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## Sürdürülebilirlik Konularının Yatırımcı Sunumlarına Entegrasyonu

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Nisan 2021

Değerli Üye ve Paydaşlarımız,

Hem şirketler hem de paydaşlar açısından sürdürülebilirliğin ana akım olduğu bir dönemdeyiz.

**“Küresel sürdürülebilir yatırım akımlarından firmalarımızın daha fazla pay almasının teşvik edilmesi”** temel hedefine rağmen henüz şirketlerimizden çok az bir bölümü yatırımcı sunumlarında sürdürülebilirlik konularına ve bunların şirket faaliyetlerine ne şekilde entegre edildiğine yer vermektedirler. Yer verenlerin önemli bir kısmı ise kısıtlı içerik sunmaktadır.

TÜYİD olarak şirketlerimizin bu konudaki donanımlarını artırmalarına katkı sunmak için çalışmalarımıza aralıksız devam ediyoruz. Yatırımcı sunumlarında sürdürülebilirlik bileşenlerine yer verilmesini teşvik etmek ve bunun farklı alt başlık ve sektörlerde nasıl ele alındığına dair örnekler sunmak amacıyla bu rehberi hazırladık.

Bu çalışma için küresel en iyi uygulamalar arasından 15 farklı sektörden 50 şirketin yatırımcı sunumu incelenerek rehberde yer alan örnekler seçilmiştir. Bu kapsamda sürdürülebilirlik unsurlarının şirket stratejisi ve faaliyetlerine ne şekilde entegre edildiğinin anlatılması, öncelikli olarak belirlenen konuların Birleşmiş Milletler Sürdürülebilir Kalkınma Amaçları ile ilişkilendirilmesi ve tüm kısımlar için anlaşılır ve kapsamlı içerik sağlanmasının önemli olduğunu belirtmek isteriz.

Çalışmanın faydalı olmasını dileriz.

TÜYİD

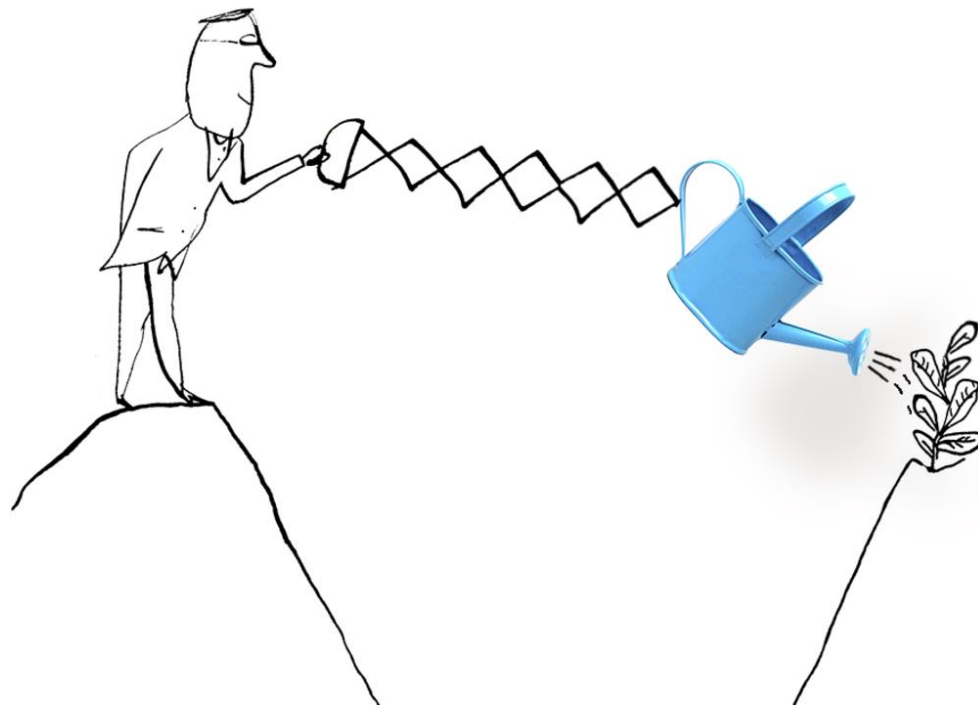
Yatırımcı İlişkileri Derneği

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# Strategy



- Our **ESG framework** is centred around how we **positively impact the communities we serve**, from global issues including climate change and biodiversity, through to local benefits, customer satisfaction and employee wellbeing
  - Aligned and integrated with our business goals and vision and values
  - Strategy focus areas, objectives and targets have been mapped to the **UN Sustainable Development Goals**
- Viridor is at the **forefront of the recycling sector** in the UK – transforming plastic waste into high quality recyclates for manufacturing
- Our **Biodiversity Strategy** helps showcase good practice via partnerships and responsible stewardship
- Pioneering **sustainable financing framework** bringing significant environmental and social benefits



**SUSTAINABLE DEVELOPMENT GOALS**



Unilever

# Integrating our strategy

## THE COMPASS 2016

Winning through a time of exponential change

**WE ARE UNILEVER**

<b>VISION</b>	To grow our business whilst decoupling our environmental footprint from our growth and increasing our positive social impact	We will lead for profitable, consistent, competitive and sustainable growth, inspiring people to take small everyday actions that will add up to a big difference. We will grow by winning shares and building markets everywhere. Through our USLP we will deliver More Growth, Less Cost, Less Risk and More Trust.
<b>PURPOSE</b>	To make sustainable living commonplace	We work to create a brighter future every day, with brands and services that help people feel good, look good, and get more out of life. We put the consumer first - then customers, employees, suppliers, and communities. In this way we reward our shareholders.

**HOW WE WILL WIN**

<b>NON-NEGOTIABLES</b>	Winning with brands and innovation	<ol style="list-style-type: none"> <li>1 Build stronger, more sustainable brands for a connected world</li> <li>2 Drive penetration and distribution of our Core</li> <li>3 Deliver bigger innovation, faster, in full, to more markets</li> </ol>
	Winning in the marketplace	<ol style="list-style-type: none"> <li>4 Lead market development, reaching up, down and wide</li> <li>5 Win when and where shoppers choose, e-commerce a competitive advantage</li> <li>6 Grow through excellence in Net Revenue Management</li> </ol>
	Winning through continuous improvement	<ol style="list-style-type: none"> <li>7 Step change organisation cost and agility; roll out zero based budgeting globally</li> <li>8 Step change returns on capital, IT and capability investments</li> <li>9 Step change cost and service levels in supply, leveraging global scale and local agility</li> </ol>
	Winning with people	<ol style="list-style-type: none"> <li>10 Build diversity of leadership and put it where it counts, for longer</li> <li>11 Be faster, simpler, more market-facing</li> <li>12 Build resilient, empowered and aligned teams</li> </ol>

## THE UNILEVER COMPASS: PURPOSE-LED, FUTURE-FIT

**OUR PURPOSE**  
is to make sustainable living commonplace

**OUR VISION**  
is to be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry

**OUR PURPOSE** is to make sustainable living commonplace

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**OUR STANDARDS OF LEADERSHIP**

**THE INNER GAME**

- PURPOSE & SERVICE:** WORKS FROM PURPOSE FOR THE GOOD OF OTHERS
- PERSONAL MASTERY:** ALWAYS BRINGS THEIR BEST SELF
- AGILITY:** CONSTANTLY CURIOUS AND COURAGEOUS

**THE OUTER GAME**

- BUSINESS ACUMEN:** GENERATES VALUE IN CHANNELS AND CUSTOMERS
- TALENT CATALYST:** DEVELOPS & MAGNIFIES THE POWER OF PEOPLE
- CONSUMER LOVE:** CREATES BETTER FUTURES FOR CONSUMERS, EVERYDAY
- PASSION FOR HIGH PERFORMANCE:** INSPIRES THE ENERGY NEEDED TO WIN & GROW

**OUR VALUES**

- INTEGRITY:** WE DO THE RIGHT THING IN EVERY DECISION WE MAKE, SUPPORTING UNILEVER'S LONG TERM SUCCESS
- RESPECT:** WE TREAT PEOPLE WITH DIGNITY, HONESTY AND FAIRNESS, AND CELEBRATE THE DIVERSITY OF PEOPLE
- RESPONSIBILITY:** WE TAKE CARE OF THE PEOPLE WE SERVE AND THE WORLD IN WHICH WE OPERATE
- PIONEERING:** WE HAVE A PASSION FOR LEADING OUR INDUSTRY, WINNING IN THE MARKET, AND INTELLIGENT RISK-TAKING

## UNILEVER SUSTAINABLE LIVING PLAN

**PROGRESS REPORT 2012**

# Organizational Structure





## 6 | Sustainability

### Sustainability Governance Structure





# Embedding SDG Into Business



TUYID supports the UN Sustainable Development Goals

## CLP's Sustainability Principles

- Sustainability has always been integral to CLP.
- Our Value Framework reflects the moral compass of CLP, articulating our values, vision, mission and commitments.
- Our Sustainability Principles align CLP's business strategy with material sustainability issues we face. They are also supportive to several United Nations Sustainable Development Goals (SDGs).
- The Sustainability Principles cover four focus areas:
  - Our Community
  - Our People
  - Our Environment
  - Economic Sustainability



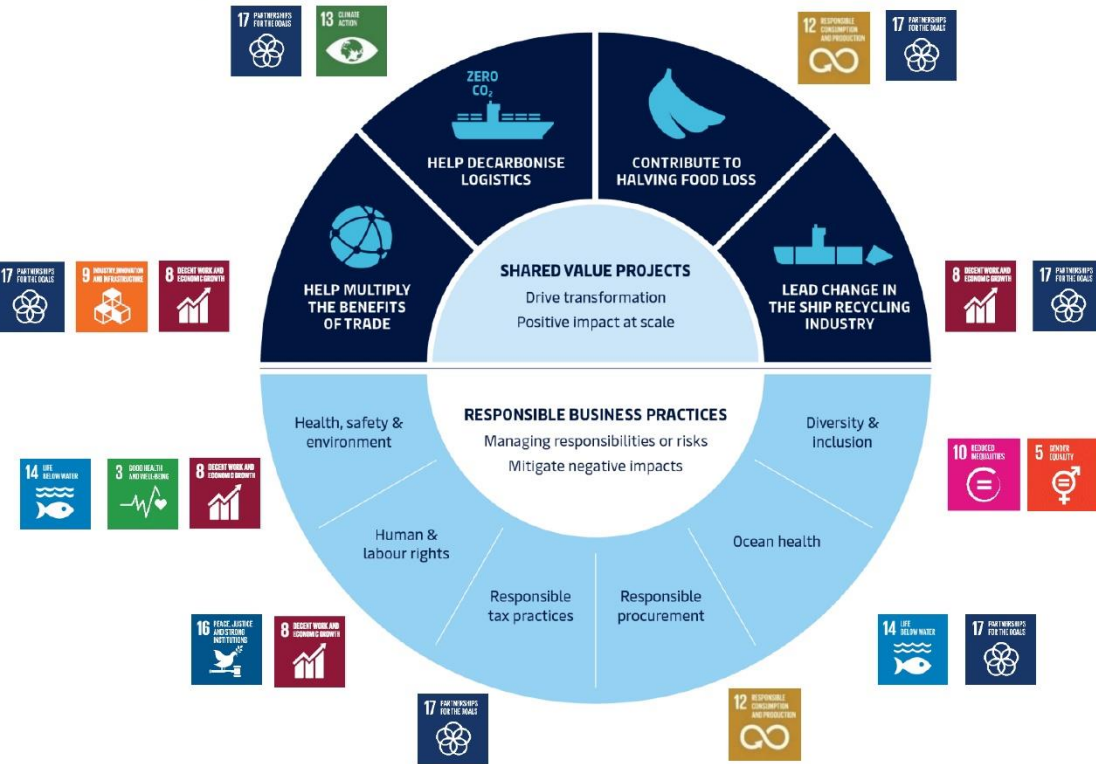
### Data and Download

For quantitative overview of our non-financial performance.



