ANNUAL REPORT & FINANCIAL STATEMENTS 2020

Complete family care & protection!

Unilever Nigeria Plc RC 113


Sunlight
for your
washing occasions
and so much more

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Our Values

INTEGRITY
RESPECT
RESPONSIBILITY
PIONEERING

Our Brands

Unilever Corporate Profile

Unilever Nigeria Plc. - Purpose-Led, Future-fit

Unilever Nigeria Plc. was established in 1923 as a soap manufacturing company – West Africa Soap Company– by Lord Leverhulme. It later became known as Lever Brothers Nigeria Plc. Today, it is the longest serving manufacturing organization in Nigeria.

After a series of mergers and acquisitions, the Company diversified into manufacturing and marketing of foods, home, beauty and personal care products. These mergers and acquisitions resulted in the absorption of Lipton Nigeria Limited in 1985, Cheesebrough Industries Limited in 1988 and Unilever Nigeria Limited in 1996. The Company changed its name to Unilever Nigeria Plc. in 2001 in line with the global strategic direction of the business.

The Company was quoted on the Nigerian Stock Exchange in 1973 and is a truly multi-local, multinational organization with international and local brands in her portfolio. The international brands include Close-Up toothpaste, Pepsodent toothpaste, LUX beauty soap, Lifebuoy soap, Rexona, Vaseline lotion and Vaseline Petroleum Jelly in the Personal Care division of the business; Lipton Yellow Label Tea and Knorr bouillon cubes in the Foods division; and OMO Multi-Active Detergent, Sunlight washing powder, Sunlight washing bar soap and Sunlight Dish washing liquid and Sunlight Multipurpose washing liquid in the Home Care division. Other Regional and local jewels include the Pears Baby Products range, Glen Tea and Royco bouillon cubes. The Company provides sources of income to tens of thousands of Nigerians who are shareholders, distributors, suppliers, service providers and employees.

Unilever Nigeria Plc. is a member of the Unilever Group, one of the world's leading consumer goods companies. One in three people around the world use Unilever brands every day. With this reach comes responsibility and opportunity. That's why we've made it our purpose to make 'Sustainable living commonplace'. To help people live well within the limits of the planet. This isn't just something we say – it steers our decisions and shapes our actions, at every level of the organization.

Unilever's focus on purpose goes back to our history and it remains integral to our future. Accordingly, we want all our brands to drive purpose, take a stand, and act, on the big social and environmental issues facing the world.

To truly make sustainable living commonplace, we are focused on taking strides that enable us to be fit for the future. We seek to anticipate the significant changes which are shaping our industry, drive increased digitization, lower cost, speed and agility while using our scale and influence to create positive change well beyond Unilever. We are actively driving for competitive, consistent, profitable and sustainable growth with quality products that are good for both people and the planet and within the reach of the generality of Nigerian citizens. We will continue to attract the very best people into a diverse, inclusive and flexible working culture.

Unilever Nigeria's confidence in Nigeria remains resolute and we are committed to continued investments, capability development and innovation with brands that are tailored to delight and satisfy the Nigerian citizens' needs and preferences.

Board of Directors, Officers and Other Corporate Information

Directors	
His Majesty Nnaemeka A. Achebe CFR, mni Obi of Onitsha	- Non-Executive Director & Chairman of the Board
Mr Carl Cruz (Filipino)	- Managing Director
Mr Jaime Aguilera (Spanish)	- Non-Executive Director (Appointed w.e.f. 1 January, 2021)
Mrs Abiola Alabi	- Non-Executive Director
Ammuna Lawan Ali, OON	- Independent Non-Executive Director
Mr Felix Enwemadu	- Executive Director
Mr Michael Ikpoki	- Independent Non-Executive Director (Appointed w.e.f. 1 February, 2021)
Mr Chika Nwobi	- Non-Executive Director
Mrs Adesola Sotande-Peters	- Executive Director
Mr Mutiu Sunmonu CON, FNSE	- Independent Non-Executive Director

General Counsel WA & Company Secretary
Mrs Abidemi Ademola

Registered Office
1 Billings Way, Oregun, Ikeja, Lagos
Tel: +234 1 279 3000 & +234 803 906 6000
Email: Consumercare.nigeria@unilever.com
Website: www.unilevernigeria.com

Company Registration Number
RC 113

Independent Auditor
KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island, Lagos.

Registrar and Transfer Office
Greenwich Registrars and Data Solutions Ltd.
274, Murtala Muhammed Way
Alagomeji, Yaba, Lagos
Tel: +234 01 279 3161- 2 & +234 01 813 1925

Bankers

Access Bank	Guaranty Trust Bank
Citi Bank	Rand Merchant Bank
Coronation Bank	Stanbic IBTC Bank
Globus Bank	Standard Chartered Bank
First Bank	Sterling Bank
First City Monument Bank	United Bank for Africa
Ecobank Nigeria	Zenith Bank

Results at a glance

	2020 N'000	2019 N'000
Revenue	61,959,678	60,486,835
Operating loss	(6,070,180)	11,763,219
Loss before taxation	(4,742,587)	10,071,943
Taxation	776,666	2,652,269
Loss for the year	(3,965,921)	(7,419,674)
Capital employed	62,129,120	66,528,350
Capital expenditure	1,046,550	6,511,071
Depreciation of property, plant and equipment	5,135,811	4,265,782
Cash and cash equivalents	37,100,827	35,458,553
Earnings per share (Naira)	(0.69)	(1.29)
Net Assets per share (Naira)	10.81	11.58
NSE share price at 31 December	13.90	19.00

Ratio % Revenue		
Operating costs	-30%	-27%
Operating loss	-10%	-19%
Loss after tax	-6%	-12%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-sixth (96th) Annual General Meeting of Unilever Nigeria Plc. will be held at the Unilever Nigeria Plc. Head Office, 1 Billings Way Oregun, Ikeja, Lagos on Thursday 6 May, 2021 at 10.00am for the following purposes:

Ordinary business:

1. To lay before the Members, the Report of the Directors, the Audited Financial Statements for the year ended 31 December, 2020 together with the Reports of the Audit Committee and the Independent Auditors thereon.
2. To elect or re-elect Directors, to wit:
   I. To elect Mr Jaime Aguilera and Mr Michael Ikpoki being directors elected since the last Annual General meeting
   ii To re-elect the following directors retiring by rotation
   - Ammuna Lawan Ali
   - Mr Felix Enwemadu
   - Mrs Adesola Sotande-Peters
3. To disclose the remuneration of Managers of Unilever Nigeria Plc.
4. To authorize the Directors to fix the remuneration of the Independent Auditors
5. To elect members of the Audit Committee.

Special business: By Ordinary Resolution

6. To consider and if thought fit, to pass the following as ordinary resolution:
   "That the remuneration of the Non-Executive Directors of Unilever Nigeria Plc for the year ending December 31, 2021 be and is hereby fixed at N62 million only as Directors Fees. In addition, sitting allowances will be paid at standard agreed rates for each meeting attended and the Chairman will be entitled to a vehicle allowance of N12 million gross per annum".

7. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:
   "That, pursuant to Rule 20.8 of the Rulebook of the Nigerian Stock Exchange 2015: Issuers Rule, a general mandate be and is hereby given authorizing the Company during the 2021 financial year and up to the date of the next Annual General Meeting, to procure goods, services and financing and enter into such incidental transactions necessary for its day to day operations from its related parties or interested persons on normal commercial terms consistent with the Company's Transfer Pricing Policy. All transactions falling under this category which were earlier entered into in 2021 prior to the date of this meeting are hereby ratified."

8. To Consider and if thought fit, pass the following sub-joined resolutions as ordinary resolutions of the Company:

   I. That the proposed separation of the Company's tea business (the "Tea Business") and all assets attached to or deployed in connection with the Tea Business (as will be more particularly described in the relevant transaction documents) to a newly-incorporated dedicated tea company in Nigeria in the Unilever group (the "Separation") on such terms and conditions as may be agreed by the Board of Directors of the Company ("the Board"), is hereby approved subject to obtaining relevant regulatory approvals;

   II. That the Board is hereby authorized to execute all relevant documents, appoint such professional advisers, take all necessary steps and to do such other acts or things as may be necessary, supplementary, consequential or incidental to giving effect to or supporting the Separation including obtaining the relevant regulatory approvals and complying with the directives of any regulatory authority; and

Notice of Annual General Meeting (continued)

III. **That all acts carried out by the Board and management of the Company hitherto in connection with the above, be and are hereby ratified.**

NOTES:

Proxy

In view of the COVID-19 pandemic, attendance at the AGM shall only be by proxy. A member of the company entitled to attend and vote is advised to select from the underlisted proposed proxies to attend and vote in his/her stead:

- His Majesty N A Achebe
- Mr Mutiu Sunmonu
- Mr Michael Ikpoki
- Mr Felix Enwemadu
- Sir Sunny Nwosu
- Mr Boniface Okezie
- Mr Matthew Akinlade
- Mr Gbenga Idowu
- Mrs Adebisi Bakare
- Mr Adebayo Adeleke
- Mr Nornah Awoh
- Mr Bright Nwabuogwu
- Mr Patrick Ajidua
- Mrs Samiat Adebanke Odunuga
- Ms Ganiat Adetutu Siyanbola

A detachable Proxy Form is enclosed and if it is to be valid for the purpose of the meeting, it must be completed and deposited at the office of the Registrars, Greenwich Registrars and Data Solutions Ltd. 274, Murtala Muhammed Way, Alagomeji, Yaba, Lagos P. M.B. 12717, Lagos or via E-mail: proxy@gtlregistrars.com not later than forty-eight (48) hours before the time of the meeting. NOTE: All instruments of proxy shall be at the Company 's expense.

Nominations for the Audit Committee

The Audit Committee comprises of three (3) shareholders and two (2) Non-Executive Directors. In accordance with Section 404 (6) of the Companies and Allied Matters Act 2020, any shareholder may nominate another shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty one (21) days before the date of the Annual General Meeting. Section 404 (5) of the Companies and Allied Matters Act 2020 provides that all members of the Audit Committee shall be financially literate and at least one member shall be a member of a professional accountingbody in Nigeria established by an Act of the National Assembly.

Unclaimed Dividends

Shareholders are hereby informed that some dividend warrants have been returned to the Registrars as unclaimed while some have neither been presented to the Banks for payment nor to the registrar for revalidation. A list of such unclaimed dividends will be circulated with the Annual Reports and Financial Statements. The list will also be available on Unilever Nigeria Plc website www.unilevernigeria.com. Affected members are by this notice, advised to contact the Registrars at Greenwich Registrars and Data Solutions Ltd., 274 Murtala Muhammed Way, Alagomeji, Yaba, Lagos P. M.B. 12717, Lagos. Tel: 01 279 3161- 2 & +234 01 813 1925

E-Dividend/Bonus Mandate

Pursuant to the Directive of the Securities and Exchange Commission, notice is hereby given to

Notice of Annual General Meeting (continued)

all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of e-dividend/bonus. A detachable application form for e-dividend is attached to enable shareholders furnish particulars of their accounts to the Registrars as soon as possible. The Forms can also be downloaded from the Registrars' website. Shareholders are also advised to update their records with the Registrars. All mandates and records update should be deposited at Greenwich Registrars and Data Solutions Ltd., 274 Murtala Muhammed Way, Alagomeji, Yaba, Lagos.

Rights of Securities' Holders to ask Questions

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting and such questions must be submitted to the Company via the Company Secretary on or before Thursday 29 April, 2021

Electronic Annual Report

The electronic copy of the 2020 Annual Report is accessible on www.unilevernigeria.com and also circulated by e mail to all Shareholders who have provided their email addresses to the Registrars. The Reports are also dispatched to Shareholders via their addresses in the shareholders' register. Shareholders who are interested in receiving an electronic copy of the 2020 Annual Report by e mail should request via: info@gtlregistrars.com

Profile of Directors Standing for Election/re-election

The profiles of the five (5) Directors standing for election/re-election are contained in the Annual Report.

Live Stream of the Annual General Meeting

The Annual General Meeting will be streamed live and a link will be provided on the Company's website subsequently for this purpose.

Dated 25 March, 2021

By order of the Board

Mrs. Abidemi Ademola
General Counsel WA & Company Secretary
FRC/2013/NBA/00000001646

Registered Office
1, Billings Way,
Oregun, Ikeja,
Lagos.


Unilever
Lifebuoy
New Lifebuoy
Strong soap for today's germs*
NEW
Lifebuoy
activ silver formula
Total 10
With
Activ Silver Formula
Creative Visualization

Chairman's Statement

"The COVID-19 pandemic resulted in unforeseen challenges for all businesses, including Unilever Nigeria Plc. However, the transformational organisational actions taken and the resilience we built into the business have enabled us to navigate the turbulence with confidence and rigour."

HIS MAJESTY NNAEMEKA A. ACHEBE CFR, MNI
Obi of Onitsha

Chairman's Statement (continued)

Esteemed Shareholders, Representatives of Regulatory Bodies present, Distinguished ladies and gentlemen, on behalf of the Board of Unilever Nigeria Plc., I am pleased to welcome you to the 96th Annual General Meeting ("AGM") of our Company and present to you the Reports and Financial Statements for the financial year ended 31 December, 2020 and review of the performance of our Company during the financial year.

Without an iota of doubt, 2020 was marked by significant global and local complexities occasioned by the outbreak of the COVID-19 pandemic. The COVID-19 pandemic resulted in unforeseen challenges for all businesses, including Unilever Nigeria Plc. However, the transformational organisational actions taken and the resilience we built into the business have enabled us to navigate the uncertainty with confidence and rigour. Some of these relate to how the business was managed in the face of Covid-19, the speed at which lives and livelihoods were protected, the agility demonstrated in responding to changing patterns of consumer behaviour and demand, the strong leadership exhibited by the Board and Executive team, the dedication of our factory workers and front-line staff to maintain supply lines, and the sheer commitment of the entire Unilever Nigeria team. We are now ready to emerge from the current situation as an agile, lean, and sustainable organisation, with the tools and capabilities we need for long-term success.

2020 Economic and Business Environment

2020 was an intense and volatile year globally. The coronavirus pandemic has cost millions of lives worldwide, and the ensuing lockdowns catalysed the most severe economic contraction since the Great Depression. Almost everywhere, policymakers struggled to manage enormous economic and public health challenges, with differing degrees of success. Capital markets experienced their turmoil. Global equities suffered their sharpest drawdown, but most recovered at a record pace, making new all-time highs. The pandemic has affected and tested the ability of institutions to mitigate and recover from a devastating impact.

Though Nigeria somehow avoided a public health crisis, the same could not be said for its economy. The health pandemic exposed the structural deficiencies and efficiencies of the Nigerian economy. The government's lockdown and restrictions crippled businesses leading to job losses, worsened households' living standards, increased insecurity, and rampant social unrest. The COVID-19 pandemic also brought about a decline in the foreign exchange earnings for the economy which leading foreign exchange supplier is oil and consequently dealt a significant blow to the manufacturing sector. The government's efforts in collaboration with the Private Sector Coalition Against COVID-19 (CACOVID) to reduce the pandemic's adverse impact on households and businesses had limited effect due to weak fiscal structure and revenue base.

By the end of the second quarter, the country's gross domestic product (GDP) had shrunk by -6.10% before recovering in Q3 2020 by -3.62%. The two-quarters of negative GDP growth nudged the economy into an official recession. Headline inflation grew by 15.75% compared to 11.3% in 2019, while food inflation spiked at 19.56%, indicating that domestic real asset values were being pulverised as the country's poverty index hit new highs. The country's purchasing managers' index (PMI) oscillated between 57.1% and 60.8% in 2019 but slumped to 46.9% in December 2020. The gradual rise in the PMI towards the end of the year, according to analysts, reflects a slow but noticeable turnaround in the country's economic fortunes.

According to the International Monetary Fund (IMF), Nigeria's recovery is expected to be weak and gradual under current policies. Real GDP is expected to recover to its pre-pandemic level only in 2022, and its growth in 2021 is expected to turn positive at 1.5 per cent.

Chairman's Statement (continued)

Business Impact and Results

Despite a challenging year for the economy, with subdued growth and high levels of volatility undermining confidence in many parts of the world, Unilever Nigeria Plc's fundamentals held strong. Our 2020 results are reflective of the intentional focus on driving operational efficiency and cost optimisation.

Early in the COVID-19 crisis, we decided that the best way to manage the business and better measure our actual performance was to refocus on consistent, competitive, and responsible growth as pillars for our long-term value creation. We have performed well against these objectives. We took deliberate actions, including calculated investment behind our brands to strengthen our brand power, embedding tighter Order to Cash guardrails to drive compliance with our stock norms, and fostering accountability with our customer credit terms. We also embarked on several innovative and transformative agenda to dial-up simplification and automation, thereby making our business more digitally enabled to support our growth ambition.

Several factors impacted the profitability of the consumer sector, including Unilever Nigeria Plc., such as prolonged port congestion, forex devaluation and scarcity, border closure, sluggish economic recovery, tighter consumer spending, and additional costs levelled on businesses by the pandemic. Also, additional impairment was recognised mainly on receivables from related parties that are in a net current liability position. Expected repayment plan from these related parties during the year was impacted by the COVID-19 crises. Adequate plans have been put in place to ensure recovery of these related party balances. With a focus on increasing revenue, protecting cash and ensuring our operations are efficiently run. Unilever Nigeria Plc. generated a Turnover of N61.9 Billion in the year ended 31 December, 2020 compared to N60.4 billion for the year ended 31 December, 2019. The Company recorded a loss after tax of N3.9 billion for the year ended 31 December 2020, a positive improvement from the loss of N7.4 billion for the comparative year ended 31 December 2019.

Our Company's 2020 performance reinforces that the Unilever growth fundamentals drove a marked improvement in our operational excellence and was a key factor behind our improved competitiveness. These fundamentals have now been widely adopted across the business with increased rigour. Our business is emerging as a sturdier consumer-centric organisation better fit to compete for consumers of the future.

Board Members

I am delighted to welcome two Non-Executive Directors to the Board of Unilever Nigeria Plc. - Mr Jaime Aguilera and Mr Michael Ikpoki.

Mr Aguilera, Executive Vice President Unilever Africa, joined the Board with effect from 1 January 2021 as a Non-Executive Director. He is a well-rounded professional with broad operational expertise spanning top FMCG companies in Europe, the Americas and Asia.

Mr Ikpoki also joined the Board with effect from 1 February 2021 as an Independent Non-Executive Director. He brings a wealth of executive experience relating to Policy and Regulatory Management, Commercial Operations and Management, General Business Management, Strategic/C-Level & Country Leadership capabilities.

We believe that the expertise and experience that Mr Aguilera and Mr Ikpoki bring to the Board will further complement those of the other members of our Board as we continue to pivot on our growth fundamentals.

Chairman's Statement (continued)

Our Commitment

It is no surprise that the world faces extraordinary events, with volatile markets and an evolving global pandemic. While we cannot predict the future, we can do what we do best: make sustainable living commonplace. We consistently endeavour to make sustainability central to how we source our inputs, to the constitution of our production ecosystem and processes, to the development of our fit-for-purpose brands, and as a vital objective of our selling strategies.

We firmly believe that winning in the marketplace requires winning with people and through people. The Company is staffed by dedicated, creative, customer-focused people who continuously demonstrate Unilever's key behaviours of courage, persistence, and integrity. Our employees are our greatest asset and, we recognise and thank them for all the sacrifices they made during the 2020 financial year. We remain committed to investing and protecting our people even during these unprecedented times.

As one of Nigeria's biggest soap companies, Unilever Nigeria Plc. remains committed to promoting hygiene. With the pandemic outbreak, we deployed several initiatives to support our employees, suppliers, communities and other stakeholders. Some of the measures we took include but is not limited to:

- Enforcing our work from home policy for our non-frontline employees and providing the necessary support to enable them to work effectively from home;
- Adopting strict control measures before allowing employees and other third parties access to any of our sites, including routing staff buses to help employees avoid public transportation;
- Implementing safety protocols relating to social distancing and hygiene standards in our factories and offices;
- Providing the necessary personal protective equipment for our employees and implementing daily health check-ins;
- Providing relief materials to communities and making donations to health workers;
- Supporting State and Federal Government agencies in their efforts to control the spread of the Covid-19 pandemic.

It will take concerted action from everyone to overcome the challenges occasioned by the Covid-19 pandemic, and we are ready to play our part and fight this together.

Acknowledgement

I want to recognize the incredible efforts of all our critical stakeholders, whose practical support enabled us to weather the headwinds of 2020. We accordingly acknowledge with thanks our shareholders, employees, customers, suppliers, bankers and other service providers for all your contributions to our Company throughout 2020 and for your commitment to continuing to work with us in these challenging times.

Chairman's Statement (continued)

I would also like to thank the management team led by Mr Carl Cruz for their passion and hard work during these trying and uncertain times. As always, I would like to thank our parent company Unilever Plc., for the steadfast support and commitment to Unilever Nigeria Plc's progress and the country. I must also thank my fellow dedicated board members for their unalloyed commitment to the Company.

The Future

This pandemic has taught us that what affects one country can have a ripple effect on the world and showed how our little actions can go a long way in changing lives. With the introduction of the COVID-19 vaccines at the end of 2020, we are starting to see the light at the end of the tunnel. The expectation is that if the vaccination and the comprehensive economic plan being developed by the Federal Government is well implemented, it will have the desired impact of rebounding the economy.

Our 2020 results have shown that refocusing the business on the path of competitive growth and driving operational efficiency is an effective strategy. We now have a model that works and can easily be adapted to whatever situation we find ourselves. Our goal is to remain competitive and sustainable. I am also hugely optimistic about our business' future direction: offering our best brands to our consumers at prices they can afford with a purpose that speaks to them.

We are grateful for your support and honoured by the trust you place in us.

HIS MAJESTY NNAEMEKA A. ACHEBE CFR, MNI
Obi of Onitsha
FRC/2013/NIM/00000001568


FOR 12 HOURS
FRESH
BREATH
TOOTHPASTE/DENTIFRICE/DENTIFRICO
closeup
DEEP ACTION
for strong white teeth
12 HOURS FRESH BREATH
RED HOT
THIS IS NOT JUST A TOOTHPASTE
THIS IS closeup
closeup
HERBAL TOOTHPASTE
5 BENEFITS
NATURALLY HEALTHY MOUTH
closeup
NAIJA HERBAL
HERBAL FRESH BREATH
RECOGNIZED by
fdi
FDI recognises that twice daily brushing with a floride toothpaste
such as CloseUp Deep Action is beneficial to oral health.

The Board

HIS MAJESTY NNAEMEKA A. ACHEBE CFR, MNI

–Non-Executive Director & Chairman

His Majesty Nnaemeka A. Achebe, Obi of Onitsha, had a 30-year career with the Royal Dutch Shell Petroleum Group of Companies in Nigeria and overseas. He is the past Chairman of Diamond Bank PLC, past Chairman of Intafact Beverages Ltd. (subsidiary of SAB Miller Plc.) and past Chancellor of Kogi State University. He is the Chairman of the Board of International Breweries Plc. (a subsidiary of AB-InBev, the global leading brewer of beer and other beverages), OMAK Maritime Limited, and Tishona Limited.

He is also the Chairman of Anambra State Traditional Rulers Council, a trustee of the National Council of Traditional Rulers of Nigeria, and Chancellor Ahmadu Bello University, Zaria. He was educated at Stanford and Columbia Universities in the U.S.A. and also attended the National Institute for Policy and Strategic Studies, Kuru.

He was appointed to the Board of Unilever Nigeria Plc. in March 2003.

MR CARL CRUZ (FILIPINO)

- Managing Director & Vice President West Africa

Mr Carl Raymond R. Cruz. was the immediate past Executive Chairman, Unilever Sri Lanka. He holds a Bachelor of Science degree in Marketing from De La Salle University, Philippines. He comes with an extensive career in Unilever D & E Markets in Asia (Philippines, Thailand, India and Sri Lanka). Since joining Unilever in 1992, Carl has gained over 28 years' experience working in Customer Development, and in Marketing roles across Home Care, Beauty & Personal Care and Foods. Most recently, as Chairman of Unilever Sri Lanka, Carl has successfully steered the business to a sustainable and competitive growth trajectory. He has not only established Unilever Sri Lanka as a market leader across key categories but also as the most admired employer, despite some very challenging conditions, including the Horana Fire in 2016 and the Easter Sunday Attacks in 2019. Under Carl's leadership, the Sri Lanka business was positioned as a lean, agile and digitally enabled organization. Carl's passion for inclusion, experimentation and empowerment is reflected in his vision of Re Imagine USL - a transformational journey, that he has led from the front.

Since Carl took over the leadership of Unilever Nigeria Plc on 1 February, 2020, he has been focused on business transformation and growth. Carl is a non-executive director of Unilever Ghana Plc.

He was appointed to the Board of Unilever Nigeria Plc. in February, 2020.

MR. JAIME AGUILERA

– Non-Executive Director & President Africa

Mr. Jaime Aguilera is a well-rounded business professional, with broad operational expertise while working for top FMCG companies. Starting 2009, he joined Unilever Spain as EVP & Chairman. Jaime was appointed as Executive Vice President Unilever Eastern Europe in September 2016 and then moved to his current role as Unilever Executive Vice President Africa Cluster, leading Unilever business in Africa. Prior to joining Unilever, had been in Coca-Cola, Nestle and Procter and Gamble.

His work experience spans across Europe, Americas and Asia. He has lived and worked in Spain, Brazil, Greece, Mexico, Switzerland and Poland. His key expertise areas are General Management, Marketing and Sales, and he has lead teams in Spain, Brazil, East Europe, South Eastern Europe, Middle East, Mexico and Global teams. Jaime is of Spanish origin and is an alumnus of the Universidad Pontificia de Comillas -ICADE. Jaime majored in Economic Science, Management & Business Administration.

He was appointed to the Board of Unilever Nigeria Plc. in January, 2021.

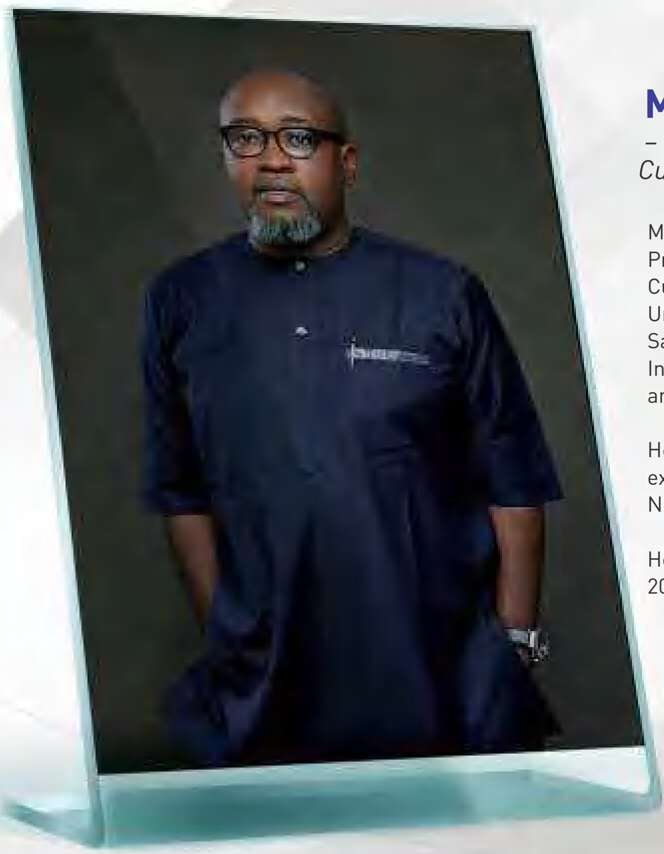
MRS ABIOLA ALABI

–Non-Executive Director

Biola Alabi is a media entrepreneur, an African early stage investor and public speaker. She is the CEO of Biola Alabi Media, a dynamic consultancy and production company with expertise in pay entertainment, digital television, interactive television and emerging entertainment distribution platforms; they service governments, content creators, telecommunication industry, and investors in the converging media technology space. She is also the founder of "Grooming for Greatness" a leadership development and mentorship program for a new generation for African leaders. Named one of the 20 Youngest Power Women in Africa by Forbes Magazine (2012), a World Economic Forum Young Global Leader (2012) and CNBC Africa's AABLA West African Business Woman of the Year (2013). For over five highly successful years, Biola Alabi held the high profile position of Managing Director for M-Net Africa, part of the globally renowned Naspers Group.

