



**Asia-Pacific
Economic Cooperation**

2013/SOM3/ACT/WKSP/009

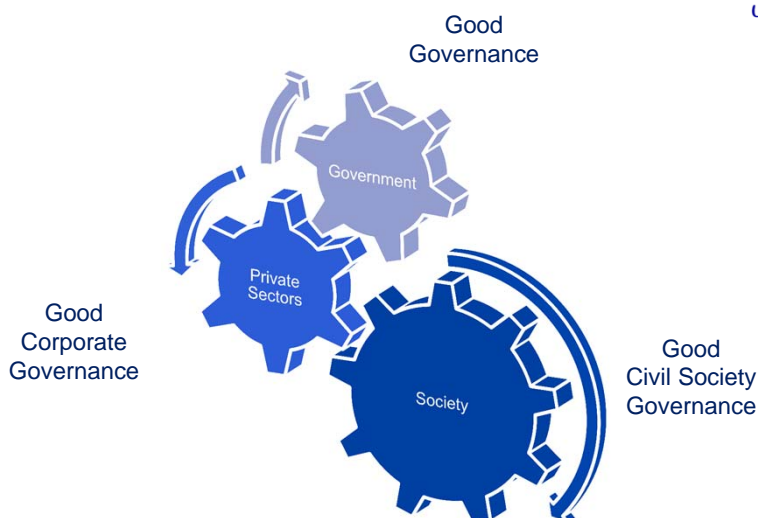
Business Ethics: The Components

Submitted by: Unilever



**Workshop on Strengthening Integrity Through
Public-Private Partnership: Preventing
Facilitation Payment and Managing Gift Rules
Medan, Indonesia
24 June 2013**

BUSINESS ETHICS : THE COMPONENTS



Corporations have important roles to play

UNILEVER STAND POINT



Unilever has earned a reputation for conducting its business with integrity and respect for others. **This reputation is an asset, as valuable as our people and brands.** To maintain this reputation requires the highest standards of behaviour from us all.

Unilever's Code of Business Principles (the 'Code'), and the policies that support it ('Code Policies'), set out the standards required from all employees and third parties acting on our behalf. We also expect our business partners to adhere to principles consistent with our own.

Breaching the Code and/or Code Policies could have very serious consequences for Unilever and its employees. These could include significant fines for Unilever, imprisonment for individuals and significant damage to our reputation. **Failure to comply with the Code and/or any of the Code Policies will be taken very seriously and could result in disciplinary action, including dismissal and**

STAYING TRUE TO OUR VALUES



INTEGRITY

RESPONSIBILITY

RESPECT

PIONEERING

OUR CODE OF BUSINESS PRINCIPLE



14 Element of COBP :

- Standard of Conduct
- Obeying the Law
- Employees
- Consumers
- Shareholders
- Business Partners
- Community Involvement
- Public Activities
- The Environment
- Innovation
- Competition
- Business Integrity
- Conflicts of Interest
- Compliance –Monitoring - Reporting

OUR CODE POLICIES



1. Obeying the Law

- 1.1 Legal consultation

2. Employees and Conflicts of Interest

- 2.1 Respect, dignity & fair treatment
- 2.2 Occupational health & safety
- 2.3 Confidentiality of personal information
- 2.4 Use of IT systems & applications by employees
- 2.5 Avoiding conflicts of interest
- 2.6 Preventing insider trading

3. Business Integrity

- 3.1 Anti-bribery
- 3.2 Gifts & entertainment
- 3.3 Accurate records, reporting & accounting
- 3.4 Anti-money laundering

4. Shareholders and Public Activities

- 4.1 Contact with government, regulators & NGOs
- 4.2 Political activities & political donations
- 4.3 Protecting Unilever's physical & financial assets & intellectual property
- 4.4 Protecting Unilever's information
- 4.5 External communications – The media, investors & analysts
- 4.6 Responsible Risk Management

