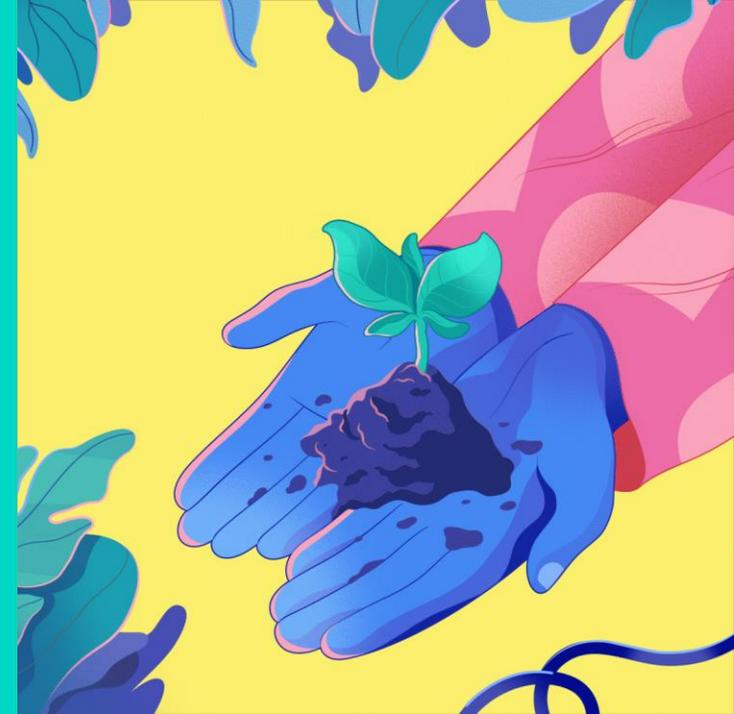


GLOBAL ANTI-BASE EROSION (GLOBE) MODEL RULES (PILLAR TWO)

Sebastiaan-de Buck

Head of Tax, Unilever

September 2024



Unilever

Unilever Global Group At a Glance

2023 turnover

€59.6 billion

58%

of turnover in
emerging markets

400+

Brands

Products Available in over

190

Countries & Jurisdictions

Business presences in over

110

Countries & Jurisdictions

2.5bn

people use our
products every day

> 600

Group Legal Entities as of
31/12/2023
(as per Pillar 2 scope and
definition)

Second

Largest advertiser globally

2023 Group Effective Tax Rate

24%



Unilever

UNILEVER INDONESIA: 90 YEARS GROWING WITH INDONESIA



**IDR 38T Company
with Indonesia's
Favorite Brands**



9 factories have obtained **halal certification** from The Indonesian Council of Ulama

90 years
Since 1933

**Category Leadership in > 80%
of our Business**

Wide distribution network, **600+**
distributors across Indonesia

4,600+ employees
across Indonesia, with commitment
to **diversity and inclusion.**

>40
Product Brands
With **1,000** SKUs
to capture Indonesians' needs

100% Penetration. At least 1 UL
Product in every Household

#1 Employer of choice
for 10 consecutive years



Sustainability at our Core via

56.159 Ton
Plastic Collected & Processed



Unilever

UNILEVER OLEOCHEMICAL INDONESIA

Established in 2012 in Sei Mangke Special Economic

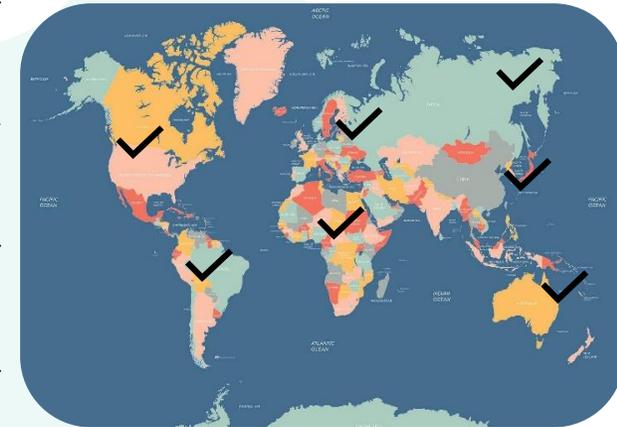


Surfactant

Soap Noodle

Fatty Acid

Glycerin



100% Sustainable
Oil Sourcing



Manpower +/- 660
(Data as on May 2024)



