understandable.
- 4.5. Review of the Company's practices with regard to the release and publication of financial information to the markets.
- 4.6. Review of the Company's dividend proposals including any annual or other proposal in relation to the amount of the periodic or annual dividend.
- 4.7. Review of the Annual Report and Accounts and whether, taken as a whole, it is fair balanced and understandable.
- 4.8. Review of the going concern assumption.
- 4.9. Review of the viability statement.
- 4.10. Oversight of the assurance of the financial and non-financial key performance indicators (KPIs) in the Annual Report and Accounts.

##### OVERSIGHT OF RISK MANAGEMENT AND INTERNAL CONTROL ARRANGEMENTS

- 4.11. Approval of any proposals relating to employee indemnities.

- 4.12.Risk management approach including the identification of Corporate Risks and related mitigation/response plans.
- 4.13.Review of the recommendation of the Company Leadership Team for the Board statements on internal control to be included in the Annual Report and Accounts.
- 4.14.Review of the Controller's quarterly Risk and Control Report (including reference to any frauds involving persons with significant roles in internal control and any significant breaches of the Code of Business Principles or the Company Code Policies).
- 4.15.Establishment of procedures for:
  - 4.15.1. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal control and auditing matters; and
  - 4.15.2. the confidential, anonymous submission of concerns from employees of the Company regarding accounting or auditing matters.
- 4.16.Oversight of the activities of the management with respect to:
  - 4.16.1. the policy of the Company on tax planning;
  - 4.16.2. the financing of the Company; and
  - 4.16.3. the application of Information Technology and Information Management.

#### OVERSIGHT OF COMPLIANCE WITH THE CODE OF BUSINESS PRINCIPLES AND LEGAL AND REGULATORY REQUIREMENTS

- 4.17.Review of any instances of financial or accounting non-compliance with the Code of Business Principles.
- 4.18.Review of any instances of non-compliance with legal and regulatory requirements that may be brought to its attention by any Senior Corporate Executive or Committee.

#### EXTERNAL AUDITORS' NOMINATION, PERFORMANCE, QUALIFICATIONS AND INDEPENDENCE

- 4.19.Tendering the audit services' contract in accordance with any relevant ethical guidance, rules, regulations or best practice guidelines.
- 4.20.Ensuring rotation of the lead and any concurring partners at the External Auditors, as well as any other partners at the External Auditors as necessary, in compliance with any applicable rules or requirements.
- 4.21.The Committee shall consider and make recommendations to the Board on
  - 4.21.1. the nomination of the External Auditors for shareholder approval in accordance with any applicable rules, regulations and best practice guidelines, and
  - 4.21.2. the approval of the External Auditors' remuneration and letters of engagement, representation and management (or their equivalent).
- 4.22.Overseeing relations with activities of and performance by the External Auditors, including:
  - 4.22.1. pre-approval of all audit services;
  - 4.22.2. pre-approval of non-audit services and approval of related disclosure to shareholders;
  - 4.22.3. review of the External Auditors' Report to the Board and management's response;
  - 4.22.4. review of the External Auditors' annual audit plan and associated timetable;
  - 4.22.5. review of any matters required to be reported to the Committee by the External Auditors pursuant to any applicable rules, regulations and best practice guidelines;
  - 4.22.6. resolution of disagreements between the External Auditors and management regarding financial reporting;
  - 4.22.7. review with the External Auditors of any audit problems or difficulties, and management's response;
  - 4.22.8. annual review and evaluation of the External Auditors' qualifications, performance, effectiveness, objectivity and independence, including a review and evaluation of the

lead partner and of relationships (such as family, employment, investment, financial or business) between the External Auditors and the Company (other than in the ordinary course of business) which could adversely affect the External Auditors' independence and objectivity;

- 4.22.9. Review at least annually (a) the report that the External Auditors must provide to the Committee about the External Auditors' independence; and (b) a report of the External Auditors' internal quality control procedures; and
- 4.22.10. Review of all relationships between the External Auditors and the Company, including any reports on such relationships submitted by the External Auditors.

#### PERFORMANCE OF THE INTERNAL AUDIT FUNCTION

- 4.23. Review of the Internal Auditor's Status Reports on Risk Management & Control and actions taken to resolve the issues raised.
- 4.24. Review of internal audit's function:
  - 4.24.1. annual plan and associated timetable;
  - 4.24.2. budget and resource requirements; and
  - 4.24.3. Review of effectiveness (including management's responsiveness to internal audit's findings and recommendations).
- 4.25. Meeting the Chief Auditor without management.

#### CORPORATE GOVERNANCE

The Committee has responsibility for the oversight of the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen. This shall include, but is not limited to the following matters, with a view to bringing any relevant issues to the attention of the Board or Senior Corporate Executives, and making recommendations relating to any of the following issues:

- 4.26. Identifying and reviewing those external developments which are likely to have significant influence upon the Company's reputation and/or its ability to conduct its business appropriately as a good corporate citizen. Such developments will include those in the fields of government relations, best corporate practice, the views and programmes of particular interest groups, academia and other opinion formers and issues of growing importance to the general public;
- 4.27. Acting as a sounding board and providing guidance and recommendations to the business on how best to handle both internal issues raised by the Company Leadership Team and those external developments identified above;
- 4.28. Reviewing and recommending changes as appropriate to the Company's Code of Business Principles to ensure that the Company's standards of business behaviour are up to date and reflect the best practices of business in this area. The Committee reviews and provides input to the Company on the management of the Code including reviewing a quarterly report on current issues and trends on Code matters;
- 4.29. Review of any instances of non-compliance with the Code of Business Principles and management's monitoring of compliance with the Code;
- 4.30. Reviewing and providing input to the Company on the management of current and emerging sustainability matters affecting the Company and providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- 4.31. Reviewing periodically matters of health and safety in relation to the Company's activities and reporting back to the Board;
- 4.32. Ensuring that the appropriate communications policies are in place and working effectively



- to build and protect the Company's reputation internally and externally;
- 4.33. Reviewing reports, minutes and recommendations within the Committee's areas of responsibility from the Company's senior management teams and relevant external parties.
- 4.34. Reporting to the Board on the Company's standing in the external world, particularly among target audiences;
- 4.35. Advising the Board as it may require in relation to any related party transactions or conflicts of interest involving the Company and the Directors; and
- 4.36. Oversight of all matters relating to corporate governance.

#### FINANCE AND INVESTMENT

The Committee shall carry out the duties below for the Company:

- 4.37. Review and interrogate any investments or divestments that would have an impact on the Company's balance sheet;
- 4.38. Ensure the necessary due diligence is conducted before any investments are made by the Company;
- 4.39. Ensure investments made by the Company comply with all applicable laws and regulations;
- 4.40. Ensure investments made by the Company take into consideration all the stakeholders of the Company.

#### 5. AUTHORITY

- 5.1. The Committee is authorised by the Board to investigate any matter within its terms of reference, using, at the Company's expense, resources from within the Company or from external legal, accounting or other advisers as the Committee considers necessary. The Committee is authorised to seek information from any Director, Senior Corporate Executive or employee, and from any adviser, agent or representative of the Company, for the purpose of fulfilling its duties and the Board shall, if so requested, direct such persons to co-operate with the Committee.
- 5.2. The Committee may form and delegate authority to sub-committees comprising one or more members of the Committee if the Committee feels appropriate. The Committee may also form and delegate authority to sub-committees comprising one or more members of the Company Leadership Team to conclude the final details of, and implement decisions taken by, the Committee. Any such sub-delegation shall be duly noted in the minutes of the Committee.
- 5.3. Following review of the financial statements, the Committee may if the Committee feels appropriate delegate authority for the final approval of any such financial statement and its publication to the Chief Executive Officer with the authority to make such non-material changes as the Chief Executive Officer may consider appropriate.
- 5.4. The Committee shall give due consideration to all laws, regulations, governance codes, listing and other applicable rules as appropriate.

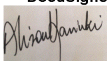
#### 6. REPORTING, SELF-ASSESSMENT AND PERFORMANCE EVALUATION

- 6.1. The Committee reports to the Board after each meeting by means of an oral presentation by the Committee Chairman the outcome of all its meetings and on how it has discharged its responsibilities and shall make whatever recommendation to the Board it deems appropriate where action or improvement is needed.
- 6.2. The Secretary prepares minutes of all meetings of the Committee and these are circulated to the Committee before the next meeting of the Committee.
- 6.3. The Committee reviews and assesses annually the adequacy of these Terms of Reference to ensure it is operating efficiently.

6.4. The Committee ensures that its current Terms of Reference are made available at Company's website.

7. ANNUAL GENERAL MEETING

The Chairman of the Committee or another member of the Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him/her by the Chairman of the Meeting.

DocuSigned by:  
  
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## **APPENDIX 3 – CODE OF BUSINESS PRINCIPLES**

### **STANDARD OF CONDUCT**

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

We shall similarly respect the legitimate interests of those with whom we have relationships.

### **OBEYING THE LAW**

The Company and our employees are required to comply with the laws and regulations of the Republic of Kenya.

### **EMPLOYEES**

The Company is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination.

We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

We are committed to safe and healthy working conditions for all employees.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards.

We will not use any form of forced, compulsory, trafficked or child labour.

We are committed to working with employees to develop and enhance each individual's skills and capabilities.

We respect the dignity of the individual and support the right of employees to freedom of association and collective bargaining.

We will maintain good communications with employees through company based information and consultation procedures.

We will ensure transparent, fair and confidential procedures for employees to raise concerns.

### **CONSUMERS**

The Company is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

### **SHAREHOLDERS**

The Company will conduct its operations in accordance with internationally accepted principles of good corporate governance.

We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

### **BUSINESS PARTNERS**

The Company is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our business partners to adhere to business principles consistent with our own.

### **COMMUNITY INVOLVEMENT**

The Company strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

## PUBLIC ACTIVITIES

The Company is encouraged to promote and defend its legitimate business interests. The Company will co-operate with the government and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

The Company neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

## THE ENVIRONMENT

The Company is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

The Company will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

## INNOVATION

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society. We will work on the basis of sound science applying rigorous standards of product safety.

## COMPETITION

The Company believes in vigorous yet fair competition and supports the development of appropriate competition laws. The Company and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

## BRIBERY & CORRUPTION

The Company does not give or receive whether directly or indirectly bribes or other improper advantages for business or financial gain. No employee may offer give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

The Company accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

## CONFLICTS OF INTERESTS

All Company employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the Company.

The Company employees must not seek gain for themselves or others through misuse of their positions.

## COMPLIANCE – MONITORING – REPORTING

Compliance with these principles is an essential element in our business success. The Board is responsible for ensuring these principles are applied throughout the Company.

The Chief Executive Officer is responsible for implementing these principles and is supported in this by the Code and Policy Committee, which is chaired by the Business Integrity Officer.

Day to day responsibility is delegated to all senior management. They are responsible for implementing these principles, supported by the Business Integrity Committee.

Assurance of compliance is given and monitored each year.

Compliance is subject to review by the Board supported by the Audit Committee.