5. Business Partners

- 5.1 Responsible Sourcing

6. Competition

- 6.1 Fair competition
- 6.2 Competitors' information & intellectual property

7. Innovation and our Consumers

- 7.1 Responsible Marketing
- 7.2 Responsible Innovation
- 7.3 Product Quality

TOP MANAGEMENT COMMITMENT



A message from Paul Polman

Unilever has earned a reputation for conducting business with integrity and with respect for all those whom our activities affect – to create a better future every day. This has been Unilever's vision since the 1890s and captures the spirit of William Hesketh Lever, founder of Lever Bros. The businesses that formed Unilever were among the most philanthropic of their time, improving the welfare of their workers and developing products with a positive social impact.

Today, we still believe that success means acting with the highest standards of corporate behaviour towards our employees, consumers and the world in which we live. Over the years, we've launched or participated in an ever-growing range of initiatives to source sustainable supplies of raw materials, protect environments, support local communities and much more. Our reputation is an asset. We will build a dynamic company that first delivers strong results through our people, our brands and our sustainable living plan, and that, consistently, goes from strength to strength.

For many years, we have captured Unilever's how we do business in our Code of Business Principles (The Code). This sets out the standards of conduct we expect from all our employees. The Code is now supported by the Code Policies. These provide a framework of simple Must's and Must Not's to

ensure these standards of conduct are followed by all – hence building a solid platform of trust and strength and translating our behaviours into actions that protect Unilever and each and every one of us.

Breaching the Code or Code Policies has very serious consequences for Unilever and its employees. This can include significant fines for Unilever, imprisonment for individuals and significant damage to our reputation. To help to maintain the platform of trust internal disciplinary sanctions are also applied to breaches of the Code and Code Policies.

As leaders in Unilever, it is your responsibility to understand and abide by both our Code and the Code Policies everyday. If we do so, Unilever's reputation will be enhanced, our business will perform better, and our professional lives will be even more fulfilling.

Best wishes

Paul Polman
Chief Executive Officer



OUR CODE POLICIES RELATED TO FACILITATION PAYMENTS



3. Business Integrity

- 3.1 Anti-bribery
- 3.2 Gifts & entertainment

4. Shareholders and Public Activities

- 4.1 Contact with government, regulators & NGOs
- 4.2 Political activities & political donations

DETAIL OF OUR RELATED CODE POLICIES



3.1 Anti-bribery (1 of 2)

- Unilever does not give or receive bribes or other improper advantages for business or financial gain. Unilever does not use agents or third parties to give or receive such bribes on our behalf
- Most countries have laws that prohibit bribery. Breaching such laws is a serious offence that can lead to heavy fines for companies and imprisonment for employees
- Even the appearance of a breach could cause significant damage to Unilever's reputation
- Many countries now apply bribery laws 'internationally' beyond their own borders. Therefore, our operations, regardless of location, may be subject to laws and regulations of other jurisdictions in addition to local laws and regulations
- This Code Policy indicates what employees must do to comply with anti-bribery laws

Must nots

Employees must not:

- Give or receive bribes or improper advantages, either directly or indirectly which are or give the impression that they are intended to influence decisions by any third parties about Unilever or vice versa. This applies in all countries and all situations.
 - Give anything of any value, including nominal cash amounts, which has the potential to be considered or perceived as something intended to cause the recipient to behave improperly. This includes, but is not limited to: money, services (including favours), discounts, use of resources, loans, the promise of future employment or internship, gifts and entertainment. (See also the 'Gifts and entertainment' Code Policy).
- All third parties, whether public or private, are included in this prohibition. For example:
- Actual or potential customers, distributors, agents.
 - Actual or potential suppliers or consultants.
 - Other actual or potential service providers, such as banks.
 - Government or regulatory officials/employees, either local or regional.
 - Political representatives.

- Use anyone (whether agents, distributors, consultants, suppliers, intermediaries or anyone else) to give or receive bribes or gain improper advantages on behalf of Unilever by making payments to government officials in their individual capacity for the legitimate services of any government agencies, ministries, municipalities and other state bodies.