Prior to this, she was based in the United States where she was part of the executive team at the influential children's television brand Sesame Street, and a member of the marketing team that launched the well respected Korean motor vehicle corporation Daewoo in the USA. An alumnus of the University of Cincinnati where she graduated with a Degree in Public and Community Health, Biola Alabi has spent recent years polishing her knowledge with Executive Education Programs at Harvard University's Kennedy School of Government, Oxford University's Said Business School and Yale University's Jackson Institute of Global Affairs. She is also a Yale World Fellow, at Yale University.

Biola Alabi is the CEO of Biola Alabi Media LTD., a Non-Executive Director of Monty Mobile, Chairwoman & Non-Executive Director of Big Cabal Media, a trustee of the Renewable Energy Association of Nigeria. She was appointed to the Board of Unilever Nigeria Plc. in December, 2015.



MR FELIX ENWEMADU

– Executive Director and Vice President Customer Development

Mr Felix Enwemadu is the Vice President Customer Development. Prior to this position, he was the Head of Customer Development and Customer Development Director, General Trade respectively at Unilever Nigeria Plc, General Manager at Diageo Brands Nigeria Ltd, Sales Director at Nutricima Nig. Plc, Head of Sales Notore Chemicals Industries Ltd and occupied Sales Management positions at Guinness and Procter & Gamble.

He is an experienced business sales professional with over 20 years' experience. He holds a Bachelor of Science Degree in Geology from Nnamdi Azikiwe University, Awka, Anambra State.

He was appointed to the Board of Unilever Nigeria Plc. in October, 2016.

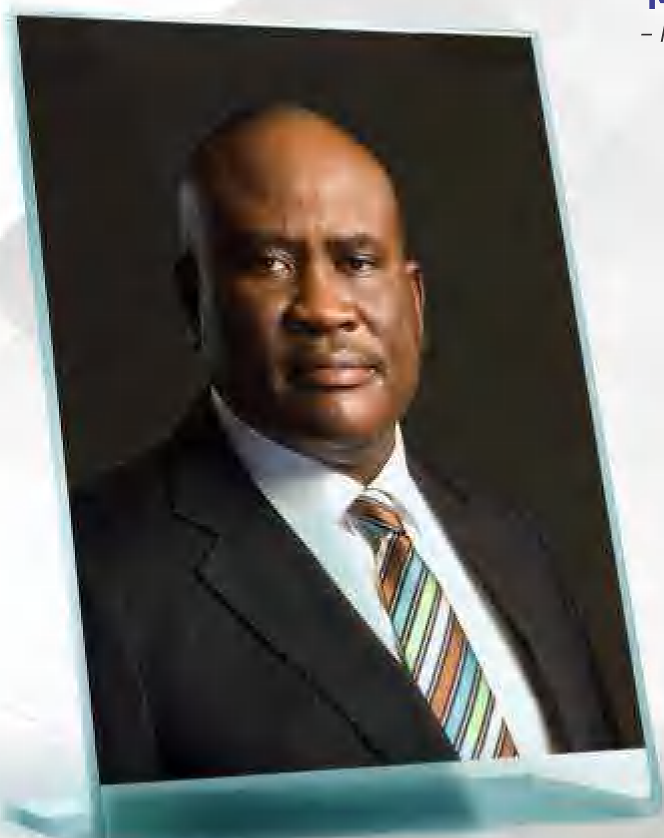
AMMUNA LAWAN ALI, OON

– Independent Non-Executive Director

Ammuna Lawan Ali, a retired Federal Permanent Secretary, commenced her Civil Service career in 1977 as a Planning Officer in the Borno State Ministry of Lands and Survey, Maiduguri, where she rose to the position of Permanent Secretary. In 1995, Ammuna Lawan Ali transferred her services to the Federal Civil Service as a director and served in the Ministry of Women Affairs and Social Development and of Finance. In January 2001, Ammuna Lawan Ali was appointed a Permanent Secretary and served in various Ministries, including those of Commerce, Petroleum Resources, Transportation, Works, Environment, Housing and Urban Development, amongst others. She retired from service in December 2009.

Ammuna Lawan Ali is a proud recipient of a national honour, Order of Niger (OON) and a member of the National Institute of Policy and Strategic Studies (NIPSS) Kuru. She holds a BA (Hons) and Masters Degree in Public Administration. She is an Independent Director of Africa Prudential Plc., the Patron of Women in Energy Network, (WIEN) Nigeria, and Chairperson Board of Trustees of African Women Entrepreneurship Programme (AWEP), Nigeria.

She was appointed to the Board of Unilever Nigeria Plc. in December, 2015.



MR MICHAEL IKPOKI

– Independent Non-Executive Director

Mr Michael Ikpoki is an accomplished Multinational Business Executive and leader, lawyer by training, with over twenty four (24) years relevant African Telecommunications Industry Experience comprising of public sector experience in a National Telecommunications Regulatory Authority (Nigerian Communications Commission), business management experience in the MTN Group and telecommunications/ICT Advisory and Consulting experience in Africa. Specific Operational Industry experience include Policy & Regulatory Advisory/Management, Commercial Operations & Management, General Business Management, Strategic/C-Level & Country Leadership capabilities in very fast moving and intensely competitive telecommunications markets in Africa.

Mr Ikpoki has demonstrated proven capability in successfully managing and growing telecommunications operations in some of the largest economies in Africa during his tenures as CEO of MTN Ghana and CEO of MTN Nigeria respectively between 2011 and 2015. In his Operational Senior leadership and CEO roles, he successfully deployed effective leadership to deliver concrete results. Mr Ikpoki now independently consults and serves as a resource person on Telco/ICT projects within Africa while adapting his experience to other related areas namely market entry advisory and leadership development. Mr Ikpoki is presently the CEO of Africa Context Advisory Partners, an Africa-focused business advisory company which provides business advisory services in Telecoms/ICT, market entry/ growth particularly in ICT and Consumer-related Industries in West Africa. He also mentors CEOs/Senior leaders and speaks to select audiences on Telecoms/ICT, Leadership and Business in Africa. He is also the Chairman of the Board of Directors of i-Fitness Centre Limited (A health and Fitness business/franchise).

He was appointed to the Board of Unilever Nigeria Plc. in February, 2021.

MR MUTIU SUNMONU CON, FNSE

– Independent Non-Executive Director

Mutiu Sunmonu, CON graduated from the University of Lagos in 1977 with a first-class degree in Mathematics and Computer Sciences. He joined Shell Petroleum Development Company of Nigeria Limited (SPDC) in August 1978 and served in various capacities in Nigeria, UK and the Netherlands.

After 36 years of meritorious service, Mr. Mutiu Sunmonu retired from Shell as the Managing Director of SPDC, and Country Chair of Shell Companies in Nigeria.

Since his retirement, he continues to be active in the Oil and Gas Industry. He is currently the chairman of Petralon Energy Nigeria and the chairman of San Leon Energy UK. He is the Chairman of Julius Berger Nigeria Plc and the Chairman of Imperial Homes Mortgage Bank. He was appointed to the Board of Unilever Nigeria Plc. in December, 2015.

MR CHIKA NWOBI

– Non-Executive Director

Chika Nwobi is the founder and CEO of Decagon where brilliant young Nigerians are trained to be world-class software engineers then connected to local and global opportunities. Before Decagon, Chika has been involved in incubating over 20 startups including Babybliss, Nigeria's top omni-channel platform for mom and baby, Jobberman and Cheki. Chika was the founder of MTech where he launched Nigeria's first mobile internet service with MTN Nigeria in 2001 and helped pioneer the Mobile VAS industry. Chika has also led consulting engagements for Ford Foundation and IFC.

Chika is also venture partner in Rise Capital, an emerging-markets focused venture capital firm. Chika has a BA in Economics and a B.Sc. in Computer Science and is in the MSc Software Engineering program at University of Oxford. He also completed the Stanford University SEED transformation program. Chika is passionate about education and developing young people and has been invited to speak at Wharton, NYU and Lagos Business School. He has also served as judge and mentor for entrepreneurship programs of Federal Government of Nigeria's and the World Bank XL startup program.

He was appointed to the Board of Unilever Nigeria Plc. in January 2019.

MRS ADESOLA SOTANDE-PETERS

– Executive Director and Vice President Finance West Africa

Mrs. Adesola Sotande-Peters holds a bachelor degree in Business Administration and Economics from Richmond College, The American International University in London, she also has an MBA for finance professionals from Manchester Business School. She is a Fellow of the Association of Certified Chartered Accountants (FCCA) and fellow of the Institute of Chartered Accountants of Nigeria (FCA). Her career spans about 25 years in various organizations such as British Broadcasting Corporation (BBC), Informa Group UK, Openwave Telecoms UK, Diageo Plc (Guinness Nigeria Plc, East African Breweries Limited, and Guinness Cameroon SA) where she has held various senior Finance roles.

Adesola is a member of the Institute of Directors, Nigeria, an Associate member of Women in Management, Business & Public Services (WIMBIZ) and a Fellow of the WIMBOARD Institute, a WIMBIZ/IE University, Madrid Executive Education Programme for Women on Boards. She was a recipient of the 2017 CEO Awards as the CFO of the year – FMCG category and a recipient of the Best place to work and Great Place to Work exceptional female leader for 2018 and 2019 respectively. Adesola is amiable and keen to nurture young professional colleagues. Adesola is a non-executive director of Unilever Ghana Plc., Lonadek Inc., WELEAD, Aruwa Capital Management, Sygen Pharmaceuticals Ltd. and Leap Africa.

She was appointed to the Board of Unilever Nigeria Plc. in January, 2015.

MRS ABIDEMI ADEMOLA

– General Counsel West Africa & Company Secretary

Mrs. Abidemi Ademola is a Corporate Counsel and Governance Professional with experience spanning over 25 years of Commercial Law and Corporate Governance practice in Nigeria and West Africa. She is listed on the Legal 500 GC Powerlist: Africa. Her forte is to proactively identify legal, regulatory, compliance and corporate governance risks to business and develop innovative mitigation to enable seamless operations. Abidemi holds a Bachelor of Laws from the Obafemi Awolowo University, Ile-Ife., a Master of Laws from the University of Lagos, Akoka and an MBA Leadership from Walden University, United States.

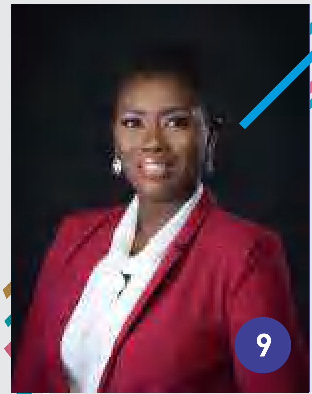
She is a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria and an Associate of the Chartered Governance Institute, UK. She is also a member of the Nigerian Bar Association, the Society of Corporate Governance and the Institute of Directors, Nigeria. She is an Associate member of Women in Management, Business & Public Services (WIMBIZ) and a Fellow of the WIMBOARD Institute, a WIMBIZ/IE University, Madrid Executive Education Programme for Women on Boards. Abidemi was the pioneer chairperson of the Corporate Counsel Committee of the NBA Section on Business Law. She is passionate about building to last with particular focus on talents and Institutions.

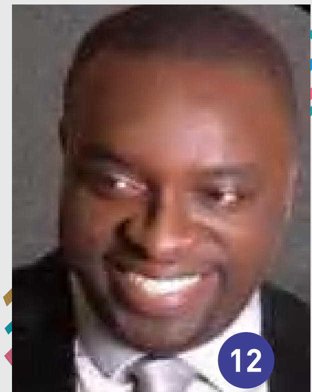
She was appointed as Company Secretary in January 2012

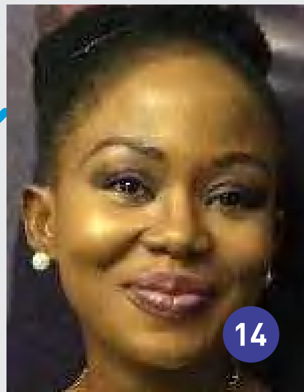
Unilever Nigeria Plc Leadership Team

1. **CARL CRUZ**
   MD, NIGERIA & VP WEST AFRICA
2. **SIDDHARTH RAMASWAMY**
   VP SUPPLY CHAIN WEST AFRICA
3. **ADESOLA SOTANDE-PETERS**
   FINANCE DIRECTOR & VP FINANCE WEST AFRICA
4. **FELIX ENWEMADU**
   EXECUTIVE DIRECTOR & VP CUSTOMER DEVELOPMENT
5. **ABIDEMI ADEMOLA**
   GENERAL COUNSEL WEST AFRICA & COMPANY SECRETARY
6. **OLA EHINMORO**
   HR DIRECTOR WEST AFRICA
7. **SOROMIDAYO GEORGE**
   CORPORATE AFFAIRS & SUSTAINABLE BUSINESS DIRECTOR, WEST AFRICA
8. **CEPHAS AFEBUAMEH**
   SUPPLY CHAIN DIRECTOR

Unilever Nigeria Plc Leadership Team







9. **BUNMI ADENIBA**
MARKETING DIRECTOR, HOME CARE & MAINSTREAM GHANA & NIGERIA
10. **DAVE PLANSON**
RESEARCH & DEVELOPMENT DIRECTOR
11. **ADELEYE ADENIJI**
CD DIRECTOR, GENERAL TRADE
12. **OBINNA EMENYONU**
PROCUREMENT DIRECTOR WEST AFRICA
13. **BOLANLE KEHINDE-LAWAL**
MARKETING DIRECTOR FOODS & REFRESHMENTS
14. **OIZA GYANG**
CATEGORY LEAD, BEAUTY & PERSONAL CARE
15. **OLUWATOBI ADENIYI**
LOGISTICS & PLANNING DIRECTOR
16. **AYOTUNDE ORESEGUN**
IT LEAD GHANA & NIGERIA

Report of the directors

The Directors hereby present their Report together with the audited financial statements for the year ended 31 December 2020.

Legal Status

Unilever Nigeria Plc. is incorporated in Nigeria as a public limited liability company under the Companies and Allied Matters Act 2020 and is domiciled in Nigeria. The company's shares are listed on the Nigerian Stock Exchange (NSE).

Principal activities

The company is principally involved in the manufacture and marketing of Foods and refreshments, Home care and Beauty and personal care products. It has manufacturing sites in Oregun, Lagos State and Agbara, Ogun State.

Results

The results for the year are summarized as follows:

	2020	2019
	N'000	N'000
Revenue	61,959,678	60,486,835
Operating loss	(6,070,180)	(11,763,219)
Loss before taxation	(4,742,587)	(10,071,943)
Taxation	776,666	2,652,269
Loss after tax	(3,965,921)	(7,419,674)
Other comprehensive income	(493,380)	(224,011)
Proposed dividend	-	-

Corporate Governance Report Framework

Unilever Nigeria Plc. operates within a Corporate Governance framework established on the following:

1 Companies and Allied Matters Act 2020.
2 The Rule Book of the Nigerian Stock Exchange for the time being in force
3 The Investment and Securities Act 2007
4 Securities and Exchange Commission (SEC) Rules for the time being in force
5 The Nigerian Code of Corporate Governance 2018
6 Securities and Exchange Commission (SEC) Corporate Governance Guidelines 2020
7 The Memorandum and Articles of Association of Unilever Nigeria Plc.
8 The Board Charter
9 The Unilever Code of Business Principles and Code Policies.
10 Subsidiary Governance of Unilever document.

From the above, the Corporate Governance Policy of Unilever Nigeria Plc can be summed up as follows:

a. We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees and the legitimate interests of those with whom we do business.

Report of the directors (continued)

b. As a Unilever Group company, we seek to comply with the laws and regulations of the countries in which we operate.

c. We focus on the long-term sustainability of our business for the benefit of multiple stakeholders. We are committed to providing transparency across all our operations ensuring stakeholders trust what we do.

d. We will conduct our 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 our shareholders and other stakeholders.

Compliance with the above principles is a critical element of our business success and all Unilever employees and business partners are mandated to comply with these principles.

During the year 2020, Unilever Nigeria Plc. continued to embed the principles of good corporate governance encapsulated in the Nigerian Code of Corporate Governance 2018 and the Securities and Exchange Commission Corporate Governance Guideline 2020.

Board composition

The Directors who held office during the year 2020 and up to the date of this report are:

His Majesty Nnaemeka A. Achebe, CFR, MNI Obi of Onitsha	Non-Executive Director and Chairman
Mr Carl Cruz	Managing Director (Appointed with effect from 1 February, 2020)
Mr Jaime Aguilera	Non-Executive Director (Appointed with effect from 1 January, 2021)
Mrs Abiola Alabi	Non-Executive Director
Ammuna Lawan Ali, OON	Independent Non-Executive Director
Mr Felix Enwemadu	Executive Director
Mr Michael Ikpoki	Independent Non-Executive Director (Appointed with effect from 1 February, 2021)
Mr Chika Nwobi	Non-Executive Director
Mr Atedo N.A. Peterside, CON	Non-Executive Director (Resigned with effect from 31 March, 2020)
Mrs Adesola Sotande-Peters	Executive Director
Mr Mutiu Sunmonu, CON	Independent Non-Executive Director

Report of the directors (continued)

Since the last Annual General Meeting, the following Directors were appointed to the Board:

* Mr Jaime Aguilera, Non-Executive Director - Appointed with effect from 1 January, 2021
* Mr Michael Ikpoki, Independent Non-Executive Director - Appointed with effect from 1 February, 2021

Board responsibilities

The Board has the apex responsibility for leadership, direction and performance of the company and has the powers, authority and duties vested in it by the relevant laws and regulations of the Federal Republic of Nigeria and the Articles of Association of Unilever Nigeria Plc. The Board has oversight responsibility for the management of risk and for reviewing the effectiveness of the internal control and risk management system within the company.

The Board has delegated to the Managing Director all its powers, authority and discretions which relate to the day-to-day operations of Unilever Nigeria Plc.

The powers, authority and discretions exclusively within the remit of the Board and which currently have not been delegated include making or approving the following:

1 Structural and constitutional powers

- a Alteration of Articles of Association
- b Alteration of the capital of the Company
- c Significant asset disposal

2 Governance

- a Convening of meetings of the shareholders of Unilever Nigeria Plc. and the setting of the agenda thereof and generally ensuring that a satisfactory dialogue with shareholders takes place.
- b Presentation of the annual report and financial statements to shareholders.
- c Reviewing and approving proposals from the Governance, Remuneration and Risk Management Committee.
- d Proposals to the general meetings of shareholders of Unilever Nigeria Plc. on the Board remuneration policy within the authority set by the general meeting of shareholders
- e The review of the functioning of the Board and its committees
- f Overall responsibility for compliance with all relevant laws, regulations and Code of Corporate Governance.
- g The Operating Framework.

Board Appointment, Evaluation & Training

Unilever Nigeria Plc. appoints Directors in line with its Board recruitment process which devolves from its Code of Business Principles and Code Policies relating to human resources recruitment and Corporate Governance. The basic principle underlining the process of recruitment of Directors in Unilever Nigeria Plc. are the qualifications, ability and skills required for the role and the ability to make visible and independent (as applicable) contribution to the governance of Unilever Nigeria Plc. in accordance with Unilever global, regional and local strategy, Unilever Diversity and Inclusion principles and the relevant local legal requirements. These principles were applied during the recent appointment of Mr Jaime Aguilera and Mr Michael Ikpoki into the Board of Directors in 2021.

Report of the directors (continued)

The governance process in Unilever Nigeria Plc. provides for the induction and training of Directors by virtue of which Directors are taken through relevant and appropriate training programmes which empower them for the role on an ongoing basis. In accordance with its 70-20-10 principle, Unilever believes that 70% of training and capability building and interaction with the right calibre of people while the remaining 10% will result from formal training.

In 2020, the Board went through a formal training session on 'Post COVID-19 Imperatives for the Board' which was facilitated by KPMG Professional Services, Nigeria. Some members of the Board also went through the IOD Company Direction Course and IOD Corporate Governance Conference to sharpen their Corporate Governance knowledge and capabilities.

Unilever Nigeria Plc. provides the right atmosphere for its Directors to exhibit leadership and enhance their experiences. It further provides relevant governance information to its Directors and facilitates circulation of essential governance documents to the Board from time to time to keep them abreast of all relevant legal, regulatory and corporate governance developments and trends.

The Board of Directors of Unilever Nigeria Plc. is evaluated locally and at the Unilever Africa Cluster level on an annual basis. The Board and individual Directors are benchmarked against the requirements of the Unilever Code of Business Principles, the Code Policies, the laws and regulations of Nigeria, the Nigerian Code of Corporate Governance, the SEC Corporate Governance Guideline and other relevant governance provisions. The scope of evaluation covers diversity and inclusion, leadership, compliance, contribution to the Board agenda for the year, attendance at meetings, quality of discussions at Board meetings, level of engagement with government and the community, business performance and entrepreneurial acumen.

In line with the Unilever Governance standards and in compliance with the Nigerian Code of Corporate Governance, the SEC Corporate Governance Guideline, the Board of Unilever Nigeria Plc. opted for an external evaluation exercise in respect of the period ended 31 December, 2020 to review the performance of the Board, individual Directors and Board Committees together with the Corporate Governance framework of Unilever Nigeria Plc. The evaluation was conducted by the IOD Centre for Corporate Governance, Nigeria. The Board and Corporate Governance Evaluation Reports show that Unilever's governance procedures and practices during the year ended 31 December 2020 were largely in compliance with the provisions of applicable laws, regulations, corporate governance Code and international best practices. Actions points from the Evaluation will be addressed in the course of 2021.

Directors retiring by rotation

In accordance with Article 90 of the company's Articles of Association, Ammuna Lawan Ali, Mr Felix Enwemadu and Mrs Adesola Sotande-Peters will retire by rotation and being eligible, offer themselves for re-election.

Report of the directors (continued)

In addition, Mr Jaime Aguilera and Mr Michael Ikpoki who were appointed since the last Annual General Meeting will retire at this meeting and being eligible offer themselves for re-election.

The profiles of all the five (5) Directors standing for re-election are contained on pages 6 to 9 of this Annual Report and Financial Statements.

Board committees

In line with the Code of Corporate Governance, the Board of Directors works through the following committees:

a. Executive Committee (Exco)

The Exco is a sub-committee of the Board and it is empowered by the Board to take decisions on behalf of the Board, which are necessary for the smooth day to day operations of the company. The committee is composed of the Executive Directors of the company. The following are currently members of the committee:
The committee is composed of the Executive Directors of the company. The following are currently members of the committee:

i	Mr Carl Cruz	-	Managing Director & Vice President Unilever West Africa
ii	Mrs Adesola Sotande-Peters	-	Finance Director & Vice President Finance
iii	Mr Felix Enwemadu	-	Executive Director & Vice President Customer Development

b. Leadership Team (LT)

The Leadership Team comprises of the Executive Directors and Senior Executives who occupy strategic roles in the organization. This Leadership Team is responsible for delivering the corporate targets of the company, establishing priorities, allocating resources, and seeing to the operations of the company on a day-to-day basis. The Leadership Team is chaired by the Managing Director/Chief Executive Officer of the company. Current members of the leadership team are as follows:

i	Mr Carl Cruz	-	Managing Director & Vice President
ii	Mrs Abidemi Ademola	-	General Counsel West Africa & Company Secretary
iii	Mrs Bunmi Adeniba	-	Marketing Director, Home Care
iv	Mr Adeleye Adeniji	-	Customer Development Director
v	Mr Tobi Adeniyi		Logistics and Planning Director
vi	Mr Cephas Afebuameh	-	Manufacturing Director
vii	Mr Ola Ehinmoro	-	Human Resources Director West Africa
viii	Mr Obinna Emenyonu	-	Procurement Operations Director, West Africa
ix	Mr Felix Enwemadu	-	Executive Director & Vice President Customer Development
x	Mrs Soromidayo George	-	Corporate Affairs & Sustainable Business Director West Africa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Report of the directors (continued)

xi	Mrs Oiza Gyang	-	Category Lead, Beauty & Personal Care
xii	Mrs Bolanle Kehinde-Lawal	-	Marketing Director, Foods & Refreshments
xiii	Mr Ayotunde Oresegun	-	IT Lead, Ghana & Nigeria
xiv	Mr Dave Planson	-	Research & Development Director West Africa
xv	Mr Siddharth Ramaswamy	-	Vice President Supply Chain West Africa
xvi	Mrs Adesola Sotande-Peters	-	Finance Director & Vice President Finance West Africa

c. The Audit Committee

The Audit Committee, established in accordance with the provisions of Section 404(2) of the Companies and Allied Matters Act 2020, comprises of three (3) shareholders' representatives and two (2) Directors' representatives (both of whom are non–executive Directors). The chairman of the Audit committee is a shareholders' representative. During the year under review, the committee met four (5) times.

The functions of the Audit Committee are governed by the provisions of Section 404(7) of the Companies and Allied Matters Act 2020. The Members of the Audit Committee and the Report of the Audit Committee to the members are contained on page 36.

d. The Governance, Remuneration and Risk Management Committee

The Governance/Remuneration Committee comprises solely of Non-Executive Directors and is chaired by a Non-Executive Director. The Committee's Terms of Reference are in line with the SEC Code of Corporate Governance 2011. Members of the Committee during the period ended 31 December, 2020 were:

i Ammuna Lawan Ali, OON

ii Mr Mutiu Sunmonu, CON

iii Mr Atedo Peterside, CON (Resigned with effect from 31 March, 2020)

iv His Majesty N. A, Achebe MNI, CFR (Resigned with effect from 16 July, 2020)

In 2020, all the above committees discharged their roles creditably and in line with their terms of reference.

Board meetings

During 2020, the Board held Six (6) meetings. The record of Directors' attendance is presented below:

Name	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Total attendance
	22 Jan. 2020	12 Mar. 2020	6 Apr. 2020	16 Apr. 2020	16 Jul. 2020	21 Oct. 2020	
His Majesty N.A Achebe	√	√	√	√	√	√	6 meetings
Mr. Carl Cruz	NYA	√	√	√	√	√	6 meetings
Mr. Jaime Aguilera	NYA	NYA	NYA	NYA	NYA	NYA	NYA
Mrs Abiola Alabi	√	√	√	√	√	√	6 meetings
Ammuna Lawan Ali	√	√	√	√	√	√	6 meetings
Mr Felix Enwemadu	√	√	√	√	√	√	6 meetings

Report of the directors (continued)

Mr Michael Ikpoki	NYA	NYA	NYA	NYA	NYA	NYA	NYA
Mr Chika Nwobi	√	√	√	√	√	√	6 meetings
Mr. A.N.A. Peterside	√	√	R	R	R	R	2 meetings
Mrs. Adesola Sotande-Peters	√	√	√	√	√	√	6 meetings
Mr Mutiu Sunmonu	√	√	√	√	√	√	6 meetings

√ - Present; X – Absent with Apologies NYA: Not yet appointed R: Resigned

Governance, Remuneration and Risk Management Committee

The Governance, Remuneration and Risk Management Committee held four (4) meetings in 2020. The record of members' attendance is presented below:

Name	Meeting date	Meeting date	Meeting date	Meeting date	Total attendance
	12 Mar., 2020	16 Jul. 2020	21 Oct. 2020	10 Dec. 2020	
Mr. A.N.A. Peterside	√	R	R	R	1 Meeting
Mr Mutiu Sunmonu	√	√	√	√	4 meetings
Ammuna Lawan Ali	√	√	√	√	4 meetings
His Majesty N. A. Achebe	√	√	R	R	2 meetings

R: Resigned, √: Present

Audit Committee meetings

The Audit Committee held five (5) meetings in 2020. The record of members' attendance is presented below:

Name	Meeting date	Meeting date	Meeting date	Meet ing date	Meeting date	Total attendance
	21 January 2020	11 March, 2020	15 April , 2020	15 July, 2020	20 October, 2020	
Mr David Oguntoye	√	√	√	√	√	5 Meetings
Alhaji W. Ajani	√	√	√	√	√	5 Meetings
Mr Kolawole Durojaiye	√	√	√	√	√	5 Meetings
Mrs Abiola Alabi	√	√	√	√	√	5 Meetings
Mr Chika Nwobi	√	√	√	√	√	5 Meetings
Ammuna Lawan-Ali	√	√	√	√	√	5 Meetings

√ - Present

Report of the directors (continued)

Record of Directors' attendance at Board meetings

The record of the Directors' attendance at meetings during 2020 as listed above is available for inspection at the Annual General Meeting.