41 products of export
oriented



Unilever

UNILEVER INDONESIA: INVESTMENT



Unilever
Indonesia

Volume Export over
last 3 years is more
35k ton

Investment over last
5 years
approximately at
\$280mn



Unilever
Oleochemical
Indonesia
(UOI)

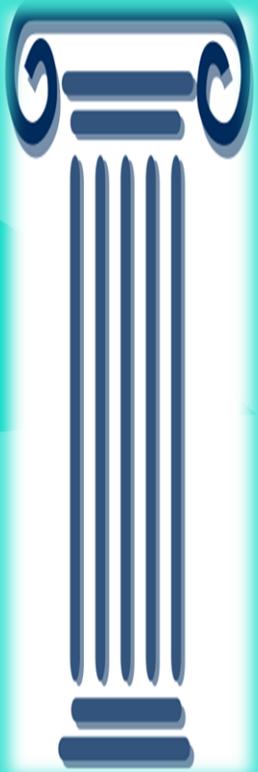
85% business is for
export orientation

Investment over last
5 years
approximately at
\$525mn



Unilever

PILLAR
TWO

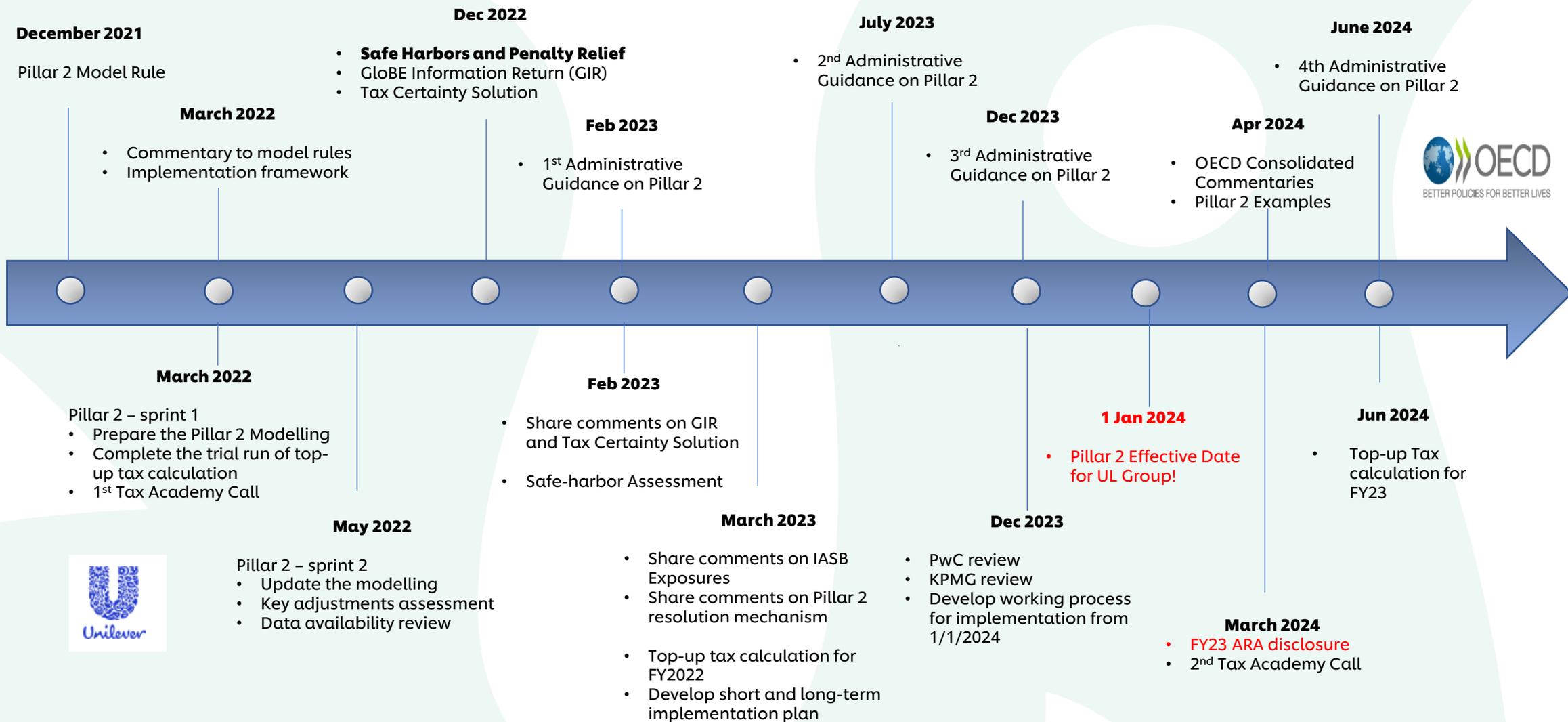


UNILEVER'S PILLAR 2 JOURNEY

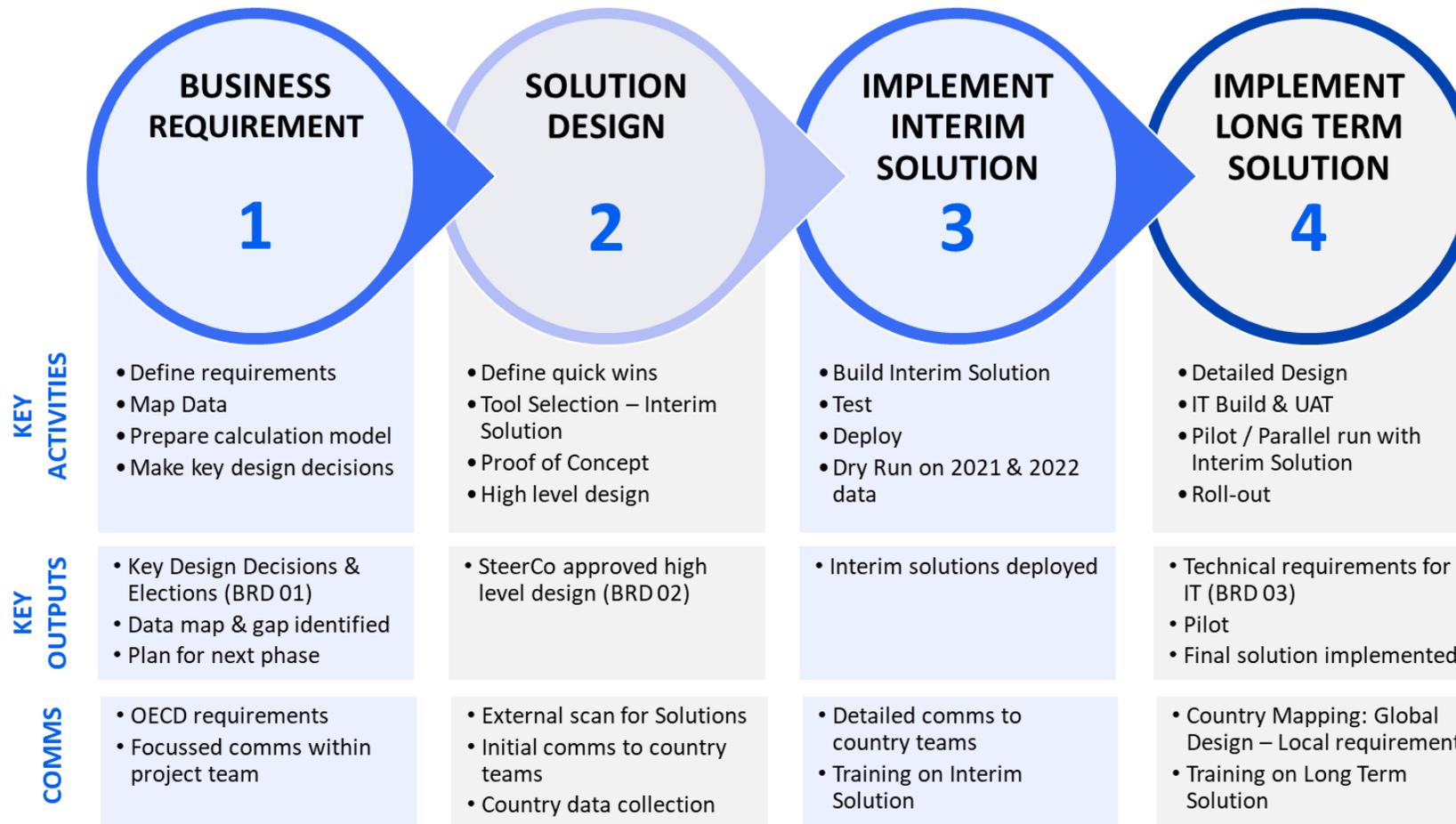


Unilever