# MAERSK

## Our sustainability strategy Working towards carbon-neutral shipping



Our targets	2018 performance	
<b>ZERO</b> Net emissions from our own operations by 2050	<b>60%</b> Relative reduction by 2030 (compared to 2008)	<b>41%</b> Relative reduction YTD (compared to 2008)

“ We have begun a journey towards having net-zero CO<sub>2</sub> emissions from our own operations by 2050. This is an important ambition and one we can only deliver on in collaboration with many other stakeholders. ”

Søren Skou, CEO of A.P. Møller - Mærsk A/S



## UN Sustainable Development Goals (SDGs)

Our positive impact on the SDGs of most relevance for Evonik<sup>1</sup>

### Our contribution to SDG 12

- High safety standards
- Responsible supply chain management
- Responsible management of chemicals and waste
- Products for resource efficiency in highly demanding applications

### Our contribution to SDG 3

- APIs<sup>2</sup> and intermediates
- Food ingredients and nutritional delivery
- Highly purified amino acids
- Parenteral and drug delivery
- Medical devices

### SDGs of most relevance for Evonik



### Our contribution to SDG 13

- Ambitious CO<sub>2</sub> reduction targets
- Silica-silane technology for „green“ tires
- Oil additives to extend life of hydraulic machines and save fuel
- Membranes for biogas upgrading
- DL methionine for animal nutrition
- High-performance insulation materials

### Our contribution to SDG 6

- Global water management system: development of site-specific action plans within Evonik Group
- Oxidation agents, waste water treatment
- Biosurfactants

<sup>1</sup>) Examples <sup>2</sup>) API = Active Pharmaceutical Ingredient

# ESG Approach and Implementations





# E.ON's strong ESG profile



## Environmental

## Social

## Governance

<b>Climate</b>	Climate neutrality by 2040 (Scope 1 & 2) & by 2050 (including Scope 3) <sup>1</sup>	✓	<b>Diversity</b>	Variety of nationalities, cultures, generations and genders in management & workforce	✓	<b>Supervisory Board</b>	Experienced, diverse and independent	✓		
	Avoided emission together with our clients 2019: > 100mtons	✓		<b>Health &amp; Safety</b>	Creation of a work environment that protects the health and safety of customers and employees		✓	<b>Supervisory Board Committees</b>	Efficient cooperation in Board Committees	✓
	Driving the energy transition through decentral & digital local networks	✓			<b>Human Rights</b>		Commitment to respect human rights, uphold labor standards, and fight against corruption		✓	<b>Remuneration</b>
	Energy efficiency solutions with our clients to reduce carbon emissions	✓		<b>Security of energy supply</b>			Energy Networks: High resilience due to high degree of underground cabling	✓		

1. Carbon neutrality by 2040 (Scope 1 and 2), 75% carbon reduction by 2030 (Scope 1 and 2), 50% reduction of Scope 3 emissions by 2030, carbon neutrality by 2050 (including Scope 3). Base year: 2019 pro forma



## Strong Approach to Environmental, Social and Governance Initiatives



### Environmental

#### *Commitment to energy excellence and efficiency*

- ✓ Recognized under the Global Cold Chain Alliance's (GCCA) new Energy Excellence Recognition Program with Gold and Silver certifications at 56 facilities
- ✓ Completed LED lighting conversions at 48 facilities since 2011
- ✓ Noteworthy fast door implementation savings
- ✓ *Food Logistics* magazine's Top Green Service provider for last three years



### Social

#### *Social initiatives through various charities*

- ✓ Matching gifts programs through which we encourage our employees to give back to the community
- ✓ Corporate contributions / support to various charities, such as Feed the Children, Susan G. Komen and HeroBox



### Governance

#### *Shareholder-friendly corporate governance*

- ✓ Eight of nine board members independent
- ✓ All committees comprised of independents
- ✓ Gender diversity at board level
- ✓ Cannot opt into MUTA without shareholder vote
- ✓ No poison pill
- ✓ Non-classified board
- ✓ Shareholder "Say on Pay"

### Awards & Recognition



### Charitable Organizations

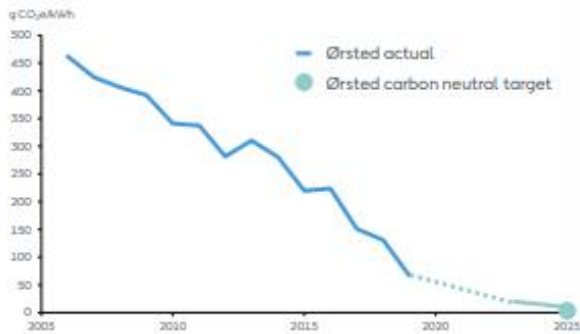


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## Sustainability and ESG at Ørsted

### Green leadership

- We want to help keep global warming below 1.5°C.
- In 2019, 86% of our energy generation was green. By 2025, we target 99%.
- We have reduced the carbon intensity of our energy generation by 86%<sup>1</sup> to 65g CO<sub>2</sub>e/kWh.
- By 2025, our target is to become carbon neutral in our energy generation and operations (scope 1 and 2).
- For our energy trading and supply chain, we target a 50% reduction by 2032 compared to 2018, and our ambition is to be carbon neutral in our total carbon footprint by 2040 as required by science.



### Contributing to the global goals



Ørsted is a signatory to the UN Global Compact and adheres to its ten principles for responsible business behaviour.

#### Strong commitment to UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) define some of the greatest societal challenges of our time.

SDGs where Ørsted makes the biggest difference:



Ensure access to affordable, reliable, sustainable and modern energy for all



Take urgent action to combat climate change and its impacts

### ESG ratings of Ørsted

Rating agency	Rating	Benchmark
CDP	A	<ul style="list-style-type: none"> <li>• Highest possible rating</li> <li>• Recognised as a global leader on climate action</li> </ul>
MSCI	AAA	<ul style="list-style-type: none"> <li>• Highest possible rating</li> </ul>
SUSTAINALYTICS	83 of 100	<ul style="list-style-type: none"> <li>• No. 1 among direct market cap peers</li> <li>• Highest possible 'Leader' status</li> </ul>
Corporate ESG Performance ISS ESG Prime	B+	<ul style="list-style-type: none"> <li>• No. 1 of all utilities</li> <li>• Awarded highest possible 'Prime' status</li> </ul>
G R E S B	A	<ul style="list-style-type: none"> <li>• Highest possible rating in the GRESB Infrastructure Public Disclosure Assessment</li> </ul>

# ESG/Sustainability

MEMBER OF  
**Dow Jones Sustainability Indices**  
 In Collaboration with RobecoSAM



**SAM**  
 Sustainability Award  
 Gold Class 2020

**Industry Leader in Oil & Gas Refining & Marketing Industry (OGR) in 2019**

Member of DJSI Emerging Market For 7 consecutive years in OGR  
 \*Industry Leader in OGR from 2014-2019

2020  
**Sustainability Award (Gold Class)**

**6<sup>th</sup> year of leading position**  
 Oil & Gas Refining & Marketing

## Environmental

- Greenhouse Gases (GHG)** ▶ Reduce 4% direct GHG emission from BAU by 2023

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- Waste & Water** ▶ Strengthen 3Rs through:
  - Zero waste to landfill
  - Study reverse osmosis for recycling waste water from operation and wastewater treatment units
  - Green procurement for operation

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- Others** ▶ Enable **Renewable Energy** at Engineering Building Center

## Social

- Communities & Safety Management** ▶
  - Strengthen **community engagement** through Refinery in the City Model and proactive communication
  - Develop **Social Enterprise Programs**
  - Established **CFP support Center** to mitigate impact from CFP construction around refinery

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- Healthcare & Well-being** ▶
  - **Café Amazon for Chance** at Laem Chabang Hospital where 3 hearing disabilities have been employed
  - **Installed solar roof** for 3 hospitals

## Governance

- Structure & Oversight** ▶
  - Continue **GRC roadmap**
  - Strengthen ESG practices and performance of suppliers through **ESG Verification Plus Program**

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- Transparency** ▶ **ZERO Corruption** and Fraud Incident



# How We Approach Environmental, Social and Governance

Our approach to environmental, social and governance (ESG) is a natural extension of both our mission—to become essential to our customers by providing differentiated products and services to help them achieve their aspirations—and our commitment to doing what is right. Our executive management reviews and evaluates performance and long-term goals with respect to ESG matters within their business units. The Board’s Nominating, Governance and Public Responsibility Committee reviews our Corporate Social Responsibility program, monitors progress against our goals and provides guidance on our efforts.



