

ANNUAL REPORT 2023 OF 'PENSIONSKASSE UNILEVER SCHWEIZ'

Overview of the 2023 financial year

Developments in 2023 and outlook for 2024

Balance sheet and profit & loss account

Insured population

Organisation of the 'Pensionskasse'

Thayngen, June 2024



Review 2023

2023 was a challenging year from an investor's perspective. Inflation did fall for the most part, but less than the market expected and was economically necessary. Longterm interest rates fluctuated widely and the stock markets continued to react nervously to the political and military conflicts in the world. At the end of November, the performance of the fund was still only just over 1%. As a result of the emerging expectations of interest rate cuts, the markets recovered rapidly in December.

Despite the difficult environment, the Unilever Switzerland pension fund closed the reporting year with a pleasing result. The coverage ratio has increased, the financial situation has improved and 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 foundation board meetings of the Unilever Switzerland Pension Fund, the main agenda items, such as the approval of the 2022 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 58, of which 49 were pensioners and 9 were active members. The decline in active members is mainly due to natural fluctuation.

As of the end of 2023, the ratio between active employees and pensioners is 28.3 % to 71.7 % 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 2024, 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.

Due to the positive performance in the reporting year, the Board of Trustees decided in January 2024 to retroactively increase the interest rate on the assets of active insured persons by 4.25%. This means that the retirement assets of all active members of the pension fund as at 31.12.2023 will earn a total of 5.25% interest for 2023.

Asset investments

After a negative investment year in 2022 with a performance of -12.1 %, the past investment year was characterized by stabilization. By the end of the year, the performance was 5.2 % and thus well above benchmark.

Disclosure of the 2023 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 2023

The pension capital of the active members increased by 5.8 million in 2023, despite a reduction of 9 active members.

The pensioners' actuarial reserve decreased by 31.7 million and the technical provisions increased by 6.9 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 2023.

Out of the total pension capital exclusive of technical provisions as of 31 December 2023 of 500.4 million, 20.3 % (PY: 18.2 %) are allocated to the active employees and 79.7 % (PY: 81.8 %) to the pensioners.

Value fluctuation reserve and degree of coverage

The degree of coverage in accordance with Art. 44 BVV 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 positive performance, the 2023 operating statement does not show an income surplus. Due to the 23.8 million increase in the value fluctuation reserve, the degree of coverage rose from 106.8 % to 111.2 %.

The target fluctuation reserve now amounts to 20.1 % of the technically necessary capital, which amounts to 114.0 million as of 31 December 2023. The existing fluctuation reserve was significantly lower at 55.6 %. The target value fluctuation reserve is calculated by the company Complementa and is 0.2 % lower in comparison to 2022. The necessary technical provisions are all formed in the full amount.

Outlook for 2024

The global tensions will certainly remain with us in 2024, which is why the markets will remain volatile, but we will do everything in our power to achieve a positive performance for the fund again in 2024.

In April, employees from the global functions in Schaffhausen were informed of the decision to relocate the global procurement roles to other Unilever sites outside Switzerland. As a result, the Unilever Switzerland pension fund will lose around 50 active members by the end of the year.

Globally, Unilever has announced that it will transfer the ice cream business into a separate unit in order to be better able to respond to the specific dynamics of the ice cream business as an independent company. This decision will have no direct impact on the pension fund (as of today).

In fall 2024, the pension fund will switch from State Street to the new custodian Northern Trust, thereby simplifying the investment structure.

The Board of Trustees has decided to abolish AHV bridging pensions as of January 1, 2025 with a transitional arrangement of 5 years. Pensions already in payment are guaranteed. The Board of Trustees has also decided to reduce the previously excessive coordination deduction and will examine further reductions in the coming years.

At the end of May 2024, the performance of the Unilever Switzerland Pension Fund was at +4.45%.

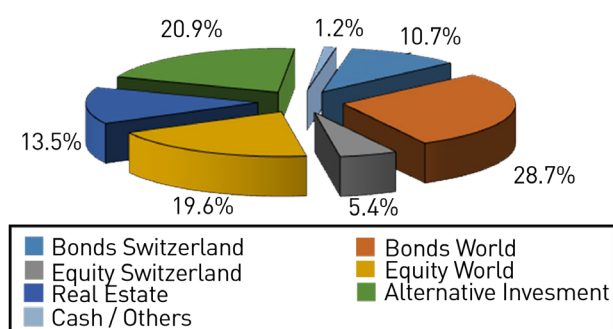
For the year 2024, a provisional interest rate of 1.25 % is being used, which will be reviewed in spring 2025.

Balance sheet as at **31.12.23** **31.12.22**
(in CHF million)

Cash	2.0	0.7
Accounts receivable and deferrals	0.1	0.1
Investments	661.2	655.4
Total assets	663.3	656.2
Accounts payable and accruals	24.2	21.9
Employer contribution reserve	8.5	8.5
Actuarial reserves and technical provisions	567.2	586.2
Fluctuation reserve	63.3	39.5
Endowment capital/free capital	0.1	0.1
Total liabilities	663.3	656.2

Investment of assets as at 31.12.2023
(in CHF million)

	Strategy effective Amount		
Bonds Switzerland	10.0%	10.7%	70.7
Bonds World	33.0%	28.7%	185.6
Equity Switzerland	5.0%	5.4%	36.5
Equity World	20.0%	19.6%	132.7
Real Estate	12.0%	13.5%	106.5
Alternative Investment	20.0%	20.9%	119.9
Cash / Others	0.0%	1.2%	11.4
Total assets			663.3