Master Key Knowledge Areas: parallel journeys



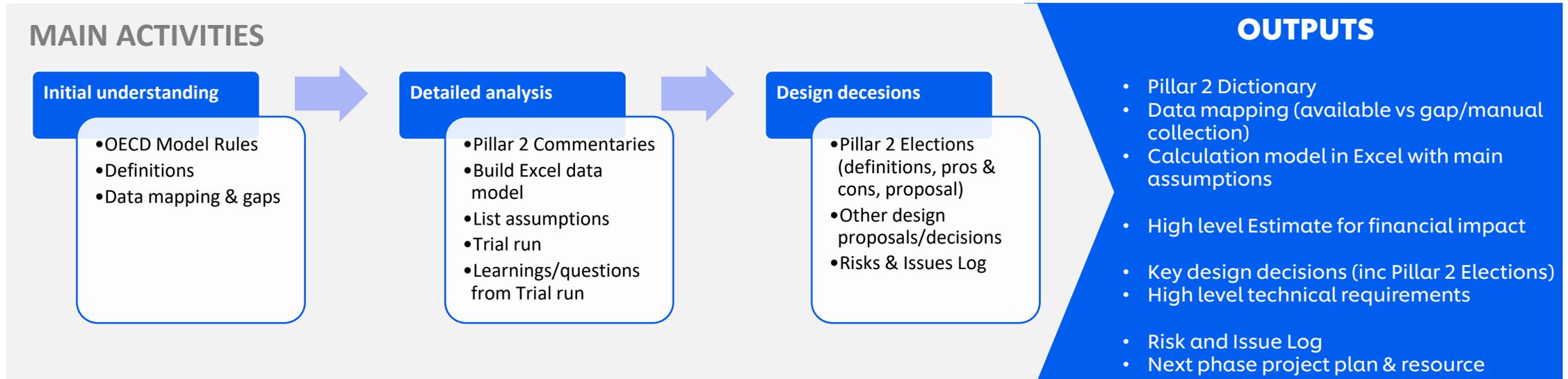
Create Clear, Detailed Plans



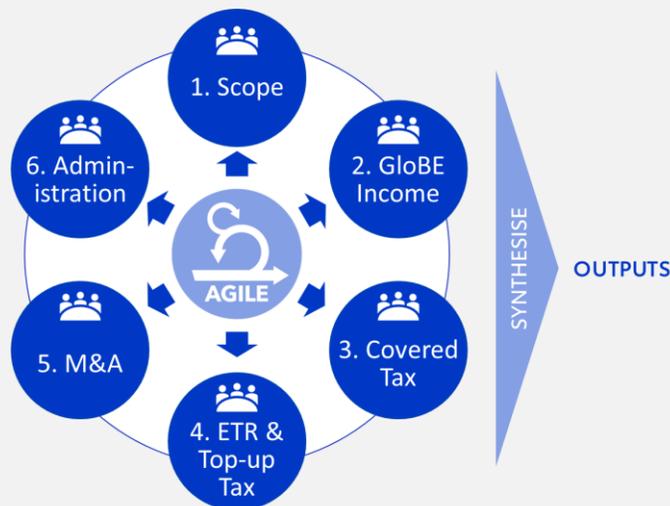
Financial Reporting

Tax Compliance

Build Collaborative Cross-Functional Teams



6 Squads:



Team members from Regions & Expertise Functions

Regional Champion	Expertise Functions
South America	Tax Risk & Reporting
DACH, Switzerland & Nordics	Tax Risk & Reporting
Eastern Europe	Control Service Centre
UK & Ireland	Transfer Pricing
North Asia	Uniops
Africa	M&A
South Asia	M&A
North America	M&A
SEAA	Tax Compliance
Southern Europe	Tax Compliance
North America	GCAD

UL's Pillar Journey - Strengths and Challenges

- Strong grasp of Pillar 2 regulations.
- Most required datapoints for Pillar 2 are already in existing systems.
- Remaining datapoints can be collected manually in a short timeframe with manageable efforts.
- A robust internal modeling tool and established procedures facilitate quick assessments of top-up tax impacts.
- Most jurisdictions may qualify for the safe harbor exemption, significantly reducing future workload.