Directors' interests in contracts

No Director notified the company for the purpose of section 303 of the Companies and Allied Matters Act 2020, of their direct or indirect interest in contracts or proposed contracts with the company during the year.

Directors' shareholding

In accordance with Section 301 of the Companies and Allied Matters Act 2020, the Register of Directors' interests in the share capital of the company will be open for inspection at the Annual General Meeting.

The direct interest of Directors in the issued share capital of the company as recorded in the Register of Directors' Shareholdings and/or as notified by them for the purposes of sections 301 and 302 of the Companies and Allied Matters Act 2020 and the listing requirements of the Nigerian Stock Exchange are as follows:

Director	Number of shares held at 31 December 2020 & up to 31 March March 2021	Number of shares held at 31 December 2019
His Majesty Nnaemeka A. Achebe	55,976	55,976
Mr Carl Cruz	Nil	Nil
Mr Jaime Aguilera	Nil	Nil
Mrs Abiola Alabi	Nil	Nil
Ammuna Lawan Ali	Nil	Nil
Mr Felix Enwemadu	Nil	Nil
Mr Michael Ikpoki	Nil	Nil
Mr Chika Nwobi	Nil	Nil
Mrs Adesola Sotande-Peters	Nil	Nil
Mr Mutiu Sunmonu	Nil	Nil

Within the period under review, no Director had any indirect shareholding in Unilever Nigeria Plc.

Report of the directors (continued)

According to the register of members at 31 December 2020, the following shareholders of the company held more than 5% of the issued share capital of the company. Except as disclosed below, no other shareholder holds 5% and above of the Company's shares.

Shareholder	Number of shares	Percentage held %
Unilever Overseas Holdings B.V. Holland	3,321,138,208	57.81
Unilever Overseas Holdings BV	1,043,023,604	18.16
Stanbic Nominees Nigeria Ltd (Cummulative Holding)	287,572,174	5.01

Immediate and Ultimate Parent Companies

Unilever Overseas Holdings B.V. and Unilever Plc. United Kingdom

Share Dealing Policy

In accordance with the Post-Listings Rules of the Nigerian Stock Exchange, Unilever Nigeria Plc. has in place a Share Dealing Policy which regulates securities transactions by its Directors, Employees and other Insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy and Closed Periods are communicated periodically to drive compliance. In respect of the year ended 31 December, 2020, the Directors of Unilever Nigeria Plc. hereby confirm that:

1) A code of conduct regarding securities transactions by all Directors has been adopted by the Company.

2) Specific enquiry of all Directors has been made during the reporting period and there is no incidence of non-compliance with the listing rules of the Nigerian Stock Exchange, and Unilever Nigeria's code of conduct, regarding securities transactions by Directors.

Complaints Management Policy Framework

In compliance with the Securities and Exchange Commission Rule Relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") 2019, Unilever Nigeria Plc. has continued to strengthen its complaints management procedure. The Company has in place a formal Complaints Management Policy by which complaints arising from issues covered under the Investment and Securities Act 2007 (ISA) are registered, promptly resolved and quarterly submission of same is made to the Nigerian Stock Exchange.

Unilever Code of Business Principles

Unilever Nigeria Plc. has zero tolerance for illegality, corruption and unethical practices. Accordingly, the Company mandates its employees and business partners to adhere to all applicable laws and regulations, the Unilever Code of Business Principles and Code Policies. Unilever Code of Business Principles (COBP) prescribes a uniform standard of conduct expected of every Unilever operating company, employee and business partner. The COBP covers matters such as Obeying the law, Conflict of interest, Business integrity, Business partners, Shareholders and public activities, Fair Competition, Data Protection and Responsibility to our consumers. The Code Policies further spell out the 'must dos' and 'must nots' relating to each area under the COBP. Employees of Unilever Nigeria Plc. go through regular mandatory trainings, Annual Declarations and focussed discussions to reinforce the COBP standards and drive compliance. Compliance with the COBP is mandatory and is monitored at the highest level of the organization. Internal and external confidential reporting media are available to encourage reporting of breaches and sanctions are consistently applied for these breaches. Unilever has a dedicated

Report of the directors (continued)

Business Integrity (BI) organization which focuses on Code compliance and related matters. The BI organization provides an effective framework for prevention, monitoring and enforcement. Unilever also makes it mandatory for all its business partners to sign up to compliance with its Responsible Business Partner Policy or Responsible Sourcing Policy as may be applicable.

Employment policy

At Unilever Nigeria, we strongly believe that to win in the marketplace, we must win with people and through people. This unwavering premise continues to guide the way we work and culminates in our policies and practices at every stage of our employment cycle. Thus, we strive to remain an equal opportunity employer, passionate about diversity and inclusivity, mutual respect as well as encouraging vibrant communication and consultation between employees and leadership.

Our core values and Code of Business Principles define what we stand for and the framework in which we do business. These are values hinged on professional integrity, attaining and maintaining a pioneering mindset of innovation and continuous improvement, a responsibility to make a positive impact in the society in which we operate, and respect for all our stakeholders. These non-negotiables, together with our Standards of Leadership define the kind of people who drive our business; people with Purpose and Service, Personal Mastery, Agility, Passion for High Performance, Consumer Love with Business Acumen while possessing the ability to be Talent Catalysts.

Talent Development

It is widely acknowledged that there is unprecedented transformation taking place across the world especially with the COVID-19 pandemic, amidst other local and global changes. As such, it has become even more imperative that with the technology and expertise available to us, we equip our business and employees with all that is needed to win and to grow in the new normal. There is an urgency now to build more agile & flexible employees that prioritize, execute and learn with speed not only to bring our Purpose-Led, Future-Fit Compass to life, but to deliver on our growth agenda.

Following the successful launch of Growth Culture in 2019, at the advent of 2020 there was an immediate need to pivot to accelerate skill building across the business and ensure all our people understand the skills they need to focus on as a priority. We rolled out the Future Fit Plan, a novel approach to learning where employees have a personalized development plan embedding their purpose, wellbeing focus areas and the requisite skills they need to be fully effective in their current role and help them to be more prepared for the future which could be a new or different type of role in Unilever, or elsewhere. This allows employees to take ownership of their personal development both now and in the future. We also utilized our robust technology-enabled systems to help them develop better leadership, professional and general skills to enhance engagement and productivity. In addition to our focus on being Future Fit we continue to drive experiential development through on-the job deliverables and we implement various initiatives to complement other traditional learning methodologies, with our business leaders being at the forefront of this drive. Thus, the introduction of the Carl's Learning Hour, dedicating one hour weekly for employees to upskill themselves and participate in live Masterclasses led by experts on future focused topics. These and other capability building sessions and related activities continue to create the platform for our business leaders to engage with employees and share their experiences, while also giving career coaching and mentoring to younger employees within the organization.

Report of the directors (continued)

Diversity & Inclusion

Unilever Nigeria Plc is committed to a working environment that promotes diversity, inclusion, life-long learning, and equal opportunity. We are committed to ensuring that all employees work in an environment that promotes diversity, mutual trust, respect for human rights, equal opportunity, and disallows unlawful discrimination or victimization. We will treat everyone fairly and equally, without discrimination on the grounds of race, age, role, gender, ethnicity, colour, religion, country of origin, marital status, dependents, 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. The actions we take to ensure that barriers are removed include providing accessibility where required, offering equal pay for equal work, training employees and line managers on bias & discrimination, targeted recruitment of underrepresented groups, parental support, mentoring & sponsorship, encouraging employees to speak up & have a sense of belonging, celebrating events that promote diversity. We have also set ambitious targets on some aspects of diversity namely 50% gender diversity for management roles, and 5% representation by people with disabilities in the future. Progress is tracked and reported to the Company's Diversity Board.

Industrial Relations

Unilever Nigeria Plc's Industrial relations policy aims at fostering good industrial relations practices within the work place. To accomplish this, the Company sets out to work closely with recognized and accredited representatives of a registered trade union capable of fully representing and supporting the interests of the generality of its employees. Following the election of new leadership in the previous year, the Executives of Unilever Nigeria Plc. Branch Union have settled down to their responsibilities, familiarizing themselves with the peculiarities of their distinct locations and the people that they represent.

Unilever Nigeria Plc recorded a peaceful industrial relations climate in the year 2020, owing to the cordial partnership built between Management and the union leadership. In turn, they played their role as change agents and people advocates during the first wave of the COVID-19 pandemic by their full support of the implementation of globally approved safety protocols; dissemination of awareness on best practices on hygiene and acting as Social Distance Champions to ensure compliance of their members to these protocols.

The implementation of Project FIT; an intervention aimed at streamlining business activities, had significant impact on Blue Collar employees as it led to a reduction of 28% of workers in this cadre. Nevertheless, the methodical and collaborative approach applied ensured wholesome discussions and a seamless transition into the future-fit model with which the factories operate efficiently today. Furthermore, technology was leveraged to ensure that communication channels remained open between both management and union, thus scheduled Central Working Committee meetings to discuss people matters were able to hold frequently. In recognition of the fact that the executives were also new in their role, management pulled together learning sessions to upskill them in two key areas:

1. Business Acumen – Knowledge sharing sessions were scheduled monthly to give them updates on the business, to understand the business financials and to get feedback from them on their observations and suggestions to improve the Company.

Report of the directors (continued)

2. Overview of Industrial Relations – In partnership with Chemical and Non-metallic Products Employers Federation (CANMPEF), a one-day training was organized to also upskill the executives on pertinent topics such as: Overview of Industrial Relations in Nigeria; Union – Management Relationship; Understanding & Applying Procedural Agreement for Industrial Relations; Management Prerogatives & Workers Right; Roles of Stakeholders in Maintaining & Sustaining Organizational Goals; Handling Union Negotiations for Mutual Benefits. All sessions were facilitated by seasoned experts. The training was well received, and the impact felt when the phase of negotiations for the renewal of the Collective Bargaining Agreement was successfully concluded within record time.

Employee Engagement

'Be yourself'. We don't just say it, we celebrate it! Employee satisfaction is important to us as we believe that people with purpose thrive best when they feel included, valued, and trusted. The focus of our employee engagements is to improve value proposition so that employees develop a true sense of being purpose-fit as they bring their unique qualities into their roles and remain happy within their workspace and workplace. People are Unilever's most treasured assets, we focus on employees' experiences and wellbeing (physical, mental, and emotional) to ensure they remain motivated by opportunities to grow their skills and earn recognition for the efforts they put into their work. In 2020 we intensified the "#ItIsMyBusiness" initiative by activating #ItIsMyBusiness2.0 Cost Savings campaign across the business to provide fuel for growth in 2020. A recognition award concept - MD's Awards - was built into the initiative to encourage employees to identify and engage or propose solutions for cost saving opportunities in their workspaces. The MD's Awards was held at the end of 2020 and winners were recognized, awarded and celebrated.

Owing to the impact of the Covid-19 pandemic, wellness enablers were employed to help and support employees. Engagements were rolled out to create relaxing, connecting, and fun moments for employees. These engagements included:

Covid-19 Safety Talks – these talks were held regularly to ensure employees were kept aware of updates on the pandemic as required and what safety measures they needed for their environment and safety as well as Employee Assisted Support options that were available to employees for coping with the pandemic.
Weekly 'Team Mindfulness' Sessions – this engagement enables employees to connect with colleagues in their functions. Exercises such as mindfulness moments, games, team check-in and wellbeing support are engaged during these sessions.

14-Day Resilience Challenge – this involved a daily plan of resilience exercises that employees could engage to find strength or bounce back against the pressures of the crisis. Champions were selected amongst leaders of the business and employees to amplify participation across the organization.

Virtual Entertainment – these were fun virtual and informative engagements rolled out for employees namely, Virtual DJ After Townhall Party, Virtual Fitness Sessions, Independence Day events, Virtual Games Session and roll-out of Unilever Radio Show.

As a reflection of the impact of the engagements run for employees in 2020, Univoice engagement score from employees increased from 70% in 2019 to 82% in 2020.

Report of the directors (continued)

Employer Branding

In 2020, the Covid-19 pandemic resulted in a switch in our mode of employer branding engagements. Federal and State universities were closed for more than half of the year. In response, we activated the LEVELUP initiative and engaged leadership and career talks on social media as well as with students in Private Universities through the LEVELUP initiative, which was designed to empower the youth on,

a. developing future-fit skills
b. building a professional profile
c. developing leadership skills

For the fifth time in a row, Unilever Nigeria Plc was recognized as one of the No. 1 Top Employers in Nigeria and No. 1 Top Employer in Africa, awarded by Top Employers Institute. Also, Unilever Nigeria won 'Best Talent Management 2020' and 'Best HR Recruitment Strategy 2020' at the 2020 HR People Magazine Awards. To ensure the Unilever brand remains top of mind, the 'Power of U" campaign launched in 2019 was intensified on social media with the aim to showcase employees who live their purpose through their roles and celebrate their belief that their roles were more than just jobs. Unilever is focused on ensuring that employability initiatives are achieved virtually with mid-career recruits and undergraduates in 2021 so that we continue to attract top talents to the business.

Safety, Health and Environmental Care (SHE) Policy

In line with our Safety, Health and Environmental care (SHE) policy, we remain committed to providing a healthy, safe and secure work environment for employees, sub-contractors and visitors, and to continue to be responsible to the government and people of the communities where we operate. Our manufacturing sites in Oregun and Agbara are compliant to global Safety, Health and Environment Standards, and we submit to regular audits to keep up to date. We identify health and safety hazards and manage / control risks such that we have recorded zero fatal / major injuries in our operations and strive to continue to prevent even minor injuries. The company continues to implement key Technical Standards in Process safety, Electrical safety, Fire safety, Construction Safety, Machines Safety and Risk Assessment to continually benchmark ourselves against internationally acceptable Standards, towards ensuring that our work equipment processes, and facilities are safe and secure for all stakeholders.

Unilever employs the use of a robust management systems and continuous improvements, comprising of total employee engagements, visible leadership, behavioural safety audits, deep compliance audits, Safety committees, safe travels, and logistics safety as examples. We start every week with a Value life, value safety (VLVS) talks on Mondays across the business and continually promote a culture of safety awareness with monthly educational campaigns on various topics like line ownership, I care culture, Environmental awareness, as well as physical and mental well-being. We engage with regulatory agencies like the FRSC to also assist to educate our employees and contractors.

In the wake of the pandemic, an Incident Management Team (IMT) comprising of business leaders, medical and safety team members, was inaugurated. The IMT implemented COVID-19 prevention protocols across all our operations following Unilever's global Tiering system. Some of the strategies adopted include pre-access mandatory health declaration, thermal screening, vulnerable employees' shielding, restricting visits to business critical, rigorous cleaning and sanitization of identified touch points, rearrangements of the workplace to allow for social distancing, use of signages to educate and constantly remind our people to comply with established protocols and work from home policy for our office-based employees.

We provided personal protective equipment (PPE) to all out frontline employees in the factories and commercial territories. We promoted strict adherence to Covid-19 preventive measures through series of health talks hosted virtuallyand in the factories.

Report of the directors (continued)

We drive a community partnership with other manufacturing colleagues to create a platform for collaborative emergency preparedness and response. We continue to aggressively drive waste reduction, recycle and re-use, energy reduction, water consumption reduction and rigorous "Zero Non-Hazardous Waste to Landfill" initiatives in order to reduce our environmental footprints and live up to our Unilever Sustainable Living Plan ideals. Unilever enjoys resolute support of the leadership team, whose members head all the safety & health committees, and makes the realization of all the SHE programs possible. Furthermore, every employee, including contractors engaged on our business remains committed to the principles of maintaining a healthy, safe, and secure work environment that will propel us into further productivity.

Quality Report

As we reflect on 2020 and the COVID-19 pandemic, we are reminded of how Unilever Nigeria Plc brings smiles to our communities every day as our brands continue to improve the lives of Nigerians. In 2020, we focused on winning more consumers and gaining market share by delivering quality and safe products that exceed consumers expectation Our sustained track record of zero market-place incidents is proof of our dedication to keeping consumers safe.

During the pandemic, the business intensified driving sales through E-commerce platforms. An online customer's journey begins when he/she starts to search for information regarding the product either through reviews or ratings. Understanding fully well that we cannot control all online reviews, we strive to "positively influence" the consumers buying decision during the "zero moment of truth" by ensuring that our products delight the consumers. This way, we can have an impact on the online reputation of our brands on these platforms so that people are encouraged to continue their journey with Unilever. We also leveraged digital technology by embedding the Digital voice of the consumer (DVOC) into our way of working as an organization. Actionable insights picked up across various social media platforms are reviewed and used to drive quality improvements of our products.

Unilever also embarked on localizing raw and packaging material supplies. We took on the responsibility of developing local supplier's quality capability and helping them comply with Unilever supplier and local regulatory requirements. We launched "Quality ONE", a digital platform used to pre-assess and audit new suppliers to verify the compliance of their manufacturing facility before we proceed to buy from them. The platform also provided us with seamless opportunity to audit suppliers virtually, hence, we recorded zero supplier incidents that could have resulted in a consumer safety issue.

As we focus on reaching our growth aspirations this year, we are mindful more than ever of the fact that we need to keep the promise that helps consumers make decisions during their moment of truth (MOT) and become Unilever ambassadors.

	2020	**2019**
Corporate Social Responsibility	**N'000**	**N'000**
Unilever Secondary school scholarship programme	6,000	11,600
Nigerian Bar Association	1,000	3,000
Nigerian Economic Summit Group	-	3,000
Forum of Wives of Ondo State Officials	-	1,000

Report of the directors (continued)

Embassy of the Netherlands Lagos	-	1,000
British Deputy High Commision Lagos	-	1,000
Omolayole Management Lecture Series	-	500
Abuja Chamber of Commerce	-	500
Nigeria Centre for Disease Control	166,680	-
Imo State Government - COVID-19 Test Kits	4,800	-
Kaduna State Government - COVID-19 Test Kits	4,800	-
Ekiti State Government - COVID-19 Test Kits	4,800	-
ClinaLancet Lagos	29,546	-
Others	26,083	39,235
	243,709	60,835

UNILEVER NIGERIA DISTRIBUTION PARTNERS & KEY DISTRIBUTORS	
NAME	REGION
Itura Ventures Limited	Lagos
Lobic Global Merchantile Coy	Lagos
Maquahm Nigeria Limited	Lagos
Mutkeem Concept	Lagos
Renuzi Supermarket	Lagos
Sam & Martha -Ajegunle	Lagos
Sam And Martha Investment Ltd	Lagos
Chrislanbolu Trade & Eng. Serv. Ltd	Lagos
De Moshadek And Company Nigeria	Lagos
Hats Investment and Promotions Ltd.	Lagos
J A Onabowale Lagos	Lagos
M. F. Ore Awo Nigeria Ltd	Lagos
Renuzi Ventures	Lagos
Renuzi Ventures -Lekki	Lagos
Suara & Company	Lagos
Tripple P Dazzled	Lagos
Vancrest Global Ventures	Lagos
Wharton Harper Nig. Limited	Lagos
Adebiyi & Sons Nigeria Supermarkets	Middle Belt


Unilever
new
Pears
Pure, Mild & Gentle
Pears
Pure, Mild & Gentle
Baby Oil
Pears
Pure, Mild & Gentle
Baby Powder
Pears
Pears
Pears
OLIVE OIL
Endorsed by
NANNM

Report of the directors (continued)

UNILEVER NIGERIA DISTRIBUTION PARTNERS & KEY DISTRIBUTORS	
NAME	REGION
Iduh Integrated Services Nig Ltd	Middle Belt
Ifjane Nigeria Limited	Middle Belt
J Nnoli And Sons	Middle Belt
J.O Adebiyi & Sons Nigeria Ltd	Middle Belt
Kesy Distribution and Logistic Ltd	Middle Belt
Olayiwola Gbadamosi Company Nigeria	Middle Belt
Rickmen Healthcare Limited	Middle Belt
Alakass Nigeria Enterprises	Middle Belt
J A Onabowale And Sons Limited	Middle Belt
Lasun Dan Mama Nigeria Limited	Middle Belt
Muabsa Integrated Services	Middle Belt
Olonaasunde Ventures	Middle Belt
Sidi And Sons Business Solutions Ni	Middle Belt
A D Basharu And Sons (Nig) Limited	North East
Baba Gana Mafoni	North East
Naheem Heights Limited	North East
Nahuwa General Enterprise	North East
S C Okafor Nigeria Limited	North East
Water Valley General Merchandise	North East
Alhaji Abu Zamau Enterprises	North West
Al-Babello Gasau	North West
Al-Babello Trading Company Limited	North West
Al-Babello Trading Company Ltd – Ka	North West
Albabello Trading Co. Ltd Kebbi	North West
Al Babello Supermarkets	North West
Armu Global Concept	North West
Paxson Nigeria Company Limited	East
Beehives Multinational Limited	South Central
Blessed Iyke Stores	South Central
Burnae Ventures	South Central
Charles Aman Nigeria Limited	South Central
Cito Int'l Nig. Ltd	South Central
Globalog Enterprises	South Central
H O Nwoji Enterprises Super Market	South Central

Report of the directors (continued)

UNILEVER NIGERIA DISTRIBUTION PARTNERS & KEY DISTRIBUTORS	
NAME	REGION
Humphrey Okechukwu Nwoji Enterprise	South Central
Ibokies Nigeria Company	South Central
M.E Ugbor And Brothers Nig Ltd	South Central
Prenica And Company Nigeria Limited	South Central
Rickafe Services Limited	South Central
Steve Sylver Nigeria Limited	South Central
Sylika Global Resources Enterprises	South Central
Tivo Corporate Services Int'l Ltd S	South Central
Tivo Corporate Services Int'l Ltd	South Central
Ursulasam Ventures	South Central
Willymama Investment Ltd	South Central
B N Igwe And Sons	South East
Buffalo Works	South East
Cy Obiora Nig Enterprises	South East
Elaug -15 Provest Ltd	South East
Eleru Brand Ltd	South East
G.N Chukwu & Sons Enterprises	South East
Igbozulike Investment Limited	South East
Igwt Worldwide Concept Ltd	South East
Joota Universal Services Ltd	South East
Kaima Integrated Network Ventures L	South East
Lyg Enterprise – Supermarket	South East
Paradise Bakeries Ltd	South East
Ronald Resources Ltd – Supermatket	South East
Theo And Powell Services Limited	South East
Tomiesha Pro Resources Ltd	South East
Ajoke Dominion Services Limited	West
Dan Sarat Company Nig Ltd	West
Debby Mega Merchants Limited	West
Estfrans Ventures Limited	West
John Bosco Trading Company Ltd	West
J O Adegboyega Enterprises	West
Marzab Multiventures	West

Report of the directors (continued)

UNILEVER NIGERIA DISTRIBUTION PARTNERS & KEY DISTRIBUTORS	
NAME	REGION
Niji Global Concept Limited	West
R S Abimbola (Nigeria) Enterprises	West
R.S. Abimbola Enterprises (Osogbo)	West
The Lords Doing G.C.S Ltd	West
Tsq Alayo & Sons Nigeria Ltd	West
Unruly Ventures Supermarket	West
David Uthman Ltd	West
E.C Ezue Global Enterprise	Middle Belt
Fareast Mercantile Co. Ltd	North/West
Park N Shop	Key Accounts
Game Discount World Limited	Key Accounts

Independent auditor

Messrs. KPMG Professional Services (KPMG) acted as the Company's Independent Auditor during the year under review. KPMG has indicated their willingness to continue in office as Independent Auditor in accordance with Section 401 (2) of the Companies and Allied Matters Act 2020. The independent auditor will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By Order of the Board

Mrs. Abidemi Ademola
General Counsel WA & Company Secretary
FRC/2013/NBA/00000001646

25 March, 2021

Unilever Nigeria 2020 Sustainability Report: Purpose-led, Future-fit

INTRODUCTION:

In the current rapidly changing world, Unilever has not remained still. We are embracing change and seeking to create it. In line with our transformation agenda, we have developed medium to long-term strategies that will allow us to be relevant both now and in the future.

Furthermore, our brands, which are creating positive change through their purpose identities and value chains, have been at the centre of critical human events such as fighting the latest coronavirus pandemic. Our employees (working with or through our partners) in every state of the country are key to our success. They deliver our growth strategy and represent our purpose in action. Their insight and innovation drive us to anticipate and act on the trends shaping our industry and world. The peculiarities of the year 2020, most importantly, reinforces why our people are our most important business capital. From the frontline workers to the site employees and personnel who had to work from home throughout the year, our people ensured the survival of our business during these unique times and changing landscape.

Our vision is to be the global leader in sustainable business. We are convinced that businesses that will continue to thrive in the future will be driven by purpose for the benefit of stakeholders. That is why our multi-stakeholder value creation model incorporates sustainability into how we do business and create social value for our stakeholders, from consumers and customers to our people, society, the planet, and shareholders.

At Unilever, we believe that businesses and brands must be part of the solution. So, we have introduced a simple but clear PURPOSE: to make sustainable living commonplace. We believe that this is the best way to create value for society and forge a relationship that will ensure long-term growth for our business.

Our strategy - called the Unilever Compass - is based on the belief that Brands with Purpose Grow, Companies with Purpose Last, and People with Purpose Thrive. To achieve our purpose, we have developed a new way of doing business, because the old economic systems are not fit for today's needs. We have developed a business model through which some of our raw materials come from sustainable sources, people's health and wellbeing are a priority, livelihoods are improved, and the planet can be protected for future generations. We see tackling these challenges not as problems to be solved but as opportunities to grow our business, and this is OUR STRATEGY.

The business case for growing our company sustainably is compelling. Consumers expect it, it drives innovation and market development, it reduces risks, saves money, and avoids costs, it creates growth, and it inspires the people who work for our business. So, this is not just about doing good; it is also about doing well.

Our values define how we do business and interact with colleagues, partners, customers, and consumers. Our values are anchored on four core principles:

Integ rity:	Respect:	Responsibility:	Pioneering:
We do the right thing in every decision we make supporting Unilever's long – term success.	We treat people with dignity, honesty and fairness and celebrate the diversity of people.	We take care of the people we serve and the world in which we operate.	We have a passion for leading our industry, winning in the market and intelligent risk -taking.

Unilever Nigeria 2020 Sustainability Report: Purpose-led, Future-fit

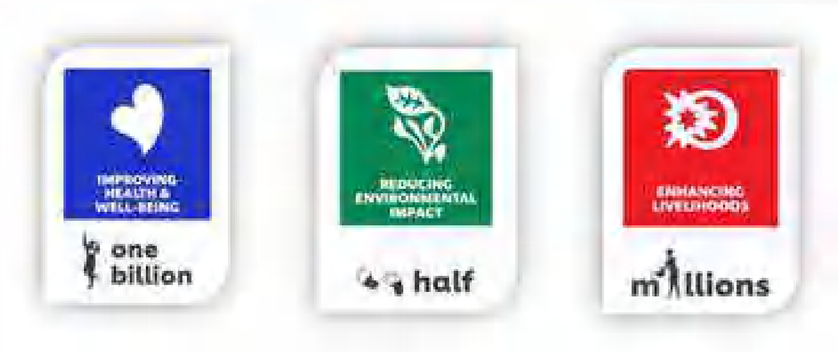
As we embrace innovation in manufacturing, extend our research and development, expand into new markets and sub-territories, and recruit new talents, these values guide our people in taking decisions and actions every day. We believe that this is the best way to enhance societal value while forging relationships that will ensure long-term growth for our business.

Together with our consumers, customers, partners, and shareholders, we are redefining the future of work, creating a more diverse, more inclusive, highly skilled, and high-performing workforce. And as an organisation, we are retooling the way business is done and bringing to life our overarching goal of making sustainable living commonplace.

This report focuses on Unilever Nigeria's operations from January 1, 2020 to December 31, 2020. The report discloses our sustainability agenda and performance in a balanced and clear manner.
This report has been prepared in accordance with the GRI Standards: Core Option, and the GRI content index is available in our standalone 2020 Sustainability Report. In disclosing our impact and footprints, we have applied the reporting principles for defining the report content and the report quality. The information contained in this report only covers our Nigerian operations.

We are excited to share our sustainability performance with you through this integrated report. We would continue to disclose our footprint as a responsible business and hope to partner with you (our stakeholders) on the journey

The Unilever Sustainable Living Plan



The Unilever Sustainable Living Plan (USLP) was our 10-year plan to address sustainability issues that matter to our business, stakeholders, and society. This blueprint, which had the primary goals to improve health & well-being, reduce environmental impact, and enhance livelihoods, was launched in 2010. It sought to address key issues including health and hygiene, gender equality, climate change and plastic packaging waste.

