

Welcome to your CDP Climate Change Questionnaire 2020

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	<p>The business case for climate action is clear. Key benefits include lower operational costs & greater resilience in energy supply, as well as improving security of supply for raw materials due to changing rainfall patterns & extreme weather events. The importance of climate-related issues is reflected in our governance structure.</p> <p>Our CEO oversees our climate change agenda, ensuring clear direction from the top down. It is our CEO & Boards joint responsibility to review, monitor & guide our strategy in respect of climate-related issues across the business.</p> <p>Our CEO is one of two Executive Directors on our Boards (NV & PLC) bridging the gap between our Boards & our Unilever Leadership Executives (ULE) & their VP's & senior management teams below them. Our ULE & Board-delegated committees are in place to ensure our CEO & Boards are able to meet their oversight responsibilities.</p> <p>Although the ULE are not part of the Boards' decision-making process, they provide the Boards & CEO with insights & often attend those parts of Board meetings which relate to the operational running of the Group.</p> <p>Situation: We recognized some of the trade associations Unilever has historically been part of have been slow to act on climate change. Action: Our CEO supports our climate-related advocacy aimed at driving the transformational change we want to see as a company. He's a part of numerous platforms including the WEF CEO Climate Leaders platform & was a speaker at the UN Climate Summit 2019. Alan participated in the CEO Climate Leaders Meeting in January 2020, leading a discussion on how to raise ambition for the UN Climate Conference, COP26, which will now be held in Glasgow in November 2021. However, we wanted to make this more formally part of the plan. Task: During 2019, there were a number</p>

	of Board agenda items on topics related to climate change, including decision making around the scope of our new climate goals which will form part of the 'Improve the health of the planet' imperative in our new Compass strategy, part of which we launched publicly in June 2020. Result: In June 2019, our CEO also urged more alignment between Unilever's climate ambitions & those in our wider value chain through an open letter to trade associations asking them if their lobbying position on climate policy was consistent with the 1.5 degree ambitions set out in the Paris Agreement.
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C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

BACKGROUND

Unilever makes & sells around 400 products in more than 190 countries which are used by some 2.5bn consumers worldwide every day. Brands include Lipton, Knorr, Dove, Rexona, Hellmann's & Omo.

Our business is organised across 3 geographies: the Americas; Europe; & emerging markets. Total turnover in 2019 was €51.9bn, with 60% of growth in emerging markets.

OUR PURPOSE

Unilever's purpose is to make sustainable living commonplace which we believe is the best way to deliver long-term sustainable growth. We put sustainable living at the heart of everything we do, including our brands & products, our standards of behaviour & our partnerships which drive transformational change across our value chain.

We have 2 main reporting channels: The Annual Report & Accounts (ARA), & the online Sustainable Living Report (SLR).

DISCLOSURE

For a number of years we have included environmental & social performance alongside financial performance in our ARA. The SLR is our means of reporting performance against the targets we set out in the Unilever Sustainable Living Plan (USLP).

The USLP, launched in November 2010, sets out how we will achieve Our Vision. It covers our entire portfolio of brands & countries & has 3 time-bound Big Goals:

- To help more than a billion people take action to improve their health & well-being by 2020
- To Halve the environmental footprint of the making & use of our products as we grow our business* (*Our environmental targets are expressed on a 'per consumer use' basis) by 2030
- To enhance the livelihoods of millions of people as we grow our business by 2020.

Underpinning these goals are 9 commitments & a series of time-bound targets spanning our social, economic & environmental performance across the value chain. Unilever's environmental focus is on GHG, water, waste & sustainable agricultural raw material sourcing (as many of the raw materials we use for our products come from agriculture & forestry).

By combining our actions with advocacy on public policy & working with partners, we are seeking to create fundamental change to whole systems & not just incremental improvements. These areas are 1) Taking action on climate change & forests 2) Championing sustainable agriculture, focused land use & livelihoods 3) Improving health & wellbeing & 4) Improving livelihoods & empowering women. We also provide a progress summary annually on our website for stakeholders to view. Further to that, we also communicate externally progress every year via local country websites.

In June 2020, we released new commitments to fight climate change and protect nature as part of our new integrated business strategy, the Compass which follows on from the USLP, coming to an end in 2020.

- Net zero emissions for all our products by 2039.
- A deforestation-free supply chain by 2023.
- Empowering a new generation of farmers and smallholders to protect and regenerate their environment.
- A new Regenerative Agriculture Code for all our suppliers.
- Water stewardship programmes to 100 locations in water-stressed areas by 2030.
- Investing €1 billion in a new Climate & Nature Fund, which will be used by Unilever's brands over the next ten years to take meaningful and decisive action.

ASSURANCE

PricewaterhouseCoopers LLP (PwC) scope for their assurance work on selected USLP & Environmental & Occupational Safety performance indicators can be found in the PwC Basis of Preparation 2018 document in the Independent Assurance & metrics section on our website, alongside their findings in the PwC Limited Assurance Statement for 2018 document.

DISCLAIMER

This CDP submission 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. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years

Reporting year	October 1, 2018	September 30, 2019	No
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C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Algeria
Argentina
Australia
Austria
Bangladesh
Belgium
Bolivia (Plurinational State of)
Brazil
Canada
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Cyprus
Czechia
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Guatemala
Honduras
Hungary
India
Indonesia
Iran (Islamic Republic of)
Ireland
Israel
Italy
Japan
Kenya
Lithuania
Malaysia

Mexico
Morocco
Myanmar
Nepal
Netherlands
Nicaragua
Niger
Nigeria
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Romania
Russian Federation
Saudi Arabia
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Taiwan, Greater China
Thailand
Trinidad and Tobago
Tunisia
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela (Bolivarian Republic of)
Viet Nam
Zimbabwe

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Both own land and elsewhere in the value chain [Agriculture/Forestry only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.7/C-FB0.7/C-PF0.7

**(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue?
Select up to five.**

Agricultural commodity

Timber

% of revenue dependent on this agricultural commodity

More than 80%

Produced or sourced

Sourced

Please explain

The % of revenue dependent on each commodity is an estimate based on annual turnover for our Beauty & Personal care, Foods & Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources. Each commodity is assessed based on revenue per category and a rough calculation

(%) of brands within that category that use paper and board. Paper and board is widely used across all categories in some form ie box packaging, so we have selected >90% of revenue.

Agricultural commodity

Palm Oil

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

The % of revenue dependent on each commodity is an estimate based on annual turnover for our Beauty & Personal care, Foods & Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources. Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use palm oil. Palm oil is used in Personal care, Home care and Foods, and a small amount in Refreshments. Based on this estimation, palm oil accounts for about 51-60% of revenue.