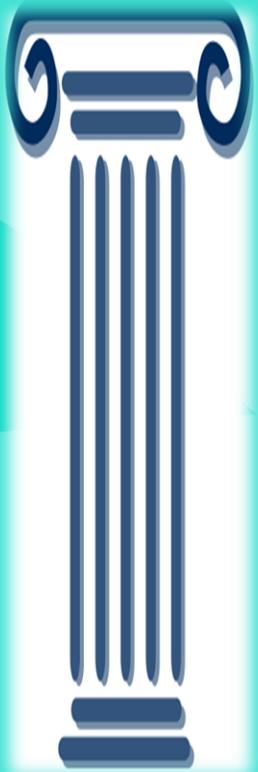
← STRENGTHS

- Differences in DMTT rules from OECD models:
 - Sources of financial data?
 - Top-down vs. bottom-up approaches?
 - Automation vs. manual processes?
- Extensive compliance requirements (content, format, timelines, etc.) due to business scale and global footprint.
- Data storage and tracking.
- Retention of knowledge.

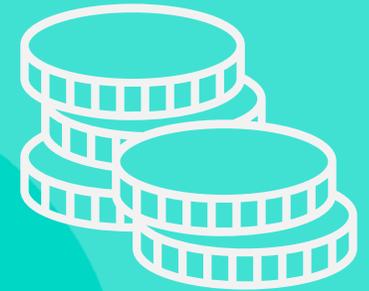
CHALLENGES →



PILLAR
TWO



PILLAR 2 IMPACTS ON INVESTMENTS



Unilever

Challenges In Implementation of Pillar Two

UL Group's global ETR in 2023 was 24% with minimal expected financial impact (i.e. additional tax liabilities) triggered by Pillar 2. The key challenges are heavy compliance and administrative burdens due to large business scale and global footprint.



Complex rules



**Talent and
capability
building**



**Data collection
and systems
upgrades**



**Heavy financial
reporting and
tax compliance
burden**



**Increasing tax
uncertainties**



Pillar Two Impacts to Investment



Business needs remain the priority.



Assessing tax incentive benefits under Pillar 2 is now essential for investment decisions.



Tax incentives in **high(er) tax countries still advantageous** post-Pillar 2 – capacity to absorb impact.



Pillar 2 also **influences M&A decisions** regarding structuring, tax position continuity and cash impact, and compliance burdens.



Favorable tax environment, such as high tax certainty and straightforward compliance, will also be considered.



Effective tax dispute resolution becomes increasingly important post-Pillar 2.

Preferred Tax Incentives Post Pillar Two

Tax incentives remain a powerful tool for attracting and retaining MNC investment. MNCs typically prefer incentives that are **clear, predictable, stable** and **aligned with our strategic objectives**.

To better manage risks, the following incentives will be more Pillar 2 friendly:

- Qualified Refundable Tax Credit
- Financial subsidy / grants
- Super Deductions
- And although no incentives per se, but:
 - Pillar 2 framework avoiding double taxation and disputes
 - Pillar 2 related support (temp penalty relief, QDMTT safe harbor, etc.)



TAX
INCENTIVES

Attracting FDI: Strategies and Approaches

Enhance Non-Tax Incentives



- Streamlining Regulatory Processes
- Facilitating Access to Skilled Labor

Promote Stability and Good Governance



- Political and Economic Stability
- Strong Legal Frameworks

Leverage International Agreements & Treaties



- Double Taxation Agreements
- Investment Protection Treaties

Innovative Use of Tax Incentives



- Targeted Tax Incentives
- Tax Rebates and Subsidies

Marketing and Investor Relations



- Proactive Investment Promotion
- Aftercare Services
- Stability





Questions?