Any breaches of the Code must be reported. The Board of the Company will not criticise

management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

## APPENDIX 4 – PROFILE OF THE BOARD OF DIRECTORS

### 1. GENERAL

The purpose of this profile is to provide guiding principles for the composition of the Board in line with the Companies Act, 2015, the Capital Markets (Securities) (Public Offers, Listing and Disclosures) (Amendment) Regulations, 2016 and the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 of the Laws of Kenya.

### 2. COMPOSITION

- 2.1 The composition and qualities of the Board as a whole should be in keeping with the size of the Company, its portfolio, culture and geographical spread and its status as a listed company.
- 2.2 The Board should be of sufficient size that the balance of skills and experience is appropriate for the requirements of the business and should furthermore include a balance of Executive and Non-Executive Directors, with one third being Non-Executive Directors. The composition of the Board shall be such that the members are able to act critically and independently of one another and any particular interest.
- 2.3 With respect to diversity in the composition of the Board the objective pursued by the Board is to have a variation of age, gender, expertise, social background and nationality.

### 3. DESIRED EXPERTISE AND EXPERIENCE

In view of the Company's objectives and activities, it is important that the Board have sufficient financial literacy, have at least one financial expert and is composed in such a way that the following expertise and experience is present in one or more of its members:

- 3.1 Executive management experience and knowledge of corporate governance issues at main board level with a company comparable in size and spread of activities and stock exchange listing;
- 3.2 Understanding of human resources and remuneration;
- 3.3 Experience with financial administration, accounting policies and internal control;
- 3.4 Risk management of a company with listing of shares;
- 3.5 Understanding of the markets where the Company is active;
- 3.6 Experience in and understanding of the tea farming and manufacturing industry;
- 3.7 Commercial expertise;
- 3.8 Awareness of corporate social responsibility issues; and
- 3.9 Experience with research and development in those fields where the Company is active.

### 4. DESIRED PERSONAL QUALIFICATIONS

- 4.1 Besides expertise, experience, contacts, vision and adequate availability, personal qualities such as impartiality, integrity, tolerance of other points of view, balance and ability to act critically and independently are equally important.
- 4.2 Directors should be capable of assessing the broad outline of the overall policy and shall have the specific expertise required for the fulfilment of the duties assigned to the role designated to them within the framework of the Board profile.
- 4.3 Directors should observe the principles underlying the corporate governance codes of Kenya.
- 4.4 Non-Executive Directors should be independent of the Company and should avoid material conflicts of interest.
- 4.5 Business in the Board and their Committees will be conducted in the English language

and Directors therefore should be fluent in English.

5. AVAILABILITY

Each Board member shall have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, appraisal and other Board associated activities.

6. PROFILE

This profile will guide the Nominations Committee and the Board on the occasion of the nomination of Directors.

It will be reviewed and updated by the Board periodically.

**APPENDIX 5 – SELECTION CRITERIA AND APPOINTMENT PROCEDURES FOR DIRECTORS**

In identifying and nominating candidates for the approval of the Board, to fill Board vacancies as and when they arise. The Nominations Committee will:

- i. give full consideration to succession planning of Directors taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- ii. keep under review the structure, size and composition (including the skills, knowledge, experience, diversity and independence) of the Board and make recommendations to the Board with regard to any changes in line with the profile set out in Appendix 4;
- iii. keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;
- iv. before appointment is made by the Board, evaluate the balance of skills, knowledge, experience and independence of the Directors, and, in light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
  - a) determine and follow the optimal means of identifying suitable candidates, whether through open advertising or the services of external advisers to facilitate the search;
  - b) consider candidates from a wide range of backgrounds;
  - c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board (including gender);
- v. review annually the time required from non-executive directors and the performance of the non-executive directors to assess whether they are spending enough time to fulfill their duties;
- vi. review the membership of the Audit Committee and the Nominations Committee;
- vii. determine the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills, experience and independence required;
- viii. oversee the re-election by shareholders of any director retiring by rotation as envisaged by the the Company's Articles of Association having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills, experience and independence required and the need for progressive refreshing of the Board;
- ix. evaluate any matters relating to the continuation in office of any Director at any time; and the appointment of any Director to executive or other office.



**APPENDIX 6 – FORM OF DELEGATION RESOLUTION**

The following is a resolution passed by the Board of Limuru Tea PLC on 1 January 2018.

THAT with effect from 1 January 2018:

1.1. the Board hereby entrust to and confer upon

1.1.1. the Chief Executive Officer all of its powers, authorities and discretions in relation to the operational running of the Company (with power to sub-delegate any such powers, authorities and discretions) and specifically all of its powers, authorities and discretions in relation to those matters set out in paragraphs 7.2 to 7.7 and 7.10 to 7.13 of The Governance of Limuru Tea Plc (whether or not those matters relate to the operational running of the Company) and

1.1.2. the Chief Executive Officer and the Financial Officer (acting individually or jointly) all its powers, authorities and discretions with power to sub-delegate (acting individually or jointly) any such powers, authorities and discretions in relation to those matters set out in paragraphs 7.8 to 7.9 of The Governance of Limuru Tea Plc, in each case provided that all those matters set out in paragraphs 3.2 of The Governance of Limuru Tea Plc (whether or not those matters relate to the operational running of the Company) shall be reserved to the Board and the Board's powers, authorities and discretions in relation to those matters are not hereby delegated. This delegation of powers, authorities and discretions by the Board is made collaterally with (and not to the exclusion of) its own powers, authorities and discretions;

2. the Board hereby approves and adopt the terms of reference of each of the following Committees as set out in the relevant appendix to The Governance of Limuru Tea Plc as specified in the following table and delegates to each Committee the authorities and/or powers set out in the specified paragraph of the relevant appendix as set out in the following table:

Name of Committee	Terms of Reference	Authorities
Nominations Committee	Appendix 1	Paragraph 4
Audit Committee	Appendix 2	Paragraph 4

3. Without prejudice to the delegations set out in paragraph (1) and (2) of this resolution and without limiting the authority conferred by such delegations the document entitled "The Governance of Limuru Tea Plc" is approved and adopted by the Board as internal practices and procedures to be followed by members of the Company and its officers and employees, and shall not need to be taken into account by any third party dealing with any member of the Company in relation to, the question of whether any such dealing has been properly authorised and further provided that it is hereby confirmed that any failure to comply with any of the provisions of "The Governance of Limuru Tea Plc" shall have no effect in relation to the question of whether a dealing or transaction entered into by any member of the Company has been properly authorised;

PROVIDED that this resolution and any changes it makes to the powers, authorities and discretions delegated to any person or Committee shall not affect the validity of, and shall be without prejudice to, any exercise of such powers, authorities or discretions prior to the date on which this resolution becomes effective including, without limitation, any exercise of the power to sub-delegate prior to that date.





# Unilever

## Code of Business Principles and Code Policies



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# The Code and our Standard of Conduct

## Our Framework

A message from Alan Jope

The Code of Business Principles

Living the Code

Legal Consultation

Responsible Risk Management

Responsible Innovation

Product Safety & Product Quality



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03

# Our Framework

## Our Values

**Our Values** of Integrity, Respect, Responsibility and Pioneering are the simplest statement of who we are. They govern everything we do.

## Code of Business Principles

Our **Code of Business Principles** is a simple ethical statement of how we should operate. We publish this externally and expect all others who work with us to set themselves equally high principles.

## Code Policies

Our **Code Policies** define the ethical behaviours that we all need to demonstrate when working for Unilever. They are mandatory. While these are for internal use, we also publish them externally in support of transparency.



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# Foreword from Alan Jope

## Welcome to the most important document we have at Unilever – our Code of Business Principles.

When I think of my time at Unilever, and consider why I have stayed for over 30 years, I put it down to two core reasons: our geographical diversity and the values of the business. Values that give us the instinct to do the right thing and to treat each other with respect.

Having a strong set of values that respect people, society, and the planet has always been at the heart of Unilever, and will continue to be critical to building our purpose-led, future-fit company. Our licence to operate and our ability to compete successfully, are dependent on each and every one of us living these values, day in and day out.

Yet we know that in this volatile and unpredictable world, we face numerous challenges in doing so. Challenges, but not excuses. Many of the countries in which we operate rank poorly in global corruption indices. The digital world increasingly presents us with new considerations for managing cyber and data security, and how our company and our brands 'show

up' in this connected, social media world has become more complicated than ever. What's more, the accelerating pace of change, and the greater speed with which we must operate, often intensifies these challenges.

The Code of Business Principles is our guidebook for putting our values into practice. It sets out a clear standard of conduct to ensure that we always make the right choice, providing a framework of simple "musts" and "must nots". It's a document which not only protects Unilever, and each and every one of us, but will help us to have a meaningful impact on the lives of millions of people across our value chain.

Much of Unilever's strength lies in the shared values of our people. Behaving with integrity is part of who we are. Thank you for your diligence and for helping to create a fairer and more principled world as we work towards delivering our vision of being the global leader in sustainable business.

Read and re-read our Code.  
It matters.

Thank you,  
Alan



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# The Code of Business Principles (1 of 2)

## Introduction

At Unilever we believe in growing responsibly and sustainably.

Our Code of Business Principles defines the non-negotiables for all our employees. It codifies our values, making clear what is expected from our people.

Through living our Code, we will bring our values and purpose to life, every day in everything we do.

## Standard of Conduct

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

We shall similarly respect the legitimate interests of those with whom we have relationships.

We are committed to providing transparency across all our operations ensuring stakeholders trust what we do.

## Obeying the Law

Unilever companies and employees are required to comply with the laws and regulations of the countries in which we operate.

## Employees

Unilever is committed to a working environment that promotes diversity, inclusion, life-long learning and equal opportunity, including for those with disabilities. We believe in a workplace where there is mutual trust, respect for human rights and no discrimination. We support the physical and mental wellbeing of our employees, ensuring safe working conditions.

We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards and in line with industry standards in the markets in which we operate. We are committed to giving employees a living wage, ensuring that they can meet their everyday needs.

We will not use any form of forced, compulsory, trafficked or child labour.

We respect the dignity of the individual and the right of employees to freedom of association and collective bargaining.

We will maintain good communications with employees through company-based information and consultation procedures.

We will provide transparent, fair and confidential procedures for employees and third parties to raise concerns. We will not retaliate against whistle-blowers or employees that raise issues with us.

## Consumers

Unilever is committed to providing purposeful branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

## Shareholders

Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

## Business Partners

Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own. This means compliance with our third party policies and a commitment to working with us to address issues that negatively impact society and the planet. We will work with these partners to raise standards so that their employees are paid a living wage and are not subject to forced, compulsory, trafficked or child labour.



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# The Code of Business Principles (2 of 2)

## Compliance – Monitoring – Reporting

Compliance with these principles is an essential element in our business success. The Unilever Board is responsible for ensuring these principles are applied throughout Unilever.

The Chief Executive Officer is responsible for implementing these principles and is supported in this by the Global Code and Policy Committee which is chaired by the Chief Legal Officer.

