

ANNUAL REPORT 2022 OF 'PENSIONSKASSE UNILEVER SCHWEIZ'

Overview of the 2022 financial year

Developments in 2022 and outlook for 2023

Balance sheet and profit & loss account

Insured population

Organisation of the 'Pensionskasse'

Thayngen, June 2023



Review 2022

The year 2022 was challenging from an investor's point of view. With massively rising inflation, uncertainty and panic prevailed in the markets. The rather tentative intervention of the central banks brought little reassurance and inflation is proving more persistent than expected. The fact that both fixed-income investments and equities have lost value in parallel is something we have only experienced 3 times in the last 100 years. The war of aggression against Ukraine, which was believed to be unthinkable at the beginning of 2022, is unending. Global tensions are continuing to rise. Although supply chains are largely unrestricted again, decoupling of the markets is taking place to some extent. There is much less demand for "Made in China". Still, the markets are recovering slightly, but remain extremely volatile.

Due to the difficult environment, the Unilever Switzerland Pension Fund closed the reporting year with an unfortunate result. Although the degree of coverage has fallen, the financial situation remains solid. Foresight is required. As a pension fund, we are facing known challenges, such as the ongoing redistribution of assets to pensioners and rising life expectancy. In order to maintain the level of the promised pensions and safeguard these for future generations, we need to invest skilfully and take appropriate measures.

At three ordinary and two additional foundation board meetings of the Unilever Switzerland Pension Fund, the main agenda items, such as the approval of the 2021 annual accounts, the returns on assets, the interest on retirement assets and various regulation adaptations were discussed.

During the reporting year, the total number of members decreased by 65, of which 60 were pensioners and 5 were active members. The decline in active members is mainly due to natural fluctuation.

As of the end of 2022, the ratio between active employees and pensioners is 27.8 % to 72.2 % and has changed slightly in favour of the active employees in comparison to the previous year.

On the basis of statutory and regulatory provisions, the foundation board decides each year whether and to what extent, if need be, the current pensions need to be adapted to the price increase. The foundation board has decided not to make a general adjustment of current pensions as of 1 January 2023, as the fund has no free funds and continues to suffer losses with every retirement and has historically had to bear significant retirement losses over the years, which must be compensated first.

On the basis of the negative performance in the reporting year, in February 2023, the foundation board waived retroactive additional interest on the assets of actively insured persons. Therefore, the old-age pension assets of all active members of the pension fund on 31 December 2022 will bear interest for the year 2022 totalling 1 %.

Asset investments

After a positive investment year in 2021 with a performance of 5.1 %, the past investment year was dominated by rising interest rates and heavy losses on equities. By the end of the year, the performance was -12.1 % and is thus close to the benchmark.

Disclosure of the 2022 voting rights for direct investments in Swiss equities

No voting duty exists for the Unilever Switzerland Pension Fund. The investments in Swiss equities occur exclusively through Unilever's own AFP investment fund in a passive index fund with Blackrock. No equities are held directly.

Pension capital and technical provisions in 2022

The pension capital of the active members increased by 0.5 million in 2022, despite a reduction of 5 active members.

The pensioners' actuarial reserve decreased by 27.6 million and the technical provisions decreased by 2.2 million. The valuation of the pensioner obligation and the technical provisions are based on the current balance and current technical principles, unchanged from the previous year, as of 31 December 2022.

Out of the total pension capital exclusive of technical provisions as of 31 December 2022 of 526.3 million, 18.2 % (PY: 17.3 %) are allocated to the active employees and 81.8 % (PY: 82.7 %) to the pensioners.

Value fluctuation reserve and degree of coverage

The degree of coverage in accordance with Art. 44 BV 2 [Swiss Ordinance on Occupational Old-Age, Survivors' and Disability Benefit Plans] shows the financial situation of the pension institution. For the investment policy, it is an important indicator for the assessment of the risk capacity.

Despite the negative performance, the 2022 operating statement does not show an income deficit. Due to the 89.5 million reduction in the value fluctuation reserve, the degree of coverage fell from 121.0 % to 106.8 %.

The target fluctuation reserve now amounts to 20.3 % of the technically necessary capital, which amounts to 119.0 million as of 31 December 2022. The existing fluctuation reserve was significantly lower at 33.3 %. The target value fluctuation reserve is calculated by the company Complemeta and is 0.9 % lower in comparison to 2021. The necessary technical provisions are all formed in the full amount.