Agricultural commodity

Soy

% of revenue dependent on this agricultural commodity

10-20%

Produced or sourced

Sourced

Please explain

The % of revenue dependent on each commodity is an estimate based on annual turnover for our Beauty & Personal care, Foods & Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources. Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use it. Soy is only used in a few products in our foods business, so % of the total revenue is estimated at below 20%.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate related issues are a scheduled agenda item	Governance mechanisms into which climate related issues are integrated	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Unilever has a dual headed structure. The Boards of Unilever NV & PLC have ultimate responsibility for reviewing, monitoring & guiding the strategy for the Unilever Group, as well as its conduct. The Boards are one-tier boards meaning the same people are on both Boards & comprise of the same Executive Directors (CEO and CFO only) & Non-Executive Directors.</p> <p>The Boards take overall accountability for the management & guidance of risks & opportunities, including those associated with climate change & supply chain with support from the Unilever Leadership Executive (ULE) & the Board-delegated Corporate Responsibility Committee (CRC). In 2019, the Unilever Sustainable Living Plan (USLP) Steering Team (comprising the majority of ULE members), was integrated into the ULE agenda to align with the new business strategy, the Compass.</p> <p>The CRC tracks the progress & potential risks associated with the USLP & feed into the Board for key decisions on major plans of action to be made. Within the USLP, there are 16 climate-related targets under the Reducing environmental impact big goal. The CRC report their findings to the Boards regularly so that they can fulfil their oversight responsibilities.</p> <p>For instance, in 2019 the CRC and the Compensation Committee evaluated the performance against the Sustainability Progress Index to come to a view on the level of reward related to our Management Co-Investment Plan. One of the indicators assessed was performance against the CO2 emissions reduction target for our factories.</p> <p>The CRC's responsibilities are complemented by those of the Audit Committee, which is responsible for reviewing the assurance of the USLP & signing off our Annual Report & Accounts. The Audit Committee is another Board delegated committee to ensure its</p>

		<p>ability to fulfil its oversight responsibilities. During 2019 the Committee continued its oversight of the independent assurance work that is performed on Environment & Occupational Safety (EOS) & selected USLP metrics i.e. GHG emissions (location-based and market-based).</p> <p>For the third year running, Unilever applied the recommendations of the TCFD in its annual reporting. As part of the Board sign-off process, the Board & the Audit Committee are required to approve the Annual Report & Accounts, which includes our TCFD statement. In 2019, this statement again included our analysis of the direct risks from climate change to key commodities including soybean oil and black tea. i.e.such as change in yield & change in supply.</p>
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate related issues
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Position: Our Chief Financial Officer (CFO) is one of two Executive Directors on our Boards (NV and PLC). The other Executive Director on the Boards is our CEO, whom the CFO, as a member of the Unilever Leadership Executive (ULE) reports in to. Our CEO is then responsible to the Boards.

The Boards have delegated to the CEO and CFO the responsibility for the day to day operational leadership of the business including strategy, monitoring of performance & policy. This includes accountability for assessing and managing climate-related risks and opportunities, including our climate-related principle risk. It also includes responsibility for the Unilever Sustainable Living Plan (USLP) and the targets contained within it, including the 16 climate-related targets. The ULE then help the Boards fulfil their oversight responsibilities.

Rationale: As well as being a member of the ULE and the Boards, our CFO also attends our Board-delegated Audit Committee meetings where there are discussions on Unilever's risk management strategy & processes. Our Principal risks are those we regard as the most relevant to our business as they are the most material to our business and its performance (from a financial perspective and a strategic perspective). One of Unilever's Principal risks is climate change. In reviewing the Principal risks, the CFO along with the Audit Committee consider the level of risk that Unilever is prepared to take in pursuit of the business strategy and the effectiveness of the management controls and monitoring in place to mitigate the risk exposure. They also consider the effectiveness of any remedial actions taken and report their findings in the Risk section of the Annual Report and Accounts annually. As a reflection of the significance that we place on climate change, for the third year in a row, we have included TCFD-aligned disclosure in the Risk section of our Annual Report and Accounts.

Our CFO is the Vice Chair of the Financial Stability Board's TCFD which not only helps drive our ambitions as a business into the financial markets but also bring key learnings back into the business. He's also part of the Carbon Pricing Leadership Coalition, the WBCSD Redefining Value Board and The Prince's Accounting for Sustainability Project. Our CFO is also responsible for much of Unilever's engagement with shareholders, including that around ESG issues. He attends both AGMs (one for NV and one for PLC) with question topics in 2019 covering e-commerce, mergers & acquisitions, sustainability, simplification, remuneration, total shareholder return, Brexit and data protection.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate related issues	Comment
Row 1	Yes	No comment necessary. Details included in C1.3a

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	One element of our Remuneration Policy is a share matching scheme based on company performance called the Management Co-Investment Plan (MCIP). 25% of the total MCIP award is assessed on sustainability considerations through the Sustainability Progress Index (SPI), a joint assessment made by the Board-delegated Corporate Responsibility & Compensation Committees. Taking into account

			<p>Unilever's wider progress on sustainability together with our publicly reported USLP targets (such as our commitment to reduce the GHG emissions from our factories), the Committees determine a rating from 0% to 200% each year. For MCIP, annual ratings are then tallied as an average index for each four-year MCIP performance period, enabling the Compensation Committee to determine the level of matched shares. The CEO leads the Unilever Leadership Executive who all play a significant role in driving progress towards our USLP targets, including our climate ambitions. Employees from Work Level 2 (the first rung of management) to ULE level are eligible to join MCIP. From 2018, Executive Directors (CEO & CFO) were required to invest at least 33% of their annual bonus in MCIP.</p>
Chief Financial Officer (CFO)	Monetary reward	Company performance against a climate-related sustainability index	<p>The same incentive applies to all C-Suite officers at Unilever (our Unilever Leadership Executive (ULE)) This includes the Chief Financial Officer, Chief Digital & Marketing Officer, Chief R&D Officer, Chief Supply Chain Officer, President, North America, President, Foods & Refreshment, President, Beauty & Personal Care, President, South Asia and Chair and Managing Director of Hindustan Unilever, Chief HR Officer, Chief Operating Officer, President, Home Care and the Chief Legal Officer & Group Secretary. One element of our Remuneration Policy is a share matching scheme based on company performance called the Management Co-Investment Plan (MCIP). ULE must continuously invest their annual bonus in Unilever shares through MCIP to maintain current levels of pay. This further strengthens long term executive commitment and continues to drive our executives to apply an owner's mindset in everything they do. 25% of the total MCIP award is assessed on sustainability considerations through the Sustainability Progress Index (SPI), a joint assessment made by the Board-delegated Corporate Responsibility & Compensation Committees. Taking into account Unilever's wider progress on sustainability ratings and rankings together with our publicly reported USLP targets, the Committees determine a rating from 0% to 200% each year. For MCIP, annual ratings are then tallied as an average index for each four-year MCIP performance</p>