Day-to-day responsibility is delegated to all senior management of the geographies, divisions, functions and operating companies. They are responsible for implementing these principles, supported by local Business Integrity Committees.

Assurance of compliance is given and monitored each year. Compliance is subject to review by the Board supported by the Corporate Responsibility Committee and for financial and accounting issues the Audit Committee.

Any breaches of the Code must be reported. The Board of Unilever will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

## Community Involvement

Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

## Innovation

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society. We will work on the basis of sound science, applying rigorous standards of product safety.

## Competition

Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

## The Planet

Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

## Public Activities

Unilever companies are encouraged to promote and defend their legitimate business interests.

Unilever will co-operate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

## Bribery & Corruption

Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe.

Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

## Conflicts of Interests

All employees and others working for Unilever are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company.

Employees must not seek gain for themselves or others through misuse of their positions.

## Data

Unilever is committed to the responsible, ethical and fair use of data.

We collect and use data in line with our values, applicable laws and with respect for privacy as a human right.

## Note

In this Code the expressions 'Unilever' and 'Unilever companies' are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC.



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# Living the Code (1 of 2)

As a purpose-led company, our values are the foundation of our success and essential to achieving our ambition of making sustainable living commonplace.

Living the Code means to put our values into practice and reiterate our commitment to doing good; this helps us to deliver value with values. Our consumers and customers trust us for doing business with integrity. This is one of our greatest assets, and to maintain our reputation, requires the highest standards of behaviour.

Unilever's Code of Business Principles (the Code), and the policies that support it (Code Policies), set out the standards required from all our employees. Unilever also requires its third-party business partners and their employees to adhere to business principles consistent with our own.

These expectations are set out in Unilever's [Responsible Sourcing and Business Partnering Policy](#) that underpin our third-party compliance programme.

Breaching the Code or Code Policies could have very serious consequences for Unilever and for individuals involved. Where illegal conduct is involved, these could include significant fines for Unilever, imprisonment for individuals and significant damage to our reputation.

This Code Policy explains how to ensure the Code and all Code Policies are understood and followed by all our employees and others working for Unilever. It confirms everyone's responsibility to speak up and report suspected or actual breaches, and outlines how such situations must be managed. Any failure to comply with the Code and any of the Code Policies is taken very seriously by Unilever and may result in disciplinary action, including dismissal and legal action.

## References in the Code and Code Policies to 'employees' include the following:

- Unilever employees, whether full time, part time, fixed term, permanent or trainees
- Persons with statutory director roles or equivalent responsibilities
- Unilever employees of joint ventures
- Employees of new acquisitions, from the date that the company is acquired

Living the Code is a team effort. The Code and Code Policies cannot cover every eventuality, particularly as laws differ between countries. If specific situations are not expressly covered, the spirit of the Code and Code Policies must be upheld by exercising common sense and good judgement, always in compliance with applicable laws.

## Musts

All [employees](#) must:

- Ensure they know and understand the requirements of our Code and Code Policies
- Undertake relevant training as required by their Line Manager or Business Integrity Officer
- Follow the Code and Code Policies: if they are unsure of how to interpret these or have any doubts about whether specific behaviours meet the standards required they must seek the advice of their Line Manager or Business Integrity Officer
- Immediately report actual or potential breaches of the Code or Code Policies, whether relating to them, colleagues or people acting on Unilever's behalf and whether accidental or deliberate. This includes instances where business partners' behaviour may not meet the same standards



# Living the Code (2 of 2)

## Musts

Their Line Manager is usually the right person to report potential or actual breaches. If this is not appropriate, they must talk to one of the following:

- Their Business Integrity Officer
  - A member of the Business Integrity Committee in the country where concerns occur
  - Unilever's confidential [Code Support Line](#) (where allowed by local law), by telephone or web using the telephone number or web address communicated locally
  - If asked not to report a potential breach by their Line Manager or another employee, they must immediately report it to their Business Integrity Officer and / or the Code Support Line
- In addition, those at Manager level and above must:
- Lead by example, setting a strong tone from the top, showing they are familiar with the Code and Code Policies and taking steps to embed a culture of integrity across all operations
  - Complete an annual Code declaration
  - Ensure that all their team members, including new joiners:
    - Have read the Code and Code Policies
    - Have completed any related mandatory training
    - Understand how to raise concerns and / or report actual or suspected breaches
  - Deliver training that the Business Integrity Committee or their Line Manager has asked of them, e.g. Business Integrity Moments, face-to-face briefings and team discussions
  - Offer guidance and support about the Code and Code Policies to their team where needed and escalate unresolved questions to their Business Integrity Officer

- Ensure that anyone who raises concerns, or highlights potential or actual breaches, receives support and respect and that there is no retaliation against them
- Ensure that concerns raised are taken seriously and addressed promptly, treating related information with discretion and discussing them with their Business Integrity Officer as soon as possible to determine the appropriate course of action including whom else to inform
- Collaborate further and complete any documentation (e.g. case information and lessons learnt) as may be required of them by their Business Integrity Officer
- Insofar as a breach may have occurred within their operations, consider what additional communications, training or changes to business controls and procedures are necessary to reduce the likelihood of similar breaches occurring

## Must nots

Employees **must not**:

- Ignore or fail to report situations where they believe there is or may be a breach of the Code or Code Policies
- Attempt to prevent a colleague from reporting a potential or actual breach or ask them to ignore an issue
- Retaliate against any person who reports a potential or actual breach
- Discuss any potential or actual breach under investigation with other persons, unless this has been cleared with the investigation team





# Legal Consultation (1 of 2)

Employees must at all times comply with laws and regulations that apply to the countries in which Unilever operates. Ignorance of the law is no excuse. Timely legal consultation is essential to ensure that Unilever's legitimate business interests and opportunities are protected.

This Code Policy sets out how and in what circumstances employees must seek legal advice from Unilever Legal Group.

## Musts

Heads of all market Cluster/country boards or senior leadership teams and heads of all category, corporate and functional leadership teams must ensure the relevant Legal Business Partner is a member of that leadership team upon request and / or that they have an open invitation to attend all team meetings and receive copies of all associated agendas and minutes.

All employees **must**:

- Immediately notify their Line Manager (or other appropriate person – see Code Policy on [Living the Code](#)) and take legal advice if they suspect or discover any illegal activity in relation to Unilever's operations or associated activities involving third parties.



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# Legal Consultation (2 of 2)

## Musts

- Promptly seek advice from their Legal Business Partner in the following situations:
  - Commercial contracts, leases, licences and transactions – Commercial contracts for goods or services (unless Legal Group has expressly delegated authority to the business or set up a route for direct consultation of an external legal advisor); Contracts relating to intellectual property, such as, licences for technology, trademarks, joint development or technical assistance contracts; Treasury transactions, for example, raising equity or debt, asset leasing, derivative transactions (such as currency hedging or interest rate swaps) or guarantees of Treasury transactions; Transactions involving mergers, acquisitions, disposals or joint ventures
  - Litigation and regulatory action – Civil litigation, such as employment or contractual disputes, whether threatened or actual, by or against a Unilever company or employee, including commencement of or settlement of such litigation; Criminal prosecutions, whether threatened or actual, by or against a Unilever company or employee, or at Unilever's instigation;

Communication with government or regulatory bodies about investigations, including unexpected investigations, or where Unilever is seeking regulatory action, such as non-compliant labelling actions through local governmental bodies (see Code Policy on [Contact with Government, Regulators and Non-Governmental Organisations](#))

- Competition/antitrust – Compliance issues or questions involving competition/antitrust laws, such as trade terms, exclusivity arrangements or pricing; Meetings, contacts, collaboration, agreements or other activity, including participation in trade associations or industry groupings (formal and informal or ad hoc), which may involve the exchange of information with a competitor or restrictions on competition (see Code Policies on [Fair Competition](#), [Competitors' Information](#))
- Communication – Press releases that could impact Unilever's reputation or create legal liability, or contain 'inside' or 'price sensitive' information (see Code Policy on [Preventing Insider Trading](#))

- Claims, brands, trademarks, marketing materials – Product claims and marketing materials, including advertising, promotional materials, packaging and labelling, trade materials, advertorials, point-of-sale materials, and web content; Clearance for use of all brand names, marks, logos, slogans, celebrity endorsements and sponsorships; Maintenance, protection and disposal of trademarks, copyrights and domain names used by the business; Competitor challenges to claims, brands, trademarks either by or against a Unilever company
- Employment – Issues relating to non-compete obligations, employment disputes and terminations and non routine employment contract terms
- Safety – Product tampering or counterfeiting; Consumer complaints that may lead to legal disputes; Potential product recalls; Consumer, product, workforce or environmental safety incidents that could have legal implications
- Legal or governance structures – Changes to, or issues around, legal or governance structures at geographic or corporate level, such as changes in capital structures or Board membership, public company filings and arrangements/relationships with third-party shareholders

- Bribery and corruption – Bribery or corruption issues, including related allegations or uncertainty about situations that may have bribery or corruption implications (see Code Policy on [Anti-Bribery](#))

Employees must use their common sense and judgement in situations not covered above: if they are unsure, they must always err on the side of caution and consult Legal Group.

## Must nots

### Employees **must not**

- Do anything that Legal Group has advised is illegal and/ or unlawful. Where an activity is not illegal and / or unlawful but legal advice highlights significant risks for Unilever, such as litigation, they must not proceed without express senior line management authorisation
- Appoint a private investigator without prior approval from their General Counsel

### Employees outside Legal Group **must not**

- Appoint, manage or remove external legal counsel or pay any legal fees that differ from the fee structures agreed by Legal Group



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# Responsible Risk Management



Risk management is integral to Unilever's strategy and to the achievement of Unilever's long-term goals. Our success as an organisation depends on our ability to identify and exploit the opportunities generated by our business and the markets Unilever operates in.

Unilever takes an embedded approach to risk management which puts risk and opportunity assessment at the core of the leadership team agenda. Unilever defines risks as actions or events that have the potential to impact our ability to achieve our objectives. Unilever identifies and mitigates downside risks such as loss of money, reputation or talent as well as upside risks such as failure to deliver strategy if it does not strengthen brand equities or grow in growing channels.

Unilever's Risk Management approach is embedded in the normal course of business with a set of global Principles of Risk Management with local implementation.

Its structural elements include:

- Governance of Unilever, organisational structure and delegation of authority
- Vision, Strategy and Objectives
- Code of Business Principles, Code Policies and Standards
- Risk and Control Frameworks
- Performance management and operational processes execution
- Compliance and assurance activities.

## Musts

All managers and above **must** implement Unilever's Principles of Risk Management as follows:

- Accountability: they must identify and manage the risks that relate to their role
- Risk Appetite: they must determine the level of risk, after the implementation of controls, that they are prepared to accept such that there is not a significant threat to achieving their objectives
- Risk Mitigation: they must put adequate controls in place, and ensure that they are operational, in order to deliver their objectives

All members of leadership teams **must**:

- Ensure that the risk management activities, as outlined in Unilever's Risk and Control Frameworks, are being undertaken for their areas of responsibility

- Complete an annual holistic risk discussion during which:

- Key business risks for which they are responsible are identified;
- How those risks are being managed is reviewed;
- Any gaps in their desired risk appetite are identified.