Outlook for 2023

The year 2023 is in the grip of very strongly moving interest rates as well as the war in Ukraine. Financial markets are reacting with high volatility, balancing losses on fixed income and gains on equities. The path back to normality will continue to be arduous.

At the end of May 2023, the performance of the Unilever Switzerland Pension Fund was at +2.20 %.

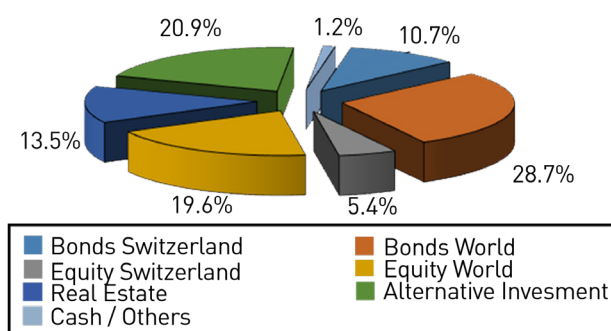
For the year 2023, a provisional interest rate of 1 % is being used, which will be reviewed in spring 2024.

Balance sheet as at 31.12.22 31.12.21
(in CHF million)

Cash	0.7	1.2
Accounts receivable and deferrals	0.1	0.1
Investments	655.4	777.6
Total assets	656.2	778.9
Accounts payable and accruals	21.9	25.9
Employer contribution reserve	8.5	8.5
Actuarial reserves and technical provisions	586.2	615.4
Fluctuation reserve	39.5	129.0
Endowment capital/free capital	0.1	0.1
Total liabilities	656.2	778.9

Investment of assets as at 31.12.2022
(in CHF million)

	Strategy effective Amount		
Bonds Switzerland	10.0%	10.7%	70.2
Bonds World	33.0%	28.7%	188.4
Equity Switzerland	5.0%	5.4%	35.7
Equity World	20.0%	19.6%	128.5
Real Estate	12.0%	13.5%	88.6
Alternative Investment	20.0%	20.9%	136.8
Cash / Others	0.0%	1.2%	8.0
Total assets			656.2



Annual Performance 2022 by investment categories
(in %, + = positive, () = negativ)

	Performance	Benchmark
Bonds		
- Switzerland	(12.3)	(12.1)
- Global Sovereign	0.0	0.0
- Global Credit	(17.5)	(16.9)
- Global High Yield	(13.2)	(13.9)
- Global Emerging Markets	(14.1)	(14.6)
Equities		
- Switzerland	(16.0)	(16.5)
- Global	(18.8)	(17.1)
Real Estate	(4.6)	3.3
Alternative Investments	0.3	2.1
Total	(12.1)	(9.9)

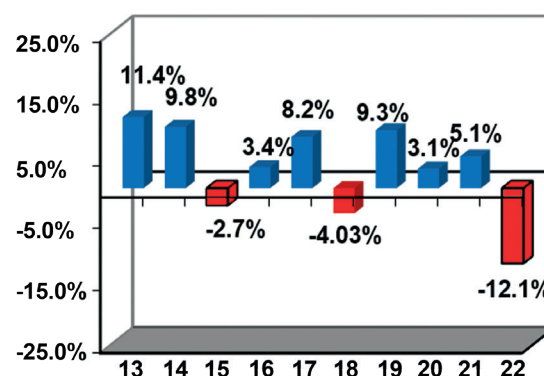
Profit & loss account 2022 2021
(in CHF million, + = income, () = costs)

Contributions/individual deposits	10.1	11.3
Transfers upon entries	2.8	5.0
Statutory benefits	(32.0)	(33.5)
Supplementary benefits	(2.3)	(2.4)
Transfers upon exits	(7.1)	(6.7)
Changes in actuarial reserves, technical provisions and employer contributions reserve	29.3	(5.5)
Insurance expenses	(0.5)	(0.5)
Result of insurance activities	0.3	(32.3)
Result of investments	(89.7)	38.5
Other profit	0.2	0.2
Administration costs	(0.3)	(0.2)
Change of the fluctuation reserve	89.5	(12.2)
Annual result	0.0	(6.0)

Composition of the 2022 result
(in CHF million, + = income, () = costs)