## Promoting Responsible Business Practices

*Maintain the highest standards of ethics and integrity*

- The Amex Ethics Hotline is available 24/7 for employees, contractors, vendors and others **to raise ethical or compliance concerns**
- Each colleague receives **Global Regulatory Learning Enterprise Essential Training**



## Caring For Our Communities

*Strengthen the communities in which we operate and engage citizens*

- **\$42M in charitable giving** from grants provided by the Company, our Foundation, our Center for Community Development and gift matching programs.
- **7M estimated citizen volunteers engaged**, in part, by grants from American Express



## Managing Our Operations Responsibly

*Reduce our environmental footprint*

- **100% renewable electricity** powered our operations
- **Zero net carbon emissions**



## Serving Our Colleagues

*Foster a diverse and inclusive culture and support our colleagues' professional and personal goals*

- **20 weeks of gender-neutral paid parental leave** for U.S. colleagues
- Maintained **100% score on the Human Rights Campaign's Corporate Equality Index** and inclusion on **Bloomberg's Gender-Equality Index**
- **88% of colleagues participated in personal or professional development trainings**



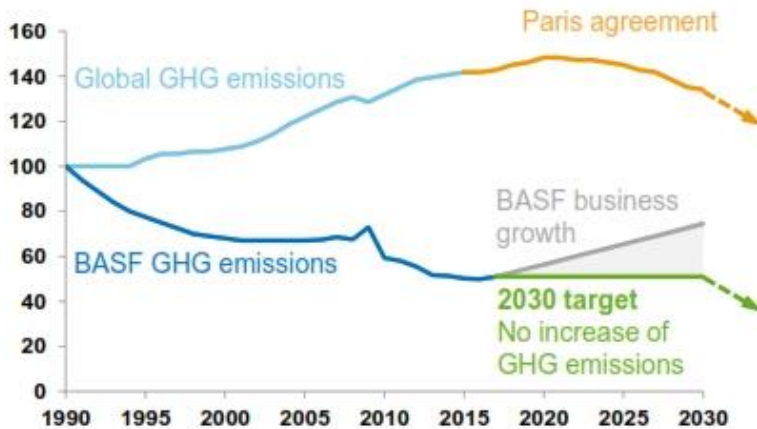
## Delivering For Our Customers & Partners

*Meet the evolving needs of our customer base and make our products and services better for society*

- Launched the first-ever **American Express Card manufactured primarily from recovered plastic found in the oceans and on the coasts**
- **\$96M donated through U.S. Card Members program** from 2010 to 2019 to benefit charitable causes

## BASF has a strong track record of CO<sub>2</sub> emission reduction – our goal: CO<sub>2</sub>-neutral growth until 2030

**Absolute greenhouse gas (GHG) emissions**  
Indexed (1990 = 100)



- Since 1990, we have doubled our production volumes and cut our GHG emissions in halves; the emission intensity thus decreased by 75%, from 2.2 tons of CO<sub>2</sub>e per ton of product to 0.6 tons of CO<sub>2</sub>e
- 20 million tons of CO<sub>2</sub>e emissions by BASF Group in 2019
- Low-hanging fruits have been harvested; fundamentally new technologies are needed to reduce emissions on a large scale
- We will grow our production volumes without adding further CO<sub>2</sub>e emissions<sup>1</sup> until 2030 (intensity to be reduced by 30%)
- BASF is committed to the Paris agreement for climate protection



# Sustainability is central to everything we have and will achieve

## People



- Zero fatalities
- Safety and health model
- Labour relations
- Diversity and inclusion
- Flexitime schemes

## Economic Performance



- Long term approach
- High quality and long-life assets
- Value over volume
- Disciplined capital allocation
- Shareholder returns

## Social Development



- Shared development, not mitigating impacts
- Relationship models: 'Somos Choapa' and 'Diálogos para el Desarrollo'

## Environment



- Environmental management model
- Use of renewable energy
- Sea water use
- GHG emissions target

## Transparency and Corporate Governance



- Risk appetite defined
- Risk management
- Ethics committee
- Group values







	Customer Problem	SGS Solution	Target Customers
<b>Responsible Sourcing</b>	<ul style="list-style-type: none"> <li>Long and opaque supply chains</li> <li>"Responsible sourcing" regulations</li> <li>Supply security concerns</li> <li>Brand / reputation damage risks</li> <li>Consumer pressures</li> </ul>	<ul style="list-style-type: none"> <li>Minerals and Agri products traceability (blockchain)</li> <li>Provenance / authenticity assurance (tagging, marking, fingerprinting)</li> <li>Defining / interpreting responsible supply chain standards and metrics</li> </ul>	<ul style="list-style-type: none"> <li>Technology and electronics companies</li> <li>Automotive</li> <li>Aerospace</li> <li>Finance (banks and tokenized investment)</li> </ul>
<b>Circular Economy</b>	<ul style="list-style-type: none"> <li>Supply security concerns</li> <li>ESG commitments / pressures</li> <li>Consumer expectations</li> <li>Policy challenges</li> <li>Health and safety risks</li> <li>Operational challenges (quality)</li> </ul>	<ul style="list-style-type: none"> <li>EV minerals, e-waste and plastics recycling</li> <li>Other waste monetisation and disposal</li> <li>Second life / repurposing of products testing</li> <li>Recyclability of products ("design out" waste)</li> <li>Recycling standards (input and output quality)</li> <li>Supply chain optimization &amp; policy support</li> </ul>	<ul style="list-style-type: none"> <li>EV value chain (battery and EV makers)</li> <li>Governments and intl. organizations</li> <li>Electronics companies</li> <li>Miners and midstream players looking to move into recycling</li> <li>Recyclers</li> </ul>
<b>Environmental Impact Management</b>	<ul style="list-style-type: none"> <li>ESG commitments / pressures</li> <li>Climate change risks</li> <li>Health and safety risks</li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity, land and water (use and regeneration)</li> <li>Carbon measurement and management across lifecycle / value chain</li> <li>Air quality / emissions monitoring</li> <li>Energy efficiency and renewables</li> <li>Health impact monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Upstream players (mining, oil &amp; gas, farming)</li> <li>Midstream (smelters &amp; refineries)</li> <li>Downstream (value chain environmental impact measurement)</li> <li>Governments and intl. organizations</li> <li>Cities</li> </ul>
<b>Process Sustainability</b>	<ul style="list-style-type: none"> <li>Reconciling sustainability with operational efficiency</li> <li>Fragmented value chain view</li> <li>Challenges to simulate / predict longer term impact</li> </ul>	<ul style="list-style-type: none"> <li>Process sustainability design, measurement and testing / simulation (incl. using AI)</li> <li>Process optimization across value chain and product lifecycle</li> <li>Closure and remediation</li> <li>Business resilience testing</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Midstream</li> <li>Downstream (manufacturing)</li> </ul>

# KPIs



## 6 | Sustainability

### Development of Sustainability Performance Indicators<sup>1</sup>

Sustainability Topic	Key Performance Indicator	2018	2019
Clean Mobility	Percentage of products of consolidated sales that demonstrably contribute to energy efficiency or to the reduction of pollutant or carbon dioxide emissions	~40 <sup>2</sup>	42
Climate Protection	Direct CO <sub>2</sub> emissions (Scope 1) in millions of metric tons of CO <sub>2</sub> <sup>3,4</sup> Indirect CO <sub>2</sub> emissions (Scope 2) in millions of metric tons of CO <sub>2</sub> <sup>3,4</sup>	0.88 2.47 <sup>5</sup>	0.84 2.38
Circular Economy	Waste recycling rate in % <sup>6</sup>	78	80
Sustainable Supply Chains	Number of available, valid supplier self-assessment questionnaires <sup>7,8</sup>	>750	670
Innovations and Digitalization	R&D expenses in € millions in % of sales	3,209.0 7.2	3,364.2 7.6
Green and Safe Factories	Environmental protection management system certifications (ISO 14001 or similar), employees covered in % <sup>8</sup> Energy management system certifications (ISO 50001 or similar), employees covered in % <sup>8</sup> Occupational safety management system certifications (ISO 45001 or similar), employees covered in % <sup>8</sup> Number of accidents per million working hours <sup>9,10,11</sup>	>80 <sup>2</sup> ~50 <sup>2</sup> ~67 <sup>2</sup> 3.41	82 49 69 3.03
Good Working Conditions	OUR BASICS live sustainable engagement index in % Sickness absence rate in % <sup>9</sup> Unforced fluctuation in % <sup>9</sup>	80 3.27 6.25	81 3.37 6.00
Product Quality	Quality management system certifications (ISO 9001 or similar), employees covered in % <sup>8</sup>	~90 <sup>2</sup>	86
Corporate Governance	Proportion of women in management positions in % <sup>8,12,13</sup>	14.8	15.8

<sup>1</sup> All data externally assured by KPMG.

<sup>2</sup> In 2018, not reported as key figures but as indicative, rounded statement in the text.

<sup>3</sup> Based on the reporting on the environmental data collection system that includes the relevant production and research and development locations (not including fleet consumption). Definitions based on the standards of the Global Reporting Initiative (GRI) and in accordance with the Greenhouse Gas (GHG) Protocol.

<sup>4</sup> Scope 2 emissions are calculated on the basis of reported energy use using the location-based method of the GHG Protocol and largely by applying emission factors from Defra (January 2019) and IEA (May 2018).

<sup>5</sup> Figure for 2018 was recalculated due to an adjustment in the application of the location-based method of the GHG Protocol.

<sup>6</sup> Based on the reporting on the environmental data collection system that includes the relevant production and research and development locations. Definitions based on the standards of the Global Reporting Initiative (GRI).

<sup>7</sup> Based on the self-assessment questionnaires via EcoVadis and NQC.

<sup>8</sup> As at December 31.

<sup>9</sup> Permanent staff only (own employees).

<sup>10</sup> Counted from more than one lost day, i.e. with at least one lost day beyond the day of the accident.

<sup>11</sup> Excluding Continental tire sales (approx. 2% of the total workforce).

<sup>12</sup> Based on the employees recorded in the HR data system (approx. 97%).

<sup>13</sup> Relates to executives and senior executives.





## KEY FIGURES & ACHIEVEMENTS 2019

KPIs<sup>1</sup>

	2019
Eco-Safety Performance revenues <sup>2</sup>	55.8% 63.3% on H.V. <sup>3</sup>
Car tyres avg. rolling resistance reduction	-18% (vs. 2009)
Accident frequency Index reduction	-83% (vs. 2009)
Average training days per capita	>7 days
Specific energy consumption reduction	-13.1% (vs. 2009)
Electricity from renewable sources <sup>4</sup>	> 41%
Specific CO <sub>2</sub> emissions reduction	-10.8% (vs. 2009)
Specific water withdrawal reduction	-70% (vs. 2009)
Waste recovered	97%

## PIRELLI ESG LEADERSHIP ACKNOWLEDGED BY THE MARKET

### Top-of-the-industry ESG ratings

	Global Sector Leader in the S&P Dow Jones Sustainability Indices <sup>5</sup>
	Awarded sector Gold Class 2020 in S&P Sustainability Yearbook
	A-List in CDP Climate Change 2019
	Sector top rating
	Global Compact LEAD company 2019

### Pirelli also included in:



### Pirelli distinctive factors

- > **Comprehensive corporate positioning** on key global sustainability challenges, beyond materiality
- > **Management model** complying with most demanding ESG standards<sup>6</sup>
- > **ESG targets** are:
  - Group wide
  - Tangible
  - Challenging and realistic
  - Set to be reached within competitive deadlines
- > Complete and **transparent Reporting**

1. Preliminary unaudited data; 2. Figure is obtained by weighing the value of sales of Eco-Safety Performance car tyres on the total value of sales of Group car tyres; Eco-Safety Performance products, previously named "Green Performance Products", identify car tyres that Pirelli produces throughout the world and that fall only under rolling resistance and wet grip classes A, B, C according to the labeling parameters set by European legislation; 3. Focus on HIGH VALUE products including RIM18+ and «specialties» (Run-Flat, PNCS, Seal Inside with rim ≤17); 4. Internal assessment based on data from the International Energy Agency (IEA) taking into account the Pirelli geographical distribution; 5. Score 2019: 85 vs sector average of 36; 6. e.g. ISO 20400, ISO 26000, AA1000, ISO 37001, etc.