- Perform regular reviews and ensure risks are mitigated as desired.

All project leaders of transformational projects **must**, together with their teams:

- Identify the key risks associated with their project achieving its objectives
- Prepare risk mitigation plans
- Review progress with the project steering group.



# Responsible Innovation



Innovation is fundamental to Unilever's business success and a core part of our global strategy. The integrity and objectivity of our Science are a key foundation for our approach to responsible innovation. Safety is non-negotiable.

Unilever conducts responsible, safe and sustainable research and innovation, which fully respects the concerns of our consumers and society. In meeting consumer needs, Unilever's innovations are based on sound science and technology, and reflect high standards and ethical principles.

Unilever has global standards that apply to all research and innovation, including on: the safe and sustainable design of new products, processes and packaging; product and brand development; open innovation collaborations; and publication of our scientific research.

## Musts

All [employees](#) involved in scientific research and innovation activity **must** comply with all standards relevant to their area of work, notably in order to:

- Ensure that risks for consumer safety, occupational safety and the environment are suitably assessed and managed
- Ensure appropriate specifications of raw materials, products and packaging
- Ensure effective management of consumer safety risks from food allergens
- Ensure research on human subjects is conducted to the highest ethical standards

- Uphold Unilever's commitment to eliminate animal testing without compromising on consumer safety (see Developing Alternative Approaches to Animal Testing)
- Ensure the integrity, robustness, objectivity and transparency of all scientific research and collaborations with external partners (see Unilever's Position on Science with Objectivity and Integrity)
- Maintain and make accessible records of all research, including study protocols and data, and their interpretation and decisions made
- Raise any concerns about actual or potential non-compliance with this Code Policy with their Business Integrity Officer, Line Manager or their relevant Business Partner in R&D

## Must nots

Employees **must not**:

- Deliver presentations or publications that have not been approved via internal clearance procedures
- Collaborate with third parties outside a structured and approved contractual framework

# Product Safety & Product Quality



Unilever's reputation and success is founded upon providing safe high quality products and services that meet all applicable standards and regulation, both internal and external within the end to end value chain.

All employees have a role to play in ensuring that the products and services we provide meet and / or exceed the expectations of our consumers and customers.

Unilever will take prompt and timely action to recall products or services that don't meet our own high standards or those required by the marketplace.

## Musts

### Employees **must**:

- Apply effective processes to measure and record product and process performance and, where appropriate, take effective preventative steps or corrective action to assure great product quality experiences for our customers and consumers
- Promptly and proactively report all product safety or product quality concerns to their Line Manager or Business Integrity Officer

## Must nots

### Employees **must not**:

- Knowingly produce or distribute products, including promotional items, or services that could adversely impact employees' or consumers' health, endanger customers or adversely impact Unilever's brand reputation
- Take decisions about product safety or product quality without the authority and / or sufficient knowledge to do so
- Respond to customers or consumers about the product quality or safety of products without authorisation to do so



# Countering Corruption

Integrity defines how we behave, wherever we are. It guides us to do the right thing for the long-term success of Unilever.

Avoiding Conflicts of Interest

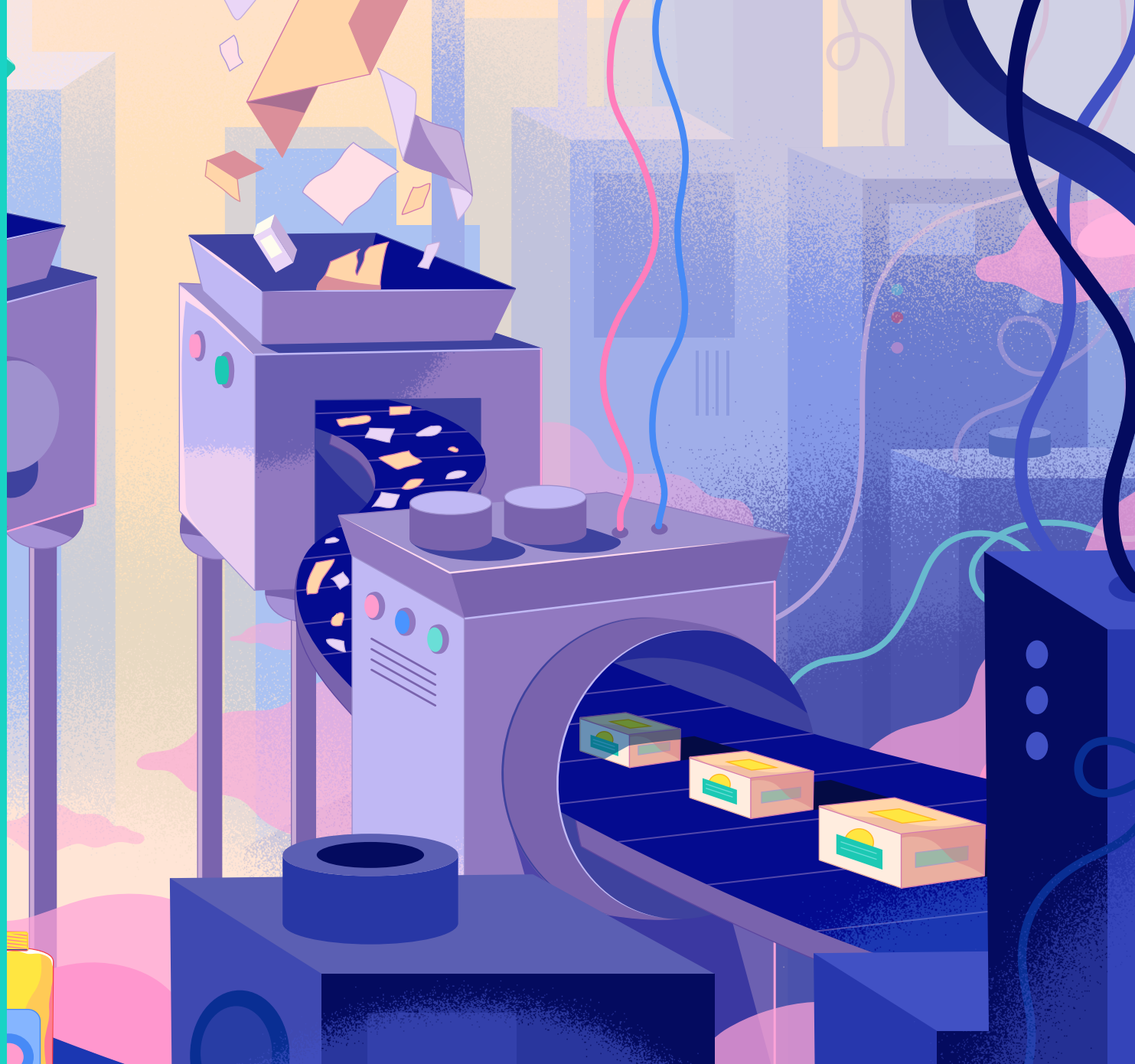
Anti-Bribery

Gifts & Hospitality

Accurate Records, Reporting & Accounting

Protecting Unilever's Physical & Financial Assets & Intellectual Property

Anti-money Laundering



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# Avoiding Conflicts of Interest

Conflicts of interest can have a significant negative impact on the reputation and effectiveness of Unilever, its business and its people. They arise when an employee allows their actual, perceived or potential personal, financial or non-financial interests to affect their objectivity when performing their job at Unilever.

This Code Policy sets out what employees must do to prevent and to manage these situations.

A conflict of interest may arise, and disclosure is required, when an employee:

- Hires, manages, or has an influence on the workload, performance assessment, granting of approvals and / or reward of someone with whom they have a close personal relationship
- Accepts or performs a [Public Official](#) role, or has a [family member](#) or a close personal contact who is a Public Official with the ability to take decisions that could impact Unilever business
- Has a close personal interest in the business of competitors or other third parties relevant to Unilever. This includes cases where the employee, their family members or a close personal contact:
  - work for or provide any services to competitors or to any other third parties relevant to Unilever's business

- hold investments other than in publicly traded pension funds, index linked or tracker funds that represent:
  - Substantial interests in a competitor, State controlled or influenced entity, or any other third party relevant to Unilever business (5% of the net worth of any of these entities)
  - Any interest in a third party if they, or one of their team, are involved in engaging, monitoring or investigating the third party's performance
- Allows their non-financial interests such as personal values, beliefs, welfare and political views to take precedence over Unilever's lawful and ethical expectations, affecting their performance or objectivity at work
- Follow the same process if they are interested in taking up, in a personal capacity, a proposed directorship (or equivalent) of another organisation, whether commercial or not-for-profit, including roles in trade associations and roles for public bodies. This obligation extends to new joiners that hold directorships and have not disclosed them as part of the recruitment process
- The above disclosure requirements excludes roles of school governors, governing positions in amateur sporting or recreational groups, and directors of property/housing blocks in which an employee lives
- Obtain written approval from the Chief Legal Officer and the Chief Business Integrity Officer, before becoming a director of any publicly listed company
- Ensure that external commitments do not:
  - Detract them from their commitment and contribution to Unilever
  - Provide access to commercially sensitive information concerning actual or potential Unilever competitors (see Code Policies on [Fair Competition](#) and [Competitors' Information](#)); and / or

## Musts

### [Employees must:](#)

- Ensure Unilever is best placed to benefit from potential business opportunities
- Follow the process outlined [here](#) to immediately disclose an actual, perceived or potential conflict of interest to their Business Integrity Officer who will determine the best way to manage the situation in consultation with the employee's Line Manager

- Create any liability for Unilever. The employee must inform the other organisation that they take up this position on a personal basis, with no responsibility for Unilever and that any fees or benefits that arise from their engagement are not passed on to Unilever

## Must nots

### Employees **must not:**

- Accept appointments, debate, vote, or participate in any decision-making process or activity when a conflict of interest exists or might arise before their Business Integrity Officer has provided clearance
- Take, or divert to others, any business opportunities that arise in the course of doing their job at Unilever that could be of interest to Unilever
- Misuse their position in Unilever to advance personal interests
- Hire, contract or engage any individual or organisation without ensuring they are free of conflict of interest with Unilever
- Hire or retain the services of former Public Officials without following Unilever's Principles on 'revolving doors'.

# Anti-Bribery



To support global efforts to fight corruption, most countries have laws that prohibit bribery: many apply these 'internationally' to behaviour beyond their borders. A breach of such laws may result in legal and financial consequences for Unilever and individuals. Dealings with public officials are particularly high risk: even the appearance of illegal conduct could cause significant damage to Unilever's reputation.

Unilever's commitment to doing business with integrity requires consistently high global standards: our zero-tolerance approach towards bribery and corruption applies to all Unilever operations, regardless of local business practices, and prohibits both public and commercial bribery (e.g. to or from any third party).

This Code Policy covers what employees must and must not do to meet Unilever requirements.