			period, enabling the Compensation Committee to determine the level of matched shares. Our C-suite executives play a significant role in reviewing our key ratings and rankings submissions annually, including our CDP and DJSI responses. Employees from Work Level 2 (the first rung of management) to ULE level are eligible to join MCIP. From 2018, Executive Directors (CEO & CFO) were required to invest at least 33% of their annual bonus in MCIP.
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C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Our annual report outlines the time horizon for our risks in line with the entries in the table here. In order to report on the long-term viability of our company, the Directors annually review the overall funding capacity and headroom available to withstand severe events and carry out a robust assessment of the principal risks, including those that would threaten its business model, future performance, solvency or liquidity. This assessment also includes reviewing and understanding the mitigation factors in respect of each principal risk. The horizons are aligned with other business practice time horizons – including those which underpin our principal risk reporting. We also use a three-year viability period based on our forward-looking planning which is set out in our three-year strategic plans and annual forecasts.
Medium-term	3	10	Our annual report outlines the time horizon for our risks in line with the entries in the table here. In order to report on the long-term viability of our company, the Directors annually review the overall funding capacity and headroom available to withstand severe events and carry out a robust assessment of the principal risks, including those that would threaten its business model, future performance, solvency or

			liquidity. This assessment also includes reviewing and understanding the mitigation factors in respect of each principal risk. The horizons are aligned with other business practice time horizons – including those which underpin our principal risk reporting. We also use a three-year viability period based on our forward-looking planning which is set out in our three-year strategic plans and annual forecasts.
Long-term	10	100	Our annual report outlines the time horizon for our risks in line with the entries in the table here. In order to report on the long-term viability of our company, the Directors annually review the overall funding capacity and headroom available to withstand severe events and carry out a robust assessment of the principal risks, including those that would threaten its business model, future performance, solvency or liquidity. This assessment also includes reviewing and understanding the mitigation factors in respect of each principal risk. The horizons are aligned with other business practice time horizons – including those which underpin our principal risk reporting. We also use a three-year viability period based on our forward-looking planning which is set out in our three-year strategic plans and annual forecasts.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Definition: Substantive impacts for Unilever are those that would threaten the Groups business model, future performance, solvency or liquidity in the next three years. We call these our Principal risks & these apply to the Unilever Group (including our direct operations & supply chain). One of Unilever's Principal risks is climate change.

Determination: We use our principal risks (all 14 included in pages 35-39 of our Annual Report and Accounts 2019) to identify scenarios which could force Unilever to cease being viable over a three-year period. Each year, we assess the cash flow impact a particular risk/mix of risks could have to the business based on the amount of cash held, our operating cash flows and the credit facilities available & their ability to affect the business operating & meeting its liabilities. Our time horizons are aligned with our forward-looking planning, set out in our three-year strategic plans and annual forecasts & our Boards assume overall accountability for the management of risk & reviewing the effectiveness of Unilever's risk management & internal control systems.

Threshold: In assessing viability, 'severe but plausible' scenarios based on our principal risks are considered and the definition we work with is 1% of our Group Turnover which was equal to €519m in 2019. We identify substantive financial impact in 2 ways:

1. assessing scenarios for each individual principal risk, for example the termination of our relationships with the three largest global customers; the loss of all material litigation cases; a major IT data breach or reputational damage from not progressing against our plastic packaging commitments, and the lost cost and growth opportunities from not keeping up with technological changes
2. assessing scenarios that involve more than one principal risk, for example a major global incident affecting one or more of Unilever's key locations resulting in

an outage for a year in a key sourcing unit & significant water shortages in our key developing markets. All the principal risks could impact our business within the next two years (i.e. short-term risks less than 3 years), or could impact our business over the next 3-10 years (i.e. medium-term risks less than 10 years).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

- Direct operations
- Upstream
- Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

- Short-term
- Medium-term
- Long-term

Description of process

Process to assess the financial impact of risks: We use our 14 principal risks (p35-39 of our Annual Report & Accounts 2019) to identify scenarios which could force Unilever to cease being viable over a 3-year period. We see these as our substantive financial or strategic risks & climate-related risk is one of them. Each year, we run an integrated, company-wide viability assessment & provide the estimated cash impact to the business. Findings are reported to the Audit Committee & a summary is provided in our Annual Report & Accounts.

The assessment has 3 parts: 1) Directors consider the period over which they have a reasonable expectation Unilever will continue to operate & meet its Liabilities; 2) they consider the available debt facilities & headroom over the viability period, assuming any debt maturing can be refinanced at commercially-acceptable terms, & 3) they consider the potential impact of severe but plausible scenarios over this period, including individual principal risk scenarios & those that involve more than one principle risk (multi-risk scenarios).

As well as identifying the most relevant risks for our business throughout the year, we reflect on whether we think the level of risk associated with each of our principal risks is increasing or decreasing & whether certain mitigating actions help us to manage these risks.

For each of our Principal risks, we have a risk management framework which details the

controls in place & management responsibilities for both the overall risk, & the individual controls mitigating it. Time horizons vary for different aspects of our business from the short-term (e.g. product innovation), medium-term (e.g business planning) & long-term (e.g. company-level sustainability targets).

Case study: Physical & transition risks

Climate change & governmental actions to reduce such changes may disrupt our operations &/or reduce consumer demand for our products. Each year, as well as assessing the cash impact of each principal risk individually, we also use a multi-risk approach to look at the worst-case scenario we may face.

In our 2019 viability assessment, we looked at the physical impact from climate-related risk, supply chain risk & the risk associated with economic & political instability. As part of our 2°C & 4°C scenario analysis, we also look annually at the impact from transition risks and opportunities, such as changing consumer preferences and future policy and regulation. Possible future mandatory carbon pricing in key countries could result in increases in both manufacturing costs and the costs of raw materials such as ingredients and packaging. If the circumstances in these risks occur or are not successfully mitigated, our cash flow, operating results, financial position, business & reputation could be materially adversely affected. In addition, risks & uncertainties could cause actual results to vary from those described, which may include forward-looking statements, or could impact on our ability to meet our targets or be detrimental to our profitability.

Our multi-risk scenario modelled for a major incident (i.e. severe weather) affecting one or more of the Group's key locations resulting in an outage for a year in a key sourcing unit & significant water shortages in our key developing markets. The level of severity reviewed was based on the complete loss of all of our turnover in our largest geographic market along with destruction of a key sourcing unit (upstream) & reduced demand for our products that require water (downstream).

Regarding our viability assessment, our Directors concluded that they had a reasonable expectation the Group (Unilever) would be able to continue in operation & meet its liabilities due over the three-year period of the assessment. We know however from our 2°C & 4°C scenario analysis that climate change will have an impact on agricultural production & product demand if not mitigated.

To mitigate the risk from future policy and regulatory changes, we implemented an internal price on carbon in 2016 as part of the business case appraisal for large capital expenditure projects.