# Introducing ambitious targets in 2020 to drive our ESG efforts, fully reflected in our governance

## Holistic set of ESG targets for 2020...

Pillar	Target
<b>Ethical Standards</b>	Transparency on clinical trials
	Strengthen Third Party Risk Management
	Fully integrate Human Rights into TPRM
<b>Pricing &amp; Access</b>	Increase patient reach
	Enhance access
	Implement pricing principles
<b>Global Health</b>	Malaria: Advance development of new drugs
	Sickle cell disease: Expand coverage
	Chagas: Progress on clinical trial
<b>Corporate Citizenship</b>	Reduce energy & carbon
	Reduce waste
	Reduce water

## ...deeply embedded in our operating model

- **Systematically reviewed**  
Tracked bi-monthly at the Trust & Reputation Committee, a sub-committee of the Executive Committee of Novartis (ECN) chaired by the CEO
- **Linked to compensation**  
Cascaded into ECN personal objectives, and directly impacting compensation
- **Transparently disclosed**  
To be included in 2020 Annual Report, providing full disclosure on our goals and progress

# Targets





# Our ambitious corporate targets – financial and nonfinancial targets

Grow **sales volumes** faster than **global chemical production** every year



Achieve a **return on capital employed (ROCE)**<sup>1</sup> considerably **above the cost of capital** percentage every year



Increase **EBITDA** before special items by **3% to 5%** per year



Increase the **dividend per share** every year based on a **strong free cash flow**



Grow **CO<sub>2</sub>-neutrally** until 2030 (compared with baseline 2018)



Achieve **€22 billion** in **Accelerator sales**<sup>2</sup> by 2025



<sup>1</sup> Return on capital employed (ROCE) is a measure of the profitability of our operations. We calculate this indicator as the EBIT generated by the segments as a percentage of the average cost of capital basis

<sup>2</sup> Accelerator products are products that make a substantial sustainability contribution in the value chain.

## Further nonfinancial targets

Reduce worldwide **process safety incidents** per 200,000 working hours to **≤ 0.1** by 2025



Reduce the worldwide **lost-time injury rate** per 200,000 working hours to **≤ 0.1** by 2025



Introduce sustainable **water management** at all production sites in **water stress areas** and at all **Verbund sites** by 2030



More than **80%** of our **employees** feel that at BASF, they can **thrive and perform at their best**



Increase the proportion of **women in leadership positions** with disciplinary responsibility to **30%** by 2030



Cover **90%** of our relevant spend<sup>1</sup> with **sustainability evaluations** by 2025  
Have **80%** of our suppliers **improve** their **sustainability performance** upon re-evaluation



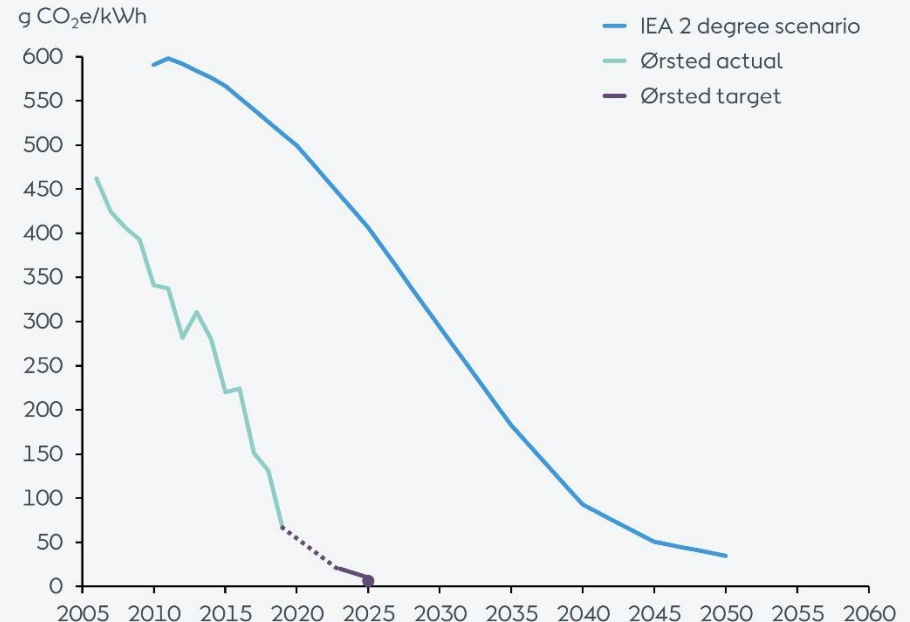
## New target: Carbon neutral energy generation and operations by 2025

### We are committed to help limit global warming to 1.5°C

- We have reduced our carbon emissions 86% from 2006 to 2019
- Our target has been to reduce emissions by 98% by 2025, but we now target carbon neutrality by 2025
- Ørsted will be the first major energy company to reach net-zero emissions
- Our key activities to reach carbon neutrality:
  - Building renewable energy, with an ambition to build 20GW of onshore and offshore renewable capacity by 2025
  - Phasing out of coal completely in 2023
  - Driving out fossil fuels from our operations, e.g. through our commitment to 100% EVs by 2025
  - Programme launched to engage with our suppliers to decarbonise procurement of components and vessel services related to our offshore wind business
  - If needed, offset any minor residual emissions through certified carbon removal projects

### Carbon neutral by 2025

Energy generation and operations (scope 1-2)



# Climate Vision 2050

## Our past and projected carbon intensity

The trajectory of the CLP Group's projected carbon intensity is in line with our 2019 business plan and long-term decarbonisation strategy.

### Key commitments under the updated Climate Vision 2050

- No additional coal-fired power generation
- Phase out remaining coal-fired assets by 2050
- Strengthen our targets at least every 5 years





## Net zero is the new normal – E.ON is driving carbon reduction

### Global challenges

IPCC<sup>1</sup> long term goal to limit global warming to **1.5°C**

German greenhouse gas emissions to be cut by **55% by 2030<sup>2</sup>**

Green Deal: The EU will be climate neutral by **2050**

### E.ON's contribution

Avoided emissions together with our clients  
2019: **>100m tons CO<sub>2</sub>**

**One out of five** renewable assets in Europe<sup>3</sup> connected to E.ON's grids

E.ON will become carbon neutral<sup>4</sup>  
by **2040**

### Focus SDGs<sup>5</sup>

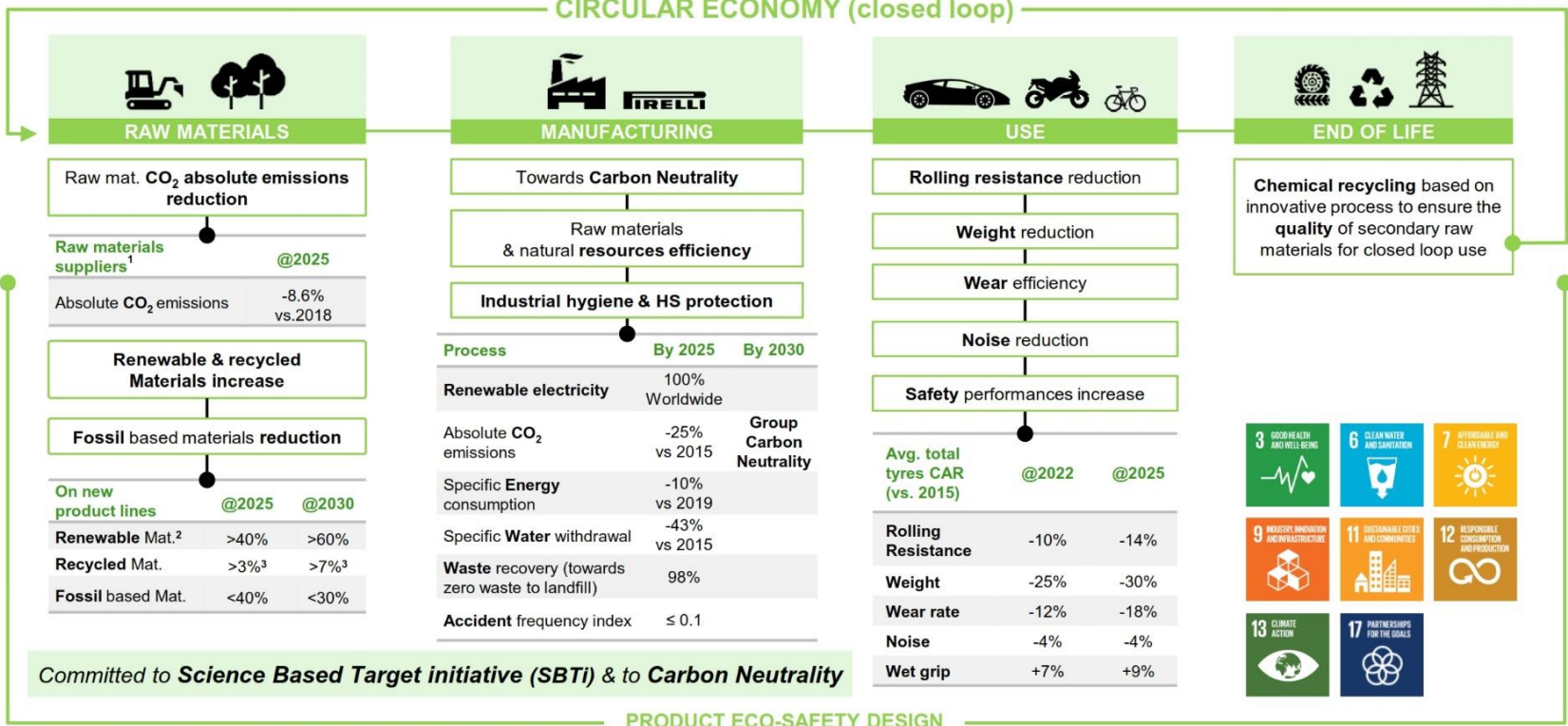


1. Intergovernmental Panel on Climate Change 2. Pre Green Deal 3. Considering EU27 4. Carbon neutrality by 2040 (Scope 1 and 2), 75% carbon reduction by 2030 (Scope 1 and 2), 50% reduction of Scope 3 emissions by 2030, carbon neutrality by 2050 (including Scope 3). Base year: 2019 pro forma 5. UN Sustainable Development Goals



# PRODUCT SUSTAINABILITY STRATEGY 2022/2025/2030

## CIRCULAR ECONOMY (closed loop)



1. Major scope 3 emissions in product LCA (excl. use phase); 2. Renewable natural Resources are natural resources that, after exploitation, can return to their previous stock levels by natural processes of growth or replenishment. (source: OECD glossary definition at <https://stats.oecd.org/glossary/detail.asp?ID=2290>); 3. Excluding recycled metals.