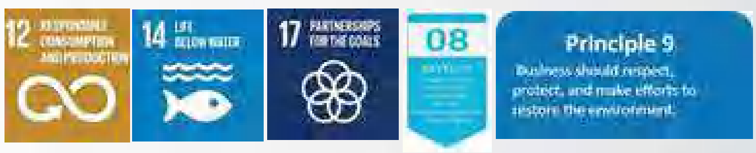
Through the implementation of the plan, we have realized some significant successes. Some of the issues we took on also presented significant hurdles and lessons that we can build upon in our bid to continuously transform our social, environmental and economic performance across the value chain.

Having developed the Unilever Sustainable Living Plan (USLP), which has served as our blueprint for creating sustainable value, we further aligned with the Sustainable Development Goals (SDGs), Principles of the United Nations Global Compact (UNGC) and the Nigeria Stock Exchange Sustainability Disclosure Guidelines (NSE-SDGs).

These organisations have developed sustainability principles and provide guidelines on the integration of sustainability principles to business strategy. We have incorporated the global and local sustainability principles into the operational model of our business and developed a blueprint that captures these principles.

Unilever Nigeria Plc remains resolute in our commitment to delivering on our sustainability plans across our operations and aligning our business practices with the SDGs, the UNGC principles as well as the NSE-SDGs.

Purpose-Led Organisation



The 'Recycle Exchange' Program

Nigeria generates about 32 million tonnes of solid waste every year, of which 2.5 million tonnes is plastic waste. The waste disposal, recycling and waste management system is largely inefficient. Most of these wastes, including plastic and non-plastic waste, are dumped in landfills, sewers, beaches, and water bodies. The Nigerian Ministry of Environment has taken measures to improve waste management; however, businesses need to support government efforts.

Unilever Nigeria 2020 Sustainability Report: Purpose-led, Future-fit

Our mission is to achieve the full use of reusable, recyclable or compostable plastic packaging for Unilever products by reducing the amount of virgin plastic in our packaging and collecting more plastics than we sell. In October 2018, Unilever and Wecyclers reached an agreement to expand recyclable collections utilising Wecyclers' pilot recycling kiosk program to expand the Kiosk collection model across the state to reach over 6000 tons of plastic collections and processing. A recycling kiosk is placed in a densely populated area, and the members of the local community can drop off recyclable materials and receive cash rewards.

In 2020, four (4) additional kiosks were deployed, bringing the tally to a total of ten (10) kiosks in Lagos state, out of which nine (9) locations were operational. A total of 1,100 tons of recyclable plastics were collected in 2020, representing 55% of our initial target for the year. The COVID-19 pandemic impacted the collection numbers.

We achieved 55% of our target, various measures were deployed to increase traffic to the kiosks in 2020, including an increase in cash rewards, radio, and television adverts.

In March 2020, Unilever and Wecyclers partnered to extend the collection program further through a Project Transform grant. The project helps Wecyclers further innovate on its unique waste management solution by replicating its model across different parts of Nigeria.

The project, which adopts a funded franchise model to recycling, will create sustainable recycling ecosystems in different parts of Nigeria, reduce the negative impact of Polyethylene Terephthalate (PET) bottles on the environment and create new employment opportunities for many.

The project achieved remarkable success in 2020 and looks to do more in the coming years.

Project highlights:

Number of active franchises – 4

Projected number of active franchises Q1 2021 – 7

Employment as of November 2020 – 90 (80% are female)

Projected employment by Q1 2021 – 150 to 180

PET collection - 322,348 kg

Total number of shipments of PET – 177,644 kg

Brands & Purpose

Sunlight Women Empowerment and Business Rebuilding Grants

Sunlight, which is dedicated to empowering female entrepreneurs, celebrated the 2020 IWD by supporting 20 women trading within Unilever in Oregun, Lagos state and Agbara, Ogun state with Sunlight products and merchandise to grow their businesses.

For the second year, Sunlight collaborated with Style House Files, the conveners of Lagos Fashion Week, to empower women through fashion. Three fashion entrepreneurs were selected to win the Sunlight grant of 2 million naira each. These ladies will put together the Sunlight collection, which will walk the runway at the next Lagos Fashion Week event, which is slated for October 2021.

During the COVID-related nationwide lockdown in 2020, Sunlight donated products to vulnerable Nigerians through the various state governments and NGOs to help cushion the effect of the global pandemic.

Also, Sunlight collaborated with ACT Foundation and WIMBIZ to award three female-led organisations which had been working to reduce the social impact of COVID-19 in society's with grants of 1 million naira each,.

Following the destruction of businesses during the #ENDSARS protests, Sunlight provided a 10 million naira grant to support women whose businesses were affected by the unrest to rebuild.

Lifebuoy Sanitizer Sampling

To further promote the wellbeing of individuals and reduce the spread of the coronavirus, our Lifebuoy brand embarked on the "Lifebuoy Sanitizer Sampling" project. The project was aimed at enhancing good health and hygiene practices among individuals.

3,360 units of sanitizers

N1,512,840 spent

Distributed in Abuja, Lagos, and Ogun

Unilever Nigeria 2020 Sustainability Report: Purpose-led, Future-fit

Knorr Meal A Day Programme

Through its Knorr brand, Unilever Nigeria Plc embarked on this initiative due to the humanitarian challenges associated with the COVID 19 pandemic and the need for collective action to combat the spread of the Virus in Lagos state.
Unilever Nigeria Plc. partnered with Easyshop Easycook Services Limited to distribute cooked meals in selected areas of Lagos state for sixty (60) days. Over 75% of beneficiaries were unique daily in all the wards. Thirty-six (36) caterers, with each having five (5) assistants, totalling 180 assistants, were hired to prepare different meals per day for 5 days a week.

54,000 cooked meals

40,000 beneficiaries

36 wards in 5 LGAs

COVID-19 Response

In line with our 'purpose-led' vision, we played a critical role throughout the outbreak of the COVID-19 pandemic in Nigeria.

In responding to the coronavirus pandemic, we adapted the standards provided by the World Health Organisation. Our approach, which sought to ensure that our business and operations were conducted in perfectly safe conditions, was hinged on our four principles of prioritising people safety; leading the Unilever way guided by our purpose and culture; applying prudence and care in embarking on a business-critical trip; and, protecting business continuity whilst embedding new ways of working which have proven successful.

Our preparedness plan covered the access to our sites by employees and contractors, factory (response, cleaning, shutdown and restart), office meeting, change room, canteen, shop floor activities, restrooms, smoking areas, warehouse activities, zonal and social distancing, external conditions, and the use of PPE.

We facilitated relationships with various state governments and parastatals to support their COVID-19 response. We collaborated with several NGOs that were closer to local communities to help facilitate the distribution of COVID-19 reliefs across the country.

While we instituted several processes to ensure the safety of our staff, particularly the frontline workers, that helped to ensure business continuity during the lockdown, we also supported the larger society by providing COVID-19 kits that medical frontline workers utilised.

As part of our response to the pandemic and further ensuring that our staff are well informed, we carried out robust awareness campaigns on the deadly effect of and how to manage the virus. All employees were trained on various COVID-19 prevention protocols, refresher awareness lectures were conducted through the safety, health, and environment (SHE) talk sessions. Weekly reminders were also sent through the MD's communication and employee's newsletter, and signage installed around the sites to create top-of-the-mind awareness.

We also monitored on-site compliance with COVID protocols through CCTV and weekly audits.

Some specific actions taken include:

- Completion of Unilever Health Declaration before entry of site, participation in meetings, and embarking on business travel
- Development of travel guide
- Maintenance of two-metre distance and use of face masks at all times
- Wash and sanitise hands before and after meeting
- Keeping of attendance records for each meeting
- Visitors' strict adherence to site protocols
- Acquisition of GM approval for meetings at Unilever's office
- Conduct of COVID-19 test for employees with suspected symptoms
- Provision of PPEs to on-site employees
- Provision of a ompany-run isolation centre
- Monitoring and treatment of confirmed COVID-19 incidents.

COVID-19 Relief Governance

We adopted a unique approach to the management of our COVID-19 donations. We put together a framework that guided the mechanics and context of the response; types of donations covered; types of recipients targeted; requirements for the donations.

We also activated other documents such as the Donations Documentation and Tracker, Code of Business Principles on Political Activities and Donations, Ghana-Nigeria Policy Guidance Document on Donations as part of our efforts to ensure coherent management of all Unilever Nigeria's donations at the time.

Some organisations that benefited from our donations include Nigeria Centre for Disease Control (NCDC) Lagos; Ministry of Health, Kaduna State; Ministry of Health, Imo State; United Nations Children's Fund (UNICEF); WaterAid and United Nations High Commissioner for Refugees (UNHCR).

COVID-19 Relief Highlights:

N200 million worth of product donations to civil and government players

+16,000 COVID test kits

6 ventilators

+1,860,000 Lifebuoy soaps

2020 and Beyond

USLP Targets and Accomplishments

USLP	IMPROVING HEALTH & WELL BEING	PROTECTING THE ENVIRONMENT IN WHICH WE OPERATE	ENHANCING LIVELIHOODS
Global Goal	Help more than a billion people take action to improve their health and well-being.	Halve the environmental footprint of the making and use of our products as we grow our business.	Enhance the livelihoods of millions of people as we grow our business.
Project	Vaseline Healing Project	Nigeria - Recycle Exchange Programme	Sambuga Women Empowerment Programme
Social Mission	Vaseline hopes to drive awareness/education and alleviate the pressure on the health sector by helping people with skin disorders affected by poverty and emergencies.	Achieve plastic neutrality for Unilever Nigeria in 3 years from 2019 - 2021.	Achieve distribution and penetration of Unilever brands, while empowering women in Rural Nigeria.
2020 Target	Reach and educate 5000 people directly by 2020.	Through partnership, build up plastic collection and recycling to 6000 tons per year by the 3rd year	Enhance the Livelihoods of 10,000 women entrepreneurs by 2020
2020 Progress	Project activities were hindered by the country-wide lockdown because of the coronavirus pandemic.	621 tons of plastics where collected in 2019 and 1,100 tons in 2020. The plastic collection numbers in 2020 were affected by the pandemic whereas in 2019, the project had initial teething problems.	We had developed 3000 female entrepreneurs by 2019. Although we did not add new entrepreneurs in 2020, we maintained the existing cohort. We also supported 3 women with two million naira each as part of our Fashion Grant programme. These women will be presenting their collection at the 2021 Lagos Fashion Week.

Unilever Nigeria 2020 Sustainability Report: Purpose-led, Future-fit

We could not fully actualise our 2020 USLP targets due to the challenges posed by COVID-19. In the coming year(s), we will step down some projects, proceed with others, such as the Recycle Exchange Programme, and bring on board new projects.

Beyond 2020 and the USLP: Introducing Unilever Compass

The year 2020 marked the end of our ten-year Unilever Sustainable Living Plan (USLP), which coincided with an unusual and challenging period in the world. This is evidenced by the unprecedented impacts of the coronavirus pandemic on people's health, livelihoods, businesses, and way of life as we had known it.

At the same time, the pandemic reminds us and helps to reinforce the reasons behind launching the USLP in the first place ten years ago – that we can only thrive as a society in a world where sustainable living is commonplace. The issues that we sort to impact – health and wellbeing, livelihoods, climate and environment, and equity – are still very much with us. Indeed, the effects of the coronavirus pandemic have exacerbated some of these issues.

Our journey towards making sustainable living commonplace, therefore, must continue. Therefore, we are developing our new, fully integrated corporate strategy called the Unilever Compass. It builds on our experience over the past ten years of the USLP: the successes, the failures and the lessons learnt. It also paves the way for us to realise our vision of being the leader in sustainable business globally.

The Compass integrates our priorities, plans, targets, and sustainability commitments covering a full spectrum of our business and ecosystem for all our brands over the next 15 years and will tackle key sustainability challenges of our time. It is based on the belief that 'Brands with Purpose Grow; Companies with Purpose Last; and People with Purpose Thrive' and is still underpinned by our Purpose to make 'Sustainable Living Commonplace'. We invite you to accompany us on this next phase of our journey as well.

A full version of our Future Fit, Purpose-Led 2020 Unilever Nigeria Sustainability Report will be found on our Investor Relations page at https://www.unilevernigeria.com/investor-relations/.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

His Majesty N A Achebe CFR, mni Chairman FRC/2013/NIM/00000001568 25 March, 2021	Carl Cruz * Managing Director 25 March, 2021

*The Financial Reporting Council (FRC) granted a waiver to the Managing Director to sign the financial statements without indicating any FRC registration number. His FRC number will be obtained in due course.

Statement of Directors' responsibilities in relation to the financial statements for the year ended 31 December 2020

The directors accept responsibility for the preparation of the annual Financial Statements and confirm that they give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

His Majesty N.A. Achebe
CFR, MNI
Chairman
FRC/2013/NIM/00000001568

25 March, 2021

Carl Cruz *
Managing Director

Adesola Sotande-Peters
Finance Director
FRC/2015/ICAN/00000010834

*The Financial Reporting Council (FRC) granted a waiver to the Managing Director to sign the financial statements without indicating any FRC registration number. His FRC number will be obtained in due course.

Statement of Corporate Responsibility For Financial Statements for year ended 31 December 2020

We hereby certify that we have reviewed the audited financial statements for year ended 31 December, 2020 and based on our knowledge

i. audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

ii. audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements:

We further certify that the Officers who signed the Financial Statements:

i. are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the company and its subsidiaries is made known to the officer by other officers of the companies, particularly during the period in which the audited financial statement report is being prepared.

ii. have evaluated the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements, and

iii. certify that the company's internal controls are effective as of that date;

In addition, we certify that the officers who signed the audited financial statements disclosed to the company's auditors and audit committee.

i. all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and

Statement of Corporate Responsibility For Financial Statements for year ended 31 December 2020

ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and

We confirm that the officers who signed the report, have indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

SIGNED BY:

Carl Cruz *
Managing Director

25 March, 2021

Adesola Sotande-Peters
Finance Director
FRC/2015/ICAN/00000010834

*The Financial Reporting Council (FRC) granted a waiver to the Managing Director to sign the financial statements without indicating any FRC registration number. His FRC number will be obtained in due course.

Report of the Audit Committee to the members of Unilever Nigeria Plc

In accordance with the provisions of Section 404 (4) & (7) of the Companies and Allied Matters Act 2020, the members of the Statutory Audit Committee of Unilever Nigeria Plc. hereby report as follows:

We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act 2020, and we acknowledge the cooperation of management and staff in the conduct of these responsibilities.
We confirm that:

1. The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.

2. The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.

3. We have considered the independent auditors' post-audit report in respect of year ended 31 December, 2020 and management responses thereon, and are satisfied thereto.

Members of the Audit Committee are:

1.	Mr David Oguntoye	-	Chairman & Shareholders' Representative
2.	Alhaji Wahab A. Ajani	-	Shareholders' Representative
3.	Mr Kolawole Durojaiye	-	Shareholders' Representative
4.	Mrs Abiola Alabi	-	Non-Executive Director
5.	Ammuna Lawan Ali	-	Non-Executive Director (Resigned w.e.f 25 February, 2021)
6.	Mr Chika Nwobi	-	Non-Executive Director

Dated this 23rd March, 2021

Mr David Oguntoye
Chairman
FRC/2013/ANAN/00000002787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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Unilever Nigeria Plc**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Unilever Nigeria Plc (the Company), which comprise:

- the statement of financial position as at 31 December 2020;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2020, and ofits financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of intercompany receivables

Refer to summary of significant accounting policies (Note 2.6) and Related party transactions (Note 28) on pages 77 and 122 respectively of these financial statements.

The Key Audit Matter	**How the matter was addressed in our audit**
As at 31 December 2020, the Company had amounts due from related parties totaling ₦6.4 billion. Over 95% of this amount is due from entities in a net current liability position as at year end. The recovery of these amounts is dependent on the Company's recovery plans and general business environment of the related parties. Hence, there is an indication of potential impairment of this balance. The significance of the amount and the extent of estimation and judgment involved in determining the impairment loss allowance required made the impairment of intercompany receivables an area of significant focus during the audit.	Our procedures included the following, amongst others; • obtaining an understanding of the Company's credit control process as well as the authorization and approval of significant related party transactions. • obtaining an understanding of the model applied for the loss rate calculation and inquiring of the directors plans for recovery of these receivables. • evaluating the Company's impairment assessment of the receivables from the related parties at year end and testing the appropriateness and adequacy of any impairment losses recognised in this respect. • Consulting with our financial risk management specialist to assist in evaluating the appropriateness of the model and loss rate used and comparing with the information available from the general business environment. • challenging management's model and the assumptions made in estimating the loss rate based on our knowledge of the Company's business, the liquidity positions of the related parties as at year end, cash flow forecasts and payment pattern/loss rates • evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgment in line with the relevant IFRS standards.

Other Information

The Directors are responsible for the other information. The other information comprises the Unilever Purpose and Values, Corporate Profile, Board of Directors, Officers and Other Corporate Information, Results at a glance, Board Profile, Report of the Directors including Corporate Governance Report, Abridged 2020 Sustainability Report, Statement of Directors' Responsibilities in relation to the financial statements for the year ended 31 December 2020, Statement of Corporate Responsibility for the Financial Statements for the year ended 31 December 2020, Report of the Audit Committee to the members of Unilever Nigeria Plc and other National Disclosures which we obtained prior to the date of this auditor's report but does not include the financial statements and our auditor's report thereon. Other information also includes the Notice of Annual General Meeting, Chairman's Statement, Shareholders' Information, amongst others, together the "Outstanding Reports", which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns;

Signed:

Temitope A. Onitiri, FCA
FRC/2012/ICAN/00000000423
For: KPMG Professional Services
Chartered Accountants
31 March 2021
Lagos, Nigeria

Statement of profit or loss and other comprehensive income for the year ended 31 December

	Note	2020 N'000	2019 N'000
Revenue	4	61,959,678	60,486,835
Cost of sales	5	(49,159,670)	(55,737,010)
Gross profit		12,800,008	4,749,825
Selling and distribution expenses	5	(2,789,732)	(3,151,738)
Marketing and administrative expenses	5, 9(a)	(12,375,610)	(13,247,563)
Impairment loss on trade and intercompany receivables	17(vi)	(3,770,859)	(200,042)
Other income	6	66,013	86,299
Operating loss		(6,070,180)	(11,763,219)
Finance income	10	1,833,976	2,144,815
Finance cost	11	(350,072)	(135,869)
Net finance income		1,483,904	2,008,946
Loss before minimum taxation		(4,586,276)	(9,754,273)
Minimum tax	12(v)	(156,311)	(317,670)
Loss before taxation		(4,742,587)	(10,071,943)
Taxation	12(i)	776,666	2,652,269
Loss for the year		(3,965,921)	(7,419,674)
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira)	13	(0.69)	(1.29)

The accompanying notes form an integral part of these financial statements.

Unilever

Statement of profit or loss and other comprehensive income for the year ended 31 December (continued)

	Note	2020 N'000	2019 N'000
Loss for the year		(3,965,921)	(7,419,674)
Other comprehensive loss			
Items that will not be reclassified to profit or loss:			
Remeasurement of post employment benefit obligations	22(vi)	(725,559)	(329,428)
Tax effect	12(ii)	232,179	105,417
Total comprehensive loss		(4,459,301)	(7,643,685)

The accompanying notes form an integral part of these financial statements.

Statement of financial position as at 31 December

	Note	2020 N'000	2019 N'000
Assets			
Non-current assets			
Property, plant and equipment	14(i)	27,370,607	31,957,420
Intangible assets	15	3,852	225,933
Retirement benefit surplus	22(v)	-	35,292
Deferred tax assets	21	163,101	-
		27,537,560	32,218,645
Current assets			
Inventories	16	13,659,427	11,869,295
Trade and other receivables	17(i)	12,957,466	24,131,026
Cash and cash equivalents	18	37,100,827	35,458,553
Assets held for sale	19	262,258	-
		63,979,978	71,458,874
Total assets		91,517,538	103,677,519
Liabilities			
Current liabilities			
Trade and other payables	20	27,422,359	34,719,709
Income tax	12(iii)	137,070	88,375
Loans and borrowings	29	239,428	-
		27,798,857	34,808,084
Non-current liabilities			
Deferred tax liabilities	21	-	894,439
Unfunded retirement benefit obligations	22(iv)	588,473	422,830
Retirement benefit deficit	22(v)	576,521	-
Long service award obligations	22(iv)	424,567	318,096
Loans and borrowings	29	-	705,720
		1,589,561	2,341,085
Total liabilities		29,388,418	37,149,169

Statement of financial position as at 31 December (continued)

Equity			
Ordinary share capital	30	2,872,503	2,872,503
Share premium	30	56,812,810	56,812,810
Retained earnings		2,443,807	6,843,037
Total equity		62,129,120	66,528,350
Total equity and liabilities		91,517,538	103,677,519

The financial statements were approved for issue by the Board of Directors on 25 March 2021 and signed on its behalf by:

His Majesty N.A. Achebe
CFR, MNI
Chairman
FRC/2013/NIM/00000001568

Carl Cruz *
Managing Director

Adesola Sotande-Peters
Finance Director
FRC/2015/ICAN/00000010834

*The Financial Reporting Council (FRC) granted a waiver to the Managing Director to sign the financial statements without indicating any FRC registration number. His FRC number will be obtained in due course.

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2019	2,872,503	56,812,810	23,104,230	82,789,543
Total comprehensive loss for the year				
Loss for the year	-	-	(7,419,674)	(7,419,674)
Other comprehensive loss				
Remeasurement of post employment benefit obligations (Note 22(vi))			(329,428)	(329,428)
Tax effect (Note 12(ii))			105,417	105,417
Remeasurement on post employment benefit obligations, net of tax			(224,011)	(224,011)
Transactions with owners				
Dividend declared (Note 20 (i))	-	-	(8,617,508)	(8,617,508)
	-	-	(8,617,508)	(8,617,508)
At 31 December 2019	2,872,503	56,812,810	6,843,037	66,528,350
Balance at 1 January 2020	2,872,503	56,812,810	6,843,037	66,528,350
Total comprehensive loss for the year				
Loss for the year	-	-	(3,965,921)	(3,965,921)
Other comprehensive loss				
Remeasurement of post employment benefit obligations (Note 22(vi))			(725,559)	(725,559)
Tax effect (Note 12(ii))			232,179	232,179
Remeasurement on post employment benefit obligations, net of tax			(493,380)	(493,380)
	-	-	(4,459,301)	(4,459,301)
Transactions with owners				
Unclaimed dividend transferred to retained earnings (Note 20 (i))	-	-	60,071	60,071
	-	-	60,071	60,071
At 31 December 2020	2,872,503	56,812,810	2,443,807	62,129,120

The accompanying notes form an integral part of these financial statements.

Statement of cash flows for the year ended

	Note	2020 N'000	2019 N'000
Cash generated from operations	24	2,174,083	(5,018,972)
Retirement benefits paid	22(iv)	(40,347)	(2,302,786)
Long service award obligations paid	22(iv)	(21,270)	(33,774)
Tax paid	12(iii)	-	(4,168,785)
Net cashflow generated from/ (used in) operating activities		2,112,466	(11,524,316)
Cash flows from investing activities			
Interest received	10	497,669	2,144,815
Purchase of property, plant and equipment	14(i)	(1,046,550)	(6,511,071)
Proceeds from sale of property, plant and equipment		17,447	32,362
Net cashflow used in investing activities		(531,434)	(4,333,894)
Cash flows from financing activities			
Repayment of loans and borrowing	29(i)	-	(4,176)
Payment of lease	29(ii)	(329,023)	-
Interest expense	11	(29,186)	-
Dividend paid	20(i)	(70,689)	(5,820,974)
Net cash flow used/ (generated) in financing activities		(428,898)	(5,825,150)
Net increase/ (decrease) in cash and cash equivalents		1,152,134	(21,683,359)
Impact of foreign exchange movement on cash balance		490,140	(2,268)
Cash and cash equivalents at the beginning of the year		35,458,553	57,144,182
Cash and cash equivalents at the end of the year	18	37,100,827	35,458,553

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1 Basis of accounting

1.1a Statement of compliance

The financial statements of Unilever Nigeria Plc ("Unilever" or "the Company") have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 , Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

These financial statements were authorised for issue by the Company's board of directors on 25 March 2021

1.1b Basis of measurements

The financial statements have been prepared under the historical cost basis, except for the following items which are measured on an alternative basis on each reporting date:

Items		**Measurement basis**
Derivative financial instruments	-	Fair value
Inventories	-	Lower of cost and net realisable value
Non-derivative financial instruments	-	Initially at fair value and subsequently at amortised cost using effective interest rate
Defined benefit obligation	-	Present value of the obligation
Plan asset of defined benefit obligation	-	Fair value

1.2 Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional and presentation currency, rounded to the nearest thousand (N'000) unless otherwise indicated.

1.3 Going concern

Nothing has come to the attention of the directors to indicate that Unilever will not remain a going concern for at least twelve months from the date of approval of these financial statements.

1.4 Standards and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing the Company's financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39,

IFRS 7, IFRS 4 and IFRS 16)

Notes to the financial statements (continued)

1.4 Standards and interpretations issued but not yet effective (continued)

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
'- Reference to Conceptual Framework (Amendments to IFRS 3).
'- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

2 Summary of significant accounting policies

2.1 Property, plant and equipment

(i) Recognition, derecognition and measurement

"The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are measured by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statement of profit or loss."

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

(iii) Depreciation

The estimated depreciation rates of property, plant and equipment for current and comparative periods are as follows:

Land	-	Nil
Buildings	-	2.5%
Plant and machinery	-	7%
Furniture and equipment	-	7% - 25%
Motor vehicles	-	25%

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the statement of profit or loss.

The capital work-in-progress represents buildings and plant and machinery under construction and other property, plant and equipment not available for use in the manner intended by management.

Depreciation method, assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.2 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically and commercially feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development of the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised on a straight line basis in the income statement over their estimated useful lives, which does not exceed eight and a half years. These costs are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation method, assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

2.3 Impairment of non-financial assets

At each reporting period, the Company reviews the carrying amount of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

An impairment loss is recognised for non-financial assets when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows cash-generating units). An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Intangible assets not yet available for use are tested for impairment annually. Impairment losses are recognized in the income statement. All other non-financial assets are assessed for indicators of impairment at the end of each reporting period.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.4 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

2.5 Financial instruments

2.5.1 Recognition and initial measurement

Financial instruments (i.e. financial assets and liabilities) are recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2.5.2 Classification and subsequent measurement

Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets

On initial recognition, a financial asset is classified as measured at:
amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.
Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and

- its contractual terms give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial instrument (continued)

2.5.2 Classification and subsequent measurement (continued)

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains & losses including any interest or dividend income are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets

(ii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement.

2.5.3 Derecognition

- Financial assets

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

- Financial liabilities

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit or loss.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial instrument (continued)

2.5.4 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.6 Impairment of financial assets

Non- derivative financial assets

The Company recognises loss allowances for Expected Credit Loss (ECLs) on financial assets measured at amortised cost
The Company measures loss allowances at an amount equal to lifetime ECLs, except for other debt securities and bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12 month ECL.

The ECL for trade and other receivables are estimated using a provision matrix that is based on the Company's historical credit loss experience adjusted for factors that are specific to the debtors general economic conditions and an assessment of both current as well as forecast direction of conditions as at reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due
The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full without recourse by the Company to actions such as realising security (if any is held) or

- the financial asset is more than 180 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial asset

The Company considers intercompany receivables to have a lower credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.6 Impairment of financial assets (continued)

Measurement of ECL (continued)

ECLs are discounted at the effective interest rate of the financial asset.

Credit- impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occured.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or being more than 180 days past due
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. An impairment loss is recognised if the gross carrying amount of the assets exceeds its estimated recoverable amounts. Impairment losses are recognised in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2.7 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2 Summary of significant accounting policies (continued)

2.7 Fair value mesurement (continued)

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.8 Inventories

Inventories are measured at the lower of cost and estimated net realisable value less allowance for obsolete and damaged inventories. A detailed review of slow moving and obsolete stocks is carried out on a monthly basis and an allowance is booked based on a realistic estimate. Cost is based on standard costing that comprises direct materials and where applicable, directs labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost of raw materials and work in progress are stated at standard cost while cost of finished goods, engineering spares and other items of inventories is calculated using the weighted average method. Standard cost is reviewed periodically to ensure it consistently approximates historical cost. Net realisable value represents the estimated selling price less all estimated costs of selling expenses.