Result of investments	(89.7)
Contributions and transfers upon entries	12.9
Benefits, transfers upon exit	(41.5)
Change in technical reserves, security fund	29.3
Other expenses and profit	(0.5)
Result before change fluctuation reserve	89.5
Fluctuation reserve on 1.1.22	129.0
Change 2021	89.5
Fluctuation reserve on 31.12.22	39.5

Performance of investment of assets 2013 – 2022

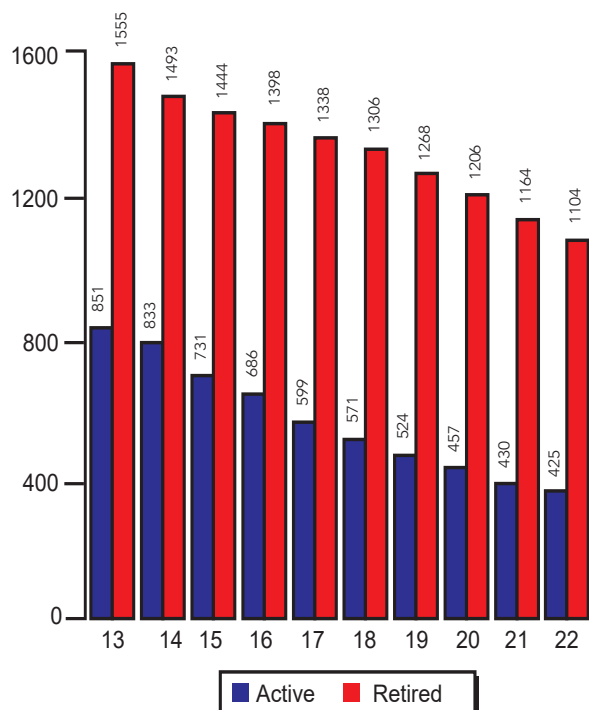


Important key figures as at 31.12.2022

Funding ratio	106.8%
Fluctuation reserve	6.8%
Target fluctuation reserve	20.3%
Achieved target fluctuation reserve	33.3%

Pensioners	31.12.22	31.12.21
Elbus / Eswa	28	28
JohnsonDiversey	142	148
Lever Fabergé	97	103
Lipton-Sais, Astra	187	205
Lusso Foods	112	117
Unilever Schweiz Service (incl. Betty Bossi)	31	32
Unilever Cosmetics	4	4
Unilever Schweiz (Knorr, Hirz, Délifrais, Chirat)	499	523
USCC	4	4
Total	1104	1164

Development of active and retired members 2013 – 2022



Organisation of the pension fund in 2022

Board of trustees

Employer representatives

Silke Reimers	Unilever HUB Schaffhausen* President
Nadia Meier	Unilever Schweiz GmbH
Simon Frei	Unilever Schweiz GmbH
Philip Sasse	Unilever HUB Schaffhausen* (until 12.06.2022)
Daniel Lötscher	Unilever Schweiz GmbH (from 13.06.2022)

Employee representatives

Josef Tschigg	Unilever Schweiz GmbH
Ernst-Rainer Schönert	Unilever HUB Schaffhausen*
Petra Tirmanova	Unilever HUB Schaffhausen*
Andreas Reschek	Unilever Schweiz GmbH (until 12.09.2022)
Yvon Pettikoffer	Unilever Schweiz GmbH (from 13.09.2022)

Otto Nussbaumer	Pensioners´ representative
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Investment Committee

Silke Reimers	President Employer-Trustee
Ernst-Rainer Schönert	Employee-Trustee
Petra Tirmanova	Employee-Trustee
Christoph Roos	Member
Piet van de Kamp	Member

Other governing bodies

Pensions Manager	Christoph Roos
Accredited pension actuary	Bàlint Keserü, Aon Schweiz AG
External audit	PricewaterhouseCoopers AG
Chief Auditor	Josef Stadelmann
Supervisory body	BVG- und Stiftungsaufsicht des Kantons Zürich (BVS) Stampfenbachstrasse 63 8090 Zürich

*HUB Schaffhausen, consisting of:
 Unilever Supply Chain Company AG
 Unilever ASCC AG
 Unilever Business and Marketing Support AG
 Unilever Schaffhausen Service AG

Further information can be obtained from the pension fund of Unilever Switzerland.

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