## Musts

### Employees must:

- Always make clear, internally and when dealing with third parties, that Unilever has a zero tolerance approach to bribery and corruption and will not (directly or indirectly) offer, pay, seek or accept a payment, gift or favour to improperly influence a business outcome
- Immediately notify their Business Integrity Officer and Cluster General Counsel if they become aware of any suggested or actual payment or other transaction which has the potential to be in breach of this Code Policy
- Follow Unilever's third party compliance policies and controls in accordance with the [Responsible Sourcing and Business Partnering](#) Code Policy
- Use electronic communications or e-government solutions (in areas such as licencing, procurement, taxes, brand protection, etc) or any other means available to reduce face-to-face interactions with public officials and the connected risks of bribe solicitation

## Must nots

Employees **must not** directly or indirectly (e.g. via suppliers, agents, distributors, consultants, lawyers, intermediaries or anyone else):

- Offer or give bribes or [improper advantages](#) (including [facilitation payments](#)) to any public official or other individual or third party, which are, or give the impression that they are, intended to influence decisions by any person about Unilever
- Request or receive bribes or improper advantages from any third party, which are, or give the impression that they may be, intended to influence decisions by Unilever about that third party

In exceptional situations where employees cannot escape imminent threat to their life, liberty, or physical harm without meeting a demand for payment, such a payment may be made but those involved must immediately report full details to their Business Integrity Officer and Cluster General Counsel in the country where the incident occurred. This is to ensure that the matter can be fully investigated, necessary financial records kept, and further steps taken where appropriate (see also Code Policy on [Accurate Records, Reporting and Accounting](#)).

# Gifts & Hospitality (1 of 2)

All Unilever's relationships must reflect its ongoing commitment to doing business with integrity.

Hospitality can play a positive role in building relationships with customers, suppliers and other third parties. Likewise, it is sometimes appropriate to offer reasonable gifts, e.g. in the context of promotional events or product launches. However, as accepting or receiving gifts and hospitality can be open to abuse or generate actual or perceived conflicts of interest, this should occur sparingly and always be legitimate and proportionate in the context of Unilever's business activities.

This Code Policy sets out responsibilities of employees in relation to gifts and hospitality. It makes clear what forms of gifts and hospitality are always prohibited. It also explains in what circumstances gifts or hospitality may legitimately be given or received.

## Musts

### Employees must:

- Apply this Code Policy in good faith to ensure gifts and hospitality are never considered to be excessive, confer improper advantage or create an actual or perceived conflict of interest (see Code Policies on [Anti-Bribery](#) and [Avoiding Conflicts of Interest](#))
- Familiarise and observe the local monetary limits that Unilever has set separately for gifts and for hospitality, unless exempted in accordance with this Code Policy



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# Gifts & Hospitality (2 of 2)

## Musts

### Gifts

Employees **must**:

- Ensure that any gifts offered (other than Unilever branded merchandise) or received do not exceed the local monetary limits for gifts, are one-off or irregular in nature and always comply with the Code Policy on [Avoiding Conflicts of Interest](#). Although employees are not required to record such gifts centrally, they must keep their own records for inspection. All exceptions require prior clearance by their Business Integrity Officer
- Ensure that if they are offered a gift that exceeds the local monetary limits for gifts they must politely decline and explain the Unilever rules. In exceptional situations where such gifts have to be accepted to avoid causing serious offence, or circumstances genuinely preclude their return, employees must:
  - Obtain clearance from their Business Integrity Officer; and
  - Where appropriate take steps for the gift to be donated to charity

- Ensure that all gifts by employees that take the form of Unilever branded merchandising materials must be legitimate and proportionate

### Hospitality

Employees **must**:

- Ensure that hospitality is only offered or accepted if:
  - There is a legitimate business interest in doing so
  - Its value does not exceed the local monetary limits for hospitality; and
  - It remains one-off or irregular in nature
  - It is in the form of a locally hosted meal, attendance at, or participation in an organised 'team-building' occasion, local cultural or sporting event, local industry award ceremony, business site visit or similar responsible activity
  - Usual business contacts from Unilever and other parties are physically present

Employees are not required to record such hospitality centrally, but must keep their own records for inspection and ensure expenditure associated with any hospitality provided by, or on behalf of, Unilever is approved using Unilever's standard local expense processing and clearance systems.

In exceptional circumstances where employees seek to offer or accept hospitality above the local monetary limits for hospitality, they **must**:

- Check their Line Manager supports the proposal
- Obtain clearance from their Business Integrity Officer; and
- Once approval is received, ask the third party to confirm that the offer or acceptance of such hospitality also complies with its equivalent gifts and hospitality policy

In other circumstances where employees are offered or asked for hospitality that exceeds relevant local monetary limits for hospitality they must politely decline by reference to this Code Policy.

## Must nots

Employees **must not**:

- Discuss, offer or receive any gifts or hospitality activity involving public officials or their family members without prior clearance from their Business Integrity Officer
- Offer or accept any gifts or hospitality, or any other favours which are intended or might be seen to influence business decisions or create an obligation to do something in return
- Offer or accept any gifts that are in cash or a cash equivalent, such as lottery tickets, gift certificates, vouchers, loans, guarantees or any other granting of credit, shares or options
- Offer or accept any hospitality involving overnight stays or foreign travel without prior written clearance from their Business Integrity Officer
- Offer or accept any hospitality that is not consistent with the Code Policy on [Respect, Dignity and Fair Treatment](#), or may cause offence under local norms and customs

All clearances from their Business Integrity Officer referred to in this Code Policy must be obtained following the gifts and hospitality disclosure process available [here](#)



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# Accurate Records, Reporting & Accounting

The financial reports and other information that Unilever maintains internally and the financial information it provides to shareholders, regulators and other stakeholders must be accurate and complete.

Our records provide valuable information for the business and evidence of our actions, decisions and obligations. Procedures and processes must be in place to ensure that underlying transactions are properly authorised and accurately recorded.

Any failure to record transactions accurately, or falsifying or creating misleading information or influencing others to do so, could constitute fraud and result in fines or penalties for employees or for Unilever.

This Code Policy sets out what employees must do to ensure the accuracy of our business records and financial information.

## Musts

### Employees must:

- Record all transactions accurately, completely and promptly
- Only perform transactions, such as buying, selling or transferring goods/assets, for which they are authorised
- Ensure transactions they approve are legitimate and based on valid documentation
- Notify their Business Integrity Officer and the Head of Finance of any potential fraud or arrangements to facilitate tax evasion, or other misrepresentation of accounting or other information, or if a 'facilitation payment' has been paid to avoid physical danger or due to an error in judgment
- Where instructed in the context of a legal hold, retain records in accordance with Unilever's Data Retention Standard, or longer if required by local laws/regulations
- Retain records that may be relevant to any ongoing audit, litigation or regulatory investigation, even if they exceed the normal retention period if instructed to do so

- Co-operate fully, openly and honestly with internal/external auditors, tax authorities and other regulators
- Ensure they are aware of all information relevant to their work

Employees who are responsible for reporting financial and other business information **must**:

- Comply with all applicable laws, for example, those regarding financial statements, tax and environmental requirements
- Adhere to all applicable external reporting standards and regulations, such as international and national accounting standards, stock market listing standards and rules, financial regulator rules, health and safety requirements, corporate governance codes and regulatory standards
- Follow Unilever's Accounting Manual, reporting instructions and timetables, information standards and information definitions

Employees involved in accounting **must**:

- Ensure sales, profits, assets and liabilities are recorded in the correct time period

- Properly document assumptions that underpin accounting records, especially those relating to provisions, journal entries and contingent liabilities, including tax

Market Cluster/Country Heads, Finance Directors and Controllers must complete quarterly and annual Financial Reporting Declarations in line with instructions issued by Unilever Financial Group.

## Must nots

Employees **must not**:

- Do anything to artificially inflate or shift sales or profit between reporting periods
- Create, maintain or procure others to produce or maintain undisclosed or unrecorded accounts, funds or assets
- Conceal, alter or falsify company records, accounts and documents

# Protecting Unilever's Physical & Financial Assets & Intellectual Property



Employees are responsible for ensuring Unilever's assets are protected.

For information on the protection of several other asset types see the Code Policies on [Occupational Health and Safety](#) and [Protecting Unilever's Information](#).

This Code Policy covers the protection of physical assets and property, financial assets and intellectual property.

## Musts

### Physical assets/property

#### Employees must:

- Take care to ensure that all Unilever physical assets and property they come into contact with while working are not damaged, misused or wasted. Physical assets and property includes factory and laboratory equipment, Unilever products or components, buildings, computers or components, buildings, computers and company motor vehicles

The head of each Unilever site must:

- Identify potential hazards from activities and services on site
- Evaluate the risk of damage to site assets of such hazards and of any potential business interruption or liability that could result
- Take steps to reduce identified risks to an acceptable level

### Financial assets

Employees **must**:

- Protect Unilever's financial assets – such as cash, bank accounts and credit cards - guarding against misuse, loss, fraud or theft
- Only authorise commitments, expenditure, borrowing or other financial transactions in line with their role as specified in local, regional and / or global financial and / or treasury authority schedules
- Comply with the relevant Unilever standards when involved in hedging contracts or transactions

### Intellectual property

Employees **must**:

- Report to Legal Group any suspected counterfeit products or any product, packaging, communication or marketing practice that are suspected of infringing our copyright, trademarks, patents, design rights, domain names and / or other intellectual property rights

- Ensure all necessary checks and filings have occurred with respect to patents, designs and trademarks or other intellectual property rights, when researching, developing or preparing to launch new brands, sub brands, services, designs, inventions, communication, advertising and promotional materials
- Ensure a contract is in place with appropriate clauses to protect Unilever's intellectual property rights and ensure freedom to use results when undertaking collaborative work with third parties

## Must nots

Employees **must not**:

- Remove Unilever's physical assets or property from company premises without permission or use them for inappropriate purposes
- Knowingly infringe the valid patents, design rights, trademarks, copyright and other intellectual property rights of any third party

# Anti-Money Laundering

To protect Unilever's reputation and avoid criminal liability, it is important not to become associated – however innocently – with the criminal activities of others. In particular, Unilever and its employees must ensure Unilever does not receive the proceeds of criminal activities, as this can amount to the criminal offence of money laundering.

This Code Policy sets out essential steps employees must take to avoid being implicated in money laundering.