Annual Performance 2023 by investment categories
(in %, + = positive, () = negativ)

	Performance	Benchmark
Bonds		
- Switzerland	7.7	7.4
- Global Sovereign	1.4	1.2
- Global Credit	4.8	3.3
- Global High Yield	8.7	8.1
- Global Emerging Markets	3.5	3.7
Equities		
- Switzerland	7.0	6.1
- Global	12.3	11.2
Real Estate	(2.8)	(2.0)
Alternative Investments	2.8	(1.2)
Total	5.2	3.7

Profit & loss account **2023** **2022**
(in CHF million, + = income, () = costs)

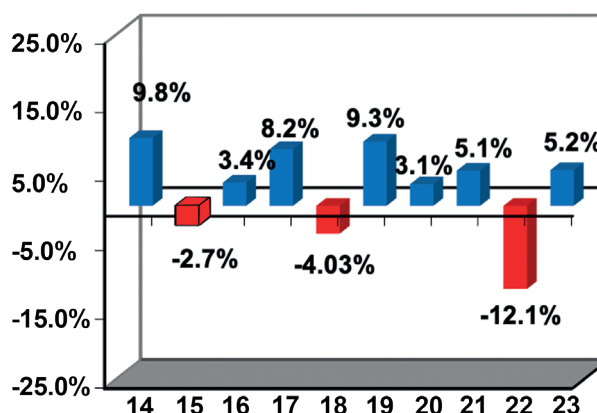
Contributions/individual deposits	9.8	10.1
Transfers upon entries	2.8	2.8
Statutory benefits	(31.7)	(32.0)
Supplementary benefits	(2.1)	(2.3)
Transfers upon exits	(6.6)	(7.1)
Changes in actuarial reserves, technical provisions and employer contributions reserve	18.9	29.3
Insurance expenses	(0.4)	(0.5)
Result of insurance activities	(9.3)	0.3

Result of investments	33.1	(89.7)
Other profit	0.2	0.2
Administration costs	(0.2)	(0.3)
Change of the fluctuation reserve	(23.8)	89.5
Annual result	0.0	0.0

Composition of the 2023 result
(in CHF million, + = income, () = costs)

Result of investments	33.1
Contributions and transfers upon entries	12.6
Benefits, transfers upon exit	(40.4)
Change in technical reserves, security fund	18.9
Other expenses and profit	(0.4)
Result before change fluctuation reserve	23.8
Fluctuation reserve on 1.1.23	39.5
Change 2023	23.8
Fluctuation reserve on 31.12.23	63.3

Performance of investment of assets 2014 – 2023

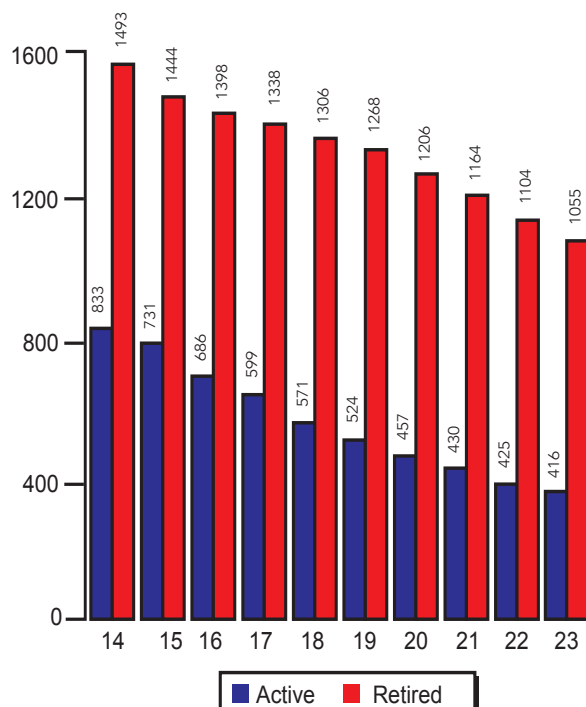


Important key figures as at 31.12.2023

Funding ratio	111.2%
Fluctuation reserve	11.2%
Target fluctuation reserve	20.1%
Achieved target fluctuation reserve	55.6%

Pensioners	31.12.23	31.12.22
Elbus / Eswa	28	28
JohnsonDiversey	132	142
Lever Fabergé	91	97
Lipton-Sais, Astra	178	187
Lusso Foods	109	112
Unilever Schweiz Service (incl. Betty Bossi)	28	31
Unilever Cosmetics	4	4
Unilever Schweiz (Knorr, Hirz, Délifrais, Chirat)	480	499
USCC	5	4
Total	1055	1104

Development of active and retired members 2014 – 2023



Organisation of the pension fund in 2023

Board of trustees

Employer representatives

Silke Reimers	Unilever HUB Schaffhausen* President
Nadia Meier	Unilever Schweiz GmbH
Simon Frei	Unilever Schweiz GmbH
Daniel Lötscher	Unilever Schweiz GmbH

Employee representatives

Josef Tschigg	Unilever Schweiz GmbH
Ernst-Rainer Schönert	Unilever HUB Schaffhausen*
Petra Tirmanova	Unilever HUB Schaffhausen*
Yvon Pettikoffer	Unilever Schweiz GmbH

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
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Accredited pension actuary	Bálint Keserü, Aon Schweiz AG
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External audit	PricewaterhouseCoopers AG
Chief Auditor	Josef Stadelmann

Supervisory body	BVG- und Stiftungsaufsicht des Kantons Zürich (BVS) Stampfenbachstrasse 63 8090 Zürich
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*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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