# 6 | Sustainability

## Sustainability Strategy: 12 (4+8) Areas of Materiality, Challenges and Targets

### Climate Protection

- Carbon-neutral purchased electricity by end of 2020
- Carbon-neutral production by 2040
- Carbon-neutral value chain by 2050



### Clean Mobility

- Zero Tailpipe Emission Vehicles (ZTEV)
- Reduction of other road emissions
- Supporting EU sustainable finance taxonomy

### Circular Economy

- Closed resource cycles
- Use of renewable and degradable resources
- 95% recycled waste by 2030



### Sustainable Supply Chains

- Minimizing negative social and environmental impacts in our supply chains
- Traceability and risk-based due diligence



**Good working conditions**  
Inspiring, motivating and fair working conditions (incl. human rights in our own operations)

**Green and safe factories**  
Sound operations not harming people or the environment; with solid management systems

**Innovations and Digitalization**  
Innovational strength and new business models; shaping digital transformation and ethics

**Product quality**  
High quality products based on product integrity and quality management

**Safe mobility**  
Enhanced road safety with technological solutions to minimize severe road accidents and fatalities

**Sustainable profits**  
Value generation in the long-term and responsible distribution of the value

**Corporate Governance**  
Responsible management and fair business practices with balanced view of different perspectives (diversity)

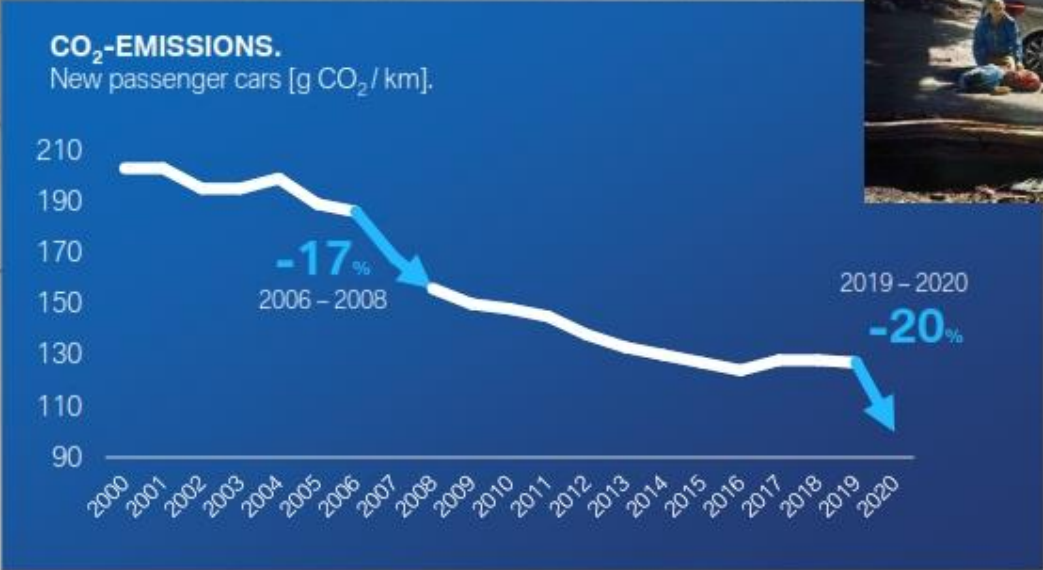
**Corporate citizenship**  
Community engagement, donations and volunteering; engagement campaign "Sustainability Heroes"

# BMW Group



Rolls-Royce  
Motor Cars Limited

**CO<sub>2</sub> COMPLIANCE.**  
WE WILL REACH OUR EU TARGETS FOR 2020 AND 2021.



**Our commitment to the transition to a low-carbon economy**  
 2019 performance against our commitment<sup>(1)</sup>

**Our commitment includes:**

**1 Paris-consistent strategy / capital discipline**

- Our 2019 capital expenditure<sup>(2)</sup> was weighted towards energy transition materials, including:
  - African copper and cobalt
  - Nickel in Canada
- Natural depletion of our coal resource base in Colombia and to a lesser extent South Africa and Australia (and oil), will contribute to reduction of our absolute Scope 3 emissions over time
- **We project a c.30% reduction in Scope 3 emissions by 2035<sup>(3)</sup>**

**2 New 2020 public Scope 1 and 2 targets**

- **To date we have achieved a c.10% reduction in Scope 1 and 2 emissions intensity since 2016** – vs our target of 5%<sup>(4)</sup>
- New longer-term Scope 1 and 2 targets that support the Paris goals will be released during 2020

**3 Review of progress**

- Annual update on performance disclosed on our website and in our Annual and Sustainability reports

**4 Alignment with TCFD**

- We continue to implement the recommendations of the TCFD in our annual reporting.

**5 Corporate climate change lobbying**

- Review of trade associations completed in 2019<sup>(5)</sup>

Notes: (1) [GNS Furthering our commitment to the transition to a low-carbon economy, 20 February 2019](#); (2) Preliminary Results 2019, Industrial activities capital expenditure, page 18; (3) [GNS Glencore's commitment to the transition to a low-carbon economy and Review of 2019 performance and Scope 3 emissions projection, 18 February 2020](#); (4) Glencore Sustainability Report 2018, page 10; (5) <https://www.glencore.com/dam/jcr:81a00dd0-e05c-4d99-b423-f56281c28f86/20200218-GLEN-FY-2019-Results-Presentation-FINAL.pdf>



## Sustainability performance

# Economic growth not possible without social value creation and environmental care



### Committed to climate change mitigation

- Accelerating move to 100% renewable energy to 2022, reducing costs by 10% to 20%
- Target of 3% reduction of forecast GHG by 2022 (300,000 t CO<sub>2</sub>)
- Contracted 100% renewable energy for Zaldívar from 2020 and Antucoya from 2022



### Water and tailings

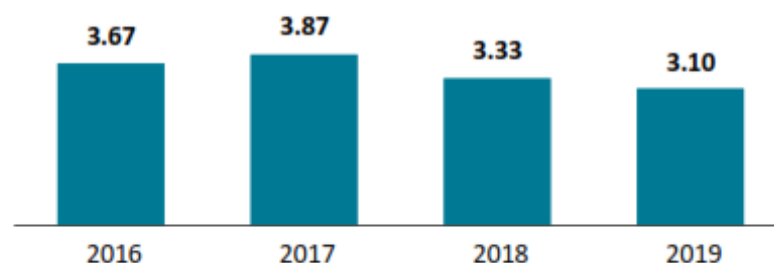
- 46% of water used comes from the sea
- 85% of water at Los Pelambres is recirculated
- Currently building a desalination plant at Los Pelambres
- Thickened tailings at Centinela



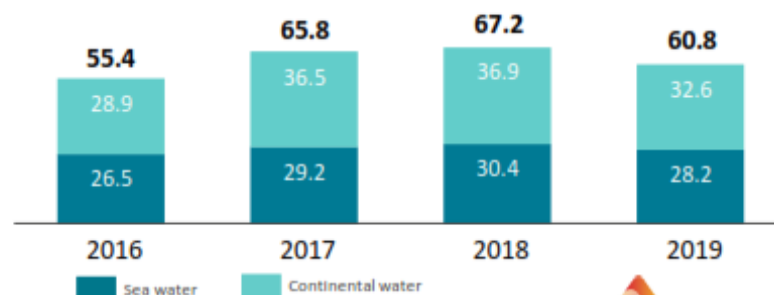
### From mitigating impacts to shared development

- "Somos Choapa" and "Dialogos para el Desarrollo" programmes
- Antofagasta Region public-private Mining Cluster
- Prioritising local suppliers and employment
- Regional development

CO<sub>2</sub> emissions intensity (tCO<sub>2</sub>e/tCu)<sup>1</sup>



Water consumption (Mm<sup>3</sup>)



<sup>1</sup> Tonnes of CO<sub>2</sub> equivalent per tonne of copper produced (Scope 1 and 2 emissions)



# Bold long-term aspirations across the ESG spectrum

## Selected examples



Reduce **launch time lag** to **3 months** in LMICs



Achieve **carbon neutrality** in own operations by **2025**



Implement **access strategy** for **advanced therapies** in LMICs



Deliver on **UN EPIC** and **LGBTI equity pledges**



Transform treatment of **malaria** with **USD 100m** committed in R&D<sup>1</sup>



Holistically address **sickle cell disease** in Ghana

1. Commonwealth Heads of Government Meeting April 2018, commitment over the next 5 years.  
 | J.P. Morgan Healthcare Conference | January 13, 2020 | Novartis Investor Presentation



# Focus on energy transitions: the Group's objectives

## 2020 objectives

## Progress as at 31/12/2018

### Mesure, reduce and offset emissions

- Reduce greenhouse gas emissions of La Poste activities by 20% compared to 2013
- Reduce nitrogen oxide (NOx) emissions by 30% and particulates by 50% between 2015 and 2020
- Serve France's 15 major cities using systems with low levels of greenhouse gas emissions
- Own 10,000 electric light utility vehicles
- Supply 100% renewable energy to the buildings managed by Poste Immo

- **Achieved** in 2018. New 2025 trajectory in progress in line with the Science Based Target and consistent with the Paris Agreement
- **34%** reduction of nitrogen oxide (NOx) emissions and **45%** reduction of particulate emissions
- 15 cities **mostly** served by low-emissions systems
- 7,387 electric light utility vehicles owned
- **Achieved** in May 2016

### Recycle, reuse and recover

- Develop an offer in favour of recycling and reusing in France (ex. JV Recygo)
- Integrate recycled materials in the Group's offers and packaging and develop reusing of equipment (ex. extending equipment lifetime)
- Recover waste

- Recycling and reuse activities: **275,000** customers ; revenue of **€19M** ; **85,000** tonnes of material
- **230 tonnes** CO<sub>2</sub> eq. avoided in 2018
- La Poste WEEE<sup>1</sup> recycling rate in 2018: **94%**
- Recovery rate of inert waste on pilot sites: **75%**

### Develop responsible finance

- 100% SRI banking offer in 2020

- **50%** of SRI outstandings in the total outstandings managed by LBPAM

Vision 2030 | Four Goals. Eight Targets.

# BUILDING A BETTER FUTURE FOR PEOPLE, THE PLANET AND OUR COMPANY

**HEALTHY & ABUNDANT FORESTS**

—


Lead forest stewardship efforts globally

TARGETS:

**100%** 

of fiber sourced from sustainably managed forests or recovered fiber while safeguarding forests, watersheds and biodiversity

Conserve and restore **1 MILLION** acres of ecologically significant forestland



**THRIVING PEOPLE & COMMUNITIES**

—

Promote employee well-being by providing safe, caring and inclusive workplaces and strengthen the resilience of our communities

TARGETS:

**ZERO** injuries for employees and contractors

Improve the lives of **100 MILLION** people in our communities

**30%** 

women in our workforce:


- 50% women in salaried positions
- Regional diversity plans, including 25% minority representation in U.S. salaried positions

**SUSTAINABLE OPERATIONS**

—

Improve our climate impact and advance water stewardship

TARGETS:

**35%** 

reduction in Scope 1, 2 & 3 greenhouse gas emissions, aligned with best-available climate science

**25%** 

Reduction in water use, and implement context-based water management plants at all mills

**RENEWABLE SOLUTIONS**

—

Accelerate the transition to a low-carbon economy through innovative fiber-based products

TARGETS:

Advance circular solutions throughout our value chain and create innovative products that are