## Musts

### Employees must:

- Immediately notify their Cluster General Counsel if they have any suspicions about actual or potential money laundering activity
- Look out for warning signs of money laundering, such as:

### Supplier requests to:

- Pay funds to a bank account in the name of a different third party or outside the country of their operation
- Take payments in a form outside the normal terms of business
- Split payments to several bank accounts
- Overpay

### Customer payments to Unilever:

- From multiple bank accounts
- From bank accounts overseas when not a foreign customer
- Made in cash when normally made by cheque or electronically
- Received from other third parties
- Made in advance when not part of normal terms of business

Employees involved in engaging or contracting with third parties such as new suppliers, customers and distributors **must:**

- Ensure that the third parties in question are subject to screening to assess their identity and legitimacy before contracts are signed or transactions occur. Various factors will determine the appropriate forms and levels of screening
- Determine, with guidance from their Business Integrity Officer, which tools and processes should be used to facilitate appropriate screening and record-keeping (see the [Responsible Sourcing and Business Partnering Policy](#))
- Carefully consider, where necessary in consultation with their Business Integrity Officer or General Counsel, screening outcomes before deciding whether to do business with the third party

Finance managers who support Supply Chain Management and Customer Development must regularly monitor and / or review suppliers, customers and other third-party service providers to identify business activity or governance that could indicate money laundering is taking place

## Must nots

### Employees **must not:**

- Simply assume relevant third-party screening has already taken place: failure to check or update screenings periodically may put Unilever and its employees at risk





# Respecting People

People should be treated with dignity, honesty and fairness. Unilever and its employees celebrate the diversity of people, and respect people for who they are and what they bring. Unilever wants to foster working environments that are fair and safe, where rights are respected and everyone can achieve their full potential.

Occupational Health & Safety

Respect, Dignity & Fair Treatment



# Occupational Health & Safety

Unilever is committed to providing healthy and safe working conditions. Unilever complies with all applicable legislation and regulations and aims to continuously improve health and safety performance.

Everyone at Unilever has a role to play. Managers are responsible for cascading and implementation of the occupational health and safety of their direct reports and third parties under their control. As a condition of our employment, we all have a duty to work safely.

This Code Policy outlines our individual and shared responsibilities for health and safety.

## Musts

### Employees must:

- Work and behave safely
- Comply with health and safety procedures and instructions relevant to their work and / or about which they have been trained or notified
- Support team leaders to ensure that everyone they work with, including contractors and visitors, are familiar with and follow applicable health and safety procedures and instructions

- Only undertake work that they are trained, competent, medically fit, sufficiently rested and alert enough to do
  - Make sure they know what to do if an emergency occurs at their place of work / on the road or at a location they are visiting
  - Promptly report to local Unilever management any actual or near miss accident or injury, illness, unsafe or unhealthy condition, incident, spill or release of material to the environment, so that steps can be taken to correct, prevent or control those conditions immediately
- All **Unilever team leaders** have overall operational responsibility for health and safety at their location and **must:**
- Establish and maintain an appropriate health and safety at work management system for their sites and their teams, including the appointment of committees, managers, competent experts and a system for gathering employees' concerns/input
  - Identify health and safety hazards and manage/control risks arising from their team and their site's routine and planned operations, activities and services
  - Regularly review and comply with all applicable local health and safety legislation, including relevant mandatory Unilever requirements
  - Develop site and role specific health and safety improvement objectives and monitor performance, including an annual review of the management system's effectiveness and adequacy
  - Report mandatory Key Performance Indicators (KPIs) via Unilever's Safety, Health and Environment (SHE) reporting system
  - Report all incidents, accidents and near misses in line with reporting requirements, including thorough investigation, follow-up and communication of lessons learned
  - Maintain, communicate and test both site and role emergency plans
  - Ensure all employees, contractors and visitors receive information and training in health and safety relevant to their roles and activities

This Code Policy is shared globally through our local SHE team members who work closely with their local leadership teams. In countries where directors of the local legal company/entity must take responsibility for health and safety matters for all national premises in order to meet legal regulatory requirements, Unilever premises leaders must liaise with the relevant board of directors to agree the health and safety at work management system and the approach required to ensure appropriate ongoing review.

## Must nots

### Employees **must not:**

- Undertake work or related activity, such as driving, when under the influence of alcohol or drugs, or when using medication improperly
- Carry on with any work that becomes unsafe or unhealthy
- Assume someone else will report a risk or concern

# Respect, Dignity & Fair Treatment (1 of 2)

Business can only flourish in societies where human rights are respected, upheld and advanced. Unilever recognises that each business has the responsibility to respect human rights and the ability to contribute to positive human rights impacts.

There is both a business and a moral case for ensuring that human rights are upheld across Unilever's operations and value chain. Unilever is committed to ensuring that all employees work in an environment that promotes diversity and where there is mutual trust, respect for human rights and equal opportunity, and no unlawful discrimination or victimisation.

This Code Policy sets out what employees must do to ensure that all workplaces maintain such an environment.

## Musts

### Employees must:

- Respect the dignity and human rights of colleagues and all others they come into contact with as part of their jobs
- Treat everyone fairly and equally, without discrimination on the grounds of race, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, dependants, disability, social class or political views. This includes consideration for recruitment, redundancy, promotion, reward and benefits, training or retirement which must be based on merit

### Line Managers must:

- Ensure all employees' work is conducted on the basis of freely agreed and documented terms of employment, clearly understood by and made available to relevant employees and others working for Unilever
- Ensure that all employees have obtained employment with Unilever without the employee having paid a recruitment fee or related cost directly or indirectly as guided by the International Labour Organisation standards





# Respect, Dignity & Fair Treatment (2 of 2)

## Musts

- Ensure all employees are provided with fair wages including a total remuneration package that meets or exceeds legal minimum standards or appropriate prevailing industry standards, and that remuneration terms established by legally binding collective agreements are implemented and adhered to. Other than legally mandated deductions, all other deductions from wages require the express and written consent of the employee
- Respect employees' rights to form and join a legally recognised union of their choice or any other body representing their collective interests, and establish constructive dialogue and bargain in good faith with trade unions or representative bodies on employment conditions, labour management relations and matters of mutual concern, to the extent practicable taking national laws into consideration
- Comply with local legal requirements in relation to short-term, casual or agency employees
- Maintain a clear and transparent system of employee and management communication that enables employees to consult and have an effective dialogue with management
- Provide transparent, fair and confidential procedures for employees to raise relevant concerns. These must enable employees to discuss any situation where they believe they have been discriminated against or treated unfairly or without respect or dignity

## Must nots

### Employees **must not**:

- Engage in any direct behaviour that is offensive, intimidating, malicious or insulting. This includes any form of sexual or other harassment or bullying, whether individual or collective and whether motivated by race, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, dependants, disability, social class or political views
- Engage in any indirect behaviour which could be construed as sexual or other harassment or bullying, such as making offensive or sexually explicit jokes or insults, displaying, emailing, texting, or otherwise distributing, offensive material or material of a sexually explicit nature, misusing personal information, creating a hostile or intimidating environment, isolating or not co-operating with a colleague, or spreading malicious or insulting rumours
- Work more than the regular and overtime hours allowed by the laws of the country where they are employed. All overtime work will be on a voluntary basis

### Line Managers **must not**:

- Use, or permit to be used, forced or compulsory or trafficked labour. We have a zero tolerance of forced labour
- Use child labour, i.e. individuals under the age of 15 or under the local legal minimum working age or mandatory schooling age, whichever is the higher
- When young workers are employed (insofar as short-term work experience schemes and work that forms part of an educational programme are permitted), require or allow them to do work that is mentally, physically, socially or morally dangerous or interferes with their schooling by depriving them of the opportunity to attend school

# Safeguarding Information

Information is essential to our success: it fuels our research, keeps us in touch with consumer needs and helps us work effectively together. If used inappropriately, information can cause considerable damage to our business.

Protecting Unilever's Information  
Preventing Insider Trading  
Competitors' Information  
Personal Data & Privacy  
Use of Information Technology



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# Protecting Unilever's Information



Information is one of Unilever's most valuable business assets: Unilever is committed to safeguarding and protecting our information and any other information entrusted to us.

Information within Unilever is held in many different formats, including on paper, electronically in documents or in IT applications & systems. Our requirements to protect information apply to all formats. Unilever has Information Classification & Information Handling standards which define how information within Unilever must be classified, handled and protected.

## Musts

When handling Unilever's information employees must:

- Understand the nature and classification of the information, as defined in the Information Classification Standard; understand and adhere to the handling requirements detailed in the Information Handling Standard; and take personal responsibility for the proper use, circulation, retention, protection and disposal of Unilever's information

- Only distribute or share Unilever's information on a need to know basis, ensuring that only employees or others working for Unilever, or authorised third parties, with a genuine business need, have access to the information
- Take care not to disclose information in public places, including taking all necessary steps to protect information in documents and on IT devices away from the workplace
- Comply with the proper use of Unilever Information Technology and only share Unilever information using Unilever-approved Information Technology in accordance with the Code Policy on [Use of Information Technology](#)
- Report any events which you suspect could impact the security of Unilever information by following the Cyber Security reporting procedures. For example, information being shared with someone who was not authorised to view it; if you have received or responded to a suspicious email, text message, phone call, instant message or MFA prompt; or any other relevant event.

## Must nots

Employees **must not**:

- Disclose Unilever's information externally to third parties unless in accordance with Unilever's Information Classification & Information Handling standards
- Use Unilever's information for anything other than a legitimate business purposes or as required by law.

Personal data relating to employees, consumers and other individuals is subject to specific laws and regulations in most countries and requires special handling. Additional information relating to the classification and protection requirements for personal and sensitive personal data can be found in the Code Policy on [Personal Data and Privacy](#)

If in doubt about how to handle any Unilever information, restricted or otherwise, employees must seek advice from their Line Manager, Business Information Security Officer and / or Legal Business Partner

# Preventing Insider Trading

Employees must not use inside information to buy or sell securities of Unilever PLC, Unilever N.V. or any listed Unilever subsidiary, or any other publicly traded company. Securities include shares, equities and related derivatives or spread bets.

Unilever's Disclosure Committee – on behalf of the Board – oversees that Unilever has the necessary procedures in place to ensure Unilever complies with applicable insider trading laws and regulations (see Unilever's Share Dealing and Disclosure Manuals).

This Code Policy explains what insider trading is, how employees can be sure they don't engage in it, and what to do if they discover inside information is being misused.

Trading or encouraging others to trade on inside information, or giving it to unauthorised parties, is a criminal offence in many countries: a breach of the applicable laws can lead to fines and / or imprisonment. Inside (or price sensitive) information means information that is not available to the public and that a reasonable investor would probably consider important in deciding whether to buy or sell a company's shares. Examples of inside information include the following:

- Business results or forecasts for the whole company or for one of our listed subsidiaries
- A major new product, product claim or product incident/issue
- An acquisition, merger or divestment
- A sizeable restructuring project
- Major developments in litigation cases or in dealings with regulators or governments
- Revisions in dividend policy
- Changes in executive directors.

## Unilever Insiders

Unilever maintains Insider Lists that name all employees and external advisors who have authorised access to Unilever's inside information (individuals will be notified by the Corporate Secretaries' Department if they have Unilever Insider status).

In addition to the general obligations set out above, individuals on the Insider Lists must also comply with the requirements in Unilever's [Share Dealing](#) and [Disclosure](#) Manuals.