2.9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash at bank and in hand plus short-term deposits less overdrafts and short-term working capital loans. Short-term deposits have a maturity of three months or less from the date of acquisition, are readily convertible to cash and are subject to an insignificant risk of change in value. Bank overdrafts are repayable on demand and form an integral part of the Company's cash management.

2.10 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The present value is derived by discounting the expected future cashflows at a pre-tax rate. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs are recognised when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

2.11 Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax, Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under -
IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.11 Income tax (continued)

(i) Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows;

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under Company Income Tax Act is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(ii) Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax liabilities on a net basis. Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.11 Income tax (continued)

(iii) Minimum tax

The Company is subject to the Finance Act 2020 as enacted, which amends the Company Income Tax Act (CITA). Total amount of tax payable under this is determined based on the higher of two components; Company Income Tax Act on taxable income (or loss) for the year, and minimum tax (determined based on 0.25% (2019: 0.5%) of qualifying Company's turnover less franked investment income). Taxes based on taxable profit are treated as income tax in line with IAS 12, whereas minimum tax based on gross amount is outside the scope of IAS 12 and therefore not presented as tax expense in the statement of prfit or loss.

The liability is recognised under trade and other payables in the statement of financial position. Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

2.12 Emplyee benefits

(a) Post-employment benefit plans

The Company operates a defined contribution benefit scheme, an unfunded defined benefit service gratuity scheme for its employees; and a funded post-employment benefit plan.

(i) Defined contribution scheme

The Company operates a defined contribution plan in line with the Pension Reform Act 2014. The contribution are recognised as employee benefit expenses when they are due. The Company has no further payment obligation once the contributions have been paid. The contribution made towards securing the future benefits in the scheme is as follows:

Staff	Management staff	Non-management
Employer	10%	10%
Employee	8%	10%

(ii) Defined benefit plans

The Company also operates a funded benefit plan. The level of benefit provided is based on the length of service and terminal salary of the person entitled. The defined benefit plan surplus or deficit in the statement of financial position comprises the total of the fair value of plan assets less the present value of the defined benefit obligation (using a discount rate based on federal government bonds in issue as at the reporting date).The cost of defined benefit plans is determined using the projected unit credit method. The pension liability recognized in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Actuarial valuations for defined benefit plans are carried out annually. The discount rate applied in the present value of the pension liability represents the market yield on government bonds at the calculation date and reflects the duration of the liabilities of the benefit plan.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.12 Employee benefits (continued)

Actuarial gains and losses are recognized in full in the period in which they occur, in other comprehensive income without recycling to the income statement in subsequent periods. Current service cost, the recognized element of any past service cost and the net interest cost arising on the pension liability are included in the same line items in the income statement as the related compensation cost.

(b) Other long term employee benefits

The Company measures long term employee benefits using the same accounting policies for defined benefit plans except for remeasurements which are recognised in income statement in the period in which they arise.

(c) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

2.13 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue at a point in time when it transfers control over a product to a customer.

The Company principally generates revenue from the sale and delivery of its products. The sale and delivery of products are identified as one performance obligation and are not separately identifiable.
The Company recognises revenue when the customer takes possession of the goods. This usually occurs when the customer signs the invoice/delivery note. The amount of revenue is adjusted for expected returns which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods assets are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (Note 20) and the right to receive returned goods is included in inventory (Note 16).

The Company reviews its estimates of expected returns at each reporting date and updates the amounts of assets and liability accordingly.

See note 27 for details of revenue disaggregated by business category and geographical location

2.14 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.14 Leases (continued)

i. As a lessee (continued)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from thecommencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.
The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in ' property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.14 Leases (continued)

i. As a lessee (continued)

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other revenue'.

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

2.16 Finance income and finance cost

Finance income and finance costs are recognised using the effective interest rate method.

Finance income includes interest received or receivable on balances and deposits with banks, exchange differences (excluding differences on payables to foreign suppliers which has been included in cost of sales) and derivative gains on derivative financial assets.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

2.16 Finance income and Finance cost (continued)

Finance cost includes interest on borrowings, interest charge related to defined benefit plans, gains or losses arising on the early settlement of debt, exchange difference on non-derivative financial assets and liabilities (excluding differences on paybles to foreign suppliers which has been included in cost of sales) and derivative losses on derivative financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.17 Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over their par value is recorded in the share premium reserve.

All ordinary shares rank equally with regard to the Company residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entited to one vote per share at general meetings of the Company. Incremental assets direclty attributable to the issue of ordinary shares are recognised as a deduction from equity net of any tax effects.

3. Critical accounting estimates and judgements

Estimates and accounting judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are:

Notes to the financial statements (continued)

3. Critical accounting estimates and judgements (continued)

Judgements

Lease term: whether the Company is reasonably certain to exercise extension options (Note 2.14)

Estimates

(i) Retirement benefit and long service award obligations

The cost of retirement benefit and long service award obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on the rates published in the A67/70 tables published jointly by the Institute and Faculty of Actuaries in the UK.

Future salary increases are based on expected future inflation rates in Nigeria. Further details about the assumptions are given in Note 22.

(ii) Provision for Right of Return on Revenue (Note 4b)
(iii) Measurement of ECL allowance of trade and intercompany receivables (Note 17 (iii) and (vi))
(iv) Recognition and measurement of income and deferred taxes (Note 12)
(v) Allowance for slow moving, obsolete and damaged inventory (Note 16)
(vi) Recognition of deferred tax assets: Availability of future taxable profit for offset

Notes to the financial statements (continued)

4.	**Revenue**	**2020**	**2019**
		N'000	**N'000**
(a)	**Revenue for the year which arose from sales of goods comprise:**		
	Domestic (within Nigeria)	60,638,847	59,470,471
	Export (outside Nigeria)	1,320,831	1,016,364
		61,959,678	60,486,835

The Company recognises revenue at a point in time when it transfers control over a product to a customer. The Company has 102 (2019: 101) key distributors, and one key distributor accounted for more than 10% of the Company's revenue. All the Company's non-current assets are located in Nigeria.

(b) Right of Return

In line with the adoption of IFRS 15, a refund liability of N543 million (2019: N373 million) has been recognised for the right to return goods sold. Management has made an estimate based on historical trend of likely sales returns by customers subsequent to year end. The amount of revenue recognised is adjusted for expected returns. A refund liability (Note 20) and the right to recover returned goods asset have been recognised (Note 16)

5. Expenses by nature

The following items have been charged in arriving at profit before tax:

	2020	**2019**
	N'000	**N'000**
Raw materials and consumables	36,549,099	41,276,161
Bought in products	799,714	4,975,962
Depreciation of property, plant and equipment (Note 14)	5,135,811	4,265,782
Amortisation of intangible assets (Note 15)	222,081	222,555
Employee costs (Note 8)	9,914,451	10,637,234
Brand and marketing (Note 9)	3,188,601	3,129,850
Royalties and Service Fees (Note 9)	1,519,442	1,490,230
Handling charges	1,955,941	2,256,906
Auditors' remuneration	40,384	37,009
Professional service fees	204,725	226,405
Utilities	993,659	480,324

Notes to the financial statements (continued)

5 Expenses by nature (continued)

Business travel	264,084	457,734
IT costs	436,171	796,936
Consumer market research	358,258	354,267
Lease rental *	69,185	269,408
Repairs and maintenance cost	1,860,563	687,766
Insurance	82,064	148,473
Donations	242,709	60,835
Trainings and meals	443,552	323,459
Impairment loss (Note 17 (vi)	3,770,859	200,042
Office materials	44,518	39,015
Total cost of sales, selling and distribution, marketing and administrative expenses and impairment losses	68,095,871	72,336,353
Analysed as:		
Cost of sales	49,159,670	55,737,010
Selling and distribution expenses	2,789,732	3,151,738
Impairment loss (Note 17 (vi))	3,770,859	200,042
Marketing and administrative expenses	12,375,610	13,247,563
	68,095,871	72,336,353

* Lease rentals recognised during the year relates to the expense of short term leases and low value items for which the Company has elected not to recognise right-of-use assets and lease liabilities.

6 Other income

	2020	2019
	N'000	N'000
(Loss)/ gain on sale of property plant and equipment	(979)	23,543
Transitional Service/ Toll Manufacturing Agreement income (Note 20(a))	66,992	62,756
	66,013	86,299

7 Compensation of key management personnel and directors

Key management personnel comprises the directors (executive and non-executive) and other key management staff who are members of the Leadership Team.Compensation to key management personnel was as follows:

Notes to the financial statements (continued)

7 Compensation of key management personnel and directors (continued)

	2020 N'000	2019 N'000
(i) Short term benefits		
Non executive directors	73,357	59,237
Executive directors	510,994	589,864
Members of the Leadership team (excluding executive directors)	866,937	1,042,050
	1,451,288	1,691,151
(ii) Post-employment benefits:		
Executive directors	17,300	17,300
Members of the Leadership team (excluding executive directors)	44,819	49,857
	62,119	67,157

	2020	2019
	N'000	N'000
(iii) The emoluments of the Chairman of Board of Directors	19,959	17,922
(iv) The emoluments of the highest paid director	245,000	302,519

8 Employee costs

	2020 N'000	2019 N'000
Salaries and wages	5,047,080	5,989,752
Pension contribution	509,644	574,853
Current service charge for unfunded retirement benefit obligation and long service awards (Note 22(vi))	(16,367)	302,022
Other employee allowances	4,374,094	3,770,607
	9,914,451	10,637,234

Other employee allowances include incentives, medical allowances, product packs and other benefits which are consistent with industry practice.

The average number of persons, excluding executive directors, employed by Unilever during the year was as follows:

	2020 Number	2019 Number
Administration	90	82
Technical and production	565	785
Sales and marketing	122	143
	777	1,010

Notes to the financial statements (continued)

8 Employee costs (continued)

The table below shows the number of direct employees of Unilever excluding executive directors, other than employees who discharged their duties wholly or mainly outside Nigeria and which fell within the bands stated.

N		N	2020 Number	2019 Number
Below 1,750,000			-	2
1,750,001	-	2,000,000	11	14
2,000,001	-	2,250,000	39	91
2,250,001	-	2,500,000	88	160
2,500,001	-	2,750,000	113	154
2,750,001	-	5,000,000	270	303
5,000,001	-	10,000,000	112	124
10,000,001	-	15,000,000	61	68
15,000,001	-	20,000,000	24	24
20,000,001	-	30,000,000	33	42
30,000,001	-	40,000,000	11	12
40,000,001	-	60,000,000	5	4
60,000,001	-	80,000,000	6	12
Above 80,000,000			4	-
			777	1,010

9 Marketing and administrative expenses

(a) This is analysed as follows:

	2020 N'000	2019 N'000
Brand and marketing	3,188,601	3,129,850
Overheads	7,667,567	8,627,483
Royalties and Service Fees (9(b))	1,519,442	1,490,230
	12,375,610	13,247,563

Notes to the financial statements (continued)

9 Marketing and administrative expenses (continued)

(b) Unilever Nigeria Plc has Technology & Trademark agreements with Unilever UK Plc to manufacture, distribute and market its international brands. In consideration for this, a royalty of 2% of net sales value and 0.5% of net sales value is payable to Unilever Plc for technology and trademark licences respectively (Note 28).

In line with the approval from the regulatory authority, National Office for Technology Acquisition and Promotion, the royalty payment for these agreements are capped at NGN 3. 47 billion and NGN 0.87 billion respectively per annum.

Also, Unilever Nigeria has a central support and management services agreement with Unilever Europe Business Centre B.V (previously Unilever Plc) for the provision of corporate strategic direction, and expert advice/support on legal, tax, finance, human resources and information technology matters. In consideration of this, a fee of 2% of profit before tax is payable as service fees (Note 28).

In line with the approval from the regulatory authority, National Office for Technology Acquisition and Promotion, the royalty payment for central support and management services is capped at NGN 0.11 billion per annum.

10 Finance income

	2020 N'000	2019 N'000
Interest on call deposits and bank accounts	497,669	2,144,815
Net exchange gain on translation of foreign currency denominated balances	1,336,307	-
	1,833,976	2,144,815

11 Finance cost

	2020 N'000	2019 N'000
Interest expense on lease liabilities (Note 29(ii)	84,534	104,948
Interest expense	29,186	-
Employee benefit charge (Note 22(vi))	236,352	-
Net exchange loss	-	30,921
	350,072	135,869

Notes to the financial statements (continued)

12 Taxation

(i) Income statement

	2020 N'000	2019 N'000
Current income tax	-	-
Tertiary education tax	48,695	-
	48,695	-
Deferred tax credit (Note 21)	(825,361)	(2,652,269)
Tax credit to income statement	(776,666)	(2,652,269)

(ii) Other comprehensive income

	2020 N'000	2019 N'000
Deferred tax on temporary differences	(232,179)	(105,417)

The amount provided for in current year relates to Tertiary Education Tax and Company income tax was not charged in current year as there was no taxable profit. Instead minimum tax was charged. Tertiary tax charge is at 2% of assessable profits in accordance with Finance Act 2020.

(iii) The movement in current income tax liabilities is as follows:

	2020 N'000	2019 N'000
At 1 January:		
- Current income tax	88,375	3,748,991
- Tertiary education tax	-	612,788
- Capital Gains tax	-	194,041
Charge for the year		
- Current income tax	-	-
- Tertiary education tax	48,695	-
Tax paid:		
Cash	-	(4,168,785)
Witholding tax credit notes	-	(298,660)
At 31 December	137,070	88,375

Notes to the financial statements (continued)

12 Taxation (continued)

		2020 N'000	2019 N'000
(iv)	**Reconciliation of effective tax to the statutory tax**		
	Loss before tax	(4,586,276)	(9,754,273)
		(4,586,276)	(9,754,273)
	Tax calculated at the applicable statutory rate of 30% (2019: 30%)	(1,375,883)	(2,926,282)
	Tertiary education tax at 2%	(91,726)	(195,085)
	Tax effects of expenses not deductible for tax purposes	758,890	641,602
	Tax effects on tax incentives	(100,052)	(97,215)
	Change in recognised deductible temporary differences	32,104	(75,289)
	Tax credit in income statement	(776,666)	(2,652,269)

(v) Minimum tax in current year has been computed based on 0.25% (2019: 0.5%) of turnover in line with the Finance Act 2020 and this amounts to N156.3 million (2019: N317.7 million).

13 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. There were no potentially dilutive shares at the reporting date (2019: nil), thus the basic earnings per share and diluted earnings per share have the same value.

	2020 N'000	2019 N'000
Loss attributable to ordinary shareholders	(3,965,921)	(7,419,674)
Loss attributable to ordinary shareholders	(3,965,921)	(7,419,674)
Weighted average number of ordinary shares	5,745,005	5,745,005
Basic and diluted earnings per share (Naira)	(0.69)	(1.29)
Basic and diluted earnings per share (Naira)	(0.69)	(1.29)

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of approval of these financial statements.

Notes to the financial statements (continued)

14 Property, plant and equipment (PPE)

The movement in the Property Plant and Equipment account is as follows:

(i)

Cost	Capital work-in-progress N'000	Lease hold land N'000	Buildings N'000	Plant and machinery N'000	Furniture and equipment N'000	Motor vehicles N'000	Total N'000
At 1 January 2019	4,248,206	433,640	9,796,890	29,425,228	2,106,118	1,311,067	47,321,149
Additions	5,378,115	-	1,132,956	-	-	-	6,511,071
Transfers	(4,110,144)	-	625,758	3,063,745	214,960	205,681	-
Write-offs	-	-	-	(1,553,600)	(57,231)	(11,006)	(1,621,837)
Disposals	-	-	-	(639)	(324,499)	(145,578)	(470,714)
At 31 December 2019	5,516,177	433,640	11,555,604	30,934,734	1,939,348	1,360,164	51,739,667
Balance as at 1 January 2020	5,516,177	433,640	11,555,604	30,934,734	1,939,348	1,360,164	51,739,667
Additions	977,922	-	68,628	-	-	-	1,046,550
Transfers	(5,543,280)	-	1,517,196	3,925,062	90,720	10,302	-
Reclassification to assets held for sale	-	-	-	(1,021,000)	(11,745)	-	(1,032,745)
Disposals	-	-	(348,152)	(3,857)	(3,733)	(36,666)	(392,408)
Write off	-	-	(29,487)	(619,921)	(19,003)	(44,836)	(713,247)
At 31 December 2020	950,819	433,640	12,763,789	33,215,018	1,995,587	1,288,964	50,647,817
Accumulated Depreciation / impairment							
At 1 January 2019	-	3,190	1,580,429	14,354,314	934,953	727,313	17,600,199
Depreciation charge for the year	-	-	663,347	3,183,082	169,555	249,798	4,265,782
Write-offs	-	-	-	(1,553,600)	(57,231)	(11,006)	(1,621,837)
Disposals	-	-	-	(37)	(322,305)	(139,555)	(461,897)
At 31 December 2019	-	3,190	2,243,776	15,983,759	724,972	826,550	19,782,247
Depreciation charge for the year	-	-	660,237	4,053,842	189,551	232,181	5,135,811

Notes to the financial statements (continued)

14 Property, plant and equipment (PPE) (continued)

The movement in the Property Plant and Equipment account is as follows:

Reclassification to assets held for sale	-	-	-	(765,848)	(4,639)	-	(770,487)
Disposals	-	-	(116,459)	(1,796)	(2,190)	(36,665)	(157,110)
Write off	-	-	(29,487)	(619,921)	(19,003)	(44,836)	(713,247)
At 31 December 2020	-	3,190	2,758,067	18,650,036	888,691	977,230	23,277,212
Net book value:							
At 1 January 2019	4,248,206	430,450	8,216,461	15,070,914	1,171,165	583,754	29,720,950
At 31 December 2019	5,516,177	430,450	9,311,828	14,950,975	1,214,376	533,614	31,957,420
At 31 December 2020	950,819	430,450	10,005,722	14,564,982	1,106,896	311,734	27,370,607

(ii) Included in building is right-of-use assets of N896 million and accumulated depreciation of N604 million related to leased properties that do not meet the definition of investment property (See Note 23(i)).

(iii) During the year, the Company retired some assets and re-estimated the useful life of these assets to nil. The net book value of the retired assets was written down to nil and N1.1bn was recognised as depreciation charge in the year. In prior year, N2.4bn was recognised in depreciation for assets retired in 2019.

(iv) *Security*

As at 31 December 2020, no item of property, plant and equipment was pledged as security for liabilities (2019: nil).

(v) *Capital work-in-progress*

The capital work-in-progress of N950 million (2019: N5.5bn) represents buildings and plant and machinery under construction and other property, plant and equipment not available for use in the manner intended by management.

	Land & Building	**Plant & Machinery**	**Total**
	N'000	**N'000**	**N'000**
Capital work-in-progress	121,812	829,007	950,819

Notes to the financial statements (continued)

14 **Property, plant and equipment (PPE) (continued)**

(vi) Capital commitments

Contractual commitments with respect to property, plant and equipment contracted for at the reporting date but not recognised in the financial statements:

	2020 N'000	2019 N'000
Capital commitments	427,068	646,574

15 **Intangible assets**

Intangible assets comprise computer software

	2020 N'000	2019 N'000
Cost:		
At 1 January	2,192,460	2,192,460
At 31 December	2,192,460	2,192,460
Amortisation:		
At 1 January	1,966,527	1,743,972
Charge for the year	222,081	222,555
At 31 December	2,188,608	1,966,527
Net book value as at 31 December	3,852	225,933

Intangible assets represent the Company's computer software and the amortisation charge for the year has been included in administrative expenses.

16 **Inventories**

	2020 N'000	2019 N'000
Raw and packaging materials	8,919,346	7,706,608
Work in progress	484,445	439,648
Goods in Transit	648,980	738,405
Finished goods	2,179,088	1,882,189
Engineering spares and other inventories	1,001,291	841,131
Right to recover returned goods *	426,277	261,314
	13,659,427	11,869,295

Notes to the financial statements (continued)

16 Inventories (continued)

* The right to recover returned goods represents the Company's right to recover products from customers where customers exercise their right of return under the Company's returns policy. The Company uses its accumualted historical experience to estimate the number of returns in a year using expected value method. Refund liabilities for the right to recover returned goods is disclosed in Note 20.

The amount of inventories written down and included in cost of sales was N568.2 million (2019: N721.6 million). This represents allowance for slow-moving, obsolete, damaged and missing inventories. The cost of inventories recognized as an expense and included in cost of sales amounted to N37.3billion (2019: N46.3 billion).

During the year the company updated its provisioning policy for all inventories except for spares to align with current realities. The change in estimate relating to this is an additional charge of N56m in the income statement

17 Trade and other receivables

(i) Trade and other receivables account is analysed as follows:

	2020 N'000	2019 N'000
Trade receivables: gross	4,793,412	11,125,550
Less: impairment	(2,074,464)	(1,389,939)
Trade receivables: net	2,718,948	9,735,611
Advances *	5,078,001	1,929,857
Prepayments	38,357	43,623
Derivative financial assets **	22,036	-
Unclaimed dividend held with registrar	412,252	991,333
Interest receivable	9,398	152,015
Other receivables ***	447,575	1,631,827
Due from related parties (Note 28 (v))	3,016,811	5,548,419
Deposit for imports (Note 17 (v))	1,214,088	4,098,341
	12,957,466	24,131,026

* Advances and prepayments include short term and low value prepaid warehouse rents, insurance premium, and advances to vendors

** The Company's derivative financial instruments arose from forward contracts and Non-deliverable foreign exchange forward (NDF) contract with commercial bank that was yet to mature as at reporting date.

*** Included in other receivables is N124 million (2019: N665 million) due from Upfield in relation to the Transitional Service Agreement (Note 20(a)).

Notes to the financial statements (continued)

17 Trade and other receivables (continued)

		2020 N'000	2019 N'000
(ii)	Analysis for trade receivables:		
	Carrying amount not past due	2,601,049	152,875
	Carrying amount past due less than 3 months	98,584	9,269,127
	Carrying amount past due 3 - 6 months	19,315	313,394
	Carrying amount past due 6 months & above	-	215
		2,718,948	9,735,611

Information about the Company's exposure to credit risk and impairment losses for trade receivables is included in note 26.1(b)

		2020 N'000	2019 N'000
(iii)	Movement in allowance for trade receivables:		
	At 1 January	1,389,939	485,746
	Impairment loss (17 (vi))	684,525	904,193
	At 31 December	2,074,464	1,389,939

		2020 N'000	2019 N'000
(iv)	Analysis of related parties receivables:		
	Carrying amount not past due	152,055	2,170,201
	Carrying amount past due less than 3 months	55,150	390,119
	Carrying amount past due 3 - 6 months	112,866	411,522
	Carrying amount past due 6 months & above	2,696,741	1,993,486
		3,016,811	4,965,328

Related party receivables arise from export sales which are payable within 90 days and exchange of services which are payable within 30 days.

Receivables have been subjected to impairment assessment in line with IFRS 9 and the appropriate impairment loss recognised in the statement of profit or loss. Information about the Company's exposure to credit risk and impairment losses for intercompany receivables in included in note 26.1(b)

(v) Deposit for imports represents foreign currencies purchased for funding letter of credits in respect of imported raw materials which were yet to be paid to suppliers as at year end.

Notes to the financial statements (continued)

17 Trade and other receivables (continued)

(vi) Impairment loss on trade and intercompany receivables recognised in profit or loss

	2020	2019
	N'000	N'000
Trade receivables (17 (iii))	684,525	904,193
Bad debt written off *	396,305	-
Total impairment loss on trade receivables	1,080,830	904,193
Intercompany receivables	2,690,029	(704,151)
Total impairment loss recognised in profit or loss (Note 5)	3,770,859	200,042

* Amount represent trade receivables balance which the Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

18 Cash and cash equivalents

	2020	2019
	N'000	N'000
Cash at bank	30,248,366	13,505,227
Fixed deposit	6,852,461	21,953,326
	37,100,827	35,458,553

Included in cash and cash equivalents is an amount of N6.4bn (2019: N5.57bn) which is not available for use to the Company being unclaimed dividend returned to the Company. N3.4bn of this amount was invested by the Company's registrar in line with SEC rules (2019: N2.8bn).

19 Assets held for sale

During the year, management committed to a plan to sell part of its manufacturing facility within the Home and Personal Care segment. Accordingly, part of that facility is presented as assets held for sale at the carrying amount of N262 million. Efforts to sell the disposal group have reached an advance stage and sale is expected by June 2021.

20 Trade and other payables

	2020	2019
	N'000	N'000
Trade payables	6,653,534	10,396,263
Amount due to related companies (Note 28 (v))	5,048,375	9,773,293
Dividend payable (Note 20(i))	6,468,906	6,599,665

Notes to the financial statements (continued)

20 Trade and other payables (continued)

Accrued liabilities	2,520,528	2,123,247
Accrued brand and marketing expenses	2,075,209	649,680
Accrued shipping and freight charges	1,690,222	1,471,248
Refund liabilities	543,431	373,305
Minimum tax payable	171,728	317,670
Non trade payables (20(a))	2,250,426	3,015,338
	27,422,359	34,719,709

(a) Subsequent to the disposal of the spreads business in 2018, Unilever entered into a Transitional Service Agreement ("the Agreement") with the new owners, Sigma Silver Foods (Upfield Foods) Nigeria Limited. The Agreement was in place till 31 March 2020, during which time Unilever would provide production and sales support to Upfield Foods in exchange for a fee.

Included in Non trade payables is nil amount due to Upfield Nigeria Limited in relation to the Transitional Service Agreement (2019: N219m).

Reconciliation of changes in trade and other payables in the statement of cashflows:

	2020 N'000	2019 N'000
Movement in trade and other payables	(7,297,350)	(3,891,130)
Dividend reclassified from retained earnings but not paid out	-	(2,796,534)
Unclaimed dividend transferred to retained earnings	60,071	-
Foreign exchange difference	(491,232)	2,268
Movement in trade and other payables per statement of cashflows	(7,728,512)	(6,685,396)

(i) Dividend payable

	2020 N'000	2019 N'000
As at 1 January	6,599,665	3,171,439
Dividend declared	-	8,617,508
Dividend paid	(70,689)	(5,820,974)
Dividend unclaimed by shareholders	-	631,692
Unclaimed dividend transferred to retained earnings	(60,071)	-
As at 31 December	6,468,906	6,599,665

For the year ended 31 December 2020, the directors have not proposed any dividend (2019: Nil). Unclaimed dividend returned by the registrar is invested in a portfolio managed by a fund manager (Stanbic IBTC Asset Management Limited). In line with SEC rules, this unclaimed dividend is not available to be used by the Company for its own business.

Notes to the financial statements (continued)

20 Trade and other payables (continued)

Included in dividend payable is N2.8bn (2019: N2.8bn) due to Unilever Overseas Holding (Note (28(v)).

As at 31 December 2020, N412 million (2019: N991 million) of the total dividend was held with the Company's Registrar, GTL Registrars Limited.

21 Deferred tax (assets)/ liabilities

Deferred income tax is calculated using the statutory income tax rate of 32% (2019: 32%). The movement on the deferred tax account is as follows:

The movement in deferred tax is as follows:

Deferred tax (assets)/ liability:	N'000	N'000
At start of year	894,439	3,652,125
Changes during the year:		
- Credit to income statement (Note 12)	(825,361)	(2,652,269)
- Credit to other comprehensive income	(232,179)	(105,417)
At end of year	(163,101)	894,439

The movement in the deferred tax account is as follows:

Deferred tax liabilities/ (assets)	Property, plant and equipment N'000	Employee benefit obligation N'000	Other temporary differences N'000	Leases N'000	Exchange difference N'000	Total N'000
At 1 January 2019	5,632,194	(1,006,456)	(507,730)	-	(465,883)	3,652,125
Charge/(credit) to income statement	(1,208,488)	719,338	(1,711,309)	(225,831)	(225,979)	(2,652,269)
Charge to other comprehensive income	-	(105,417)	-	-	-	(105,417)
At 31 December 2019 / 1 January 2020	4,423,706	(392,535)	(2,219,039)	(225,831)	(691,862)	894,439

Notes to the financial statements (continued)

21 Deferred tax (assets)/ liabilities (continued)

The movement in the deferred tax account is as follows:

Deferred tax liabilities/ (assets)	**Property, plant and equipment N'000**	**Employee benefit obligation N'000**	**Other temporary differences N'000**	**Leases N'000**	**Exchange difference N'000**	**Total N'000**
Charge/(credit) to income statement	(1,928,952)	116,054	(389,434)	181,093	1,195,879	(825,361)
Charge to other comprehensive income	-	(232,179)	-	-	-	(232,179)
At 31 December 2020	2,494,754	(508,660)	(2,608,474)	(44,738)	504,017	(163,101)

*Other temporary differences comprises provisions for trade receivables, inventories, restructuring and unrelieved loss. Unrelieved loss included amounted to N1.6bn (2019: N3.9bn).