In terms of our internal use of a carbon price, this did not change behaviour as we expected since energy costs – and therefore carbon costs – were largely immaterial to the capital costs over the assessed period. As a result we took the decision to end this shadow carbon pricing approach and instead applied a novel approach of internally taxing the notional capital expenditure budgets of our three divisions based on the emissions from the prior year, to raise a clean-tech fund. So far, over €120 million has been allocated to this fund for energy, waste and water saving projects. Our climate targets are another example of how we mitigate the risk of future policy and regulation. In 2019, we announced that our factories, offices, R&D facilities, data centres,

warehouses and distribution centres across five continents were powered by 100% renewable grid electricity.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Please explain inclusion
Current regulation	<p>Relevant, always included</p> <p>Current laws & regulations related to climate risk is included in our risk assessments as failure to mitigate the risk may materially impact our cash flow, operating results, financial position, business & reputation. For example, governments may take action to reduce climate change through the introduction of carbon taxes or zero net deforestation policies. Regulation forms part of the Legal & Regulatory Principal Risk as Unilever is subject to national & regional regulations in such diverse areas as product safety, the environment, taxes etc. In 2019, 3% of the taxes Unilever paid were sustainability taxes i.e. environmental, packaging, energy & green taxes.</p> <p>Situation: Since 2017, we have been analysing the impact on the business from current & expected emerging regulatory changes through our 2°C & 4°C scenario assessment. Task: We needed to assess the impact in 2 ways to look at best case & worst-case scenarios. In the 2°C scenario, we assumed rapid measures to restrain deforestation & discourage emissions, implementing carbon pricing at \$75-100 per tonne (IEA's 450 scenario). We concluded that if carbon pricing was introduced in key countries, we would experience increases in both manufacturing costs & raw material costs. Zero net deforestation requirements would introduce a shift to sustainable agriculture, potentially raising the cost of certain raw materials.</p> <p>In the 4°C scenario, we assumed climate policy was less ambitious & emissions remain high. Given this we did not include impacts from regulatory restrictions but focused on those resulting from the physical impacts. Action: We monitor governmental developments around actions to combat climate change (e.g. in the US, the Clean Air Act, in the UK, the amended UK Climate Change Act). In 2016, we implemented an internal price on carbon as part of the business case appraisal for large capital expenditure projects. Response: This did not change behaviour as we expected since energy-& therefore carbon costs-were largely immaterial to the capital costs over the assessed period. As a result, we ended our shadow carbon pricing approach & apply an internal tax on the notional capital expenditure budgets of our 3 divisions based on the emissions from the prior year, to raise a cleantech fund. So far, over €120m has been allocated to this fund for energy, waste and water saving projects. In 2018/2019 our internal</p>

		price of carbon for this fund has been €40 p/tonne, increasing to €50 p/tonne in 2020.
Emerging regulation	Relevant, always included	<p>Emerging laws & regulations related to climate risk are included in our risk assessments as they may materially impact our cash flow, operating results, financial position, business & reputation. For example, we consider the impact of possible future mandatory carbon pricing in key countries (e.g. in Brazil & Turkey) resulting in increases in both manufacturing costs & the costs of raw materials such as ingredients & packaging, as well as zero net deforestation requirements in key sourcing countries (Indonesia).</p> <p>Situation: Since 2017, we have been analysing the impact on the business from current & expected emerging regulatory changes through our 2°C & 4°C scenario assessment. Task: We needed to assess the impact in two ways to look at best case or worst-case scenarios. In the 2°C scenario, we assumed rapid measures to restrain deforestation & discourage emissions, implementing carbon pricing at \$75-100 per tonne (IEA's 450 scenario). In the 4°C scenario, we assumed climate policy was less ambitious & emissions remain high. Given this we did not include impacts from regulatory restrictions but focused on those resulting from the physical impacts. We concluded that if carbon pricing was introduced in key countries, we would experience increases in both manufacturing & raw material costs. Zero net deforestation requirements would introduce a shift to sustainable agriculture, potentially raising the cost of certain raw materials.</p> <p>Action: We monitor governmental developments around actions to combat climate change (e.g. Streamlined Energy and Carbon Reporting (SECR). In 2016, we implemented an internal price on carbon as part of the business case appraisal for large capital expenditure projects.</p> <p>Response: However, this did not change behaviour as we expected since energy-& therefore carbon costs-were largely immaterial to the capital costs over the assessed period. As a result we ended the shadow carbon pricing & instead applied an internal tax on notional capital expenditure budgets of our 3 divisions based on the emissions from the prior year, to raise a clean-tech fund. So far, over €120m has been allocated for energy, waste & water saving projects. Since January 2018 our internal price of carbon has been €40 p/tonne. In terms of SECR, Unilever's response was to go early with our disclosure in our ARA. Whilst the impact of this is unknown, we hope the increased level of transparency was useful to stakeholders, & other companies trying to implement SECR.</p>
Technology	Relevant, always included	<p>Growing numbers of people want to live more sustainably –our Making Purpose Pay research found 1 in 3 people already purchase products with sustainability in mind. They are looking at the impacts of our products across our full value chain. Situation: If we are unable to</p>

		<p>innovate effectively or utilise technological advancements to make our products more sustainable, we may cease to be competitive, impacting sales & future growth. For example, Unilever depends on its ability to continue being relevant in its markets such as in areas of water scarcity e.g. S Africa, where there could be reduced demand for our laundry, hair care & hygiene products which require water. Because of this Technology is included under our Brand Preference Principal Risk. Technology is key in creating innovative, sustainable products that continue to meet the needs of our consumers & getting these new products to market with speed.</p> <p>Task: As development of products with less, better or no packaging, less or no water use, &/or lower carbon impact is strongly reliant on technology improvements, we have systematically integrated technology-related risks in our risk assessment. Our R&D function actively searches for ways in which to translate consumer trends into technologies for future products. Our 30 People Data Centres provide our Marketing & R&D teams with insights to inform product development, leveraging our €840m annual R&D spend. We develop product ideas both in-house & via partners, enabling us to implement new technologies & respond to rapidly changing trends with speed.</p> <p>Action: We lower risk by creating & being part of several science & technology networks, responding better & faster to changes in consumer needs & that is better for the planet.</p> <p>For example, the Unilever Science Grid is an international network of academically excellent institutes that help Unilever unlock science & technology for benefit-led innovation. We also pledged with other FMCG companies to allocate in total US\$100m in funding to Circulate Capital, an investment firm that incubates & finances waste management tech solutions & infrastructure. Unilever also partner with several technology scouting firms, for example on plant-based animal-protein replacement which has a lower GHG impact than meat protein.</p> <p>Response: In 2019, 14 strategic, long-term relationship agreements were in place via the Unilever Science Grid, expanding our reach to innovators outside of Unilever's R&D function.</p>
Legal	Relevant, always included	<p>Legal forms part of our Legal & Regulatory Principal Risk. We do not distinguish between legal & regulatory risks in our external reporting. Current laws & regulations related to climate risk is included in our risk assessments as failure to mitigate the risk may materially impact cash flow, operating results, financial position, business & reputation.</p> <p>Increased climate regulation may result in more climate-linked litigation cases in the public and private sector. Governments are already taking action to reduce climate change through the introduction of carbon taxes in our markets. In 2019, 3% of our taxes paid were sustainability taxes i.e. environmental, packaging, energy & green taxes.</p>