Unilever companies must not employ or enter into contracts with agents, distributors, consultants, intermediaries or anyone else to represent Unilever or its interests externally, without undertaking appropriate checks to assess the third party's integrity.

The outcome of such checks must be considered carefully before deciding whether to appoint the third party. Various factors will determine what checks are appropriate, such as the nature of the potential service and the potential for corruption within the third party or the general environment/location.

Checks could include:

- Verifying that companies are properly registered by obtaining legal registration documents.
- Undertaking a legal review to identify recent or pending court cases against the company or its directors and, where known, the outcomes.



DETAIL OF OUR RELATED CODE POLICIES



3.1 Anti-bribery (2 of 2)

- Ensuring directors have no relevant convictions and are not barred from holding directorships.
- Searching for media reports which may indicate impropriety by the company or individuals.
- For large contracts, commissioning a corporate intelligence report.

(See the 'Responsible Sourcing' Code Policy for more details about compliance with Unilever's Supplier Code.)

Musts

Before agreeing to – or making – any payment which has the potential to be a payment in breach of this Code Policy, employees must seek approval from their cluster/country Legal Group. When such payments are made regularly, the Legal Group may give an annual standing approval for such payments. This approval must be repeated annually.

If Unilever employees on company business, or their companions, are in physical danger and cannot escape imminent harm without meeting a demand for payment, payment may be made. Such incidences must be reported, as soon as possible, to your line manager, the local Code Officer and the Finance Director/VP in the country where the incident occurred, regardless of your work role and location, to ensure lessons are learned and necessary records kept.



THE SUPPORT SYSTEM : CODE COMMITTEE



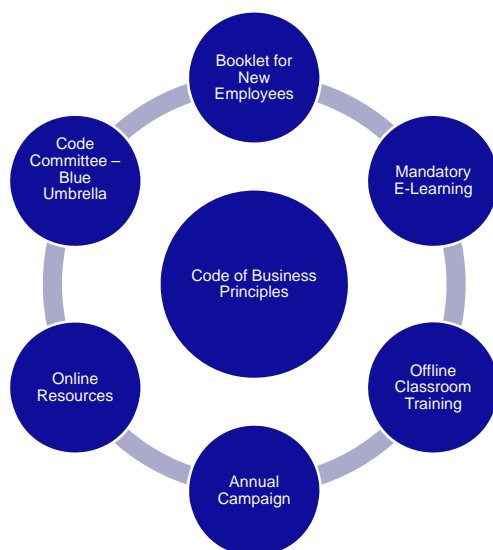
- Corporate Code Committee - Global
(CEO, Chief Legal Officer, Group Secretary, Chief Auditor, SVP HR & SVP Communications)
- Cluster Code Committee - Regional
(Cluster Head, Head of Finance, Head of HR, Head of Supply Chain, Head of Legal)
- Operating Country Committee – Indonesia
(Country Chairman, Finance Director, HR Director, External Relations Director & Corp Secretary, HR Business Partners, Head of Internal Audit, Head of Legal)

THE FUNCTION OF CODE COMMITTEE



- Reviewing significant reputational risks and overseeing risk mitigation
- Conducting an annual Code and Policy controls self-assessment
- Managing the quality and consistency of all local investigations into compliance breaches and signing off on completion
- Ensuring that individuals who report breaches of the Code or Policy are properly protected from retaliation
- Implementation of any Standards relating to Code of Business Principles and Code Policy compliance
- Supporting operations with any Code and Policy related queries or concerns
- Ensuring that any reportable items are escalated to the Cluster Code and Policy Committee
- Ensuring that individual countries within the MCO are properly supported, including the creation

360 DEGREES TOUCH POINTS



CAMPAIGN EXAMPLES



Promoting 4 code policies of :
Anti-Bribery, Gifts & Entertainment, Avoiding
Conflicts of Interest and Contacts with
government, regulators & NGO

