Innovation at Unilever: Deep dive webcast

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Safe harbour statement

This presentation may contain forward-looking statements, including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as ‘will’, ‘aim’, ‘expects’, ‘anticipates’, ‘intends’, ‘looks’, ‘believes’, ‘vision’, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (the ‘Group’). They are not historical facts, nor are they guarantees of future performance.

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Further details of potential risks and uncertainties affecting the Group are described in the Group’s filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Unilever Annual Report and Accounts 2020.
Innovation: One of Unilever’s 5 strategic choices

1. Develop our **portfolio** into high growth spaces

2. Win with our **brands** as a force for good, powered by purpose and **innovation**

3. Accelerate in USA, India, China and leverage emerging **markets** strength

4. Lead in the **channels** of the future

5. Build a purpose-led, future-fit organisation and growth culture

**Operational Excellence**
Innovation at Unilever

• **World-class R&D**
  Delivering superior and sustainable innovations for competitive advantage

• **Focused science and technology initiatives**
  Developing science and technology for the future

• **Transformed innovation portfolio**
  Clear priorities, focus on bigger projects and discipline in execution

• **Delivering strategy through innovation**
  To transform the core, premiumise and access high growth spaces
Innovation at Unilever

• World-class R&D
  • Focused science and technology initiatives
  • Transformed innovation portfolio
  • Delivering strategy through innovation
Creating superior and sustainable products
### A world-class R&D function

#### Deep science and technology expertise
- 5,000 colleagues, 51% female
- >20,000 patents
- Innovative partner ecosystem

#### Consumer obsession
- >1 billion digital connections every day
- Deep local connection and insights
- Agile, consumer-centric innovation

#### Global scale and local knowledge
- Eight global technology hubs
- Ten regional innovation hubs
- Local presence in >60 markets

#### Cutting-edge digital technology
- Automated labs of the future
- Rapid, superior product design
- AI accelerating product innovation
• World-class R&D

• **Focused science and technology initiatives**

• Transformed innovation portfolio

• Delivering strategy through innovation
Focused science and technology initiatives

3 examples

- Renewable ingredients
- Next generation biology
- Plant-based
Focused science and technology initiatives

Renewable ingredients

Bio-surfactants
- Renewable and biodegradable
- Harnessing bio-technology
- Superior mildness

Carbon capture
- World-first innovative pilot
- Surfactant from waste emissions
- ‘Test and learn’ launch in China

Plastics alternatives
- First-ever paper detergent pilot
- Sustainably-sourced pulp
- Collaboration with Pulpex
Focused science and technology initiatives

Next generation biology

Microbiome
- Biome key for skin, hair, oral and gut wellbeing
- World-leader, >100 patents
- Innovative partnerships

Skin barrier
- Novel pro-lipids technology
- Stimulates skin to self-repair
- Clinically proven to work on driest skin in 2 hours

Immunity
- Clinically-proven, superior technology
- Stimulating skin’s natural immunity
- Proven effective on Covid-19 viruses
Focused science and technology initiatives: Plant-based

Dairy-free and vegan
- New Food Innovation Centre
- Taste and structure is key
- Launched on biggest brands

Meat alternatives
- Sustainable and plant-based
- Superior taste and texture
- Novel partnerships (Biotech)

Green polymers
- Alternative to petrochemicals
- Superior stain removal
- Renewable and biodegradable

Removes stains first time
Made with plant-based stain removers
Innovation at Unilever

• World-class R&D

• Focused science and technology initiatives

• Transformed innovation portfolio

• Delivering strategy through innovation
Transforming how we innovate

**Sharper innovation strategies**

- New innovation strategies for all categories
- Choices behind high growth spaces
- Focus on differentiated technologies and winning products

**Superior Products**

- **Doubled testing vs 2019**
  - From <50% to >65% of turnover tested winning
  - Developed a new ‘holistic superiority’ approach

**Fewer, bigger activities executed with discipline**

- More than doubled project size
- Stopped >30% of projects
- Cut time to market by 30%
Innovation at Unilever

• World-class R&D

• Focused science and technology initiatives

• Transformed innovation portfolio

• Delivering strategy through innovation
Delivering strategy through innovation

Core Transformation

Premiumisation

Future Growth Spaces
Delivering strategy through innovation

Core Transformation

Premiumisation

Future Growth Spaces
81% of people experience wetness and odour issues

Unique, patented technology, 72-hour protection

Superior vs competition

NEW

FIRST EVER 72H NONSTOP PROTECTION
HOWEVER MUCH YOU MOVE

It Won't Let You Down.
Reducing salt a key WHO nutrition objective

1000s of digital experiments in rapid time

Patented technology: all the taste but zero salt
Clinically-proven, superior moisturisation on core body wash

Patented, ‘12-HSA’ technology; skin care benefits on a wash-off

Sustainable packaging; 100% recycled bottles
Largest laundry brand in Latin America

Dilute at home format uses 75% less plastic, less water and chemicals

Affordable and convenient, driving market share performance

OMO Concentrate – Unbeatable cleaning & affordability
Delivering strategy through innovation

Core Transformation

Premiumisation

Future Growth Spaces
Magnum Double Caramel – True to pleasure

Magnum pints – highly successful format innovation

Unique double layer technology with superior taste and sensory experience

Advanced food-grade recycling technology – 100% recycled tubs
Lux Botanicals – Premium, nature-based innovation

Exotic sensorials and clinically-proven skin care benefits

Locally tailored, launched in China ecommerce, rolling out across Asia

Facilitating trade-up from bar soap to liquids
Dove Hair Therapy: Premium skin care into hair care

Premium hair care segment growing at 30%

Patented formula with clinically-proven superiority to luxury brands

160 API vs core range
New Dove
0% aluminum deodorant,
Buy once, refill for life

Buy once and refill
50% less plastic
98% recycled plastic
100% recyclable

Premium design and
ecommerce potential

Ultra mild to skin and
48 hour odour protection
Delivering strategy through innovation

Core Transformation

Premiumisation

Future Growth Spaces
Innovation in high growth spaces

Hygiene
Skin care
Prestige beauty
Functional nutrition
Plant-based foods

Future Growth Spaces

Laundry
Home & Hygiene
Skin Cleansing
Deodorants
Oral Care
Hair Care
Skin Care
Prestige Beauty
Functional Nutrition
Plant-based Foods
Scratch Cooking
Ice Cream

Priority focus area
Olly – Innovation-led growth

Ambition for €3 billion Functional Nutrition business over next few years

Clear and simple consumer benefit-focused variants and accessible formats

Opportunity to leverage Unilever scale science & technology
Hourglass Red 0 – Prestige vegan beauty

Unilever R&D expertise applied to Prestige beauty

First vegan alternative to carmine (beetles)

Cruelty-free, with no compromise to colour, vibrancy and intensity
Summary: Innovation at Unilever

• **World-class R&D**
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