		<p>We monitor governmental developments around actions to combat climate change (e.g. in the US the Clean Air Act and the UK the amended UK Climate Change Act legislating for net zero emissions) & act to minimise the impact on our operations. Unilever have relevant teams at global, regional or local levels responsible for setting detailed standards & ensuring compliance. Our legal & regulatory specialists are heavily involved in monitoring & reviewing our practices to provide reasonable assurance that we remain aware of, and in line with, all relevant laws & legal obligations.</p> <p>Situation: Since 2017, we have been analysing the impact on the business from current & expected emerging regulatory changes through our 2°C & 4°C scenario assessment. Task: We needed to assess the impact in two ways to look at best case or worst-case scenarios. In the 4°C scenario, we assumed climate policy was less ambitious & emissions remain high. Action: In 2016, we implemented an internal price on carbon as part of the business case appraisal for large capital expenditure projects. Response: This did not change behaviour as we expected since energy costs – and therefore carbon costs – were largely immaterial to the capital costs over the assessed period. As a result we took the decision to end this shadow carbon pricing approach and instead applied a novel approach of internally taxing the notional capital expenditure budgets of our three divisions based on the emissions from the prior year, to raise a clean-tech fund. So far, over €120 million has been allocated to this fund for energy, waste and water saving projects. In 2019, our internal price of carbon for this fund was €40 per tonne, increasing to €50 per tonne in 2020.</p>
Market	Relevant, always included	<p>Market is included under the Brand Preference Principal Risk to Unilever & Portfolio Management Principal Risk to Unilever. Unilever's growth and profitability are determined by our portfolio of categories, geographies and channels and how these evolve over time.</p> <p>Situation: If Unilever does not make optimal strategic investment decisions taking climate change risks and opportunities into account, then opportunities for growth and improved margin could be missed. For example, Unilever depends on its ability to continue being relevant in its markets such as in areas of water scarcity (e.g. South Africa and Brazil) where there could be reduced demand for our products; or in markets where there is an increased demand for plant-based products.</p> <p>Task: We must systematically identify market-related risks and assess their materiality to our business. We consider the impact of temperature increase, extreme weather events, & water scarcity for example on economic activity, GDP growth & sales. We monitor trends in raw material availability & pricing, & proactively reformulate our products where appropriate. We monitor governmental developments around actions to combat climate change & act to minimise the impact on our operations.</p>

		<p>Action: Our strategy focuses on investing in markets and segments with competitive advantage. We extend our market reach through the acquisition of businesses with capabilities and technologies outside our current core. We also launch new innovations specifically aimed at addressing climate-related issues experienced in certain markets.</p> <p>Response: For example, in 2018 we acquired The Vegetarian Butcher as a next step in our journey towards a portfolio with more plant-based products, addressing the growing consumer trend to eat less meat due to its negative environmental impact. Prior to that, in 2016, we responded to a period of drought in South Africa by launching our Sunlight 2-in-1 Handwashing Laundry Powder. In 2017, the Smart Foam technology in this powder was implemented in our Rin soap bars & Rin laundry powder in India, and rolled out to Indonesia, and Vietnam in 2018.</p>
Reputation	Relevant, always included	<p>Reputation is included under the Ethical Principal Risk to Unilever. Acting in an ethical manner, consistent with the expectations of customers, consumers & other stakeholders, is essential for the protection of the reputation of Unilever & its brands. Situation: Unilever's brands and reputation are valuable assets and the way in which we operate, contribute to society and engage with the world around us is always under scrutiny both internally and externally. It is important for Unilever to be recognised as a company taking positive action in the context of climate change as this potentially impacts our share price (through investor confidence) & sales (through consumer preference). For example, failure to deliver Unilever's climate change targets could damage our corporate reputation as a sustainable business.</p> <p>Task/Action: We track consumer sentiment through our 30 people data centres globally - this identifies emerging issues that may become reputational risks in the future, including topics related to climate change (i.e. deforestation, direct emissions). We also have Issues Management and External Affairs teams who map the external environment and the media coverage related to Unilever and our reputation across key issues. Our communications and corporate affairs function is operationally responsible for protecting Unilever's reputation, working with colleagues across the business to ensure that our external engagements and communications do not open us up to reputational risk. In this regard we are guided by our publicly available Code Policies on 'Engaging Externally' which set out the minimum standards of behaviour for employees in areas such as engaging with media, NGO, government and investors - these extend to all our external interactions with stakeholders on climate-related issues.</p> <p>We take part in external rankings and ratings to support our reputation</p>

		<p>and evidence (via third parties) our commitment to long-term sustainable business. Response: We were also ranked top global corporate sustainability leader in all geographical regions in 2019 GlobalScan-SustainAbility Leaders Survey, with the highest number of mentions from 47% of industry experts.</p>
Acute physical	Relevant, always included	<p>Acute physical Risks are included under the Climate Change Principal Risk to Unilever & Supply Chain Principal Risk to Unilever. Unilever's business depends on purchasing materials, efficient manufacturing & the timely distribution of products to our customers. Situation: Increased frequency of extreme weather (storms & floods) could cause increased incidence of disruption to our manufacturing & distribution network. Such incidences have already affected Unilever. In 2015, a drought in Brazil meant some of our factories in Sao Paolo needed to supplement water supplies with tankered water due to restrictions on withdrawals. The exposure to potentially adverse events such as physical disruptions, environmental or industrial accidents or disruptions at a key supplier, could also impact our ability to deliver orders to our customers. Another example of acute physical effects of climate change is the risk that during periods of drought consumers will stop or not start using certain products, will use products less often, use less of our products per use, or may be less satisfied with the delivery of products and the product experience. Task: As part of our Risk & Control Framework, we track the physical risks related to our supply chain & operations from climate change, whether the risks remain relevant & the controls in place remain effective. Action: We have contingency plans designed to enable us to secure alternative key material supplies at short notice (e.g. during extreme weather events) to transfer or share production between manufacturing sites & to use substitute materials in our product formulations and recipes. Commodity price risk is actively managed through forward buying of traded commodities & other hedging mechanisms. Trends are monitored & modelled regularly & integrated into our forecasting process. We are also reducing acute physical risk of climate change on our sales by investing in new products or formulations that work just as well with less water, poor quality water or no water. Response: For example, in 2019 we launched a new Love Home & Planet dry wash spray in the US. This innovative dry wash format revives clothes, helping people to wear previously worn clothes that don't yet need to be washed. Each bottle has the potential to save 60 litres of water and prevent 400g of CO2 being released into the atmosphere by reducing needless wash-loads.</p>
Chronic physical	Relevant, always included	<p>Chronic physical Risks are included under the Climate Change Principal Risk to Unilever & Supply Chain Principal Risks to Unilever. Our business depends on purchasing materials (i.e. ingredients for our</p>