22 Retirement benefit obligation

(i) Retirement benefit obligation

Unilever operates a funded benefit scheme for retired employees. The funded benefit scheme is for retirees who have received pension. With effect from 1 January 2013, only employees who were employed prior to January 2006 and who had not opted out of the Unilever savings scheme are permitted entry into the funded benefit scheme. The plan asset of the scheme is funded by contributions from the retired employees. In addition, Unilever provides medical and soap pack benefits to retired employees

(ii) Long service obligation

The Company grants long service awards to employees who have served continuously well and loyally. Depending on the length of service, employees are granted both monetary and non monetary awards. Qualified employees have the option of monetising the non monetary awards.

(iii) Summary of retirement benefits and long service award obligations

	2020 N'000	**2019 N'000**
Funded retirement benefit obligation (Note 22(v))	(2,386,244)	(1,854,537)
Fair value of plan assets (Note 22(v))	1,809,723	1,889,829
Retirement benefit (deficit)/ surplus	(576,521)	35,292
Unfunded retirement benefit obligations (Note 22(iv))	(588,473)	(422,830)
Long service award obligations (Note 22(iv))	(424,567)	(318,096)
	(1,589,561)	(705,634)

Notes to the financial statements (continued)

22 Retirement benefit obligation (continued)

(iv) Reconciliation of change in liabilities

The movement in the obligations over the year is as follows:

	Funded Retirement Benefit Obligations		Unfunded Retirement Benefit Obligations		Long Service Award Obligations	
	2020 N'000	**2019 N'000**	**2020 N'000**	**2019 N'000**	**2020 N'000**	**2019 N'000**
At 1 January	(1,854,537)	(1,584,886)	(422,830)	(2,021,360)	(318,096)	(209,510)
Included in income statement						
Current service charge	-	-	(66)	(189,810)	16,433	(88,661)
Interest cost	(274,784)	(224,074)	(52,902)	(214,761)	(41,104)	(30,148)
Actuarial losses – change in assumptions	-	-	-	-	(120,176)	(29,130)
Actuarial gains – experience	-	-	-	-	17,106	5,579
	(274,784)	(224,074)	(52,968)	(404,571)	(127,741)	(142,360)
Included in OCI						
Remeasurement (loss)/gain						
Actuarial losses – change in assumptions	(524,510)	(167,839)	(193,267)	(31,079)	-	-
Actuarial (losses)/ gains – experience	(18,969)	(167,670)	40,245	21,326	-	-
	(543,479)	(335,509)	(153,022)	(9,753)	-	-
Others						
Benefits paid	286,556	289,932	40,347	2,012,854	21,270	33,774
	286,556	289,932	40,347	2,012,854	21,270	33,774
At 31 December	(2,386,244)	(1,854,537)	(588,473)	(422,830)	(424,567)	(318,096)

Notes to the financial statements (continued)

22 Retirement benefit obligation (continued)

(v) Reconciliation of change in assets

The plan assets relate to the funded retirement benefit obligation. The movement in the fair value of plan assets of the year is as follows:

	2020	2019
	N'000	N'000
At January 1	1,889,829	1,878,105
Included in income statement		
Interest income on plan assets	235,508	285,822
Included in OCI		
Remeasurements - actuarial (losses)/gains	(29,058)	15,834
Others		
Benefits paid	(286,556)	(289,932)
	(286,556)	(289,932)
At December 31	1,809,723	1,889,829
Less: funded retirement benefit obligations (Note 22(iv))	(2,386,244)	(1,854,537)
Retirement benefit (deficit)/ surplus	(576,521)	35,292

Notes to the financial statements (continued)

22 Retirement benefit obligations (continued)

(vi) Summary of items recognised in income statement and other comprehensive income

	2020			2019		
	Income Statement		OCI	Income Statement		OCI
	Current service charge*	Net interest cost	Actuarial losses	Current service charge*	Net interest cost	Actuarial losses
	N'000	N'000	N'000	N'000	N'000	N'000
Funded retirement benefit obligations	-	274,784	(543,479)	-	224,074	(335,509)
Plan assets	-	(235,508)	(29,058)	-	(285,822)	15,834
Unfunded retirement benefit obligations	66	52,902	(153,022)	189,810	214,761	(9,753)
Long service award obligations ** -	(16,433)	144,174	-	112,212	30,148	-
	(16,367)	236,352	(725,559)	302,022	183,161	(329,428)

*Current service charge disclosed above includes actuarial gains/(losses) on long service award obligations charged to profit or loss.

** During the year, there was a redundancy exercise which led to curtailment of N55.7m in the long service award obligation. This is included in the service charge in profit or loss.

(vii) Actuarial assumptions

The principal actuarial assumptions were as follows:

	Funded Retirement Benefit Obligation		Long Service Award and Unfunded Retirement Benefit Obligation	
	2020	2019	2020	2019
Discount rate	8.0%	13.5%	7.5%	13.5%
Inflation rate	11%	11%	11%	11%
Interest income rate	15.5%	15.5%	-	-
Future salary/pension increases	-	-	12%	12%

Assumptions on mortality rate for the funded retirement benefit obligation is based on the rates published in the A67/70 tables, published jointly by the Institute and Faculty of Actuaries, United Kingdom while that of the unfunded retirement benefit obligation and long service award obligation is based on the publications in the A67/70 Tables and PA (90)-1 Male table (UK annuitant table), published jointly by the Institute and Faculty of Actuaries in the United Kingdom.

The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk. To achieve this, investment are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Notes to the financial statements (continued)

22 Retirement benefit obligations (continued)

(vii) Actuarial assumptions (continued)

For risk management purposes on the funded retirement benefit obligation, the obligations are funded by investments in liability matching assets. The assets are managed by external independent pension fund administrators. The plan assets comprised the following:

	2020 N'000	2019 N'000
Government Securities:		
FGN Bonds	1,084,100	1,089,396
Treasury bills	159,077	400,626
State Government Bonds	-	34,052
	1,243,177	1,524,074
Fixed deposits/strict calls:		
Uninvested Cash/Money on Call	78,077	1,090
Credit interest	29	197
Fixed deposits	462,295	335,256
Accrued Fees and Expenses	(5,878)	(3,307)
	534,523	333,236
Corporate Bonds	32,023	32,519
Net Assets Values	1,809,723	1,889,829

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yield on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on government securities and quoted securities reflect long-term real rates of return experienced in the respective markets.

(viii) Sensitivity analysis on liability as at 31 December 2020

A 1% change in assumed rates will result in the following balances to the retirement benefit scheme.

Notes to the financial statements (continued)

22 Retirement benefit obligations (continued)

(viii) Sensitivity analysis on liability as at 31 December 2020 (continued)

Sensitivity analysis on liability as at 31 December 2020

	Unfunded retirement benefit obligations		Funded Retirement Benefit Obligations	
	N'000	Impact (%)	N'000	Impact (%)
Base figures	588,473	-	2,386,244	-
Discount rate (-1%)	639,098	-9%	2,553,978	7%
Discount rate (+1%)	544,778	7%	2,238,464	-6%
Salary/pension increase rate (-1%)	-	-	-	-
Salary/pension increase rate (+1%)	-	-	-	-
Price escalation rate (-1%)	563,981	4%	-	-
Price escalation rate (+1%)	614,639	-4%	-	-
Mortality experience (-1 year)	638,448	-8%	2,328,224	-2%
Mortality experience (+1 year)	541,930	8%	2,443,404	2%

Sensitivity analysis on liability as at 31 December 2019

	Unfunded retirement benefit obligations		Funded Retirement Benefit Obligations	
	N'000	Impact (%)	N'000	Impact (%)
Base figures	422,830	-	1,854,538	-
Discount rate (-1%)	448,036	-6%	1,951,962	5%
Discount rate (+1%)	400,300	5%	1,766,533	-5%
Salary/pension increase rate (-1%)	-	-	-	-
Salary/pension increase rate (+1%)	-	-	-	-
Price escalation rate (-1%)	409,374	3%	-	-
Price escalation rate (+1%)	436,996	-3%	-	-
Mortality experience (-1 year)	454,796	-8%	1,927,313	4%
Mortality experience (+1 year)	392,786	7%	1,781,851	-4%

Notes to the financial statements (continued)

22 Retirement benefit obligations (continued)

(viii) Sensitivity analysis on liability as at 31 December 2020 (continued)

	Long Service Award Obligations -2020		Long Service Award Obligations - 2019	
	N'000	Impact	N'000	Impact (%)
Base figures	424,567	-	318,096	
Discount Rate (-1%)	453,268	-7%	335,496	-5%
Discount Rate (+1%)	398,944	6%	302,253	5%
Salary increase rate (-1%)	400,984	6%	302,978	5%
Salary increase rate (+1%)	450,505	-6%	334,498	-5%
Price escalation rate (-1%)	422,913	0%	316,795	0%
Price escalation rate (+1%)	426,287	-0%	334,498	-5%
Mortality experience (-1 year)	425,550	-0%	318,710	-0%
Mortality experience (+1 year)	423,468	0%	317,409	0%

Assumptions for sensitivity analysis	Base rates 2020	Base rates 2019
Discount rate (funded retirement benefit obligation)	8.0%	13.5%
Discount rate (unfunded obligation)	7.5%	13.5%
Salary increase rate	12%	12%
Product/benefit inflation rate	5.5%	11%

The base figures used for the sensitivity analysis on liability is the funded retirement benefit obligation as at 31 December 2020 while the base figure for sensitivity analysis on service and interest cost is the projected net period benefit cost for 2020.

The retirement benefits and long service award obligations are based upon independent actuarial valuation conducted by Ernst and Young (O.O. Okpaise, FRC/2012/NAS/00000000738).

23 Leases

The Company leases office building, residential apartment and warehouses. The leases typically run for a period of 2 to 3 years, with renewal to be determined by both parties on or before expiration date.

During 2020, the Company entered into several lease agreements for warehouses.

Information about leases for which the Company is a lessee is presented below

i *Right-of-use assets*

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 14(ii)).

Notes to the financial statements (continued)

23 Leases (continued)

i Right-of-use assets (continued)

	2020 N'000	2019 N'000
Balance as at 1 January	812,923	43,411
Advance payments	68,627	532,184
Present value of lease payment (Note 29(ii))	-	600,772
Additions to right of use asset (Note 14(i))	68,627	1,132,956
Derecognition of right of use asset	(231,693)	-
Depreciation for the year	(357,080)	(363,444)
Balance as at 31 December	292,777	812,923

ii Amounts recognised in profit or loss

	2020 N'000	2019 N'000
Leases under IFRS 16		
Interest on lease liabilities (Note (29(ii))	84,534	104,948
Expense relating to short term leases and low value items (Note 5)	69,185	269,408

iii Amounts recognised in statement of cash flows

	2020 N'000	2019 N'000
Lease payment recognised in cash flows	329,023	510,189

iv Extension options

Some office building and warehouse leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Notes to the financial statements (continued)

24 Cash flows from operating activities

	2020	2019
	N'000	N'000
Loss before tax	(4,742,587)	(10,071,943)
Adjustment for non-cash items:		
- Depreciation of property plant and equipment (Note 14(i))	5,135,811	4,265,782
- Loss/ (gain) on disposal of property, plant and equipment	217,851	(23,543)
- Amortisation of intangible assets (Note 15)	222,081	222,555
- Net impairment charge on receivables (Note 17(vi))	3,770,859	200,042
- Interest income (Note 10)	(497,669)	(2,144,815)
- Interest expense (Note 11)	29,186	135,869
- Net charge in retirement benefit obligations	236,352	342,823
- Long service award obligations (Note 22(vi))	(16,367)	142,360
- Net derecognition of lease liability	(221,803)	-
- Minimum tax (Note 12(iv))	156,311	317,670
	4,290,026	(6,613,200)
Changes in working capital:		
- Decrease in employee loan receivable	-	162,889
- Decrease in trade and other receivables	7,402,701	6,057,163
- (Increase)/ decrease in inventories	(1,790,132)	2,059,572
- Decrease in trade and other payables (Note 20)	(7,728,512)	(6,685,396)
Cash flows generated/ (used) in operating activities	2,174,083	(5,018,972)

25 Fair values, including valuation hierarchy and assumptions

The fair values of financial instruments, valuation methods and the carrying amounts shown in the Statement of financial position, are as follows:

	2020 Fair value hierarchy	2020 Carrying amount N'000	2020 Fair value N'000	2019 Fair value hierarchy	2019 Carrying amount N'000	2019 Fair value N'000
Trade and related party receivables (Note 17(i))	Level 2	5,735,759	5,735,759	Level 2	15,284,030	15,590,886
Cash and cash equivalent (Note 18)		37,100,827	37,100,827		35,458,553	32,618,795
		42,836,586	42,836,586		50,742,583	48,209,681
Trade and other payables (Note 20) *		26,579,099	26,579,099		33,587,419	33,587,419
Loans and borrowing (Note 29)		239,428	239,428		705,720	705,720
		26,818,528	26,818,528		34,293,140	34,293,140

The fair values of the financial assets and liabilities are defined as being the amounts at which the instruments could be exchanged or liability settled in an arm's length transaction between knowledgeable, willing parties.

Cash and cash equivalents, trade and other current receivables, bank overdrafts, trade payables, intercompany loan and other current liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

*This analysis is required only for financial instruments. Accordingly, trade and other payables excludes statutory liabilities and refund liabilities.

Financial instruments in level 2 include the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation technique used to value financial instruments is the discounted cash flow analysis.

Notes to the financial statements (continued)

25 Fair values, including valuation hierarchy and assumptions (continued)

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Unilever's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Unilever's financial performance.

Risk management is carried out by a Treasury Department under policies approved by Board of Directors. Unilever's Treasury Department identifies, evaluates and manages financial risks in close co-operation with Unilever's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. These policies are mostly Unilever Global Policies adopted for local use.

26 Financial risk management

26.1 Financial risk factors

(a) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk - Transactions in foreign currency

Unilever is exposed to foreign exchange risk arising from various currency exposures. The currencies in which these transactions are primarily denominated are US dollars, Pound sterling, Euro and Rand. The currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

During the year, the Company explored foreign currency official instruments available in the market to settle obligations denominated in foreign currencies and to manage foreign currency volatility. These include: Central Bank of Nigeria (CBN) forwards and CBN interventions in the interbank market.

As a result, the Company's transactions were settled at a range of rates during the year. As at year end the assets and liabilities were translated using the NAFEX rate which represented the rate at which the future cash flows represented by the balances could have been settled if those cash flows had occurred at year end.

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Financial risk factors (continued)

(a) Market risk (continued)

At 31 December,exposure to currency risk as reported to the management of the Company is as follows;

2020

In thousands of	**Euro**	**GBP**	**USD**	**ZAR**
Trade and other receivables	12,940	-	-	-
Cash and Cash equivalent	14,934	5	15,389	-
Trade and other payables	(18,258)	(123)	(2,299)	(1,810)
Net exposure	9,616	(118)	13,090	(1,810)

2019

In thousands of	**Euro**	**GBP**	**USD**	**ZAR**
Trade and other receivables	16,514	-	-	-
Cash and Cash equivalent	14,254	5	8,865	-
Trade and other payables	(4,754)	(40)	(1,539)	(1,127)
Net exposure	26,014	(35)	7,326	(1,127)

The following significant exchange rates have been applied.

	Average rate		**Year-end spot rate**	
	2020	**2019**	**2020**	**2019**
EURO	469	406	491	410
GBP	422	477	546	481
USD	382	362	400	365
ZAR	26	26	27	26

Sensitivity analysis

At 31 December 2020, if the Naira had weakened/strengthened by 15%* against key currencies (Euro and USD) to which the Company is exposed to, with all other variables held constant, post-tax profit for the year would have been N1.5 billion lower/higher (2019: N2.1 billion).

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Financial risk factors (continued)

(a) Market risk (continued)

At 31 December 2020, if the Naira had weakened/strengthened by 15%* against key currencies (GBP and ZAR) to which the Company is exposed to, with all other variables held constant, post-tax profit for the year would have been N20 million lower/higher (2019: N9 million).

*15% represents the 5 year average change in the conversion rate of key currencies to Naira.

(ii) Cash flow and fair value interest rate risk

Unilever's interest rate risk arises from bank overdrafts and import facilities. Overdrafts issued at variable rates expose Unilever to cash flow interest rate risk.

Unilever analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, Unilever calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The average interest rate on local short-term borrowings in 2020 was 13% (2019: 18.5%)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers

The carrying amounts of financial assets and contract assets represent the maximum credit exposure

Impairment losses on financial assets assets recognised in the income statement were as follows:

	2020 N'000	2019 N'000
Impairment loss on trade and intercompany receivables (Note 17(vi))	3,770,859	200,042

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base.

The Company's risk management committee has established a credit policy under which each new customer is placed on a 3 month probation. Sales are made to these customers on a cash and carry basis during this period after which each customer is analysed individually for credit worthiness before the Company's standard credit and delivery terms and offered. The Company's review includes available financial information, industry information and bank references. Credit limits are established for each customer and reviewed quarterly

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Financial risk factors (continued)

(b) Credit risk (continued)

Concentration of credit risk with respect to trade receivables is limited, due to the Company's customer base being diverse. Credit terms for customers are determined on individual basis. Credit risk relating to trade receivables is managed by reference to the customers' credit limit, inventory balance, cash position and secondary sales to final consumers.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, distribution channel, geographic location and trading history. The Company does not require collateral in respect of trade and other receivables. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances. Loss rates are calculated using a historical default method based on the probability of a receivable progressing through stages of delinquency to write-off. The historical default rates are calculated separately for exposures from the two classes of customers (General and Modern Trade) based on their credit risk characteristics.

Loss rates are based on actual credit loss experience over the past three years

Movements in the allowance for the impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	2020	**2019**
	N'000	**N'000**
Balance at 1 January	1,389,939	485,746
Charged to income statement (17 (vi))	684,525	904,193
Balance at 31 December	2,074,464	1,389,939

Other receivables

Other receivables comprise unclaimed dividend held with registrar, prepayments and advance payments to local vendors, interest receivable on fixed deposits, deposit for imports and other receivables. Prepayments and advance payments to local vendors and deposit for imports (deposit with foreign vendors for goods) and other receivables are non-financial assets while interest receivables on fixed deposits held with reputable financial institutions and have good credit ratings. The Company assessed the credit risk as low, hence, the expected credit loss is immaterial.

The unclaimed dividend held with registrar represents the Company's maximum credit exposure to the financial asset. The refund of this receivable is as stipulated by the Securities Exchange Commission's set guidelines. The Company's registrar is GTL Registrars Limited, which is a reputable company. The Company has assessed the credit risk as low and the expected credit loss is immaterial.

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Financial risk factors (continued)

(b) Credit risk (continued)

Intercompany receivables

Intercompany receivables arise from export sales to and settlement of transactions on behalf of related entities. Related entities are entities within the Unilever Group. Credit terms for related entities are determined on individual basis and the Company does not require collateral in respect of intercompany receivables.

Expected credit loss assessment for related entities

The Company has applied a general approach in computing the Expected Credit Loss (ECL) for intercompany receivables. The company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including audited financial statements, cashflow projections), applying experienced judgement and historical default rates. Lifetime probabilities of default are determined based on available data which reflects the loss rate of the related party.

Intercompany receivables and payables are offset and the net amount presented in the Statement of Financial Position when, and only when the Company has a legally enforcable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from General Trade customers as at 31 December.

	2020				2019			
	Weighted average loss rate	Gross carrying amount N'000	Loss allowance N'000	Credit impaired	Weighted average loss rate	Gross carrying amount N'000	Loss allowance N'000	Credit impaired
Current (not past due)	3%	2,442,600	(69,574)	No	3%	84,162	(2,672)	No
Less than 3 months past due	4%	111,395	(4,511)	No	1%	8,855,939	(123,579)	No
3 - 6 months past due	77%	103,050	(79,505)	No	23%	397,388	(90,187)	No
More than 6 months past due	100%	1,371,575	(1,371,576)	Yes	100%	604,698	(604,483)	Yes
		4,028,621	(1,525,167)			9,942,187	(820,921)	

Loss rates are based on actual credit loss experience over the past three years

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Financial risk factors (continued)

(b) Credit risk (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables from Modern Trade customers as at 31 December.

	2020				2019			
	Weighted average loss rate	Gross carrying amount N'000	Loss allowance N'000	Credit impaired	Weighted average loss rate	Gross carrying amount N'000	Loss allow-ance N'000	Credit im-paired
Current (not past due)	1%	218,718	(3,223)	No	0%	71,537	(152)	No
Less than 3 months past due	-	-	-	No	22%	686,902	(150,134)	No
3 - 6 months past due	-	-	-	No	95%	127,194	(121,002)	No
More than 6 months past due	100%	546,074	(546,074)	Yes	100%	297,730	(297,730)	Yes
		764,791	(549,297)			1,183,363	(569,018)	

The movement in allowance for impairment of related party receivables during the year was as follows:

	2020 N'000	2019 N'000
Balance at 1 January	646,933	1,351,084
Impairment loss	2,690,031	(704,151)
Balance at 31 December	3,336,964	646,933

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements. The Company has disclosed a contractual maturity analysis for its financial liabilities, which is the minimum disclosure under IFRS 7 in respect of liquidity risk. Because IFRS 7 does not mandate the number of time bands to be used in the analysis, the Company has applied judgement to determine an appropriate number of time bands.

2020	Carrying amount N'000	Less than 3 months N'000	Between 3 months and 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Over 5 years N'000	Total N'000
Trade and other payables*	- 26,579,099	26,579,099	-	-	-	-	26,579,099
Loans and borrowings	239,428	-	239,428	-	-	-	239,428

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Financial risk factors (continued)

(b) Credit risk (continued)

2019	Carrying amount N'000	Less than 3 months N'000	Between 3 months and 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Over 5 years N'000	Total N'000
Trade and other payables*	33,587,419	33,587,419	-	-	-	-	33,587,419
Loans and borrowings	705,720	-	-	705,720	-	-	705,720

	At amortised cost 2020 N'000	2019 N'000
Liabilities as per statement of financial position		
Trade and other payables (Note 20)*	26,579,099	33,587,419
Loans and borrowings (Note 29)	239,428	705,720
	26,818,528	34,293,140

*This analysis is required only for financial instruments. Accordingly, trade and other payables excludes statutory liabilities and refund liabilities.

Cash and cash equivalents

The Company held cash and cash equivalents of N37.0bn as at 31 December 2020 (2019: N35.5bn). The cash and cash equivalents are held with banks and financial institutions. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects short term maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Employee receivables

Employees are not considered a credit risk as amounts due from employees are deductible monthly from gross pay and upon resignation, deducted from final entitlements.

Unilever

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that Unilever will face difficulty in meeting its obligations associated with its financial liabilities. Unilever's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine Unilever's credibility, impair investor confidence and also restrict Unilever's ability to raise funds.

Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. Unilever seeks to manage its liquidity requirements by maintaining relationships with different financial institutions through short-term and long-term credit facilities.

Cash flow forecasting is performed in Unilever. Unilever's finance team monitors rolling forecasts of Unilever's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that Unilever does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration Unilever's debt financing plans, covenant compliance and compliance with gearing ratios. Where current liabilities exceed current assets, the Company seeks to manage its liquidity requirements by maintaining access to bank lending which are renewable annually. At the reporting date, Unilever held cash in bank of N30.2 billion (2019: N13.8 billion). Unilever also had Nil overdraft (2019: Nil) and undrawn facilities of N20.2 billion (2019: N20.5 billion). The facilities are unsecured and do not attract any cost if they are not utilised. The bank overdraft facilities are subject to annual renewal.

	2020	**2019**
The average interest rates on bank overdrafts at the year end is as follows:	13%	18.5%

26.2 Capital risk management

Unilever's objectives when managing capital are to safeguard Unilever's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Unilever may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, Unilever monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities (non-current liabilities and current liabilities) over total assets (non-current assets and current assets), based on balances reported in the statement of financial position.

Notes to the financial statements (continued)

26 Financial risk management (continued)

26.1 Capital risk management (continued)

The gearing ratios at 31 December 2020 and 2019 were as follows:

	2020	2019
	N'000	N'000
Total liabilities	29,388,418	37,149,170
Total assets	91,517,538	103,677,519
Gearing ratio (%)	32%	36%

27 Segment reporting

The chief operating decision-maker has been identified as the Leadership Team (LT) of Unilever Nigeria Plc. The Leadership Team reviews Unilever's monthly financial and operational information in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Leadership Team consider the business from Food Products category and Home and Personal Care category.

Foods – including sales of tea and savoury products
Home and Personal Care – including sales of fabric care, household cleaning, skin care and oral care products.

There are no intersegmental sales and Nigeria is the Company's primary geographical segment as it comprises 98% of the Company's sales. The Leadership Team assesses the performance based on operating profits for each operating segment that is reviewed. Total financing (including interest income and expense), income taxes and retirement benefit obligations are managed on an entity-wide basis and are not allocated to operating segments.

Total segment assets exclude tax related assets. These are included in the reconciliation to the total assets on the Statement of financial position.

	Food Products	Home and Personal Care	Total
2020	N'000	N'000	N'000
Revenue (Note 4)	34,109,914	27,849,764	61,959,678
Depreciation and amortisation	2,949,616	2,408,276	5,357,892
Segmental operating loss	(3,341,743)	(2,728,437)	(6,070,180)
Finance income (Note 10)	1,009,637	824,339	1,833,976

Notes to the financial statements (continued)

27 Segment reporting (continued)

Finance cost (Note 11)	(192,721)	(157,351)	(350,072)
Loss before taxation	(2,524,827)	(2,061,449)	(4,586,276)

2020	**Food Products**	**Home and Personal Care**	**Total**
	N'000	**N'000**	**N'000**
Property, plant and equipment (Note 14)	14,105,834	13,264,193	27,370,607
Inventories (Note 16)	7,519,760	6,139,667	13,659,427
	21,625,594	19,403,860	41,030,034
Other non-current assets			3,852
Cash and bank balances (Note 18)			37,100,827
Other current assets			13,219,724
Trade and other payables (Note 20)			(27,422,359)
Income tax (Note 12)			(137,070)
Loans and borrowings (Note 29)			(239,428)
Deferred tax assets (Note 21)			163,101
Retirement benefit obligations (Note 22(iv))			(588,473)
Retirement benefit deficit (Note 22(iv))			(576,521)
Long service obligations (Note 22(iv))			(424,567)
Net assets			62,129,120
Capital expenditure	576,144	470,405	1,046,550

2019	**Food Products**	**Home and Personal Care**	**Total**
	N'000	**N'000**	**N'000**
Revenue (Note 4)	31,781,267	28,705,568	60,486,835
Depreciation and amortisation	2,358,282	2,130,055	4,488,337
Segmental operating loss	(6,180,685)	(5,582,534)	(11,763,219)
Finance income (Note 10)	1,126,938	1,017,877	2,144,815
Finance cost (Note 11)	(71,389)	(64,480)	(135,869)
Profit before taxation	(5,125,135)	(4,629,138)	(9,754,273)

Notes to the financial statements (continued)

27 **Segment reporting (continued)**

2019	Food Products N'000	Home and Personal Care N'000	Total N'000
Property, plant and equipment (Note 14)	16,791,213	15,166,208	31,957,420
Inventories (Note 16)	6,236,419	5,632,876	11,869,295
	23,027,632	20,799,084	43,826,715
Other non-current assets			261,225
Cash and bank balances (Note 18)			35,458,553
Other current assets			24,131,026
Trade and other payables (Note 19)			(34,719,709)
Income tax (Note 12)			(88,375)
Loans and borrowings (Note 28)			(705,720)
Deferred tax liabilities (Note 20)			(894,439)
Retirement benefit obligations (Note 21(iv))			(422,830)
Long service obligations (Note 21(iv))			(318,096)
Net assets			66,528,350
Capital expenditure	3,105,416	2,804,883	5,910,299

28 **Related party transactions**

Unilever Nigeria Plc is controlled by Unilever Plc incorporated in the United Kingdom which is the ultimate party and controlling party of Unilever Nigeria Plc. There are other companies that are related to Unilever Nigeria Plc by virtue of their relationship to Unilever Plc (subsidiary) who is the ultimate controlling party. The following transactions were carried out with related parties:

(I) **Trade mark and technology licences**

Unilever Plc, United Kingdom has given Unilever Nigeria Plc exclusive right to the know-how, manufacture, distribution and marketing of its international brands namely: Omo, Sunlight, Close-Up, Pepsodent, Vaseline, Lux, Knorr, Royco, Lipton, and Lifebuoy in Nigeria. In consideration of this, a royalty of 2% of net sales value and 0.5% of net sales value is payable by Unilever Nigeria Plc to Unilever Plc, United Kingdom for Technology and Trade Mark licences respectively.