## Musts

### Employees must:

- Refer to Unilever's Share Dealing and Disclosure Manuals or contact the Corporate Secretaries' Department in the Legal Group, to check whether something is inside information
- Immediately advise a member of the Disclosure Committee (the Corporate Secretaries' Department holds the names of committee members) if they suspect or know that some inside information is not being managed as inside information

## Must nots

### Employees **must not:**

- Buy or sell securities of any listed company when in possession of inside information related to those securities – even if they believe they are not relying on it. This includes trading at times when there are market rumours that they know are false
- Encourage anyone to buy or sell securities of any listed companies when they have inside information related to those securities – even if they do not profit from the arrangement
- Pass inside information relating to Unilever to anyone within Unilever (unless they are on a relevant Unilever Insider List) or outside Unilever, including family members or friends (see the Code Policy on [Protecting Unilever's Information](#))
- Spread false information or engage in other activities to manipulate the price of publicly listed securities



# Competitors' Information



To promote fair competition Unilever gathers and uses competitor's information that is in the public domain, for example, from newspapers, the internet and company filings. This provides Unilever with valuable insights and helps us achieve our purpose of making sustainable living commonplace, and our vision that being a purpose-led, future-fit company will deliver superior performance.

This Code Policy outlines what employees and others working for Unilever must do to legitimately obtain and use competitor information and at the same time respect the confidentiality of competitor's information.

Unilever respects the confidential information of third parties, including competitors, suppliers and customers. Confidential information is information about another company that is not in the public domain, has value and could be used for commercial benefit. Accepting or using competitor's confidential information risks being a serious infringement of competition laws and/or trade secrets/intellectual property laws, leading to significant penalties for Unilever and individuals.

Competitor information encompasses many areas from marketing and financial information to Intellectual Property such as 2D and 3D designs. If you are in any doubt consult your Legal Business Partner.

## Musts

### Employees must:

- Only gather and use competitors' information from the public domain
- Ensure the information is from a legitimate source and document the source
- Keep up to date with training and the latest policies on obtaining competitor information
- Clearly record the sources of data in all communications so their legitimacy is beyond doubt
- If they acquire a [competitor's confidential information](#) unintentionally, they must notify their Legal Business Partner immediately

## Must nots

### Employees must not:

- Seek to obtain competitor's confidential information from new employees or otherwise



# Personal Data & Privacy

Unilever respects the privacy of all individuals including employees and consumers and their personal data, including digital information Unilever holds about them. We will collect and use personal data in accordance with our values, applicable laws and with respect for privacy as a human right.

This Code Policy sets out what steps employees must take to ensure personal data is handled appropriately.

## Musts

When collecting, using or storing personal data **employees must:**

- Only collect data that is adequate and relevant and use it solely for the purpose for which it is collected
- Be transparent with individuals in relation to how their personal data is used in alignment with Unilever privacy notices
- Obtain consent from individuals in accordance with local law
- Keep personal data up to date correcting inaccurate information when requested and respecting individual legal rights
- Keep personal data confidential and secure
- Act responsibly and ethically, upholding Unilever's core values, always considering the risk to individuals in using their personal data and take steps to mitigate such risk

## Must nots

When collecting, using or storing personal data, employees **must not:**

- Retain personal data for longer than necessary to achieve the business objective or meet minimum legal requirements
- Transfer personal data outside the country in which it is collected without advice from their Legal business partner, as there may be legal restrictions/ requirements relating to the transfer
- Collect and use personal data for purposes that are not reasonably expected by our consumers and employees

If in doubt, employees must seek advice from their line manager and / or Legal business partner.



# Use of Information Technology (1 of 2)



This Code Policy explains how employees should use Unilever equipment and systems, or personal devices to access information at Unilever, responsibly and securely in compliance with all relevant laws and regulations

[Employees](#) are provided with access to Unilever systems and equipment to carry out their role.

Employees are permitted to use Unilever Equipment for personal use if this does not cause material impact to Unilever. Material impact includes excessive storage, network usage, mobile data usage, or voice utilisation which may have an impact on the performance of the environment.

All Unilever business information processed by or stored on Unilever or personal systems and equipment is not private and may be monitored, inspected or removed by Unilever, regardless of whether it is work-related or 'personal'.

Unilever may log, diagnose and assess activity on Unilever systems and equipment to the extent permitted by law, to ensure this policy is being followed and Unilever's technical environment is optimised.



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# Use of Information Technology (2 of 2)

## Musts

When using Unilever's Systems and Equipment, employees **must**:

- Ensure Unilever equipment is used appropriately and protected from damage, loss or theft
- Use a password or PIN to lock unattended Unilever equipment, or any personal device used to access Unilever information
- Immediately report to the IT Service Desk the loss or theft of any Unilever equipment, or any personal device used to access or store Unilever Information
- Ensure any removable Unilever IT equipment is secured when left in the office overnight, is locked away or put out of sight when left unattended at home, in a hotel or in a vehicle. When travelling, keep it with you at all times
- Comply with copyright law and respect all applicable licenses for any graphics, documents, media and other materials stored on or accessed with Unilever systems or equipment
- Follow the appropriate IT request process to install any software or applications on their Unilever equipment

## Must nots

Employees **must not**:

- Try to disable, defeat or circumvent Unilever security controls, including but not limited to firewalls, browser configuration, privileged access, anti-virus and the deletion of system logs
- Use Unilever systems or Unilever equipment to intentionally access, store, send, post or publish material that is:
  - Pornographic, sexually explicit, indecent or obscene, or
  - Promotes violence, hatred, terrorism or intolerance, or
  - Is in breach of local, national or international laws
- Use Unilever systems or Unilever equipment to intentionally defame, slander or lower the reputation of any person or entity or their goods or services
- Expose Unilever information by:
  - Using non-public Unilever information for anything other than Unilever business
  - Forwarding emails containing non-public Unilever information to personal email accounts
  - storing or synchronising Unilever information from personal devices
  - Sharing their Unilever access credentials with anyone else, including work colleagues (unless formally approved by Information Security), friends and family
  - Using their Unilever password for non-Unilever IT Systems
  - Using their Unilever email address for non-business related websites or online activity
  - Intentionally accessing Unilever Systems or Unilever Information that is not intended for them
- Run or engage in any form of private business using Unilever IT equipment
- Access Unilever Systems or Information after leaving Unilever employment



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# Engaging Externally

Throughout our value chain, from innovation through to our consumers, Unilever and its employees need to demonstrate the same ethical standards when engaging with others externally as when dealing with colleagues.

Responsible Marketing

Responsible Sourcing & Business Partnering

Fair Competition

Contact with Government, Regulators & Non-governmental Organisations (NGOs)

Political Activities & Political Donations

External Communications –  
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# Responsible Marketing

Unilever is committed to developing, producing, marketing and selling all its products and services responsibly. Unilever can and should conduct marketing activities in line with societal expectations.

This Code Policy sets out global minimum standards that apply to all of Unilever's marketing activities everywhere.

This covers but is not limited to: brand names, packaging and labelling; consumer planning and market research; trade advertising; sales materials; brand merchandising and sponsorship; all forms of advertising including television, radio, print, digital media, promotional activities and events, product placements, 'advergaming' – whether created by Unilever, agencies, crowdsourcing or other third parties.

## Musts

Employees who are involved in Unilever marketing activities **must**:

- At all times, respect applicable marketing laws
- Describe our products/services and their effects truthfully, accurately and transparently, with appropriate factual and, where relevant, nutritional information
- Ensure there is sufficient information for consumers and customers to understand how to use our products and services
- Ensure our marketing is based on adequate support for the claims Unilever makes
- Comply with our principles and standards on marketing, including (but not limited to) those with respect to children, women and social media
- Be mindful of the environmental implications of marketing activity, in such areas as new product development, marketing activation plans, packaging and content recycling



## Freedom of choice

Employees involved in Unilever marketing activities must show respect for people who choose not to buy our products and services, and ensure there is sufficient information about our products and services for consumers to make informed choices

## Taste and decency

Employees involved in Unilever marketing activities must ensure our marketing reflects and respects generally accepted contemporary standards of good taste and quality, in the context for which it is designed, showing awareness of both wider society and sensitivity to different cultural, social, ethical and religious groups.

## Must nots

Employees **must not**:

- Alter images used in marketing communications in such a way that advertising is rendered misleading
- Misuse technical data or use scientific terminology or vocabulary in such a way as falsely to suggest that a claim has scientific validity
- Associate our products or services with, or feature within any Unilever marketing, themes, figures or images likely to cause serious or widespread offence to any religion, nationality, culture, gender, race, sexual orientation, age, disability or minority group
- Advertise in any media known for promoting violence, pornography or insulting behaviour

# Responsible Sourcing & Business Partnering

As a purpose-led company, Unilever is committed to doing business in a manner that improves the lives of workers across our value chain, their communities and the environment. Unilever expects its suppliers and business partners to adhere to values and principles consistent with our own.

This Code Policy sets out responsibilities of employees who engage with third parties.

Our requirements for third parties are set out in the [Responsible Sourcing Policy \(RSP\)](#) for suppliers and in the [Responsible Business Partner Policy \(RBPP\)](#) for distributors, customers and other partners subject to the RBPP.

Unilever could face legal and reputational liabilities if third parties fail to comply with these requirements.

The RSP and RBPP outline the fundamental principles and mandatory requirements that third parties must meet.

Teams responsible for setting the standards of these policies are Integrated Social Sustainability (Supply Chain) for the RSP and Customer Development for the RBPP.

## Musts

[Employees](#) who contract and / or work with Unilever's third parties **must**:

- Read and understand the RSP or RBPP policies and consult their Line Manager and / or the relevant responsible teams if they have any questions
- Ensure that all our third parties are subject to our RSP or RBPP policies and controls. This includes adequate and timely onboarding, contracting and monitoring (including verification and remediation where necessary)
- Ensure that all our agreements with suppliers (inclusive of MSAs, UPAs, CTCs, POs\*) and distributors and customers (including DOs\*), to the extent required by our internal controls, include contract clauses that specify that the supplier must acknowledge adherence to our RSP or RBPP as a condition of engagement
- Notify their Line Manager and the relevant responsible team if they know or suspect that third parties are not meeting relevant RSP or RBPP requirements or if they are performing contrary to the agreed contractual terms
- Ensure that any selection, shortlisting or tendering processes for new third parties consider their compliance with the RSP or RBPP

## Must nots

Employees who contract and / or work with Unilever's third parties **must not**:

- Agree to any contractual changes or exclusions with respect to the RSP or RBPP without consulting their Legal Business Partner and in respect of the RSP, prior written authorisation from the Integrated Social Sustainability function
- Continue transacting with third parties that have been declared as not compliant with the RSP or RBPP unless a dispensation or exemption is provided, or when they have been identified on the Prohibited Third Parties list



\*Footnote: Master Service Agreements, Unilever Purchase Agreements, Commercial Terms Contracts, Purchase Orders, Distribution Orders.

# Fair Competition (1 of 2)



Investigations by competition authorities may result in significant fines and costs, compensation claims by our customers and competitors, and damage to our reputation and commercial relationships. Criminal sanctions for individuals may also apply.