		<p>products such as paper and board), efficient manufacturing & distribution of products to customers. Situation: Sourcing sustainably helps secure our supplies & reduces risk & volatility in our raw material supply chains. It opens up opportunities for innovation by focusing on peoples' needs & consumer preference. Sustainable farming methods can also improve the quality of our products, such as our sauces, soups, dressings & ice creams. Failure to manage chronic physical risks such as water shortages could impact the ability of consumers to use our products which could damage sales and growth. We always consider the impact of chronic water stress on agricultural productivity & the impact on the price of raw materials. Task/Action: We include chronic physical risks in our company-level assessments, site-specific & supplier-specific assessments, as well as our product innovation strategy. We monitor trends in raw material availability & pricing, & proactively reformulate our products where appropriate. We monitor governmental developments around actions to combat climate change (e.g. in the US the Clean Air Act and the UK the amended UK Climate Change Act legislating for net zero emissions) & act to minimise the impact on our operations. Since 2017, we have also been analysing of the impact on the business from climate change through our 2°C & 4°C scenario assessment. Sustainable climate smart farming methods have the potential to increase farmers yields considerably, mitigate the effects of climate change & provide farmers, their families & their surrounding communities with opportunities to build more prosperous societies – so they can contribute to the UN's Sustainable Development Goals. For example, through our Knorr Partnership Fund (KPF), we contribute to a number of sustainability projects. This includes providing technical support – and in some cases funding – to help farmers convert to drip irrigation. We work closely with equipment suppliers to help farmers learn new techniques. Response: Since 2010, the KPF has supported €2 million worth of water management projects. We work closely with equipment suppliers to help farmers learn new climate smart agricultural techniques.</p>
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C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased direct costs

Company-specific description

Situation: Climate change has been identified as a principal risk to Unilever. Increased frequency of extreme weather (storms & floods) could cause increased incidence of disruption to our manufacturing & distribution network. Such incidences have already affected Unilever. In 2015, a drought in Brazil meant some of our factories in Sao Paulo needed to supplement water supplies with tankered water due to restrictions on withdrawals. Another example is the risk that during periods of drought consumers will stop, not start or use less of our Home Care or Beauty & Personal Care products, or may be less satisfied with the delivery of products or their cost.

Task/Action: Since 2017, we have been conducting a 2030 scenario analysis annually, identifying financial impacts on Unilever's business from physical risks such as extreme weather & chronic water stress affecting the cost of raw materials, including agricultural commodities.

Response: The 2°C & 4°C scenarios are constructed on the basis that average global temperatures will have increased by 2°C & 4°C in the year 2100. The 4°C scenario found that temperature increases could affect GDP growth across some of Unilever's critical markets (e.g. India & Indonesia). Using this, teamed with an estimated decrease in our turnover, Unilever could see a potential financial impact of up to €300m p.a. We have contingency plans to secure alternative key material supplies at short notice, for example during extreme weather events, to transfer or share production between manufacturing sites & to use substitute materials in our product formulations & recipes. Commodity price risk is managed through forward buying of traded commodities & other hedging mechanisms. Trends, including weather patterns, are monitored & modelled regularly & integrated into our forecasting process. Our Unilever Sustainable Agriculture Code (SAC) promotes the principles of Climate Smart Agriculture & includes practices that sustainably increase productivity & resilience to extreme weather. We help suppliers & growers manage risks arising from water scarcity e.g. we have jointly implemented 4,000+ water management plans through our sustainable sourcing programme, including the use of drip irrigation & the introduction of better soil & nutrient management to reduce erosion. We are also working with Nature Source Improved Plants in our Tanzanian tea estate to breed varieties more resilient to the effects of climate change (e.g. droughts).

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

300,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In 2017, we performed a high-level assessment of the impact of 2°C and 4°C global warming scenarios. The 2°C and 4°C scenarios are constructed on the basis that average global temperatures will have increased by 2°C and 4°C in the year 2100.

We focused the assessment on our business in 2030 assuming that we have the same business activities as we do today. While we understand that policy risk and physical impact can happen simultaneously, we made the following simplifying assumptions:

- In the 4°C scenario, we assumed climate policy is less ambitious and emissions remain high so the physical manifestations of climate change are increasingly apparent by 2030. Given this we have not included impacts from regulatory restrictions but focus on those resulting from the physical impacts.

The 4°C scenario found that temperature increases could affect GDP growth across some of Unilever's critical markets (e.g. India and Indonesia), with the assumption that global GDP could be around 3.8% lower in 2030. Using this assumption, teamed with an estimated decrease in our turnover, Unilever could see a potential financial impact of up to €300m per year.

Cost of response to risk

500,000

Description of response and explanation of cost calculation

Since 2017, we have been conducting a 2030 scenario analysis annually, identifying financial impacts on Unilever's business from physical risks such as extreme weather and chronic water stress affecting the cost of raw materials, including agricultural commodities.

We estimate €500k management costs per annum for mitigating this risk which is calculated as follows:

- Cost of performing analysis of risk (such as scenario analysis): This work includes senior management and members of supply chain/procurement (provide input on procurement volumes, commodity pricing etc), Science and Environmental Assurance Centre (SEAC), global finance sustainability and external consultants.
- Management time in responding to and managing the risk e.g. Supply chain, Category: Supply chain and Category are responsible for ensuring that strategy is resilient to material risks identified and taking action to mitigate.

We have contingency plans to secure alternative key material supplies at short notice, for example during extreme weather events, to transfer or share production between manufacturing sites and to use substitute materials in our product formulations and recipes. Commodity price risk is actively managed through forward buying of traded commodities and other hedging mechanisms. Trends, including weather patterns, are monitored and modelled regularly and integrated into our forecasting process. Our Unilever Sustainable Agriculture Code (SAC) promotes the principles of Climate Smart Agriculture to our suppliers and includes practices that sustainably increase the productivity and resilience to extreme weather. With our suppliers and growers, we're helping them to manage risks arising from water scarcity e.g. we have jointly implemented over 4,000 water management plans through our sustainable sourcing programme, including the use of drip irrigation and the introduction better soil and nutrient management to reduce soil erosion. We are also working with Nature Source Improved Plants in our Tanzanian tea estate to accelerate the breeding of varieties more resilient to the effects of climate change (e.g. droughts).