**Jangan Lagi
Galau**
Kenali dan
Katakan Transparan

CAMPAIGN EXECUTION



CHALLENGES



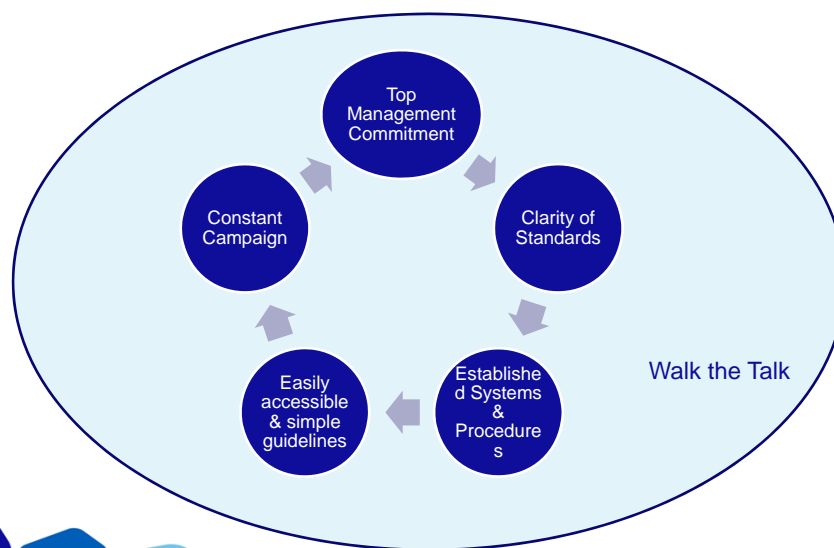
Internal :

- Effectively and efficiently communicate the policy to a wide range of employees
- Encouraging people to report any mishaps
- Low level of reported code incidents, despite the complex business nature of Unilever Indonesia

External :

- A crystal clear, transparent and easily accessible procedures from government bodies
- Level of commitment from government bodies (from top management down to operational, from centre to areas)
- One roof coordinated service – avoiding inefficient multiple procedures

A THOUGHT : COMPONENTS OF SUCCESSFUL IMPLEMENTATION



THANK YOU

BACK UP

DETAIL OF OUR RELATED CODE POLICIES



3.2 Gifts & entertainment (1 of 2)

- Unilever's relationships must be based on integrity and sound business decisions
- Hospitality can have a positive role in building relationships with customers, suppliers and other third parties. However, gifts and entertainment must never be used for improper advantage or create an actual or perceived conflict of interest. (see the 'Anti-bribery' and 'Avoiding conflicts of Interest' Code Policies for further details)
- Before offering or accepting gifts or entertainment, employees must consider whether it could exert – or give the impression of exerting – improper influence
- Employees must also understand and respect third parties' policies in this area
- This Code Policy outlines gifts and entertainment that are prohibited and those that can be given or received, and explains record keeping requirements

Musts

Employees must adhere to the following requirements:

I. Gifts

- The exchange of gifts must be actively discouraged in relationships with third parties. Any gifts offered to, or received by, Unilever employees or those working on our behalf must be declined or returned wherever possible.
- Where 'necessary' – for example, because national custom requires it or offence might be taken – 'token' gifts may be offered or received, if of a nominal value of around 20 euros, such as product/company branded pens or calendars.
- If you feel obliged to accept a gift that is more than a token, you must agree this with your line manager. If they are not WL3+, the matter must be escalated to the responsible WL3+ manager. Where acceptance is agreed, your line manager will decide what to do with the gift, for example, put it in an employee raffle or give it to charity. If acceptance is not agreed, you must return the gift.
- You must keep a record of all gifts that you offer or accept that are more than 'tokens'. This record must be available for inspection by local/global management or Corporate Audit for five years.

- You must always act in line with the spirit of this Code Policy.