**100%** reusable, recyclable or compostable



## Sustainability – Environmental targets

### Ambitious greenhouse gas emission reduction targets



**Evonik Scope 1 and Scope 2 emissions<sup>1</sup>**



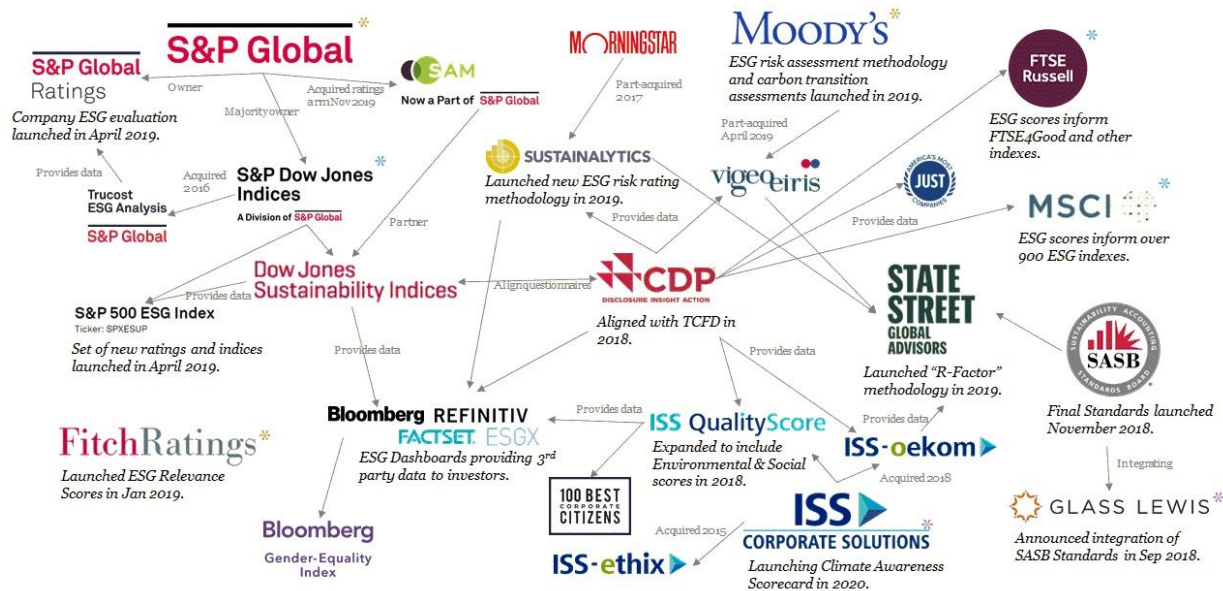
1. in thousand metric tons CO<sub>2</sub>eq

83

- Strong commitment to **"Paris Agreement on Climate Change"** reflected in implementation and execution on environmental targets
- **"Sustainability Strategy 2020+"** targets reduction of -50% of Scope 1 and Scope 2 emissions by 2025 (compared to base year 2008)
- Global **CO<sub>2</sub> pricing** used as an additional planning parameter for investment decisions



# Ratings and Indexes



## E.ON's sustainability awards, ratings and rankings



Result: AA



CDP Score: B  
Sector Average: C



Overall ESG Score = 81 (Leader Group)  
Relative Position 11 out of 192



Overall ESG Score: 3.2  
Sub Sector Average Multiutilities: 2.8  
Industry Average Utilities: 2.7



E.ON is index member<sup>1</sup>, i.e. one of the 120 most advanced companies in Europe + Eurozone



E.ON ranks 4<sup>th</sup> in the Green Utilities Report from Energy Intelligence (EI) Group



Rating: C+



E.ON ranks 6<sup>th</sup> out of 30

1. Vigeo/EIRIS was acquired by Moody's in 2019

## 6 | Sustainability Ratings and Indexes

› Continental is listed in the following indexes:



# DAX® 50 ESG

› Ratings:



› Prime (C+) (2020)



› Climate: Score B (2019)  
› Water: Score B (2019)  
› Supply chain: Score A;  
Supplier engagement  
leader board (2019)



› Gold Status (2019)  
› 65/100  
› Best 5% of companies



› BBB (January 2020)

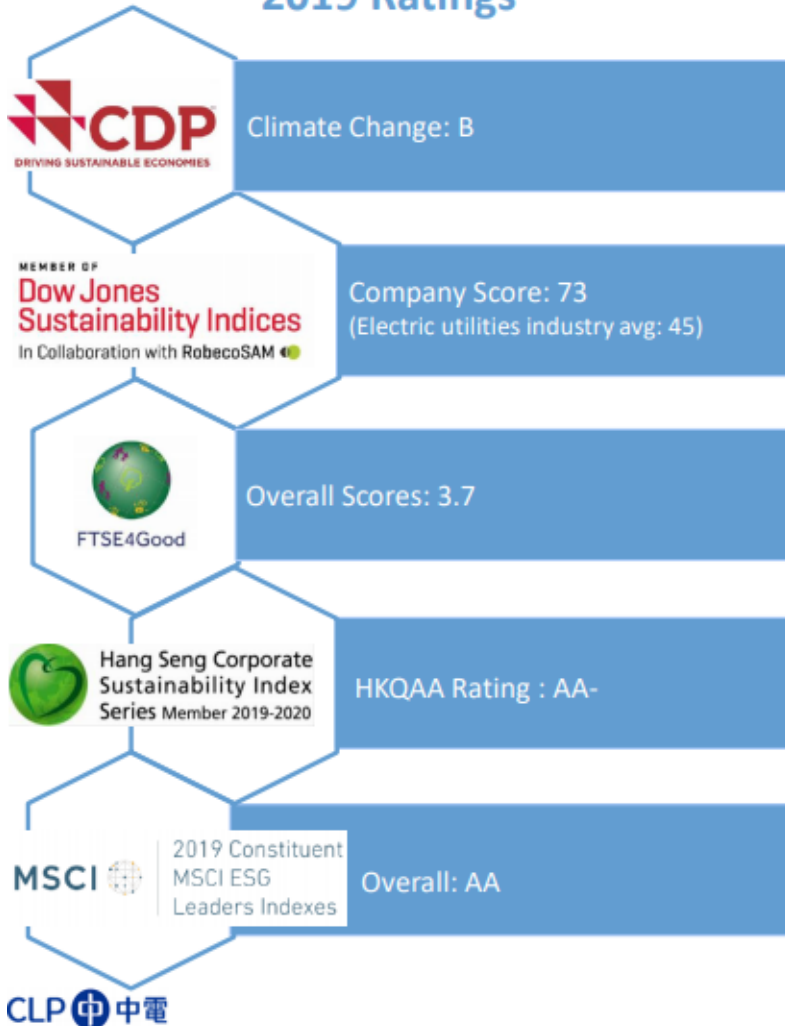


› Outperformer (2019)  
73/100

Sources: <https://www.ecpigroup.com/>; <https://www.cdp.net/>; <https://www.sustainalytics.com/>; <https://www.msci.com/>; <https://www.ecovadis.com/>.

## Key Sustainability Ratings & Awards

### 2019 Ratings



### Awards





## H1 2019/20 Financial Highlights

Robust and responsible financial performance

### Robust financial performance

Adjusted EBITDA<sup>(1)(2)</sup>

**+3.3%**

Earnings Per Share

**+4.3%**      **+17.6%**  
Adjusted<sup>(2)(3)</sup>      Statutory

Strong Balance Sheet

**3.5%**  
Effective Interest Rate

Dividend Per Share

**+6.4%<sup>(4)</sup>**

### Responsible delivery of results for all stakeholders

- Founder of the Sustainable Financing Framework - at the forefront of sustainable financing



FTSE4Good

- First water and waste company to receive the Fair Tax Mark accreditation



- Innovative mechanism to share benefits of outperformance



- Responsible contributions
  - Voluntarily accelerated pension deficit recovery contributions of £17.2m in H1 2019/20
  - Total tax contribution<sup>(5)</sup> £141m in H1 2019/20

(1) Adjusted EBITDA includes IFRIC 12 interest and joint venture EBITDA.  
 (2) Measures presented are on a consistent accounting basis, to exclude the impact of IFRS 2E Leases and adjusted/underlying measures are presented before non-underlying items, see slide 32.  
 (3) Underlying EPS before deferred tax, non-underlying items and proportionately adjusted for the return due on the perpetual capital securities.  
 (4) Dividend policy of 4% + RPI to 2020, RPI 2.4% at 30 September 2019.  
 (5) Total tax contribution includes landfill tax collected and borne, VAT, business rates, employment taxes, corporation tax, fuel excise duty, carbon reduction commitment, environmental payments and climate change levy and external landfill tax.

# BMW Group



Rolls-Royce  
Motor Cars Limited

## SUSTAINABILITY IS FULLY INTEGRATED IN THE BMW GROUP AND LEADS TO TOP RATINGS.

### TOP RATINGS.

#### DOW JONES SUSTAINABILITY INDICES.

The BMW Group is the only company in the automotive industry continuously listed on the index since the very beginning.

AS PART OF  
Dow Jones  
Sustainability Indices  
in collaboration with

#### MSCI ESG.

BMW's A-rating remains unchanged since August, 2017.

MSCI

#### CARBON DISCLOSURE PROJECT.

In 2019, the BMW Group was ranked in the category Leadership with a A- rating.

CDP  
CARBON DISCLOSURE PROJECT

#### FTSE4GOOD.

Listed in the FTSE4Good Index.

FTSE4Good

#### ISS ESG.

Corporate ESG Performance: Prime.

ISS ESG

#### SUSTAINALYTICS.

Overall ESG Score: Leader.

SUSTAINALYTICS

### MILESTONES.

1973

First environmental manager in the automotive industry.

2000

Executive Board resolution "Sustainability is a guiding principle of the BMW Group's corporate strategy."

2009

Establishment of Sustainability Circle and Board. Corporate sustainability is declared as corporate target.

TODAY

Sustainability is fully integrated across the whole value chain and part of divisional targets.