Comment

No comment necessary

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Situation: Climate change has been identified as a principal risk to Unilever.

Task/Action: Since 2017, we have been conducting a 2030 scenario analysis annually, identifying financial impacts on Unilever's business from transition risks such as changing consumer preferences and future policy & regulation. In the 2°C scenario, we assumed that in the period to 2030 society acts rapidly to limit greenhouse gas emissions and puts in place measures to restrain deforestation and discourage emissions (for example implementing carbon pricing at \$75-\$100 per tonne, taken from the International Energy Agency's 450 scenario).

The 2°C low carbon transition scenario found that should an average carbon cost of €72 (\$75) be applied to the price of electricity and fuel, our manufacturing and distribution costs could be impacted by between €140m – 200m by 2030 accounting for annual Scope 1 and 2 emissions of around 2.4m tonnes.

Response: Unilever set an internal price on carbon (€40 per tonne in 2018 and 2019). We applied this to carbon emissions generated by the facilities in the Unilever manufacturing network for the previous year to create the internal clean energy fund. The fund formed part of the group annual CAPEX budget and was used to invest in renewable energy projects to bring down our carbon exposure. In 2019, we invested €38,000,000 from this fund in over 230 of the best energy and emissions reduction projects globally which will reduce global CO2 emissions by 5.4% (77,000 tonnes CO2).

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

140,000,000

Potential financial impact figure – maximum (currency)

200,000,000

Explanation of financial impact figure

In 2017, we performed a high-level assessment of the impact of 2°C and 4°C global warming scenarios. The 2°C and 4°C scenarios are constructed on the basis that average global temperatures will have increased by 2°C and 4°C in the year 2100.

We focused the assessment on our business in 2030 assuming that we have the same business activities as we do today. While we understand that policy risk and physical

impact can happen simultaneously, we made the following simplifying assumptions:

- In the 2°C scenario, we assumed that in the period to 2030 society acts rapidly to limit greenhouse gas emissions and puts in place measures to restrain deforestation and discourage emissions (for example implementing carbon pricing at \$75-\$100 per tonne, taken from the International Energy Agency's 450 scenario). We have assumed that there will be no significant impact to our business from the physical ramifications of climate change by 2030 – i.e. from greater scarcity of water or increased impact of severe weather events. The scenario assesses the impact on our business from regulatory changes.

The 2°C low carbon transition scenario found that should an average carbon cost of €72 (\$75) be applied to the price of electricity and fuel, our manufacturing and distribution costs could be impacted by between €140m – 200m by 2030 accounting for annual Scope 1 and 2 emissions of around 2.4m tonnes.

Cost of response to risk

38,000,000

Description of response and explanation of cost calculation

Unilever set an internal price on carbon (€40 per tonne in 2018 and 2019). We applied this to carbon emissions generated by the facilities in the Unilever manufacturing network for the previous year to create the internal clean energy fund. The fund formed part of the group annual CAPEX budget and was used to invest in renewable energy projects to bring down our carbon exposure.

In 2019, we invested €38,000,000 from this fund in over 230 of the best energy and emissions reduction projects globally which will reduce global CO2 emissions by 5.4% (77,000 tonnes CO2).

Comment

No comment necessary

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Situation: 2.8 billion people around the world are experiencing poor access to water. And this number is estimated to increase significantly, with the Water Resources Group estimating that 25% of the total water demand in 2030 will not be met. Household water scarcity is becoming a major issue in fast-growing cities in developing countries where infrastructure has not kept pace with the growth. As a consumer-goods company selling a number of household and personal care products that require water for use, e.g. laundry detergents, shampoos and conditioners, and toilet cleaners, water issues affect usage and enjoyment of our products.

Task: During periods of drought consumers may reduce, stop, or not start their use of certain products including laundry detergents, shampoos & conditioners, & toilet cleaners as they are unable to access water to use them. Unilever's 2019 water footprint calculation showed us that around 7.6b m3 of water was being used for our products, with an average of 14.2 litres per use of product.

Action: The significance of consumer behaviour is reflected in our divisional strategies & targets. For example, as part of Unilever Sustainable Living Plan, we set a target to provide 50m households in water-scarce countries with laundry products that used less water by 2020. We estimate between 2016 & 2025 €184m turnover would be at risk due to water shocks & resulting under-consumption if we did not continue to adapt.

Addressing water shocks & stresses by designing products that can work well with less water or low-quality water is a standard part of our innovation process.

Response: We invest in new products & formulations that work just as well with less water, poor quality water or no water, with a particular focus on household cleaning, skin cleansing, oral & hair care. Many of our Beauty & Personal Care & Home Care products now have fast-rinse technology as standard, using less water or low temperature washing. We have also developed dry shampoos (e.g. TRESemmé) & 'leave in' conditioners (e.g. Dove). We are developing our product portfolio to offer products with a lower carbon footprint.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

184,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Unilever estimates that between 2016 and 2025 €184m turnover would be at risk due to water shocks and resulting under-consumption if we did not continue to adapt our core products to work well with less or low-quality water. This calculation has come from our category business cases for Home care, Skin Cleansing, Non-drinking Purification and Hair Care where we looked at cumulative incremental turnover, incremental turnover up until 2025, net present value and projected value. This was part of our work on how to innovative products which help people adapt to water scarcity, expanding usage occasions in areas with water scarcity, as well as water purification devices enabling consumers to access higher-quality water for domestic use. .

Cost of response to risk

600,000

Description of response and explanation of cost calculation

Addressing water shocks and stresses by designing products that can work well with less water or low-quality water is a standard part of our innovation process. In addition to standard innovation costs we invest in at Manager and Director level equivalent to around €600,000 all-in costs p.a.

We are investing in new products and formulations that work just as well with less water, poor quality water or no water, with a particular focus on household cleaning, skin cleansing, oral and hair care. Many of our Beauty & Personal Care and Home Care products now have fast-rinse technology as standard, using less water or low temperature washing. We have also developed dry shampoos (e.g. TRESemmé) and 'leave in' conditioners (e.g. Dove). We are developing our product portfolio to offer products with a lower carbon footprint. For example, brands such as Persil, Omo and Surf Small & Mighty and Seventh Generation's EasyDose enable people to wash their clothes at lower temperatures, reducing GHG emissions by up to 50% per load. Water-smart products are particularly suited to the needs of people living in water-stressed areas but can also help encourage a wider shift to more sustainable water consumption. They will help our business become more resilient to the impacts of climate change. We're investing in new products or formulations that work just as well but with less water, poor quality water or no water at all. For example, in 2018 we launched Day2, a dry wash spray that revives clothes to look, feel and smell 'just-washed' in between washes – saving hot water and time. In early 2019, we launched a dry wash spray as part of our new Love Home and Planet range in the US. Each dry wash spray bottle gives approximately 25 uses. By prolonging the time between washes, each bottle saves 60 litres of water. The next portfolio shift, in line with changing consumer preference, will future proof our Home Care brands to ensure they continue to deliver superior cleaning, while being kinder to the environment. This will include, for example, using a new generation of ingredients which deliver superior performance at lower dosage resulting in GHG savings.