Employees may accept on behalf of Unilever donations to recognised charities by third parties, if they are not solicited and it is clearly understood that there is no associated business-related obligation.

Corporate donations to charities that are part of an approved Unilever programme, such as a disaster relief appeal, can be made by Unilever companies.

II. Entertainment

- Entertainment with a valid business purpose, that is in the best interests of Unilever, can be offered or accepted, so long as:
 - It is not intended – and could not be perceived as intending – to influence decisions or create improper advantage.
 - It is in the form of a meal, attendance at, or participation in, a cultural or sporting event, an organised 'team-building' occasion, or similar responsible activity.
 - The usual business contacts for Unilever and the other third parties are physically present.
 - The value of the entertainment is in line with responsible business practice and country norms/customs and is proportionate to



DETAIL OF OUR RELATED CODE POLICIES



3.2 Gifts & entertainment (2 of 2)

the status of those involved. Guidance on entertainment, including monetary limits/value that has been issued for your geography and/or function must be considered. Any variations from this must be pointed out to your line manager, in advance of the event wherever possible. If your line manager is not a WL3+, the WL3+ with responsibility for your area must be notified.

- All entertainment provided by, or on behalf of, Unilever must be recorded and processed using the standard purchasing/payment and/or travel and expense processes/systems for your location.
- Where functions or departments require entertainment received and/or given to be recorded/reported – including records being made available for inspection – this must occur:

All Cluster/country EVPs/Heads must:

- Establish and communicate guidance on entertainment (including monetary limits/value) for all employees within your geographies. Monetary limits should reflect local norms/customs and the seniority of individuals as appropriate. For UK/Ireland and Benelux, these should apply to those in the Corporate Centre.

Must nots

The following prohibitions apply in all situations:

- Gifts (whether offered or received) must not be in cash or a cash equivalent, such as lottery tickets, gift certificates, loans, guarantees or any other granting of credit, shares or options.
- Gifts and entertainment, including payment towards travel or accommodation, must not be offered to any government or regulatory official or any employee of state-owned/controlled entities without the prior approval of your Legal business partner.
- Gifts or entertainment must not be offered to, or accepted by, anyone involved in Unilever tendering or bidding activity.
- You must not attempt to conceal or disguise gifts or entertainment given or received. This includes:
 - Accepting entertainment, including travel to or from events, during vacations. All entertainment accepted while on leave must adhere to this Code Policy.
 - Gifts/entertainment offered to, or accepted by, spouses/partners or close relatives.
 - Use of personal funds to pay for gifts or entertainment.

- Gifts and entertainment must not be solicited from your business contacts. Soliciting charitable donations for personal activities, for example, running a marathon, from your usual business contacts, customers or suppliers, in their personal capacity, that is, using their personal money, is allowed but only if there is no suggestion of a business-related obligation.

Note

Costs for travel and accommodation in relation to business meetings with third parties, or travel to industry conferences, must normally be met by each company's employees through their standard expense procedures.

Where safety/security issues or practical reasons make it sensible, for example, sharing cars from an airport to a business partner's site or hotel, payment can be made by either party, on the understanding that there is no associated obligation.

Where the location of business partners' sites or offices mean accommodation can only be provided and paid for by them, this is acceptable, on the understanding that no obligation is attached.



DETAIL OF OUR RELATED CODE POLICIES



4.1 Contact with government, regulators & non-governmental organisations (NGOs) (1 of 2)

- Any contact by Unilever – or its agents – with government, legislators, regulators or NGOs must be done with honesty, integrity, openness and in compliance with local and international laws

Governments, regulators and legislators may be any of the following:

- Global/international (e.g. United Nations)
- Regional (e.g. European Union, ASEAN)
- National
- Local (i.e. within country at province, state, county, city or town level)

NGOs include local, national, regional or global/international non-governmental organisations, including those working on:

- Social issues (e.g. Oxfam, Water Aid)
- Environmental issues (e.g. Greenpeace, Friends of the Earth)
- Human rights (e.g. Amnesty)