Competition laws prohibit:

- Anticompetitive agreements
- Sharing of commercially sensitive information between competitors, unless approved by Legal
- Certain restrictions imposed on or agreed with distributors and other customers; and
- Abuses of dominant market positions.

This Code Policy sets out what employees must do to ensure Unilever upholds fair competition.

## Co-operating with competition authorities

Unilever co-operates fully with the competition authorities, while consistently and robustly defending its legitimate interests. All contacts with competition authorities (including, where relevant, national courts) are co-ordinated by the relevant Legal Business Partner. For more details, see the Code Policy on [Contact with Government, Regulators & Non Governmental Organisations \(NGOs\)](#).

## Musts

Market Cluster/country, Category and Function Heads must, with the support of Legal, ensure that the requirements of competition law are understood by employees, contractors and agents operating in their categories, markets and functions, by providing appropriate documentation, communication and training, with tailored programmes for specific (in particular 'high risk') groups.

### Employees must:

- Comply with competition law for all categories and markets in which they operate and undertake all relevant training



# Fair Competition (2 of 2)

## Musts

- Before taking part in a trade association or industry event, ensure all mandatory requirements set out in the Unilever Standard on Trade Association Memberships have been complied with; this also applies to less formal meetings or events that involve competitors, such as awards ceremonies or associated social contacts
- Object immediately if inappropriate topics are raised during any contact with competitors and leave immediately – and noticeably – if any inappropriate discussion continues
- Report incidents of inappropriate discussions immediately to their Legal Business Partner
- Promptly seek advice from their Legal Business Partner:
  - Whenever you need help applying the competition rules laid out in this Policy to any specific business situation, and in any case of doubt
  - In situations which may involve the exchange of information with a competitor
- Before discussing joint purchasing arrangements, or production, research and development, and standardisation agreements with any competitors
- When contemplating restrictions on the commercial activity of a customer or a distributor
- In situations where Unilever might have a strong market position and Unilever's commercial practices could be perceived as unfair to customers or competitors
- Clearly record sources of competitor information in all communications and documents so their legitimacy is beyond doubt

## Must nots

Unilever prohibits participation in cartels in all countries, even those that do not have competition law.

### Employees **must not**:

- Participate in cartels
- Discuss, agree or exchange information about, any of the following, directly or indirectly, with competitors (unless approved by Legal Group):
  - The price or terms of sale for products and / or services
  - The price or terms to be demanded from suppliers
  - The co-ordination or allocation of bids or quotes
  - Limitations on production or sales; or
  - The division or allocation of geographic markets, customers or product lines
- Boycott or refuse to deal with certain competitors, customers or suppliers without first seeking advice from their Legal Business Partner
- Impose restrictions on the commercial activity of a customer or a distributor without first seeking advice from their Legal Business Partner, including control of the resale price, the territory or channels in which they may resell Unilever products and the extent to which they may sell competing products
- Where Unilever has a strong market position, conduct itself in order to take unfair advantage of customers or unfairly prevent competitors from entering, remaining or expanding in a market, e.g. selling below cost, certain types of conditional rebates, exclusivity arrangements



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# Contact with Government, Regulators & Non-Governmental Organisations (NGOs) (1 of 2)



Any contact by employees or other representatives with government, legislators, regulators or NGOs must be done with honesty, integrity, openness and in compliance with local and international laws.

This Code Policy provides detailed guidance on how contact with the above authorities must proceed. It does not cover interactions about purely personal matters, such as personal charitable donations or personal tax.

Governments, regulators and legislators includes bodies that may be: global or international (e.g. United Nations); regional (e.g. European Union, ASEAN); national; or active at a local community level. Non-Governmental Organisations (NGOs) also operate at different levels, and their work includes social and consumer issues as well as environmental ones.

Interaction with these organisations must only be made by authorised and appropriately trained individuals. This covers all forms of communications, whether formal, informal or social interaction in relation to Unilever business including any kind of correspondence such as in-person, electronic media or written correspondence.

# Contact with Government, Regulators & Non-Governmental Organisations (NGOs) (2 of 2)

## Musts

### Employees must:

- Be appropriately trained and authorised by their Line Manager
- Be courteous, open and transparent in declaring their name, company, role, status and, for any enquiry or 'representation', the nature of the subject matter
- Take all reasonable steps to ensure the truth and accuracy of their information
- Keep a record of contacts and interactions with authorities at our own initiative

- Seek prior approval when contacting officials to **represent our legitimate interests** as follows;
  - Global/international organisations = Global Head of Regulatory Affairs, Global Head of Communications & Corporate Affairs or Global Head of Sustainability;
  - Regional organisations = Global Head of Communications, Markets or relevant Cluster External Affairs/ Regulatory Affairs Head;
  - National or local organisations = National Head of External Affairs/ Regulatory Affairs Head. If employees do not have such departments in their location, they must get approval from cluster head of Function or National Managing Director/Head of Operations.
- Where appropriate, obtain clearance on a standing basis as a requirement of their role, for example, employees from regulatory affairs, communications and advocacy

- Have prior approval from the local Finance Director, General Counsel or Corporate Tax Department, Group Controller or Corporate Pensions Department for any contact relating to taxation, financial reporting, accounting, pension or legal matters
- Have prior approval from Regulatory Affairs (which will in turn liaise with legal group) before any **contact with regulators** about Unilever's actual or planned use of products and / or ingredients
- Have prior approval from the local communications department before any **contact with NGO's**
- Be aware of the up to date procedures communicated by site leaders for responding to unannounced inspections from relevant authorities. This must include the nomination of Responsible Persons to lead the response for each type of potential inspection.

## Must nots

### Employees **must not:**

- Attempt to obstruct the collection of information, data, testimony or records by authorised investigators or officials
- Say or do anything that may, or may be perceived as seeking to, improperly influence decisions about Unilever by any government, legislators, regulators or NGOs (see the Code Policies on [Gifts & Hospitality](#) and [Anti-Bribery](#))



# Political Activities & Political Donations



Unilever companies are prohibited from supporting or contributing to political parties or candidates. Employees can only offer support and contributions to political groups in a personal capacity.

This Code Policy sets out how employees must manage their business relationship with political groups.

Approval will only be given where the non-party-political nature of the activity has been publicly communicated as such by the advisory group, its work relates to areas supporting Unilever's corporate vision, and the group includes representatives from a broad range of organisations, such as well-known peer companies, national charities, non-political think-tanks, research organisations and representatives of academia, or similar such bodies.

## Musts

### Employees must:

- Ensure any contributions towards, and support for, political parties are clearly personal and give no impression of being connected to Unilever
- Ensure any personal political support or contributions do not affect their performance or objectivity at work (see the Code Policy on [Avoiding Conflicts of Interest](#))
- Ensure where employees represent Unilever in social or economic advisory groups set up by governments, their participation is subject to the prior approval of the head of communications

## Must nots

### Employees **must not:**

- Create a conflict of interest through their involvement in the type of social or economic advisory groups mentioned above. (see the Code Policy on Avoiding Conflicts of Interest)



# External Communications – The Media, Investors & Analysts



Communication with investment communities – including shareholders, brokers and analysts – and the media must be managed carefully. Such communication has important legal requirements and demands specialist skills and experience. Only individuals with specific authorisation and training/briefing may communicate about Unilever with investment communities or the media, or respond to their enquiries or questions.

Unilever's Disclosure Committee – on behalf of the Board – is responsible for ensuring Unilever has the necessary procedures to comply with relevant laws and regulations including Unilever's Disclosure & Share-Dealing Manuals.

This Code Policy outlines how communication with investment communities and the media must operate.

## Musts

Employees who have received authorisation to communicate with investment communities or the media from the Investor Relations or Media Relations functions or a Board Member **must:**

- Comply with any conditions attached to their authorisation, such as constraints on when and / or with whom they may communicate
- Always consult with the authorising functions about the content of any message before they communicate

Employees who are part of the Investor Relations or Media Relations functions must follow Unilever's [Share Dealing](#) and [Disclosure](#) Manuals and the departmental processes and procedures (including authorisations) in this area

The above rules also apply outside formal work settings, such as at external speaking engagements, courses, seminars, trade association events or social occasions.

## Must nots

Employees who are not part of the Investor Relations or Media Relations functions or a Board Member **must not:**

- Communicate with investment communities or the media, either on or off the record, without authorisation from one of these functions and appropriate training/briefing
- Respond to enquiries from investment communities or the media: all enquiries must be directed to the Media Relations or Investor Relations functions
- Get drawn into conversations, answer any questions or provide any information or opinion
- Make any forward-looking financial statements or provide 'inside information' (see the Code Policy on [Preventing Insider Trading](#) and the Media Relations Protocol)

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Countering  
Corruption

Respecting  
People

Safeguarding  
Information

Engaging  
Externally

Glossary





# Glossary

## Code Support Line

Confidential online and telephone service, allowing the user to raise a concern about an actual or potential breach of the Code or Code Policies, to ask a question if clarification is needed and to check back on the status of a concern raised or a question asked. The service is available at [www.unilevercodesupportline.com](http://www.unilevercodesupportline.com)

## Competitor's confidential information

Non-public information about a competitor's product or the way in which a competitor carries out its business. Confidential information covers a broad sweep of activities, including current or future prices; pricing terms (e.g. discounts); buying prices, costs and supplier information business or financial strategies and plans (e.g. mergers, acquisitions and divestments); marketing, promotional and sales plans; financial results before any formal announcement; R&D work (strategies, designs, formulae, drawings, technical information, manuals and instructions, product specifications and samples of products that have not been launched or revealed publicly); and proprietary software.

## Employee

A person employed by Unilever under one of a variety of contracts. The term covers all employees, whether full-time, part-time, fixed-term, permanent or trainees.

Additionally, in this document, the term is used to cover other persons working for Unilever as follows: those with a statutory Director role or equivalent responsibilities; Unilever employees of joint ventures; and employees of new acquisitions.

## Facilitation payment

Unofficial payment – in effect a bribe – made to a public official to secure or speed up the performance of a routine action that the official is required to provide anyway. Facilitation payments are illegal in most countries, although a small number provide exceptions in certain circumstances. Also referred to as a 'facilitating', 'speed' or 'grease' payment.

## Family member

A relative, by blood or by marriage (or similar informal relationship), notably a spouse, live-in partner, parent or child. The term includes sibling, step- or adopted child, step-parent, grandparent, uncle, aunt, cousin, grandchild or any relative who has lived with you for the past 12 months or more.

## Improper advantages

The offer or gift of anything of any value, including nominal cash amounts, which may be perceived as intended to cause the recipient to behave contrary to customary ethical expectations. Includes money, services (including favours), discounts, use of resources, loans, credit, the promise of future advantages (including future employment or internships), and gifts or hospitality.

## Public official

An officer, employee or representative of a State or a State controlled or owned entity. Term includes a person representing a political party or public international organisation, members of royal families or a candidate for political, municipal or judicial office. Also covers anyone acting in an official capacity on behalf of any of the above, including the police and armed forces.

## Unilever

The expressions 'Unilever' and 'Unilever companies' are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC.