Consolidated income statement

for the year ended 31 December

	Notes	€ million 2022	€ million 2021	€ million 2020
Turnover	2	60,073	52,444	50,724
Operating profit	2	10,755	8,702	8,303
Which includes gain on disposal of ekaterra	21	2,303	–	–
Net finance costs	5	(493)	(354)	(505)
Pensions and similar obligations		44	(10)	(9)
Finance income		281	147	232
Finance costs		(818)	(491)	(728)
Net monetary gain/(loss) arising from hyperinflationary economies	1,3	(157)	(74)	20
Share of net profit/(loss) of joint ventures and associates	11	208	191	175
Other income/(loss) from non-current investments and associates		24	91	3
Profit before taxation		10,337	8,556	7,996
Taxation	6A	(2,068)	(1,935)	(1,923)
Net profit		8,269	6,621	6,073
Attributable to:				
Non-controlling interests		627	572	492
Shareholders’ equity		7,642	6,049	5,581
Combined earnings per share	7			
Basic earnings per share (€)		3.00	2.33	2.13
Diluted earnings per share (€)		2.99	2.32	2.12

Consolidated statement of comprehensive income

for the year ended 31 December

	Notes	€ million 2022	€ million 2021	€ million 2020
Net profit		8,269	6,621	6,073
Other comprehensive income	6C			
Items that will not be reclassified to profit or loss, net of tax:				
Gains/(losses) on equity instruments measured at fair value through other comprehensive income		36	166	78
Remeasurement of defined benefit pension plans	15B	(473)	1,734	215
Items that may be reclassified subsequently to profit or loss, net of tax:				
Gains/(losses) on cash flow hedges		(91)	279	60
Currency retranslation gains/(losses)	15B	614	1,177	(2,590)
Total comprehensive income		8,355	9,977	3,836
Attributable to:				
Non-controlling interests		507	749	286
Shareholders’ equity		7,848	9,228	3,550

Note references in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet and consolidated cash flow statement relate to notes on pages 154 to 205 which form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 December

€ million

Consolidated statement of changes in equity	Called up share capital	Share premium account	Unification reserve	Other reserves	Retained profit	Total	Non-controlling interests	Total equity
31 December 2019	**420**	**134**	**–**	**(5,574)**	**18,212**	**13,192**	**694**	**13,886**
Profit or loss for the period	–	–	–	–	5,581	5,581	492	6,073
Other comprehensive income, net of tax:								
Equity instruments gains/(losses)	–	–	–	68	–	68	10	78
Cash flow hedges gains/(losses)	–	–	–	62	–	62	(2)	60
Remeasurements of defined benefit pension plans	–	–	–	–	217	217	(2)	215
Currency retranslation gains/(losses)	–	–	–	(2,356)	(22)	(2,378)	(212)	(2,590)
Total comprehensive income	–	–	–	(2,226)	5,776	3,550	286	3,836
Dividends on ordinary capital	–	–	–	–	(4,300)	(4,300)	–	(4,300)
Issue of PLC ordinary shares as part of Unification[(a)]	51	–	–	–	(51)	–	–	–
Cancellation of NV ordinary shares as part of Unification[(a)]	(233)	(20)	–	–	253	–	–	–
Other effects of Unification[(b)]	(146)	73,364	(73,364)	132	14	–	–	–
Movements in treasury shares[(c)]	–	–	–	220	(158)	62	–	62
Share-based payment credit[(d)]	–	–	–	–	108	108	–	108
Dividends paid to non-controlling interests	–	–	–	–	–	–	(559)	(559)
Currency retranslation gains/(losses) net of tax	–	(6)	–	–	–	(6)	–	(6)
Hedging gain/(loss) transferred to non-financial assets	–	–	–	10	–	10	2	12
Net gain arising from Horlicks acquisition[(e)]	–	–	–	–	2,930	2,930	1,918	4,848
Other movements in equity[(f)]	–	–	–	(44)	(236)	(280)	48	(232)
31 December 2020	**92**	**73,472**	**(73,364)**	**(7,482)**	**22,548**	**15,266**	**2,389**	**17,655**
Profit or loss for the period	–	–	–	–	6,049	6,049	572	6,621
Other comprehensive income, net of tax:								
Equity instruments gains/(losses)	–	–	–	147	–	147	19	166
Cash flow hedges gains/(losses)	–	–	–	276	–	276	3	279
Remeasurements of defined benefit pension plans	–	–	–	–	1,728	1,728	6	1,734
Currency retranslation gains/(losses)	–	–	–	1,025	3	1,028	149	1,177
Total comprehensive income	–	–	–	1,448	7,780	9,228	749	9,977
Dividends on ordinary capital	–	–	–	–	(4,458)	(4,458)	–	(4,458)
Share capital reduction[(g)]	–	(20,626)	–	–	20,626	–	–	–
Repurchase of shares[(h)]	–	–	–	(3,018)	–	(3,018)	–	(3,018)
Movements in treasury shares[(c)]	–	–	–	95	(143)	(48)	–	(48)
Share-based payment credit[(d)]	–	–	–	–	161	161	–	161
Dividends paid to non-controlling interests	–	–	–	–	–	–	(503)	(503)
Hedging gain/(loss) transferred to non-financial assets	–	–	–	(171)	–	(171)	(3)	(174)
Other movements in equity[(f)]	–	(2)	–	(82)	231	147	7	154
31 December 2021	**92**	**52,844**	**(73,364)**	**(9,210)**	**46,745**	**17,107**	**2,639**	**19,746**
Hyperinflation restatement to 1 January 2022 (see note 1)	–	–	–	–	154	154	–	154
Adjusted opening balance	92	52,844	(73,364)	(9,210)	46,899	17,261	2,639	19,900
Profit or loss for the period	–	–	–	–	7,642	7,642	627	8,269
Other comprehensive income, net of tax:								
Equity instruments gains/(losses)	–	–	–	45	–	45	(9)	36
Cash flow hedges gains/(losses)	–	–	–	(92)	–	(92)	1	(91)
Remeasurements of defined benefit pension plans	–	–	–	–	(474)	(474)	1	(473)
Currency retranslation gains/(losses)[(i)]	–	–	–	240	487	727	(113)	614
Total comprehensive income	–	–	–	193	7,655	7,848	507	8,355
Dividends on ordinary capital	–	–	–	–	(4,356)	(4,356)	–	(4,356)
Repurchase of shares[(h)]	–	–	–	(1,509)	–	(1,509)	–	(1,509)
Movements in treasury shares[(c)]	–	–	–	106	(137)	(31)	–	(31)
Share-based payment credit[(d)]	–	–	–	–	177	177	–	177
Dividends paid to non-controlling interests	–	–	–	–	–	–	(572)	(572)
Hedging gain/(loss) transferred to non-financial assets	–	–	–	(126)	–	(126)	(1)	(127)
Other movements in equity[(j)]	–	–	–	(258)	15	(243)	107	(136)
31 December 2022	92	52,844	(73,364)	(10,804)	50,253	19,021	2,680	21,701

(a) As part of Unification (see note 1 for further details), the shareholders of NV were issued new PLC ordinary shares, and all NV shares in issue were cancelled. The net impact is recognised in retained profit.
(b) Includes the reduction of PLC's share capital following the cessation of the Equalisation Agreement. Prior to Unification, a conversion rate of £1 = €5.143 was used in accordance with the Equalisation Agreement to translate PLC's share capital. Following Unification, PLC's share capital has been translated using the exchange rate at the date of Unification. To reflect the legal share capital of the PLC company, an increase to share premium of €73,364 million and a debit unification reserve for the same amount have been recorded as there is no change in the net assets of the Group. This debit is not a loss as a matter of law.
(c) Includes purchases and sales of treasury shares, and transfer from treasury shares to retained profit of share-settled schemes arising from prior years and differences between purchase and grant price of share options.
(d) The share-based payment credit relates to the non-cash charge recorded against operating profit in respect of the fair value of share options and awards granted to employees.
(e) Consideration for the Main Horlicks Acquisition included the issuance of shares in a group subsidiary, Hindustan Unilever Limited, which resulted in a net gain being recognised within equity. See note 8 for further details.
(f) 2021 includes a hyperinflation adjustment of €280 million and €82 million related to the Welly acquisition. 2020 includes €163 million paid for purchase of the non-controlling interest in Unilever Malaysia.
(g) Share premium has been adjusted to reflect the legal share capital of the PLC company, which reduced by £18,400 million following court approval on 15 June 2021.
(h) Repurchase of shares reflects the cost of acquiring ordinary shares as part of the share buyback programme announced on 29 April 2021 and 10 February 2022.
(i) Includes a hyperinflation adjustment of €514 million in relation to Argentina and Turkey.
(j) Includes the following items related to the acquisition of Nutrafol: €(269) million non-controlling interest purchase option in other reserves and €99 million non-controlling interest recognised on acquisition.

Consolidated balance sheet

for the year ended 31 December

	Notes	€ million 2022	€ million 2021
Assets			
Non-current assets			
Goodwill	9	21,609	20,330
Intangible assets	9	18,880	18,261
Property, plant and equipment	10	10,770	10,347
Pension asset for funded schemes in surplus	4B	4,260	5,119
Deferred tax assets	6B	1,049	1,465
Financial assets	17A	1,154	1,198
Other non-current assets	11	942	974
		58,664	57,694
Current assets			
Inventories	12	5,931	4,683
Trade and other current receivables	13	7,056	5,422
Current tax assets		381	324
Cash and cash equivalents	17A	4,326	3,415
Other financial assets	17A	1,435	1,156
Assets held for sale	22	28	2,401
		19,157	17,401
Total assets		77,821	75,095
Liabilities			
Current liabilities			
Financial liabilities	15C	5,775	7,252
Trade payables and other current liabilities	14	18,023	14,861
Current tax liabilities		877	1,365
Provisions	19	748	480
Liabilities held for sale	22	4	820
		25,427	24,778
Non-current liabilities			
Financial liabilities	15C	23,713	22,881
Non-current tax liabilities		94	148
Pensions and post-retirement healthcare liabilities:			
Funded schemes in deficit	4B	613	831
Unfunded schemes	4B	1,078	1,295
Provisions	19	550	611
Deferred tax liabilities	6B	4,375	4,530
Other non-current liabilities	14	270	275
		30,693	30,571
Total liabilities		56,120	55,349
Equity			
Shareholders' equity		19,021	17,107
Non-controlling interests		2,680	2,639
Total equity		21,701	19,746
Total liabilities and equity		77,821	75,095

Note references in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet and consolidated cash flow statement relate to notes on pages 154 to 205, which form an integral part of the consolidated financial statements.

These financial statements have been approved by the Directors.

The Board of Directors
1 March 2023

Consolidated cash flow statement

for the year ended 31 December

	Notes	€ million 2022	€ million 2021	€ million 2020
Net profit		8,269	6,621	6,073
Taxation		2,068	1,935	1,923
Share of net profit of joint ventures/associates and other income/(loss) from non-current investments		(232)	(282)	(178)
Net monetary (gain)/loss arising from hyperinflationary economies		157	74	(20)
Net finance costs	5	493	354	505
Operating profit		10,755	8,702	8,303
Depreciation, amortisation and impairment		1,946	1,763	2,018
Changes in working capital:		(422)	(47)	680
Inventories		(1,398)	(458)	(587)
Trade and other receivables		(1,852)	(307)	1,125
Trade payables and other liabilities		2,828	718	142
Pensions and similar obligations less payments		(119)	(183)	(182)
Provisions less payments		203	(61)	(53)
Elimination of (profits)/losses on disposals		(2,335)	23	60
Non-cash charge for share-based compensation		177	161	108
Other adjustments		(116)	(53)	(1)
Cash flow from operating activities		10,089	10,305	10,933
Income tax paid		(2,807)	(2,333)	(1,875)
Net cash flow from operating activities		7,282	7,972	9,058
Interest received		287	148	169
Purchase of intangible assets		(253)	(232)	(158)
Purchase of property, plant and equipment		(1,456)	(1,108)	(863)
Disposal of property, plant and equipment		82	101	89
Acquisition of businesses and investments in joint ventures and associates		(979)	(2,131)	(1,426)
Disposal of businesses, joint ventures and associates		4,622	43	39
Acquisition of other non-current investments		(170)	(142)	(128)
Disposal of other non-current investments		266	137	51
Dividends from joint ventures, associates and other non-current investments		185	185	188
(Purchase)/sale of financial assets		(131)	(247)	558
Net cash flow (used in)/from investing activities		2,453	(3,246)	(1,481)
Dividends paid on ordinary share capital		(4,329)	(4,483)	(4,279)
Interest paid		(744)	(488)	(624)
Net change in short-term borrowings		(545)	656	722
Additional financial liabilities		7,776	4,748	3,117
Repayment of financial liabilities		(8,440)	(3,550)	(3,577)
Capital element of lease rental payments		(518)	(464)	(443)
Repurchase of shares	24	(1,509)	(3,018)	–
Other financing activities		(581)	(500)	(720)
Net cash flow (used in)/from financing activities		(8,890)	(7,099)	(5,804)
Net increase/(decrease) in cash and cash equivalents		845	(2,373)	1,773
Cash and cash equivalents at the beginning of the year		3,387	5,475	4,116
Effect of foreign exchange rate changes		(7)	285	(414)
Cash and cash equivalents at the end of the year	17A	4,225	3,387	5,475

(a) Other financing activities include cash paid for the purchase of non-controlling interests and dividends paid to minority interests.

The cash flows of pension funds (other than contributions and other direct payments made by the Group in respect of pensions and similar obligations) are not included in the Group cash flow statement.

1. Accounting information and policies

Basis of consolidation

Group companies included in the consolidated financial statements for 2022 are PLC and all subsidiary undertakings, which are those entities controlled by PLC. Control exists when the Group has the power to direct the activities of an entity so as to affect the return on investment.

The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control.

The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

Intra-group transactions and balances are eliminated.

On 29 November 2020, the Unilever Group underwent a reorganisation so that there were no longer two parent companies, Unilever N.V. ('NV') and Unilever PLC ('PLC'), but one parent company PLC. This reorganisation is referred to as 'Unification' in the Group consolidated financial statements.

Prior to 29 November 2020, the Group operated with two parent companies, NV and PLC, who together with the group companies operated as a single economic entity.

Company legislation and accounting standards

The consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB), and UK-adopted international accounting standards.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

Going concern

These financial statements have been prepared on a going concern basis. The Group has considerable financial resources together with established business relationships with many customers and suppliers in countries throughout the world. The Directors also consider the Group's overall financial position, exposure to principal risks and future business forecasts. We describe in notes 15 to 18 on pages 181 to 196 the Group’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities and its exposures to credit and liquidity risk. As a consequence, the Group is well placed to manage its business risks successfully for at least twelve months from the date of approval of the financial statements.

Accounting policies

The accounting policies adopted are the same as those which were applied for the previous financial year except as set out below under the heading ‘Recent accounting developments’.

Accounting policies are included in the relevant notes to the consolidated financial statements. These are presented as text highlighted in grey on pages 153 to 205. The accounting policies below are applied throughout the financial statements.

Foreign currencies

The consolidated financial statements are presented in euros. The functional currency of PLC is pound sterling. Items included in the financial statements of individual group companies are recorded in their respective functional currency which is the currency of the primary economic environment in which each entity operates.

Foreign currency transactions in individual group companies are translated into functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at year-end exchange rates, are recognised in the income statement except when deferred in equity as qualifying hedges.

In preparing the consolidated financial statements, the balances in individual group companies are translated from their functional currency into euros. Apart from the financial statements of group companies in hyperinflationary economies (see below), the income statement, the cash flow statement and all other movements in assets and liabilities are translated at average rates of exchange as a proxy for the transaction rate, or at the transaction rate itself if more appropriate. Assets and liabilities are translated at year-end exchange rates.

The financial statements of group companies whose functional currency is the currency of a hyperinflationary economy are adjusted for inflation and then translated into euros using the balance sheet exchange rate. Amounts shown for prior years for comparative purposes are not modified. To determine the existence of hyperinflation, the Group assesses the qualitative and quantitative characteristics of the economic environment of the country, such as the cumulative inflation rate over the previous three years.

The ordinary share capital of PLC is translated to euro using the historical rate at the date the shares were issued (see note 15B on page 182).

The effect of exchange rate changes during the year on net assets of foreign operations is recorded in equity. For this purpose, net assets include loans between group companies and any related foreign exchange contracts where settlement is neither planned nor likely to occur in the foreseeable future.

The Group applies hedge accounting to certain exchange differences arising between the functional currencies of a foreign operation and the functional currency of the parent entity, regardless of whether the net investment is held directly or through an intermediate parent. Differences arising on retranslation of a financial liability designated as a foreign currency net investment hedge are recorded in equity to the extent that the hedge is effective. These differences are reported within profit or loss to the extent that the hedge is ineffective.

Cumulative exchange differences arising since the date of transition to IFRS of 1 January 2004 are reported as a separate component of other reserves. In the event of disposal or part disposal of an interest in a group company either through sale or as a result of a repayment of capital, the cumulative exchange difference is recognised in the income statement as part of the profit or loss on disposal of group companies.

Compass Organisation

On 1 July 2022, Unilever implemented a new, more category-focused operating model organised around five Business Groups. The company replaced its previous matrix structure with distinct Business Groups: Beauty & Wellbeing, Personal Care, Home Care, Nutrition, Ice Cream. Each Business Group is fully responsible and accountable for its strategy, growth, and profit delivery globally.

From 1 July 2022 the Group's segmental information is based on the five Business Groups as this reflects how its performance will be monitored and managed going forward. We have presented the full year and comparative segmental information on this basis (note 2).

The Group has also revised its cash generating units (CGUs) to align with the new Compass Organisation. In 2021, the Group had eleven cash generating units based on the three Divisions by geography, Health & Wellbeing and ekaterra. From 1 July 2022, the Group's CGUs are based on the Compass Organisation structure of Business Units and Global Business Units. For the purpose of impairment testing, goodwill is allocated to groups of CGUs (GCGUs) which are based on the Business Groups. Goodwill and indefinite-life intangible assets which were previously allocated to the eleven CGUs for the purpose of impairment testing have been reallocated to the GCGUs and CGUs respectively (note 9) using a relative value approach.

Hyperinflationary economies

The Argentinian economy was designated as hyperinflationary from 1 July 2018 and the Turkish economy was designated as hyperinflationary from 1 July 2022. As a result, application of IAS 29 ‘Financial Reporting in Hyperinflationary Economies’ has been applied to all Unilever entities whose functional currency is the Argentinian Peso or the Turkish Lira. The application of IAS 29 includes:

- adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- adjustment of the income statement for inflation during the reporting period;
- translation of income statement at the period-end foreign exchange rate instead of an average rate; and
- adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

The main effects on the Group consolidated financial statements for 2022 are:

€ million	Argentina	Turkey	Total
Total assets increase / (reduction)	167	225	392
Opening retained profit increase / (reduction) [(a)]	–	154	154
Turnover increase / (reduction)	(2)	36	34
Operating profit increase / (reduction)	(33)	(6)	(39)
Net monetary gain / (loss)	(184)	27	(157)

[(a)] The opening retained increase of €154 million reflects the impact of adjusting the historical cost of non-monetary assets and liabilities from the date of their initial recognition to 1 January 2022 for the effect of inflation.

Climate change

In preparing these consolidated financial statements we have considered the impact of both physical and transition climate change risks as well as our plans to mitigate against those risks on the current valuation of our assets and liabilities. We do not believe that there is a material impact on the financial reporting judgements and estimates arising from our considerations and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at 31 December 2022.

In coming to this conclusion we have reviewed each balance sheet line item and identified those line items that have the potential to be significantly impacted by climate-related risks and our plans to mitigate against these risks. Those line items that have the potential to be significantly impacted have then been reviewed in detail to confirm:
- that the growth rates and projected cash flows, used in assessing whether our goodwill and indefinite-life intangibles are impaired, are consistent with our climate-related risk assumptions and the actions we are taking to mitigate against those risks and
- that the useful lives of our property, plant and equipment are appropriate given the potential physical and obsolescence risks associated with climate change and the actions we are taking to mitigate against those risks.

In addition it should be noted that climate-related risks could affect the financial position of our defined benefit pension plan assets. The Trustees operate diversified investment strategies and are continuously assessing investment risks. The Trustees consider climate risk as one of the key investment risks and are continually evolving their investments to lower the overall climate risk.

We have assessed and quantified certain climate-related risks on the basis of various scenarios for the years 2030, 2039 and 2050. The scenario assumptions are not based on our view of the most likely assumptions and also do not include any assumptions on the impact of actions that we would undertake to mitigate against these climate-related risks, thus the quantifications do not represent any type of financial forecast and thus are not directly incorporated into any projections of long-term cash flows.

On the basis of these reviews we have not identified any significant impact from climate-related risks on the Group’s going concern assessment nor the viability of the Group over the next three years.

For many years Unilever has placed sustainability at the centre of its strategy and has been working on becoming a more sustainable business. This has included implementing hundreds of actions to help mitigate and adapt against climate-related risks. The costs and benefits of such actions are embedded into the cost structures of the business and are not separately identifiable. None of these actions have significantly impacted the value of the Group's assets or their useful lives and whilst there is still much to do, our aim is to continue to reduce our exposure to climate-related risks without impacting the value of the Group’s assets. However we recognise that the climate emergency is deepening and government policies are likely to evolve as a result of commitments to limit global warming to 1.5°C and thus we will continue to carefully monitor potential implications on the valuations of our assets and liabilities that could arise in future years.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and judgements in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The following estimates are those that management believe have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:
- Measurement of defined benefit obligations – the valuations of the Group’s defined benefit pension plan obligations are dependent on a number of assumptions. These include discount rates, inflation, and life expectancy of scheme members. Details of these assumptions and sensitivities are in note 4B.
- Impairment risk in Russia – In 2022 the Russian business contributed 1.4% of the Group's turnover and 2% of the Group's net profit, and as at 31 December 2022 had approximately €900 million of assets. While the potential impacts of the war remain uncertain, there is a risk that the operations in Russia are unable to continue, leading to a loss of turnover, profit and a write-down of assets.

The following judgements are those that management believe have the most significant effect on the amounts recognised in the Group’s financial statements:
- Separate presentation of non-underlying items – certain items of income or expense are presented separately as non-underlying items. Management use judgement in assessing which items are non-underlying in line with the Group's policies. These items are excluded in several of our performance measures, including underlying operating profit and underlying earnings per share due to their nature and/or frequency of occurrence. See note 3 for further details. In prior years, we disclosed all non-underlying items on the face of the income statement. We have reviewed this treatment and will now only disclose individually material items.
- Utilisation of tax losses and recognition of other deferred tax assets – the Group operates in many countries and is subject to taxes in numerous jurisdictions. Management uses judgement to assess the recoverability of tax assets such as whether there will be sufficient future taxable profits to utilise losses – see note 6B.
- Likelihood of occurrence of provisions and contingent liabilities – events can occur where there is uncertainty over future obligations. Judgement is required to determine if an outflow of economic resources is probable, or possible but not probable. Where it is probable, a liability is recognised and further judgement is used to determine the level of the provision. Where it is possible but not probable, further judgement is used to determine if the likelihood is remote, in which case no disclosures are provided; if the likelihood is not remote then judgement is used to determine the contingent liability disclosed. Unilever does not have provisions and contingent liabilities for the same matters. External advice is obtained for any material cases. See notes 6A, 19 and 20.
- Recognition of pension surplus – where there is an accounting surplus on a defined benefit plan, management uses judgement to determine whether the Group can realise the surplus through refunds, reductions in future combinations or a combination of both.

Accounting developments adopted by the Group

All standards or amendments to standards that have been issued by the IASB and were effective by 1 January 2022 were not applicable or material to Unilever. IFRS 17 ‘Insurance Contracts’ has been released but is not yet adopted by the Group. The standard is effective from the year ended 31 December 2023 and introduces a new model for accounting for insurance contracts. We have reviewed existing arrangements and concluded that IFRS 17 is not expected to be material for Unilever. All other new standards or amendments that are not yet effective that have been issued by the IASB are not applicable or material to Unilever.

2. Segment information

Segmental reporting

In 2022, the Group announced changes to its organisation structure. The changes were fully implemented from 1 July 2022, and as a result the Group reassessed its operating segments from that date.

The Group has concluded that its operating and reportable segments are the five Business Groups of Beauty & Wellbeing, Personal Care, Home Care, Nutrition and Ice Cream. Previously, segment reporting was done on the basis of three Divisions: Beauty & Personal Care, Home Care and Foods & Refreshment. The comparative information has been reclassified to reflect the new reporting segments.

Beauty & Wellbeing	▪ primarily sales of hair care (shampoo, conditioner, styling), skin care (face, hand and body moisturisers) and includes Prestige Beauty and Health & Wellbeing.
Personal Care	▪ primarily sales of skin cleansing (soap, shower), deodorant and oral care (toothpaste, toothbrush, mouthwash) products.
Home Care	▪ primarily sales of fabric care (washing powders and liquids, rinse conditioners) and a wide range of cleaning products.
Nutrition	▪ primarily sales of scratch cooking aids (soups, bouillons, seasonings), dressings (mayonnaise, ketchup) and tea products.
Ice Cream	▪ primarily ice cream products.

Revenue

Turnover comprises sales of goods after the deduction of discounts, sales taxes and estimated returns. It does not include sales between group companies. Discounts given by Unilever include rebates, price reductions and incentives given to customers, promotional couponing and trade communication costs and are based on the contractual arrangements with each customer. Discounts can either be immediately deducted from the sales value on the invoice or off-invoice and settled later through credit notes when the precise amounts are known. Rebates are generally off-invoice. Amounts provided for discounts at the end of a period require estimation; historical data and accumulated experience is used to estimate the provision using the most likely amount method and in most instances, the discount can be estimated using known facts with a high level of accuracy. Any differences between actual amounts settled and the amounts provided are not material and recognised in the subsequent reporting period.

Customer contracts generally contain a single performance obligation and turnover is recognised when control of the products being sold has transferred to our customer as there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in our contracts are satisfied as Unilever no longer has control over the inventory.

Our customers have the contractual right to return goods only when authorised by Unilever. At 31 December 2022, an estimate has been made of goods that will be returned and a liability has been recognised for this amount. An asset has also been recorded for the corresponding inventory that is estimated to return to Unilever using a best estimate based on accumulated experience.

Some of our customers are distributors who may be able to return unsold goods in consignment arrangements.

Underlying operating profit

Underlying operating profit means operating profit before the impact of non-underlying items within operating profit (see note 3). Underlying operating profit represents our measure of segment profit or loss as it is the primary measure used for the purpose of making decisions about allocating resources and assessing performance of segments.

Our segments are comprised of similar product categories. 8 categories (2021: 10; 2020: 10) individually accounted for 5% or more of our revenue in one or more of the last three years. The following table shows the relevant contribution of these categories to Group revenue for the periods shown:

Category	Segment	2022	2021	2020
Fabric	Home Care	15 %	14 %	14 %
Ice Cream	Ice Cream	13 %	13 %	13 %
Hair Care	Beauty & Wellbeing	11 %	11 %	11 %
Scratch Cooking Aids	Nutrition	10 %	10 %	10 %
Skin Cleansing	Personal Care	10 %	11 %	12 %
Deodorant	Personal Care	8 %	7 %	8 %
Skin Care	Beauty & Wellbeing	7 %	7 %	7 %
Dressings	Nutrition	6 %	6 %	6 %
Home & Hygiene	Home Care	4 %	5 %	5 %
Tea*	Nutrition	3 %	5 %	6 %
Other		13 %	11 %	8 %

* Tea includes ekaterra as well as the retained tea business.

2. Segment information continued

The Group operating segment information is provided based on five product areas: Beauty & Wellbeing, Personal Care, Home Care, Nutrition and Ice Cream.