Notes to the financial statements (continued)

28 Related party transactions (continued)

(ii) Central support and management services

Unilever Nigeria Plc has a Management Services Agreement with Unilever Plc, United Kingdom for the provision of corporate strategic direction, and expert advice/support on legal, tax, finance, human resources and information technology matters.

Effective 1 June 2018, after an internal arrangement, the service provider was changed from Unilever Plc to Unilever Europe Business Centre B.V.

In consideration of this agreement, a fee of 2% of profit before tax is payable by Unilever Nigeria Plc to Unilever Plc/Unilever Europe Business Center B.V. The fee payable under this agreement in 2020 was nil being that the Company made a loss before tax (2019: Nil).

(iii) Sale of finished goods to related parties

	2020 N'000	2019 N'000
Unilever Cote D'Ivoire	1,163,152	25,897
Unilever Ghana Ltd	157,679	990,467
	1,320,831	1,016,364

(iv) Purchases of finished goods for resale from related parties

	2020 N'000	2019 N'000
Unilever Ghana Limited	-	24,921
Unilever Gulf Free Zone Establishment	11,526	-
	11,526	24,921

(v) Outstanding related party balances as at 31 December were:

	2020 N'000	2019 N'000
Receivables from related parties:		
Unilever Cote D'Ivoire	4,024,080	3,068,317
Unilever Ghana Limited	2,320,096	2,543,944
Other related parties (settlement of liabilities on behalf of related entities)	9,599	583,091
Gross receivables	6,353,775	6,195,352
Less impairment	(3,336,964)	(646,933)
	3,016,811	5,548,419

Notes to the financial statements (continued)

28 Related party transactions (continued)

	2020 N'000	2019 N'000
Payables to related parties:		
Unilever UK Plc	3,073,309	4,272,620
Unilever Asia Private	1,409,948	2,277,023
Unilever Cote D'Ivoire	263,274	254,807
Unilever Ghana Limited	71,424	-
Unilever NV	100,383	2,625,093
Other related parties (settlement of liabilities on behalf of the Company)	130,036	343,750
Amount due to related companies per note 20(i)	5,048,375	9,773,293
Unilever Overseas Holding	2,796,534	2,796,534
Total amount due to related parties	7,844,909	12,569,827

Aside compensation paid to key management personnel which has been disclosed in Note 7, there were no other transactions between the Company and its key management personnel during the year.

(vi) Related party relationship

The nature of related party relationships with Unilever Nigeria Plc is as follows:

Related Party	Nature of relationship
Unilever UK Plc	Ultimate parent and controlling party
Unilever Cote D'Ivoire	Fellow subsidiary
Unilever Ghana Limited	Fellow subsidiary
Unilever Asia Private	Fellow subsidiary
Unilever Finance International AG	Fellow subsidiary
Unilever NV	Immediate Parent
Unilever Market Development (Pty) Limited	Fellow subsidiary
Unilever South Africa (Pty) Limited	Fellow subsidiary
Unilever Gulf Free Zone Establishment	Fellow subsidiary

Notes to the financial statements (continued)

29 **Loans and borrowings**

This note provides information about the contractual terms of the company's interest-bearing loans and borrowing which are measured at amortised cost.

	2020	2019
	N'000	N'000
Non-current liability		
Lease liabilities (Note 29(ii))	-	705,720
Current liability		
Lease liabilities (Note 29(ii))	239,428	-
Total loans and borrowings	239,428	705,720

The movement on the facility is as follows:	2020	2019
	N'000	N'000
At 1 January	-	4,176
Repayments	-	(4,176)
At 31 December	-	-

(i) Import Finance Facility

This represents a facility line for the issuance of Letters of Credits to the Company's vendors for the purchase of raw materials

(ii) Lease liabilities

Lease liabilities relate to the present value of future lease payment on the Company's rented properties. The movement in the lease liability during the year is as follows:

	2020	2019
	N'000	N'000
Opening balance	705,720	-
Lease liability recognised	12,514	600,772
Interest on lease liability	84,534	104,948
Lease payment	(329,023)	-
Derecognition of lease liability	(234,317)	-
Closing balance	239,428	705,720

Notes to the financial statements (continued)

30 **Share capital and share premium**

	Number of ordinary shares	Ordinary shares	Share premium
	N'000	N'000	N'000
Balance as at 31 December 2019 and 31 December 2020	5,745,005	2,872,503	56,812,810

The authorised number of ordinary shares is 10,000,000,000 (2019: 10,000,000,000) with a par value of 50 kobo per share. Of these, 5,745,005,417 (2019: 5,745,005,417) ordinary shares have been issued and fully paid.

31 **Contingencies**

The Company is involved in pending litigation and claims arising in the ordinary course of business. Estimated contingent liability as at 31 December 2020 is N56 million (2019: N27million). In the opinion of the directors, the Company will not suffer any material loss arising from these claims. Thus no provision has been recognized in the financial statements.

The company is subject to ongoing tax audit by regulatory bodies. The audit is yet to be completed as at reporting date and any liability that may arise cannot be determined with sufficient reliability. The Directors are of the opinion that the Company will not suffer any significant financial loss from these audits.

Further disclosures are not provided in respect of these exposures because doing so may have unfavourable impacts on the Company's position.

32 **Subsequent events**

Separation of Tea business

On 23 July 2020, there was a global announcement by Unilever on its strategic decision to separate its Global Tea Business. Following this announcement and subsequent to the reporting date, Unilever Nigeria Plc notified The Nigerian Stock Exchange on 25 February 2021 of the plan to separate the Unilever Nigeria Plc tea business into a separate legal entity. The planned separation will go through the required approval process. The approval process has been initiated subsequent to the reporting date. Also, the financial impact of the separation is unknown at the reporting date.

Apart from the aforementioned, there are no significant subsequent events which could have had a material effect on the state of affairs of the company as at 31 December 2020 that have not been adequately provided for or disclosed in the financial statements

Other National Disclosures

Value added statement

	2020 N'000	%	2019 N'000	%
Revenue (Note 4)	61,959,678		60,486,835	
Bought in materials and services:				
- local	(19,214,701)		(21,213,637)	
- imported	(33,765,137)		(36,314,816)	
	8,979,840		2,958,383	
Other income	66,013		86,299	
Interest income (Note 10)	1,833,976		2,144,815	
Value added	10,879,829	100	5,189,497	100
Applied as follows:				
To Government:				
Income taxes (Note 12(i)) *	(776,666)	(7)	(2,652,269)	(51)
To Employees:				
Employee costs (Note 8)	9,914,451	92	10,637,234	205
To Providers of Finance:				
Finance costs (Note 11)	350,072	3	135,869	2.62
Retained in the Business:				
Depreciation and amortisation	5,357,892	49	4,488,337	86
To deplete reserves	(3,965,921)	(37)	(7,419,674)	(143)
	10,879,829	100	5,189,497	100

* includes deferred taxes for the period

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.

Other National Disclosures

Five year financial summary

	2020	2019	2018 *	2017	2016
	N'000	N'000	N'000	N'000	N'000
Financial performance					
Revenue (Note 4)	61,959,678	60,486,835	95,244,404	90,771,306	69,777,061
Gross profit	12,800,008	4,749,825	28,788,122	28,943,264	20,296,041
Operating expenses	(18,936,201)	(16,599,343)	(19,653,194)	(15,975,515)	(14,615,233)
Other income/ (expense) (Note 6)	66,013	86,299	2,207,250	(18,026)	124,237
Net finance cost	1,483,904	2,008,946	3,510,544	(1,742,511)	(1,698,623)
Minimum tax expense (Note12(iv))	(156,311)	(317,670)	-	-	-
(Loss)/ profit before taxation	(4,742,587)	(10,071,943)	14,852,722	11,207,212	4,106,422
Income tax credit/(expenses) (Note12(i))	776,666	2,652,269	(4,300,582)	(3,757,128)	(1,034,537)
(Loss)/ profit after Tax	(3,965,921)	(7,419,674)	10,552,140	7,450,084	3,071,885
Other comprehensive income	(493,380)	(224,011)	120,268	(680,171)	742,739
Total comprehensive income	(4,459,301)	(7,643,685)	10,672,408	6,769,913	3,814,624
Earnings per share (Basic and diluted) - Naira	(0.69)	(1.29)	1.84	1.78	0.81
Capital employed					
Share capital (Note 30)	2,872,503	2,872,503	2,872,503	2,872,503	1,891,649
Share premium (Note 30)	56,812,810	56,812,810	56,812,810	56,812,810	45,717
Retained earnings	2,443,807	6,843,037	23,104,230	16,223,062	9,752,577
Shareholders' funds	62,129,120	66,528,350	82,789,543	75,908,375	11,689,943

Other National Disclosures continued

Five year financial summary

	2020	2019	2018 *	2017	2016
	N'000	N'000	N'000	N'000	N'000
Employment of capital					
Non-current assets	27,537,560	32,218,645	30,533,130	31,125,625	30,948,762
Net current assets/(liabilities)	36,181,121	36,650,790	58,143,190	53,263,433	(11,970,842)
Non-current liabilities	(1,589,561)	(2,341,085)	(5,886,777)	(8,480,683)	(7,287,977)
	62,129,120	66,528,350	82,789,543	75,908,375	11,689,943
Net assets per share (Naira)	10.81	11.58	14.41	18.17	3.09

* Includes continued and discontinued operations

Shareholders Information

UNILEVER NIGERIA PLC SHARE CAPITAL HISTORY

S/N	YEAR	BONUS RATIO	SHARE CAPITAL
1	1976	1:2	21,522,752
2	1977	3:2	53,806,880
3	1978	1:2	80,710,320
4	1979	1:4	100,887,900
5	1980	1:15	107,613,760
6	1981	NIL	107,613,760
7	1982	NIL	107,613,760
8	1983	NIL	107,613,760
9	1984	NIL	107,613,760
10	1985	1:4	134,517,200
11	1986	NIL	134,517,200
12	1987	NIL	134,517,200
13	1988	NIL	134,517,200
14	1989	1:2	201,775,800
15	1990	1:3	269,034,400
16	1991	NIL	269,034,400
17	1992	NIL	269,034,400
18	1993	1:3	358,712,533
19	1994	1:2	538,068,800
20	1995	1:4	672,586,000
21	1996	1:2	1,008,879,000
22	1997	NIL	1,008,879,000
23	1998	1:5	1,210,654,800
24	1999	NIL	1,210,654,800
25	2000	NIL	1,210,654,800
26	2001	NIL	1,210,654,800
27	2002	3:2	3,026,637,000
28	2003	NIL	3,026,637,000
29	2004	NIL	3,026,637,000
30	2005	NIL	3,026,637,000
31	2006	1:4	3,783,296,250
32	2007	NIL	3,783,296,250
33	2008	NIL	3,783,296,250
34	2009	NIL	3,783,296,250
35	2010	NIL	3,783,296,250
36	2011	NIL	3,783,296,250
37	2012	NIL	3,783,296,250
38	2013	NIL	3,783,296,250
39	2014	NIL	3,783,296,250
40	2015	NIL	3,783,296,250
41	2016	NIL	3,783,296,250
42	2017	RIGHTS ISSUE	5,745,005,417
43	2018	NIL	5,745,005,417
44	2019	NIL	5,745,005,417
45	2020	NIL	5,745,005,417

Shareholders Information

RANGE ANALYSIS AS AT DECEMBER 31, 2020

Share Range	Number Of Shareholders	% of Shareholder	Number Of Holdings	% Shareholding
1-1,000	37,638	40.37	15,717,096	0.27
1,001-5,000	31,627	33.92	83,248,246	1.45
5,001-10,000	9,304	9.98	71,601,245	1.25
10,001-50,000	10,825	11.61	242,648,767	4.22
50,001-100,000	2,183	2.34	157,073,222	2.73
100,001-500,000	1,469	1.58	245,705,358	4.28
500,001-1,000,000	88	0.09	59,489,669	1.04
1,000,001 and Above	103	0.11	4,869,521,814	84.76
TOTAL	**93,237**	**100.00**	**5,745,005,417**	**100.00**

SHAREHOLDERS WITH SHAREHOLDING VALUES OF 5% AND ABOVE
AS AT DECEMBER 31, 2020

S/No	Shareholder Name	Shareholding	% Shareholding
1	Unilever Overseas Holdings B.V Holland	3,321,138,208	57.81
2	Unilever Overseas Holdings B.V	1,043,023,604	18.16
3	Stanbic Nominees Nigeria Ltd (Cumulative Holding)	287,572,174	5.01

CIRCULAR TO SHAREHOLDERS SEEKING A GENERAL MANDATE AUTHORIZING TRANSACTIONS WITH RELATED PARTIES OF VALUE UP TO AND MORE THAN 5% OF UNILEVER NIGERIA PLC. NET TANGIBLE ASSETS

In accordance with Paragraph 20.8 of the Nigerian Stock Exchange Rules Governing Transactions with Related Parties or Interested Persons, Unilever Nigeria Plc. hereby seeks a general mandate from shareholders in general meeting, authorizing the Company to enter into recurrent transactions necessary for its day to day operations such as the purchase and sale of supplies and materials, procurement of goods and services, with its related parties to wit Unilever Overseas Holdings B.V., Unilever Plc, United Kingdom and other entities within the Unilever Group, up to transactions of a value equal to or more than 5% of Unilever Nigeria Plc's net tangible assets.

The following information is hereby provided in respect of the transactions for which the general mandate is sought:

i. Class of interested persons with which the entity at risk will be transacting:
   - a Parent Company – Unilever Plc
   - b Other Companies within the Unilever Group

ii. Nature of transactions contemplated under the mandate
   - a Import and export of raw materials and finished goods
   - b Import and export of materials
   - c Services – Cross charges of pension costs, international assignees costs and other services such as Trademark license, Technology License, Central Services and financial services.

iii. Rationale for, and benefit to the entity
   - a Access to Unilever logo and trademarks, up to date technology and service expertise
   - b Competitive sourcing prices through negotiated transfer pricing
   - c Seamless reconciliation of transactions and balances on a line-item level
   - d Pro-active, managed dispute resolution process
   - e Full transparency of all intercompany differences
   - f Enforced compliance with internal intercompany processes and external regulations.
   - g Ensures adequate monitoring of receivables and payables
   - h Reduced financial risk
   - i Business continuity

iv. Methods or procedures for determining transaction prices
   Transfer Pricing methods as follows:
   - a Comparable uncontrolled price.
   - b Resale price method.
   - c Cost plus method.
   - d Transactional net margin method.

v. We have received Independent financial advisers' opinion which confirmed that our transfer pricing methods or procedures are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of Unilever Nigeria Plc. and its minority shareholders.

vi. Unilever Nigeria Plc. shall obtain a fresh mandate from the shareholders if the transfer pricing methods or procedures become inappropriate; and

CIRCULAR TO SHAREHOLDERS SEEKING A GENERAL MANDATE AUTHORIZING TRANSACTIONS WITH RELATED PARTIES OF VALUE UP TO AND MORE THAN 5% OF UNILEVER NIGERIA PLC. NET TANGIBLE ASSETS

vii. Unilever Overseas Holdings B.V. and/or Unilever Plc, United Kingdom shall abstain and has undertaken to ensure that its associates shall abstain from voting on the Resolution approving the general mandate.

Dated this 25 March, 2021
By order of the Board

Mrs Abidemi Ademola
General Counsel WA & Company Secretary
FRC/2013/NBA/00000001646

Registered Office
1, Billings Way,
Oregun, Ikeja,
Lagos.

EXPLANATORY NOTE TO SHAREHOLDERS ON THE SEPARATION OF UNILEVER NIGERIA PLC. TEA BUSINESS

This Explanatory Note is intended to:

(I) provide shareholders with information to assess the merits of the proposed resolution on the transfer of the Company's Tea Business to a newly-incorporated tea dedicated company in Nigeria **("Nigeria Tea Company")** (the **"Transaction"**) held on a 100% basis by Unilever under a newly-incorporated tea dedicated holding company (the **"Tea Company"**); and

(ii) explain why the Board of Directors considers the Transaction to be in the best interests of the Company and its shareholders and why the Board recommends that the shareholders should vote in favour of the resolution.

Proposed separation of the Unilever Group's global Tea Business

Unilever Nigeria Plc. (**"Unilever Nigeria"** or the **"Company"**) is a member of the Unilever Group (headquartered in London, United Kingdom), which manufactures and sells fast-moving consumer goods in the personal care, home care, foods and refreshments categories.

On 23 July 2020, following the completion of a strategic review, Unilever Plc (**"Unilever"** and together with its group companies, the **"Unilever Group"**) announced its intention to separate the Unilever Group's global tea business (the **"Tea Business"**) (the **"Separation"**). The Separation excludes Unilever's tea businesses in India and Indonesia and Unilever's partnership interests in the Pepsi Lipton ready-to-drink tea joint ventures.

The rationale for the Separation is that achieving the growth potential of the Tea Business requires a different business model and can best be realized on a standalone basis under the Tea Company.

The Unilever Nigeria Tea Business

Unilever Nigeria Plc. licenses the Lipton and Glen brands from the Unilever Group and manufactures and sells tea products under these brands in Nigeria. The Tea Business is estimated to account for 13.8% of Unilever Nigeria's turnover.

Transfer of the Tea Business in Nigeria

As part of the global Separation Unilever will in any event transfer ownership of all relevant tea brands, including the Lipton and Glen brands in Nigeria, to the Tea Company. Subject to shareholder approval of the Transaction, it is proposed that the Company transfers its Tea Business to the Nigeria Tea Company.

Approval of the Transaction provides certainty for the shareholders on achieving a fair value for the Company's Tea Business. The Transaction will also enable the Company to focus resources on other better performing categories.
If the Transaction is not approved by shareholders, Unilever will proceed with the global Separation, including the transfer of the ownership of the Lipton and Glen brands used by Unilever Nigeria to the Tea Company, subject to existing license terms, but the Unilever Nigeria Tea Business would not be included in the Separation or in any future external separation of the Tea Company by the Unilever Group.

EXPLANATORY NOTE TO SHAREHOLDERS ON THE SEPARATION OF UNILEVER NIGERIA PLC. TEA BUSINESS

Structure of the Separation in Nigeria

The Transaction will be structured as a sale of assets comprising the Company's Tea Business.

Action to be taken by the Shareholders

The Tea Business in Nigeria accounts for circa 13.8% per cent of the Company's turnover. Under the provisions of Regulation 77 of the articles of association, a disposal of a substantial part of the undertaking or of the assets of the Company requires the previous sanction of the Company in general meeting. Whilst the Transaction may not be regarded as a disposal of the substantial assets of the Company, the Securities and Exchange Commission in assessing the Transaction prior to granting its approval requires that a shareholders' resolution in connection with the Transaction should be provided.

[A proxy form has been provided. For the instrument of proxy to be valid for the purpose of the meeting, it must be completed, duly stamped in accordance with the Stamp Duties Act and deposited at the office of the Company's registrars no later than 48 hours before the time for holding the meeting]

Recommendation

Upon a careful consideration of the strategic considerations set forth in this Explanatory Note, the Board considers the Transaction to be in the best interest of the Company and its shareholders. Accordingly, the Board recommends that the shareholders should vote in favour of the Transaction.


Knorr
SINCE 1838
Knorr
CHICKEN
SEASONING CUBES
Taste the Knorr difference
Our Promise
FORTIFIED WITH
IRON
&IODINE
50
x8G
NEW PACK
SAME GREAT TASTE
New pack.
Same
great taste!
For delicious, nutritious recipes
go to knorr.ng

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REGISTRARS & DATA SOLUTIONS

Only Clearing Banks Are Acceptable

Date

DD	MM	YY

Instructions
Please complete **all sections** of this form to make it eligible for processing and return to the address below:

The Registrar
Greenwich Registrars & Data Solutions Limited
274 Murtala Muhammed Way, Yaba, Lagos

Bank Mandate Information
I\We hereby request that henceforth, all the Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my\our bank detailed below:

Bank Verification Number			
Bank Name			
Bank Account Number			
Account Opening Date	DD	MM	YY

Shareholders Account Information

Surname/Company Name	First Name	Other Name(s)

Address

City	State	Country

Previous Address (if any)

CSCS Clearing House Number	Email Address
Mobile Number (1)	**Mobile Number (2)**
Shareholder's Signature	**2nd Signatory** (Joint/Company Accounts)

Company Seal (if applicable)

Tick	Company Name	Shareholders Account No.
	11 PLC	
	2LP Management Company Limited Series 1	
	Abplast Products PLC	
	Allianz Nigeria Plc (erstwhile Union Assurance Company Limited; Ensure Insurance)	
	Aluminum Extrusion PLC	
	Axxela Bond	
	Cashew Nuts Processing Industries PLC	
	Chellarams PLC	
	Christlieb PLC	
	DANA Group of Companies PLC Series 1 & 2	
	DN Tyre & Rubber PLC	
	Ekiti State Bond Tranche 2	
	Ekiti State Government Bond	
	EKOCORP PLC	
	Eterna PLC	
	FAN Milk PLC	
	General Telecoms PLC	
	GlaxoSmithKline Nigeria PLC	
	Global Biofuel Nigeria LTD	
	Great Nigeria Insurance PLC	
	Greenwich Alpha ETF	
	Greenwich Money Market Fund	
	Ikeja Hotels PLC	
	Impresit Bakolori PLC	
	Industrial & General Insurance PLC	
	IPWA PLC	
	John Holts PLC	
	Julius Berger Nigeria PLC	
	Kajola Integrated & Investment Company PLC	
	Lennard Nigeria PLC	
	Local Contractors Receivables Bond Tranche 1, 2 & 3	
	Meyer PLC	
	Municipality Waste Management Contractors Limited Series I,II & III	
	Nestle Nigeria PLC	
	Nigeria Cement Company PLC	
	Nigeria Entertainment Fund	
	Nigeria Reinsurance	
	Nigerian Enamelware PLC	
	Nigerian Lamp & Industries	
	Nigerian Wire & Cable PLC	
	Nova Bond Series I	
	Okitipupa Oil Palm PLC	
	Oluwa Glass Company	
	Primero BRT Securitization SPV	
	Studio Press Nigeria PLC	
	Sush SPV Bond II	
	The Tourist Company of Nigeria PLC	
	Tripple Gee & Company PLC	
	Unilever Nigeria PLC	
	Union Homes REITS	
	Union Homes Savings & Loans PLC	
	University Press PLC	
	Wema Bank PLC	
	Wema Funding SPV Plc Bond Series I & II	

THIS SERVICE COSTS ₦150.00 PER APPROVED MANDATE, PER COMPANY

Covid donations to several State Governments, Nigeria Center for Disease Control and Ibadan Golf Club

Consumer engagement activities


ORIGINAL TASTE AND AROMA
Unilever
Royco
seasoning cubes
ORIGINAL BEEF FLAVOUR
100 cubes
HALAL
Royco CUBE

Product Range

BEAUTY AND PERSONAL CARE

CLOSEUP

Closeup is the lead toothpaste brand in Nigeria and it delivers superior freshness with its signature anti-germ formula. Closeup is passionate about helping young people keep their confidence by ensuring long lasting fresh breath, so they are not afraid to get closer. The three major variants of Closeup are Closeup Red Hot, Closeup Cool Breeze and Closeup Herbal and they come in various pack sizes to meet our consumers' demands.

Last year, Closeup created relevant digital engagements with the aim of strengthening consumers' affinity for the brand, regaining lapsed users of Closeup and driving increased sales. Closeup signed on 25 Influencers including artist Mayorkun to share their freshness stories. The stories generated over 1000 posts and 10million unique people were reached.

During the 2020 Independence Day celebrations and in response to the COVID-19 pandemic in the Country, Closeup created relevant communication which celebrated the richness and strength of the Nigerian spirit, and our ability to rise above tough situations and keep our smiles on!

There is no doubt that Closeup is a brand with a rich purpose and growth opportunities. We were able to get closer to our consumers last year and in 2021, we will work towards satisfying our consumers, consistently growing the brand as well as achieving business goals.

Product Range

BEAUTY AND PERSONAL CARE

PEPSODENT

Pepsodent is an outstanding oral health brand that works hard to eradicate preventable oral care disease so everyone can unlock the power of their smile. The brand has been on a mission to encourage good brushing habits through school programs, free dental check-ups and consistent communication of the simple but effective message which is to brush day and night.

Pepsodent has grown over the years and has three major products with different variants and pack sizes aimed at meeting all levels of consumer needs. There are three major products within the brand and they are Pepsodent Triple Protection, Pepsodent Cavity Fighter and Pepsodent Sensitive Expert. These were all specially formulated to satisfy the various needs of the consumer and they come in different pack sizes.
Relaunch of Pepsodent Triple Protection

In 2020, Pepsodent Triple Protection was relaunched with a clearer communication of its complete protection benefits, which are, protection against cavities, provision of fresh breath & white teeth and the introduction of a new fresh flavor. This relaunch was well received by consumers and gave the brand the opportunity to once again communicate its purpose and benefits to ensure continuous, top of mind awareness with consumers.

Launch of 40g pack size

Pepsodent is a consumer-centric brand and its desire to satisfy our consumers led to the launch of a 40g pack size, to make the product more affordable for lower income earners. This launch commenced with a sampling program to introduce the pack size and encourage trial among new consumers.

COVID-19 Communications

As a purposeful brand, Pepsodent is not only interested in the oral health of our consumers but also cares that they are mentally stable. We demonstrated this through our heart-warming communications in the heat of the COVID-19 pandemic; Pepsodent stayed active on digital platforms encouraging consumers to keep safe and remain resilient.

Product Range

BEAUTY AND PERSONAL CARE

Pepsodent is passionate about ensuring optimal oral health for consumers in Nigeria by eradicating oral care diseases, hence our message of the need to imbibe the simple practice of brushing day and night. We do all this driven by the belief that all smiles matter. We remain resilient in our pursuit to achieving this goal, as well as our business objectives, in 2021.

LIFEBOUY

2020 was an important year for Lifebuoy as the brand activated its purpose of saving lives through championing good hygiene practices. This was critical to the events that occurred over the year. Lifebuoy began early sensitization of citizens on hygiene in the first month of the year given the rise in Lassa Fever in some parts of the country, however by February, COVID-19 had become a global pandemic and was fast extending into Nigeria.

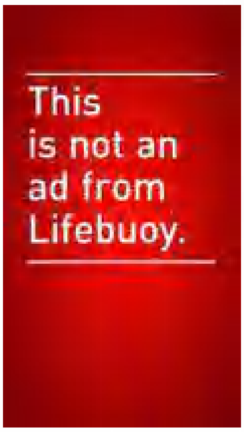
Immediately after the announcement of the first case of the Corona Virus in Nigeria, Lifebuoy stepped into the limelight by partnering with the former Brand Ambassador, Omawumi Megbele, to shoot a public service announcement educating Nigerians on the importance of Handwashing

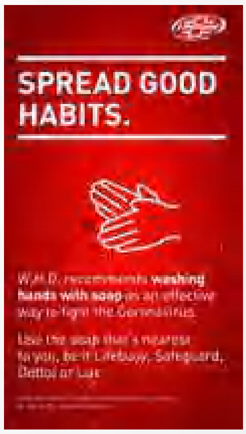
Product Range

BEAUTY AND PERSONAL CARE

Sequel to the Public Service Announcement, the brand took to its digital media platforms to promote handwashing with soap and water as an important method to curb the spread of COVID 19. Outside of the PSA, Lifebuoy reached out to the Ministry of Education and provided free samples of Lifebuoy soap to Lagos State teachers. The Lifebuoy team also explained to the teachers how important it is to spread the Lifebuoy handwashing video and message amongst their peers and to pupils.