International

- National consumer groups or associations
- Animal welfare (e.g. PETA, RSPCA)

- These interactions must only be made by authorised and appropriately trained individuals

- 'Contact' covers all forms of communications, whether formal, informal or social interaction including any kind of correspondence such as in-person, electronic media and/or written correspondence

- This Code Policy provides detailed guidance on how contact with the above authorities must proceed

- Of course, interactions about personal matters, for example, personal charitable donations or personal tax, are not covered by this Code Policy

Musts

When interacting with government, legislators, regulators or NGOs, Unilever employees (or anyone acting on Unilever's behalf) must:

- Be appropriately trained and authorised by your line manager.

- Be courteous, open and transparent in declaring your name, company, role, status and, for any enquiry or 'representation', the nature of the subject matter.

- Take all reasonable steps to ensure the truth and accuracy of your information.

- Keep a record of all contacts and interactions.

The following additional requirements must be met in certain situations:

1. Influencing regulation or legislation ('lobbying')

Any contact between Unilever employees, or people working on our behalf, and officials, aimed at influencing regulation or legislation must only be done with prior approval, as follows:

Global/international	=	VP External Affairs
Market Cluster	=	Relevant External Affairs Director
National or local	=	National External Affairs function or Head of Communications

The only exceptions regard taxation, financial reporting/accounting, pensions or competition



DETAIL OF OUR RELATED CODE POLICIES



4.1 Contact with government, regulators & non-governmental organisations (NGOs) (2 of 2)

matters. These must have prior approval from the local Finance Director/Head of Legal or Corporate Tax Department, Group Controller, Corporate Pensions Department or local General Counsel, respectively. The relevant External Affairs contact must be notified as appropriate.

2. Contact with regulators about products and/or ingredients

Any contact with regulators about Unilever's actual or planned use of products and/or ingredients must have the prior approval of Regulatory Affairs (which will, in turn, seek the necessary authorisation from Legal Group).

3. Contact with NGOs

Any contact with NGOs must have the prior approval of the local External or Public Affairs Departments. If you do not have such departments in your location, you must get approval from the local or cluster head of Communications. At times, this approval may be given on a standing basis.

Unilever site leaders must have up-to-date procedures for responding to unannounced inspections from relevant authorities. This must include the nomination of Responsible Persons to lead the response for each type of potential inspection.

Must nots

Unilever employees (or those acting on our behalf) must not attempt to obstruct the collection of information, data, testimony or records by authorised investigators or officials. (see the Code Policy 'Gifts and entertainment' for specific prohibitions in relation to government or regulatory officials).



DETAIL OF OUR RELATED CODE POLICIES



4.2 Political activities & political donations

- Unilever companies are prohibited from supporting or contributing to political parties or candidates
- Employees, themselves, can of course offer personal support and contributions to political groups
- This Code Policy gives guidance on how Unilever and its employees must manage the business relationship with political groups

Musts

Employees must ensure that your:

- Contributions towards, and support for, political parties are clearly personal and give no impression of being connected to Unilever.
- Personal political support or contributions do not affect your performance or objectivity at work (see the Code Policy 'Avoiding conflicts of interest', for more details).

At times, Unilever employees are allowed to take part in social or economic advisory groups set up by governments or political parties. Participation in such advisory groups must have the prior approval of the SVP Communications. Approval will only be given for groups whose work relates

to areas supporting Unilever's corporate vision (e.g. public health and education).

Such groups must include a cross section of well-known peer companies, national charities, non-political think-tanks, research organisations and representatives of academia, or similar such bodies.

The work must be non-political and be publicly communicated as such by the advisory group.

Must nots

Unilever companies must not, directly or indirectly, support or make contributions to political parties or candidates. Communication, financial contributions, benefits in-kind, gifts, sponsorships and use of Unilever resources are all prohibited.

Involvement in the type of social or economic advisory groups mentioned above must not create a conflict of interest for employees.