	Notes	€ million Beauty & Wellbeing	€ million Personal Care	€ million Home Care	€ million Nutrition	€ million Ice Cream	€ million Total
2022							
Turnover		12,250	13,636	12,401	13,898	7,888	60,073
Operating profit		2,154	2,264	1,064	4,497	776	10,755
Non-underlying items	3	138	415	280	(2,048)	143	(1,072)
Underlying operating profit		2,292	2,679	1,344	2,449	919	9,683
Share of net profit/(loss) of joint ventures and associates		1	3	4	196	4	208
Significant non-cash charges:							
Within underlying operating profit:							
Depreciation and amortisation		282	350	327	349	417	1,725
Share-based compensation and other non-cash charges[a]		43	55	36	51	33	218
Within non-underlying items:							
Impairment and other non-cash charges[b]		49	259	152	87	60	607
2021							
Turnover		10,138	11,763	10,572	13,104	6,867	52,444
Operating profit		2,135	2,336	1,294	2,104	833	8,702
Non-underlying items	3	102	169	123	421	119	934
Underlying operating profit		2,237	2,505	1,417	2,525	952	9,636
Share of net profit/(loss) of joint ventures and associates		4	6	7	170	4	191
Significant non-cash charges:							
Within underlying operating profit:							
Depreciation and amortisation		256	368	304	413	405	1,746
Share-based compensation and other non-cash charges[a]		46	56	44	69	34	249
Within non-underlying items:							
Impairment and other non-cash charges[b]		1	12	12	17	16	58
2020							
Turnover		9,082	12,042	10,460	12,486	6,654	50,724
Operating profit		1,743	2,568	1,243	2,033	716	8,303
Non-underlying items	3	109	171	276	332	176	1,064
Underlying operating profit		1,852	2,739	1,519	2,365	892	9,367
Share of net profit/(loss) of joint ventures and associates		3	4	5	161	2	175
Significant non-cash charges:							
Within underlying operating profit:							
Depreciation and amortisation		308	405	369	485	451	2,018
Share-based compensation and other non-cash charges[a]		32	45	41	52	33	203
Within non-underlying items:							
Impairment and other non-cash charges[b]		18	20	35	37	40	150

(a) Other non-cash charges within underlying operating profit include movements in provisions from underlying activities, excluding movements arising from non- underlying activities.
(b) Other non-cash charges within non-underlying items includes movements in restructuring provisions and movements in certain legal provisions.

2. Segment information continued

The Unilever Group is not reliant on turnover from transactions with any single customer and does not receive 10% or more of its turnover from transactions with any single customer.

Segment assets and liabilities are not provided because they are not reported to or reviewed by our chief operating decision-maker, which is the Unilever Leadership Executive (ULE).

Turnover and non-current assets for the country of domicile, the United States and India (being the two largest countries outside the home country) and for all other countries are:

	€ million United Kingdom	€ million United States	€ million India	€ million Others	€ million Total
2022					
Turnover	2,498	12,122	6,872	38,581	60,073
Non-current assets[(a)]	3,621	18,109	6,500	23,971	52,201
2021					
Turnover	2,443	9,864	5,618	34,519	52,444
Non-current assets[(a)]	3,858	16,692	6,755	22,607	49,912
2020					
Turnover	2,391	9,363	4,993	33,977	50,724
Non-current assets[(a)]	3,587	12,946	6,264	23,633	46,430

(a) For the purpose of this table, non-current assets include goodwill, intangible assets, property, plant and equipment and other non-current assets as shown on the consolidated balance sheet. Goodwill is attributed to countries where acquired business operated at the time of acquisition; all other assets are attributed to the countries where they were acquired.

No other country had turnover or non-current assets (as shown above) greater than 10% of the Group total.

Additional information by geographies

Although the Group’s operations are managed by product area, we provide additional information based on geographies.

The three geographical areas remain unchanged but AAR has been renamed to APA (Asia Pacific Africa) which better reflects the size of the underlying businesses. Profit information by geography will no longer be published.

	€ million 2022	€ million 2021	€ million 2020
Asia Pacific Africa	27,504	24,264	23,440
The Americas	20,905	16,844	16,080
Europe	11,664	11,336	11,204
Total	60,073	52,444	50,724

(a) Americas sales in North America were €13,000 million (2021: €10,627 million; 2020: €10,117 million) and in Latin America were €7,905 million (2021: €6,217 million; 2020: €5,963 million).

The Group's turnover classified by markets is:

	€ million 2022	€ million 2021	€ million 2020
Emerging markets	35,324	30,407	29,281
Developed markets	24,749	22,037	21,443

Transactions between the Unilever Group’s geographical regions are immaterial and are carried out on at arm’s length basis.