In March 2020, as the country battled COVID-19 and enforced lockdowns in key states, Lifebuoy responded by donating bar soaps for safe handwashing in public health centers. Over two hundred thousand bars of soaps were donated nationally, and these donations were also extended to vulnerable Nigerians through specific NGOs to help curb the effect of the pandemic. Besides donations, Lifebuoy also led a digital campaign to challenge myths and fake news surrounding the COVID-19 Virus and urged citizens to stop spreading panic. These messages were aimed at





In Lagos, the brand partnered with the Ministry of Health to deploy branded flyers to educate people across the city. Lifebuoy soaps were also donated to frontline workers in Lagos State and the Ministry of Health in Ogun state.t curbing fear and spreading only facts that promoted good hygiene.

NEW LUX
WITH FLORAL BEAUTY OIL
FOR SOFT FRAGRANT SKIN
LUX
Soft Caress
For Smooth Fragrant Skin
Jasmine & Silk Essence Oil
LUX
LUX
LUX

Product Range

BEAUTY AND PERSONAL CARE

In response to the urgent need for protection and hygiene in the wake of the pandemic, Lifebuoy Launched its Hand Sanitizers in May 2020. Lifebuoy sanitizers, made with 70% alcohol, kills 99% of germs and bacteria. The Lifebuoy sanitizer was made affordable and easy to use while on the move. The sanitizers are currently available in 200ml and sold in stores across Nigeria.

In 2021, Lifebuoy will be working to expand its hygiene portfolio and continue to promote safety and health practices that save and protect lives.

PEARS

Pears is gentle, and promises rash-free skin, resulting in a comfortable, cheerful baby. The Pears lotion, oil, cream, petroleum jelly and powder contain carefully chosen, pure and mild ingredients, including olive oil which is known to be a natural, mild skin cleanser. The Pears range is just right for babies' tender skin, and is formulated to leave babies smelling fresh throughout the day. In 2020, Pears in partnership with the National Association of Nigerian Nurses and Midwives (NANNM), donated relief products to new and expectant mothers to demonstrate care and support them during the COVID-19 pandemic season.

Pears also created relevant digital content and campaigns aimed at reminding mums of the unique value proposition of the brand, as well as to drive increased sales.

For 2021, Pears looks forward to consistently delivering high quality products for babies' tender skin.

In 2021, Pears will continue to deliver on its promise of consistently offering trusted, quality baby care to Nigerian homes.

Product Range

BEAUTY AND PERSONAL CARE

VASELINE

Vaseline Petroleum Jelly has been around since the 1880s and people all over the world love and use it as a beauty and natural healing staple. In Nigeria, Vaseline maintains its market share as the number one Petroleum Jelly. Vaseline Jelly is available in Nigeria in 3 tubs of its original variant; 50ml, 250ml and 450ml while the Lotion is available in 5 variants; Cocoa glow, Aloe Soothe, Dry Skin Repair, Men Cooling and Men Fast Absorbing.

In 2020, Vaseline created traditional media assets and relevant digital campaigns which were aimed at regaining lapsed users of the brand and reminding them of the healing power of Vaseline.

In 2021, we will continue to work towards driving growth for the brand while driving achievement of business goals and objectives.

Product Range

BEAUTY AND PERSONAL CARE

LUX

Lux inspires every woman to express more of herself while delivering beautiful, soft, and fragrant skin with its range of exciting variants. Lux delivers on a promise of a luxurious bathing experience with the most indulging fragrances through its three core variants: Soft Caress, Soft Touch and Even Complexion. Coming into an unprecedented year in 2020, Lux focused on establishing its stance as a beauty brand and focused its communication on Lux Even Complexion. Lux also drove activations to improve trial and household penetration of the brand. These activities were successful, as despite the challenges of the year, the brand recorded a growth in market share and brand power.

Building brand power amid the pandemic while remaining relevant to the consumer was a priority during 2020 and the Lux brand imbibed this in its media deployment focusing on digital communications and e-commerce activations. Lux shared online tips on handwashing with soap and water. Offline, the brand was at the forefront of donations to rural areas providing basic hygiene essentials to underprivileged homes during the lockdown.

To improve sales and drive excitement, Lux deployed value, shopper offers on e-commerce sites and in select stores during the year. In Q4, Lux deployed its annual purpose campaign themed "Get Even". The campaign was aimed at shattering stereotypes and encouraging women to shun criticism on their appearance, with participation from over 70 young millennials in the space of 4 weeks. This campaign reached over 1.1 million views. The campaign was also aimed at improving trial of the new variant by tying the purchase of Lux Even Complexion to an exciting online competition.

Going into 2021, Lux will continue to drive its beauty credentials through even complexion while focusing on driving self-care conversations amongst young women.

Product Range

HOME CARE

SUNLIGHT

Sunlight's Sustainable Living Purpose (SLP) is to support entrepreneurial African women in their desire to contribute more. Our goal is to help women entrepreneurs develop their businesses into sustainable, profitable and impactful ventures they can be proud of. There has never been a year more important to activate Sunlight's women empowerment purpose than 2020.

The year's journey began with provision of an empowerment training for the employees of Uncle B's bakery, after which Tosin Bamiro, an employee of the Bakery emerged as the winner of the 2019 Sunlight Empowerment Grant.

The brand which has celebrated International Women's Day (IWD) and Mother's Day with the #SunlightSHERO campaign for the last 3 years, celebrated the 2020 IWD in March by supporting 20 women trading within the Unilever vicinities in Oregun and Agbara, with Sunlight products and merchandises to grow their businesses.

In the spirit of collective individualism, which was the theme for 2020 IWD, the brand decided to grant the 2019 Christmas wishes of 6 women whose needs closely align with Sunlight's purpose.

When the lockdown started as a result of COVID-19, Sunlight sprang into action by donating products to vulnerable Nigerians through State Governments and NGOs to help cushion the effect of the global pandemic

Product Range

HOME CARE

April saw the launch of the amazing new Sunlight Multi-purpose Liquid. Designed to be affordable and address consumer concerns on lathering, rinsing and consistent fragrance while cleaning different surfaces, Sunlight Multipurpose Liquid was launched in 1 litre and 4 litre bottles. Just a few drops of its advanced formula helps clean all hard surfaces in kitchens, bathrooms and living rooms, transforming homes into a fragrant paradise all day long!.

Sunlight deliberately partnered with organizations and individuals whose visions and aspirations for the growth and development of women align with its own. For the second year running, Sunlight collaborated with Style House Files, the conveners of very successful Lagos Fashion Week to empower women through Fashion. In 2020, out of hundreds of entries, 3 fashion entrepreneurs were selected to win the Sunlight Fashion Grants. These ladies put together the Sunlight collection which walked the runway at the 2020 Lagos Fashion Week events which held in March 2021.

Financial education is key in empowering women, and financial inclusion statistics shows that less than 30% of Nigerian women are financially included. To bridge this gap, Sunlight supported the Tribe Book Tour in March 2020. With the tag "the African girl's journey to financial freedom", the book tour provided opportunities for several (women inclusive) to learn about the financial journeys of other women. Sunlight also sponsored the 13-episode Smart Money Women TV series which was aired on DSTV from September 2020, across Nigeria.

Recognizing that COVID-19 significantly impacted many organizations and persons, especially regarding funding, Sunlight collaborated with ACT Foundation (in September) and WIMBIZ (in November) to support a total of three female-led organizations who had developed solutions to reduce the social impact of COVID-19 on others, while empowering Nigerian women with a grant of 1 million naira each.

Following the #EndSARS protests which took place in October, Sunlight provided a 10 million naira grant to some women whose businesses were affected during the unrest, to support in efforts to heal as a nation, and to rebuild together.

Product Range

HOME CARE

Consumers are at the heart of Sunlight. Based on our beloved consumers' requests, improvements were made on Sunlight Dishwashing liquid in October and this was followed by a relaunch. The caps of the Sunlight dishwashing liquid were improved from flip back caps to push pull caps which is preferred by most consumers.

The change also helps make dishwashing much easier and better.

Through these and other activities such as exciting TV adverts, TV program sponsorships and Naijacentric radio communication, Sunlight stayed top of mind and consistently connected with Nigerians during the year.

2021 promises to be even more exciting, and we look forward to sharing updates and results with you next year.

Product Range

HOME CARE

OMO

In 2020, OMO's key objective was to position OMO as the only brand that aims to restore childhood. We did this by helping people cherish 'real play' as essential for children and as such, drive change to get every child under the age of 13 experiencing real play, every day.

OMO strongly believes that "dirt is a proud mark of a life fully lived". It is in line with this that OMO kicked off the year by activating inter-house sports in select schools. OMO actively drove its brand purpose through inspirational quotes on banners and engaging children with fun activities at the OMO corners during these sporting events. Samples of the product were given to parents and guardians and the new OMO Extra Fresh detergent and OMO Auto detergent powders were made available for purchase.

Despite further activation challenges due to COVID-19 restrictions, OMO partnered with Art & Lounge, an event company whose mission is promote creativity and connection in an innovative and enjoyable way. This partnership allowed room for virtual painting, social and interactive sessions as well as Do it Yourself (DIY) kits for consumers.

Towards the end of 2020, OMO's goal was to the improve penetration and saliency of the brand. OMO kicked off Q4 by creating an opportunity for children to celebrate Independence Day by being expressive in their own unique ways, through painting.

During Black Friday, one of the most lucrative commercial seasons, OMO provided samples of the OMO Auto 1kg to consumers, via a popular e-commerce platform, Jumia. Q4 was further amplified with a 3600 approach towards improving awareness and trial of the brand. OMO intensified its presence on TV, radio, digital and out of home communication platforms. This was followed closely with provision of direct samples to consumers

Product Range

FOODS AND REFRESHMENT

KNORR

Rich Flavour Brings People Together

Knorr is one of the world's largest cooking brands and continues to celebrate the wonderful differences in food dishes and flavours all over the world. Flavour is the essence of the Knorr brand and we believe that this is the magic that transforms everyday experiences into meaningful moments that brings people together. Consumer have, over the years, come to love the cubes and it has become their preferred seasoning.

Knorr seasoning cubes are produced with sustainably sourced ingredients and create authentic flavours and dishes for the enjoyment of the people we serve all over the world. Knorr's purpose takes a holistic and responsible stance in the food ecosystem, as we champion better ways to cook and eat for a more sustainable food future across the globe. Knorr believes that we are more inter-connected than ever before, and each choice we make creates a wider impact. You make a positive impact when you choose Knorr because our flavour is good for your dish, good for you and good for the planet.

When COVID-19 and the resultant movement and gathering restrictions took place in 2020, Knorr took the initiative of providing meals to over 50,000 vulnerable low-income households in Lagos over a period of two months. As a brand that does good for the planet and for the society, we also deployed engaging local content relevant to consumers on COVID-19 realities on social media. We provided healthy and nutritious recipes which can help to boost immunity and which were based on ingredients readily available in consumers' kitchens.

Last year, the brand's visual identity was also refreshed on pack to communicate naturalness and progressiveness. Knorr Cubes are available in pack sizes of 400g, 320g and 96g in chicken and beef flavours and are sold in outlets across Nigeria.

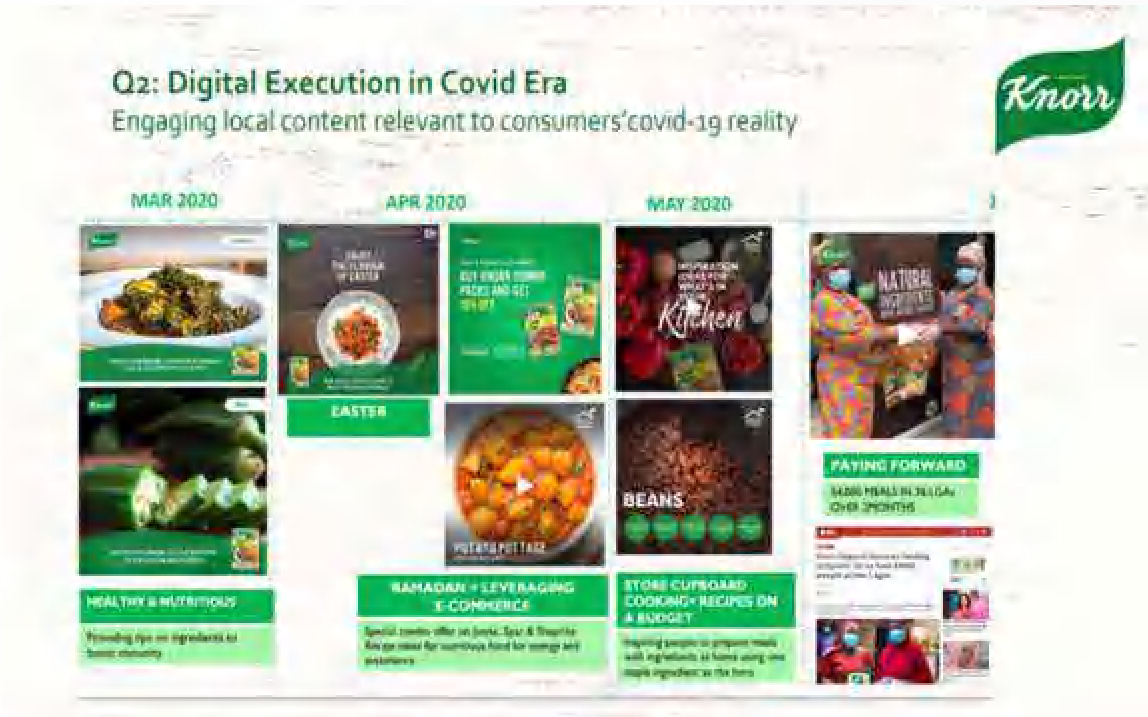
Knorr also launched a new seasoning powders range which are made with natural ingredients from a delicate balance of garlic, onions, herbs and spices for a naturally tasty dish and more intense flavor. The seasoning variants enhance the flavor of dishes, making them even more irresistible. The launch of this new range is supported by the proposition that natural ingredients make more flavourful meals. Adverts, exciting recipes were also deployed on digital, social and radio platforms to create awareness of the new seasoning powders. Adverts were also deployed at point of sales, coupled with shopper and retail offers, free e-commerce sampling, modern trade activations during Salah and Christmas as well as visibility and sales drives in open market and Neighbourhoods. More than 1.5million sachets of the seasoning powders were given out as samples to consumers. The new range is sold in 12g packs and are available in Classic and Chicken flavours.

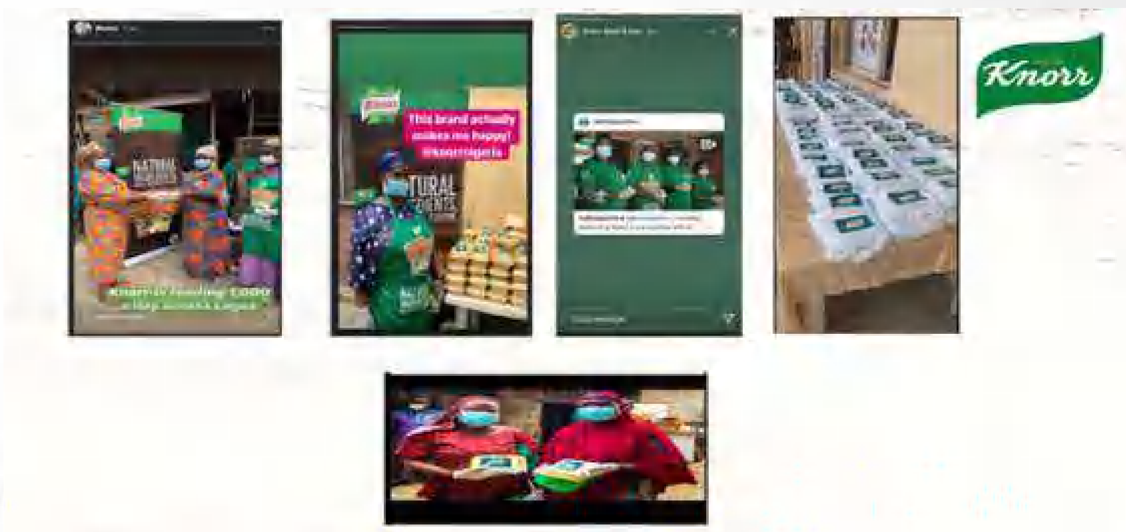
Product Range

FOODS AND REFRESHMENT

To end the year on a high note, Knorr launched #SeasonOfThanks Campaign in partnership with Lipton to encourage consumers to share moments and people they are grateful for in 2020. Nominees were then given branded hampers. In addition, Knorr was on the streets on Christmas and boxing day to thank service men and women working during the holidays for their commitments to our communities. Donations were also made to food banks who cook for the less privileged.

Knorr looks forward to providing more of its rich flavour to dishes and homes across Nigeria in 2021.






AWAKEN
TO WHAT
REALLY
MATTERS.
Lipton
Lipton
YELLOW LABEL

Product Range

FOODS AND REFRESHMENT

ROYCO

"Original taste and Aroma"

Royco is the extra special ingredient that enriches meals in several kitchens across Nigeria: stirring up original aroma and authentic mouth-watering taste in every mouthful of our local meals. In 2020 the brand continued to drive awareness of its superior taste credentials with effective marketing activities. Exciting 'Royco Effect' radio adverts were deployed in key, select stations in our focus regions: East, North and Middle Belt.

A customized direct-to-consumer sales drive and sampling activity was launched in July 2020 to drive in-home penetration of the brand and reach consumers at their doorsteps during the lockdown. The aim was to re-ignite love for Royco in Northern homes, as well as in other channels like Maisuyas, restaurants and Maidanwake joints. Through this activity, the brand reached and effectively engaged over 260,000 people.

During Ramadan, the Royco Seasoning cubes Twin Offer was deployed on an e-commerce platform giving discount to consumers who bought two packs of Royco online. Combo packs which offer Royco together with other foods and refreshments products were also deployed online.

During the Sallah period, shoppers in modern trade outlets in select cities were rewarded with exciting gift items when they purchased Royco, to reward brand loyalists and gain new consumers. To drive brand engagement, consumers were also asked to share their exciting Sallah recipes on social media platforms (Facebook, Instagram, and Twitter), and winners were rewarded with cash prizes.

An end of year Display-and-Win activity was deployed in December, in the focus regions to drive Royco's visibility in General Trade. Shopper offers were also deployed in the same markets to drive shelf offtake.

Royco is glad to be part of the great Nigerian story, and looks forward to a rewarding 2021.

Product Range

FOODS AND REFRESHMENT

LIPTON

As our consumers are at the heart of our brand, Lipton has focused on defining its purpose, and how it adds value to the lives of consumers. Our Purpose is: To awaken Nigerians to Quality Connections by fighting Hidden Loneliness: Lipton's research shows a significant number of people are feeling lonely, disconnected from their network of people, and starved of company. We live in the most technologically connected era in the history of civilization – yet rates of loneliness are higher than ever.

Keying into Lipton's mission to empower women, Lipton partnered with Rubbin' Minds and Femme Africa in March to celebrate International Women's Month. International Women's Month celebrates the social, economic, cultural, and political achievements of women all over the world, past and present and Lipton took the opportunity to showcase women who have achieved great feats in their chosen careers and drive the conversation around equality.

In March and April 2020, Lipton carried out the Extra Two Tea bags promotion, giving our consumers two extra tea bags of Lipton Yellow Label tea in every box they bought. This meant more teatime for our consumers, and more opportunities for them to create quality connections with friends, family, and coworkers over a cup of tea.

With the rise of COVID-19 forcing several states in the country to go into total lockdown by April 2020 and institute stay at home and social distancing mandates, it appeared these feelings of loneliness and disconnection would worsen, and this created opportunities for Lipton to step in for our consumers and help them fight hidden loneliness.

To help our consumers address any feelings of being disconnected from their friends and their family members due to the nationwide lockdown, we carried out a weekly #StayConnected social media campaign, showing people ways with which they could stay connected to battle loneliness, while practicing social distancing in line with COVID-19 lockdown rules.

Product Range

FOODS AND REFRESHMENT

The month of Ramadan in 2020 was a peculiar one, because it had to be spent in COVID-19 lockdown, meaning people were not allowed to meet up with their families and celebrate daily as they would normally do. To help combat any loneliness that may arise from this, we put out posts on social media, encouraging people to cheer up a friend, relative, or coworker with a call over a cup of tea, bringing to life Lipton's purpose of awaking Nigerians to quality connections.

In December 2020, Lipton partnered with Knorr to carry out a Christmas campaign - "Lipton and Knorr #SeasonOfThanks" - to thank our consumers for staying with us through what had been a rough year for a lot of people, and share the good tidings of Christmas to keep our brand top of mind.. This gave us the opportunity to connect with our consumers on an emotional level.

As part of activities in this campaign, our consumers were encouraged to nominate people in their lives who had gone the extra mile to support them in their time of need. 12 winners were selected every day for 12 days and these winners were sent surprise Thank You gift boxes. Keying into our brand purpose of helping to fight loneliness, we also gave surprise Thank You gift boxes to essential workers who had to work through the holidays even as other people got to spend quality time with friends and family.

During all activities carried out by the brand in 2020, strict adherence to existing COVID-19 preventive measures and guidelines was observed.

Over the years, Lipton has continued to engage and evolve with our consumers of all age groups, by being immersed in their interests. As we have defined the brand's purpose, we will continue to roll out activities to our consumers in 2021 in line with this vision; we will continue to fight hidden loneliness.

Lipton looks forward to enriching the lives of consumers by championing several impactful Lipton awakening moments, throughout the year 2021.

Product Range

FOODS AND REFRESHMENT

GLEN TEA

"Bringing People Together"

Glen's purpose is "bringing people together". Glen offers a great-tasting tea product that tea drinkers can always enjoy, while receiving great value for their money.

With the difficulties of the COVID-19 pandemic, the resultant lockdown, and its effect on Nigeria's economy and the pockets of Nigerians, it became more important for us to have a portfolio offering that caters to everyone. Glen successfully filled this role, serving as a great-tasting, affordable value offering to consumers. With this, more people could come together over cups of Glen tea in 2020, making good on the brand's passion for bringing people together.

Glen is glad to be part of the Nigerian story, and will continue to bring people together in 2021.

Notes

Notes


Unilever
Vaseline
BLUESEAL
pure petroleum jelly
original
There is no jelly purer
Now triple purified
Vaseline®
BLUESEAL
Vaseline
BLUESEAL
original
Vaseline
BLUESEAL
cocoa butter
Vaseline
BLUESEAL
baby

Proxy Form

96th ANNUAL GENERAL MEETING TO BE HELD AT 10.00 AM ON THURSDAY 6 MAY, 2021 AT UNILEVER NIGERIA PLC HEAD OFFICE 1 BILLINGS WAY OREGUN, IKEJA LAGOS.

I/WE .... being a member/ Members of UNILEVER NIGERIA PLC, hereby appoint**.. of ....or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 6 May, 2021 and at any adjournment thereof:

Dated this .... day of 2021

Shareholder's Signature...

NOTES

i. Further to the directive of the Federal and State Governments on the restriction on mass gathering due to COVID-19 pandemic, the Corporate Affairs Commission has approved that the Annual General Meeting (AGM) be conducted by Members (Shareholders) of the Company through the use of proxies. Members are therefore advised that attendance at the AGM shall only be by proxy.

ii. A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her/its place. A proxy need not be a member of the Company. In view of the above, members should appoint a proxy of their choice from those listed in this proxy form.

iii. Please sign this proxy form and send it to reach the address shown overleaf or email address proxy@gtlregistrars.com not later than 10:00am on 4th May 2021. If executed by a Corporation, the Proxy Form should be sealed with the Common Seal.

iv. The Proxy must produce the Admission Form within the Annual Report and Financial Statements booklet to obtain entrance to the Meeting.

v. A Member voting in his own right as a member and also voting as proxy for another or other members should fill one voting paper for his own holding and a separate paper for each of the members he is representing.

ORDINARY BUSINESS

RESOLUTION	FOR	AGAINST	ABSTAIN
To elect MR JAIME AGUILERA as a Director			
To elect MR MICHAEL IKPOKI as a Director			
To re-elect AMMUNA LAWAN ALI as a Director			
To re-elect MR FELIX ENWEMADU as a Director			
To re-elect MRS ADESOLA SOTANDE-PETERS as a Director			
To authorise Directors to fix the Auditors Remuneration			
To elect Shareholders' Representatives on the Audit Committee			

SPECIAL BUSINESS

RESOLUTION	FOR	AGAINST	ABSTAIN
To fix the Directors' Remuneration			
To approve a general mandate authorizing the Company during the 2021 financial year and up to the date of the next AGM, to procure goods and services necessary for its day to day operations from its related parties or interested persons on normal commercial terms consistent with the Company's Transfer Pricing Policy			
To pass the sub-joined Resolutions authorizing the Directors to separate the Company's Tea business to a newly-incorporated dedicated tea company in Nigeria in the Unilever group as part of Unilever global Separation transaction			

Please indicate with an 'X' in the appropriate square how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

List of Proposed Proxies

- **His Majesty N A Achebe**
- **Mr Felix Enwemadu**
- **Mr Matthew Akinlade**
- **Mr Adebayo Adeleke**
- **Mr Patrick Ajidua**
- **Ms Ganiat Adetutu Siyanbola**
- **Mr Mutiu Sunmonu**
- **Sir Sunny Nwosu**
- **Mr Gbenga Idowu**
- **Mr Nornah Awoh**
- **Mrs Samiat Adebanke Odunuga**
- **Mr Michael Ikpoki**
- **Mr Boniface Okezie**
- **Mrs Bisi Bakare**
- **Mr Bright Nwabuogwu**

For Company's use only	No. of Shares	

SECOND FOLD HERE

Please affix postage stamp

THE REGISTRAR
GREENWICH REGISTRARS & DATA SOLUTIONS,
274, MURTALA MUHAMMED WAY
ALAGOMEJI, YABA, LAGOS

THIRD FOLD HERE AND INSERT


Unilever
closeup®
cool breeze
NEW
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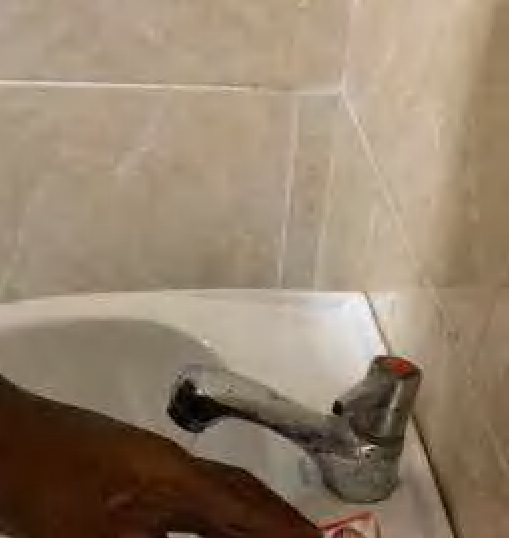
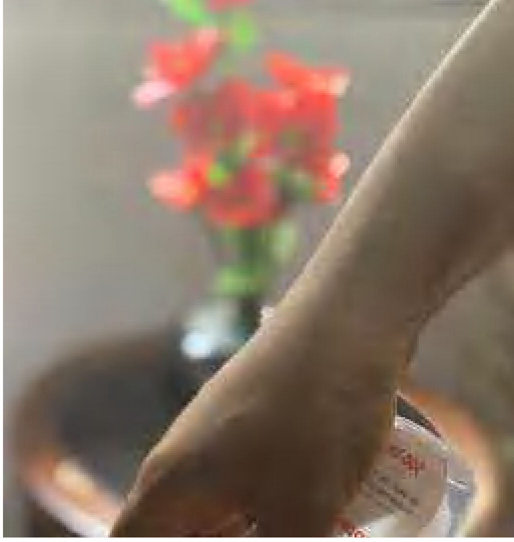
EVER FRESH
12 HOURS FRESH BREATH*
+ STRONG WHITE TEETH
COOL BREEZE
FRESH minty FLAVOR
FOR 12 HOURS FRESH BREATH
*Based on in-vivo study of brushing twice daily over 4 weeks.



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