## OUR VALUE TO SOCIETY SUSTAINABILITY HIGHLIGHTS AND RECOGNITIONS

### 2019 AWARDS AND RECOGNITION

MEMBER OF  
Dow Jones  
Sustainability Indices  
in collaboration with



**DJSI INDUSTRY LEADER 2019 –**  
6 years  
**SAM GOLD CLASS 2019 -**  
5 years



FTSE4Good

**FTSE4GOOD INDEX**  
We were included in the FTSE4Good Index for the third time.



**ECOVADIS GOLD RATING**  
4 years



**CDP SUPPLIER ENGAGEMENT LEADER**  
Named Carbon Disclosure Project (CDP) Supplier Engagement Leader



**BUILDING PUBLIC TRUST AWARD 2019**  
Best Integrated Report in Switzerland



**2018 HIGHLIGHTS**

**1.5<sup>CHF</sup> MILLION**  
Invested in communities around the world

**22%**  
Decrease in total Greenhouse gas emissions against a 2014 baseline

**CARBON NEUTRAL**  
SGS maintained its status as a carbon neutral company

**63%**  
Total recordable incident rate (TRIR) reduced by 63% against a 2014 baseline





**4.4<sup>MILLION</sup>**  
Employee training hours across the SGS network

**58%**  
Lost time incident (LTIR) reduced by 58% since 2014 baseline

**18,544**  
Volunteering hours donated to community projects



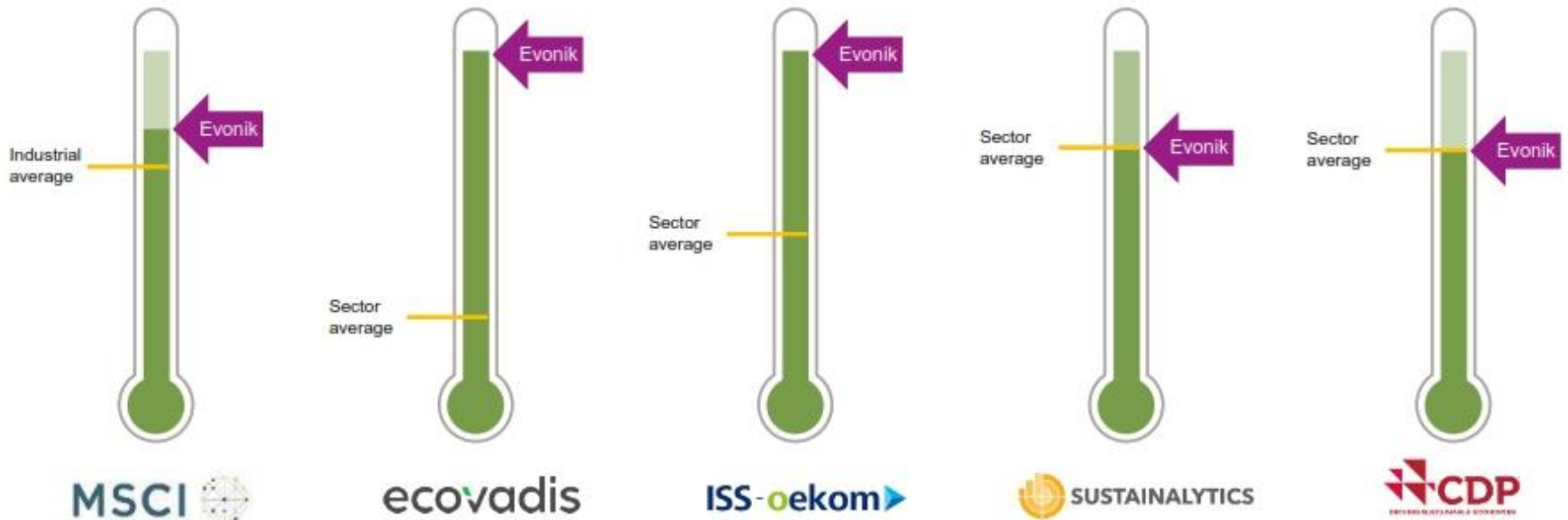
## CSR performance recognised by non-financial rating agencies

	Rating agency	Group ranking	Rating and comments
Investors	 2017	<b>#1</b> of the transport and logistics sector (#1/38)	<ul style="list-style-type: none"> <li>72 / 100 overall score (+13 vs. 2015)</li> <li>67 / 100 for La Banque Postale ranked <b>#1</b> at international level</li> </ul>
	 2017	<b>#1</b> of the transport and logistics sector	<ul style="list-style-type: none"> <li>C+ Prime overall score (vs. C in 2014)</li> <li>La Banque Postale <b>#1</b> in France and <b>#2</b> at international level</li> </ul>
	 2018	<b>Leader (#4)</b> Overall rank in transportation (#4/129)	<ul style="list-style-type: none"> <li>74 overall score (+15 vs. 2016)</li> </ul>
Clients (B and C)	 2019	<b>Leader</b> 1 <sup>st</sup> of "transport service" sector, in the top 1.8% among 7,000 global companies)	<ul style="list-style-type: none"> <li>A for CDP Climate change in 2018 (vs. B in 2017)</li> <li>B for CDP Suppliers in 2017 (vs. C in 2015)</li> </ul>
	 2018/2019	<b>Gold level</b> As a supplier (top 1% out of 17,000 suppliers)	<ul style="list-style-type: none"> <li>Groupe La Poste: 78 overall score (+5 vs. 2017)  <b>→ rated Gold in 2018</b></li> <li>90 for environmental performance (+10 vs. 2017)</li> <li>GeoPost: 67 overall score in 2019 (+4 vs. 2018)  <b>→ rated Gold in 2018</b> (top 12% out of 17,000)</li> <li>Docaposte: 68 overall score (+10 vs. 2016)  <b>→ rated Gold in 2018</b> (top 6% out of 17,000)</li> <li>Chronopost: 67 overall score (+4 vs. 2017)  <b>→ rated Gold in 2018</b> (top 2% out of 17,000)</li> </ul>



## Sustainability – Rankings

Evonik best-in-class within chemicals sector in terms of sustainability



# Sustainable (Green) Finance



# 6 | Sustainability

## ESG-Syndicated Loan

### New credit line for Continental:

#### Better conditions for a more sustainable business

- Revolving bank credit line refinanced ahead of schedule (amount: €4 bn, term: five years)
- Syndication clearly oversubscribed; better credit conditions for Continental
- **Breaking new ground in the German automotive industry:** interest payments will now also depend on concrete improvements in the company's sustainability performance
- These include procuring electricity externally from renewable sources, increasing the proportion of women in management positions, reducing the accident and sickness absence rates, and increasing the proportion of recycled waste.



## E.ON's Green Bond Framework

### Use of proceeds

- Finance and/or refinance eligible green projects in the following eligible categories:
  - Renewable energy
  - Energy efficiency
  - Clean transportation

### Evaluate & select projects

- Project selection based on eligibility criteria
- Green bond committee:
  - Sustainability
  - Energy Networks
  - Customer Solutions
  - Group Finance

### Management of proceeds

- E.ON will strive to maintain a portfolio matching/exceeding outstanding green bonds
- Projects will be added on an on-going basis

### Reporting

- Allocation and impact reporting after a year
- Renewal on an annual basis until full allocation of proceeds



### External verification



Aligned with the **ICMA Green Bond Principles<sup>1</sup>**

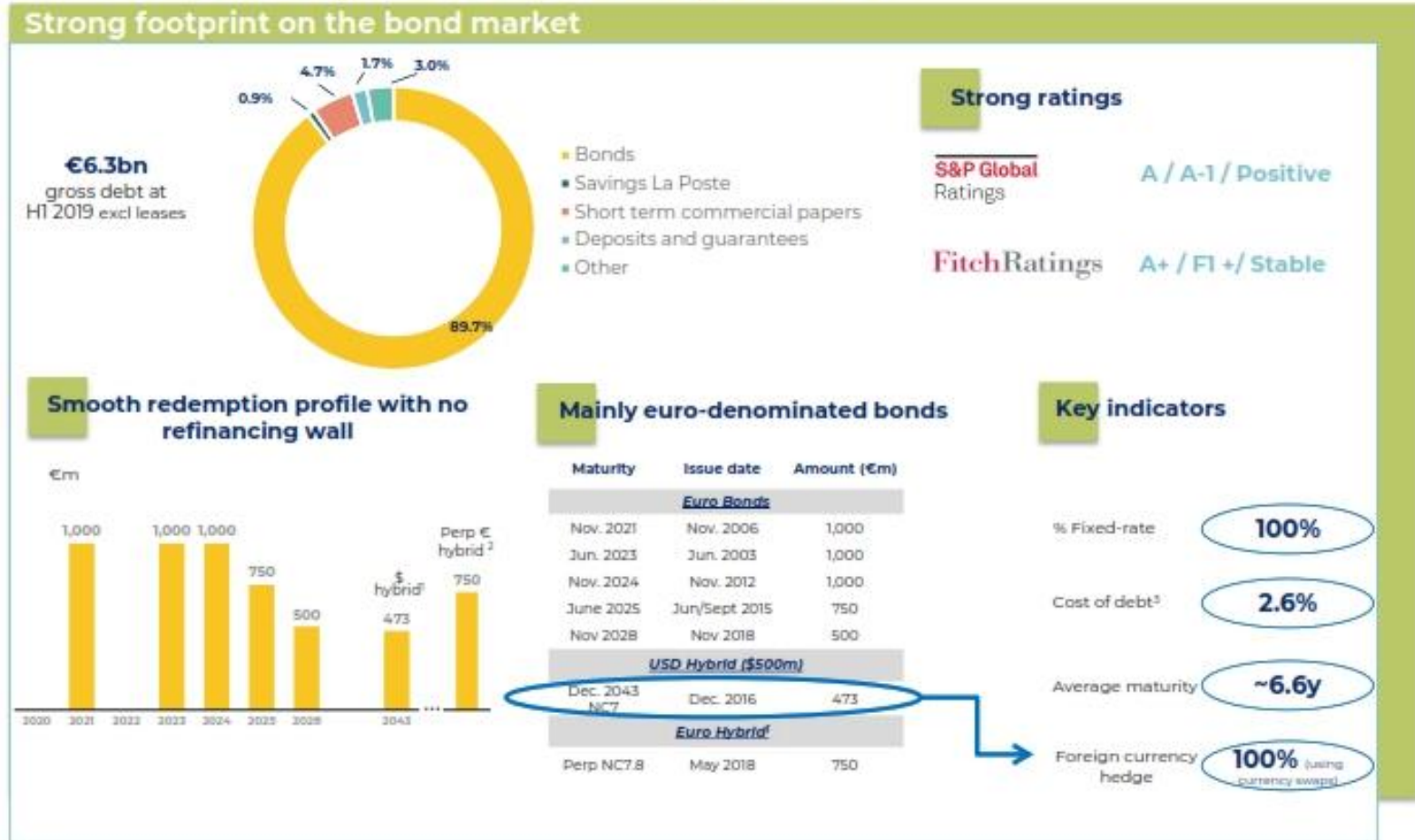
Eligible Green Projects are aligned with **draft EU taxonomy**

