



**Unilever Nigeria PLC (RC 113)**

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## **NOTE TO INVESTORS/STAKEHOLDERS: IMPACT OF COVID-19 ON OPERATIONS AND BUSINESS CONTINUITY PLAN**

The COVID-19 Pandemic is an unforeseen event that has affected every individual, organisation, government as well as the world economy. While governments have responded in different ways – and at varying speeds – no part of the world has been left unaffected. Currently most countries have eased the lock down including Nigeria, however the impact of COVID-19 cannot be fully estimated at this time.

In Unilever, due to our well managed Business Continuity framework, the organisation has been able to respond swiftly to unfolding challenges to ensure the safety of our employees and others within the community first, and the continued production and flow of our products down our value chain as we understand our products, which are hygiene and food brands are essential in the fight against COVID-19 and for the day to day livelihood and survival of the Nigerian citizens.

### **Our Business Continuity Strategy**

Unilever Business Continuity strategy is to minimise disruption to normal levels of operation – specifically supply, manufacture, sell and distribute fast moving consumer goods - and to all our stakeholders, operational partners and staff so as to best enable Unilever Nigeria to achieve the organisation's objectives. In that context, our intention is to continue to operate the business in so far as it is safe to do so

### **Impact of Health and Safety**

Unilever Nigeria instituted the Incident Management Team (IMT) whose responsibility is to observe, manage and mitigate against as much as possible, the negative effects of the pandemic on both employees and day to day operations. The IMT is made up of key leaders within the organisation and also liaises with the Global Unilever IMT for guidance and required support to ensure the business is sustained.



In response to COVID -19, Unilever had banned all International travels as well as set up non-essential employees to work from home ahead of the directives of the Lagos State and Federal governments of Nigeria directives on border closure and lockdown.

Constant communications with employees on hygiene and precautionary measures advised by relevant authorities and regular health checks have been dialled up within the organization. Preventive kits have also been provided to employees including their families to ensure we continue to keep safe.

Holding bays have also been completed in our Oregun and Agbara factories for medical observation by our medical team.

### **Impact on Operations and Supply Chain**

Measures have been taken to ensure operational continuity which includes employees (except for essential employees) working from home which has been largely effective, provision of transportation for essential employees to and from work and also provision of safe residence for employees who may choose to stay at the work place.

The Company's exposure to supply chain risks are constantly being reviewed as events unfold. We are continually addressing issues such as supply shortages, commodity price increases, requests for advance payments by suppliers, increase logistics prices and associated delays to ensure very minimal impact on operations. Measures taken amongst others includes:

- Adequate sourcing of raw materials or partnership with key stakeholders to ensure raw materials stock-outs are avoided
- Development of alternative suppliers
- Leveraging on global procurement
- Restructuring of existing payment terms

### **Impact on Forecast and Cashflows**

The Company's internal forecast for 2020 pre the outbreak of the pandemic has been re-looked and impact of COVID-19 adequately built in to ensure the going concern of business is not impacted.

Extensive strategy is in place to ensure adequate liquidity to meet business operations which amongst others


- Includes utilization of the funding available at the CBN Forex windows
- Continued option of local raw materials as against imported



- Short and medium-term liquidity strategies
- Deferment of non-critical capital expenditure
- Tightening of credit limits to distributors to ensure prompt cash recoveries

In conclusion, based on the assessment of the impact of COVID-19 on the end-to-end operations of Unilever Nigeria Plc there is currently no material uncertainty that have resulted or foreseen to affect the going concern of the Company. The business will continue to focus on its refreshed strategy and continue to comply with directives as may be released by regulatory bodies with a view to delivering value to our shareholders and other stakeholders.

Signed by

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