1. <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>





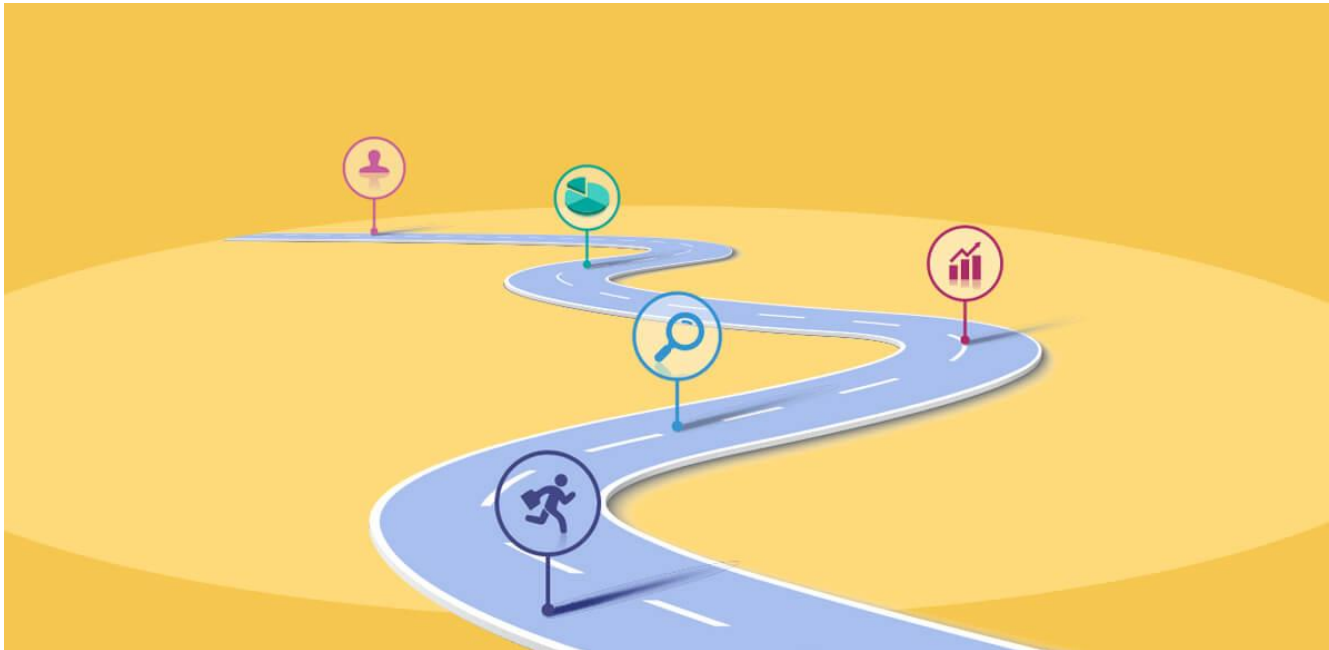
# Low risk capital structure given currency, maturity & interest profile



23

1) In accordance with IFRS, the \$500m subordinated notes (€473m) are considered as debt (NC December 2023).  
 2) In accordance with IFRS, the €750m perpetual subordinated notes are considered as equity (NC January 2026). Compliant format with S&P methodology (50% equity content).  
 3) 2019-2022 average cost of debt (as at 30/06/2019), includes the US hybrid in full.

# Journey





Unilever

# Measuring our sustainability progress

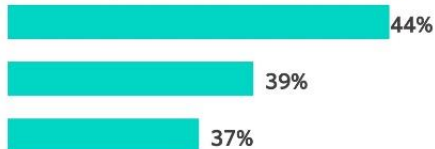
- Health & Wellbeing
- Environment
- Livelihoods



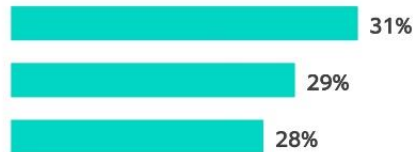
48% of our portfolio at highest nutritional standards



52% reduction in CO2 from energy per tonne of production since 2008



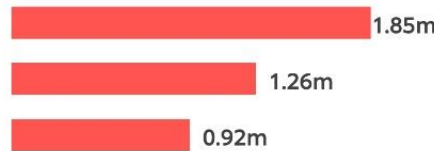
44% reduction in water abstraction per tonne of production since 2008



31% reduction in waste pcu since 2010



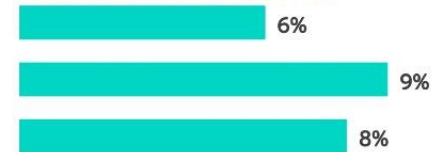
97% reduction in total waste per tonne of production since 2008



1.85m women enabled to access opportunities



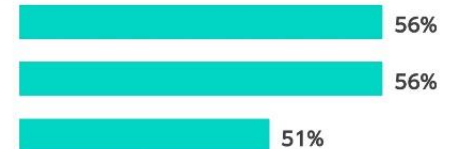
746k smallholder farmers and 1.73m small-scale retailers enabled to access initiatives



6% increase in greenhouse gas pcu since 2010

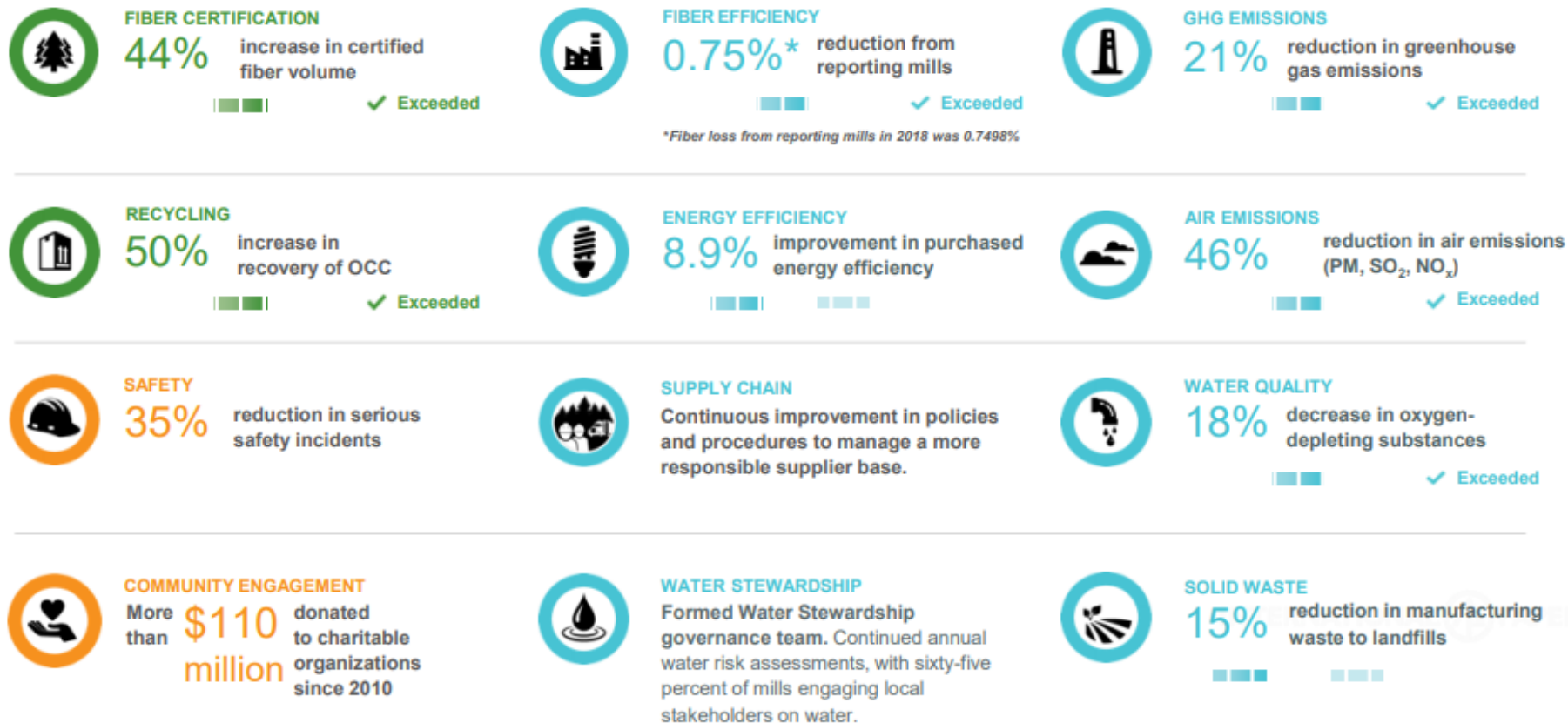


2% decrease in water impact pcu since 2010



56% of agricultural raw materials sustainably sourced

## Vision 2020 Goals Progress | As of December 2018





# Covid-19



# Covid: Corporate Measures

## Safe Return Plan:



**828**  
People in  
homeoffice



**696**  
People in **face-to-face**  
work



**80%**  
Spots enabled with  
biosafety measures



**328**  
People trained in  
**Biosafety** for Face-to-  
face Return

**13**  
AGENCIES  
open to public

**1100**  
Clientes diarios  
atendidos

**+70**  
Average daily  
services of **Mobile**  
**Agency**



**11** People of **Corporate Building**, **55** People of **Agencies**, **227** People in **Field work**, **403** subsidiaries' People (laboratory, samplers, warehouse) and other administrative personnel in enclosures.

## COVID-19 Response

Balanced approach to navigating COVID-19 crisis – right-sizing the organization in line with current demand while maintaining customer service and commitment to strategic agenda

HEALTH & SAFETY	COST REDUCTIONS	SUPPLY CHAIN	LIQUIDITY
<ul style="list-style-type: none"> <li>• Remote working</li> <li>• Travel and group meeting restrictions</li> <li>• Facility changes and behavioral best practices (social distancing, cleaning and sanitation)</li> <li>• Managing different phased openings and evolving restrictions across our global footprint while complying with all government orders and/or regulations</li> <li>• Maintaining trust and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Right-sizing organization to meet demand</li> <li>• Significant reductions in discretionary spending</li> <li>• Suspended merit-based pay increases, 401(k), and NSP company matching contributions</li> <li>• Voluntary separations, involuntary separations, furloughs and other time-and-pay reductions</li> <li>• Utilizing employee retention and wage support programs where available</li> <li>• Lower performance-based compensation and variable commission compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring continuity and maintaining service levels</li> <li>• Global carpet tile manufacturing with redundant capabilities that can be flexed to mitigate interruptions</li> <li>• Variable/fixed cost mix allows for scaling down without significant margin erosion</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining strong liquidity</li> <li>• Ample availability under revolving credit facility</li> <li>• Current credit facility in place through 2023</li> <li>• Enhanced financial covenant flexibility through Q1 2022</li> <li>• Moderated capital spending</li> </ul>

**Adapting our business to the evolving post-COVID future and flexing our strategy and operations to the changing landscape**

## COVID-19 - Managing through an unprecedented crisis

- Living up to our purpose-driven creed by putting people first: Associates, Network, Partners - "Time to Care"
- Product portfolio and supply chain shifted to produce essential products: 30% increase in production across all brands
- Significant step-up in e-commerce and digital social selling to reach our network and customers amid lockdown;
  - e-commerce growth of 300% at The Body Shop, over 500% at Aesop and 150% for Natura and Avon combined
  - Strong growth in adoption of digital social selling tools over the last few weeks:
    - At Avon, increased adoption of digital assets from low single digits in 2019 to over 37%, sales via representatives sharing e-brochures up 85%
    - At Natura, 90% of consultants already use digital assets, content sharing up 64%, orders doubled in online stores
- Strong financial discipline to protect liquidity and cash:
  - Over R\$4 billion in cash, no significant debt maturities until September 2021
  - Reduce operating expenses, limit capital expenditures
  - Private placement capital increase of R\$1 billion to R\$2 billion
  - R\$750 million raised in one-year restricted placement promissory notes
- Positioned to capture post-crisis opportunities

AVON



Aēsop.



## COVID-19 - A purpose-driven response: Caring for our stakeholders...

Guaranteed employment for 60 days

Telemedicine for employees,  
consultants, reps and franchisees

**R\$7 million** in direct support  
for consultants and reps

**#IsolatedNotAlone**  
campaign against domestic violence

**R\$31 million** in donations of hand sanitizers,  
70% alcohol and soaps to governments and  
NGOs (5.5 million+ units)

\*Source: HSR Specialist Researchers