Comment

No comment necessary

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Situation: Unilever's recent global consumer research shows that 79% of consumers seek out products that are healthier & better for the environment. 71% of consumers agree that in the long term climate change is as serious a crisis as COVID-19. These studies are part of a growing body of research which shows shifting trends in consumer attitudes around sustainability.

Task: People who buy our products are looking at the impacts of products across the full value chain – at how products are designed, sourced, made, transported, sold and used – and their role in society. This presents an opportunity for Unilever to respond to consumers preferences & to talk more proactively about the purpose & sustainability of our products in our marketing & on pack, building on the Unilever Sustainable Living Plan. Our Sustainable Living Brands are now some of our biggest selling brands i.e. Dove& Knorr.

Action: We track the performance of our Sustainable Living brands every year. The data includes financial & non-financial data. The financial data used to determine the Sustainable Living brands success is turnover and gross margin.

Result: In 2019, 35 of our top brands were Sustainable-Living brands, that is: they have

a clear purpose that helps to tackle a social or environmental issue or cause, and they produce products that reduce their environmental footprint and/or improve health and wellbeing or livelihoods. These brands have continuously outperformed average rate of growth of Unilever as well as growth of rest of the business over last 5 years from 2015 to 2019. In 2019 they grew by 3.0% and delivered 78% of Unilever's underlying growth – equivalent to €1.1bn of underlying growth in 2019 (i.e. incremental turnover of Sustainable Living brands).

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We track the performance of our Sustainable Living brands every year. The data includes financial and non-financial data. The financial data used to determine the Sustainable Living brands success is turnover and gross margin. All of Unilever's brands are on a journey to becoming purposeful. In 2019, 35 of our top brands were Sustainable-Living brands, that is: they have a clear purpose that helps to tackle a social or environmental issue or cause, and they produce products that reduce their environmental footprint and/or improve health and wellbeing or livelihoods. These brands have continuously outperformed average rate of growth of Unilever as well as growth of rest of the business over last 5 years from 2015 to 2019. In 2019 they grew by 3.0% and delivered 78% of Unilever's underlying growth – equivalent to €1.1bn of underlying growth in 2019 (i.e. incremental turnover of Sustainable Living brands).

Cost to realize opportunity

2,000,000

Strategy to realize opportunity and explanation of cost calculation

We're developing our product portfolio in response to the growing demand from consumers for products with purpose at their core which address issues such as water scarcity and climate change, which in turn is driving business growth. Our R&D teams search for ways to translate consumer trends into new products, for example our concentrated liquid laundry detergents, such as Persil, Omo and Surf Small & Mighty and Seventh Generation's EasyDose, enable people to wash their clothes at lower temperatures, reducing GHG by up to 50% per load. Concentrated detergents also mean that we can fit doses for more washes into smaller bottles, reducing the water used at manufacturing facilities and hence the emissions associated with transportation and packaging.

Our top seven brands (Dove, Knorr, Dirt is Good, Rexona, Lipton, Hellmann's and the Heart brand) are all Sustainable Living brands which incorporate purpose into brand strategies and marketing. For example, Ben & Jerry's builds movements around issues such as climate change and the refugee crisis and Seventh Generation campaigns for renewable energy via their advocacy efforts – underpinned by progressive action on climate change within their own operations (self imposed carbon tax, Yes Plants Can campaign).

The cost to the business of developing sustainable products and communicating this to consumers comes via Marketing branding, R&D & programme costs which are allocated from existing budgets. We estimate that costs of additional marketing resources, including staff time and third-party costs to be around €2m on top of our standard marketing, R&D programme costs on an annual basis.

Comment

No comment necessary

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Other, please specify

Long term financial resilience from a sustainable portfolio

Company-specific description

Situation: 2.8 billion people around the world are experiencing poor access to water. And this number is estimated to increase significantly, with the Water Resources Group estimating 25% of the total water demand in 2030 will not be met. Household water scarcity is becoming a major issue in fast-growing cities in developing countries where infrastructure has not kept pace with the growth. As a consumer-goods company selling a number of household & personal care products that require water for use, e.g. laundry detergents such as our Surf brand & shampoos, including brands such as TRESemme & Sunsilk, water issues affect usage & enjoyment of our products.

Task: Consumers experiencing water issues as a result of climate change in countries such as S Africa or Brazil may have a preference for water smart products, positively impacting sales & turnover. Unilever's water innovations can address the unmet needs of consumers across the world regardless of whether they have good or bad water access, through convenience (chores made simpler and faster, personal care on the go), and reducing negatives (e.g. damage of clothes, hair, and skin). This opens up new opportunities to make Unilever's business more resilient through more users, more usage, and better benefits of our products whilst reducing the negative environmental impacts.

Action: The significance of consumer behaviour is reflected in our divisional strategies & targets. For example, as part of Unilever Sustainable Living Plan, we set a target to provide 50m households in water-scarce countries with laundry products that used less water by 2020. We estimate between 2016 & 2025 €184m turnover would be at risk due to water shocks & resulting under-consumption if we did not continue to adapt.

Addressing water shocks & stresses by designing products that can work well with less water or low-quality water is a standard part of our innovation process.

Response: We invest in new products & formulations that work just as well with less water, poor quality water or no water, with a particular focus on household cleaning, skin cleansing, oral

& hair care. Many of our Beauty & Personal Care & Home Care products now have fast-rinse technology as standard, using less water or low temperature washing. We have also developed dry shampoos (e.g. TRESemmé) & 'leave in' conditioners (e.g. Dove). We are developing our product portfolio to offer products with a lower carbon footprint.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

2,000,000,000

Potential financial impact figure – maximum (currency)

3,000,000,000

Explanation of financial impact figure

This calculation has come from our category business cases for Home care, Skin Cleansing, Non-drinking Purification and Hair Care where we looked at cumulative incremental turnover, incremental turnover up until 2025, net present value and projected value. This was part of our work on how to innovative products which help people adapt to water scarcity, expanding usage occasions in areas with water scarcity, as well as water purification devices enabling consumers to access higher-quality water for domestic use and keeps our portfolio resilient.

Based on our sales projections for new products using future water-smart technologies and portfolio shifts towards low-water or waterless formats in our Home Care and Beauty & Personal Care categories, Unilever estimates this could yield around €2-3 billion in incremental sales of products that work well with less or low-quality water in 2025 (figure relates to incremental sales in 2025 only not prior years).

Cost to realize opportunity

600,000

Strategy to realize opportunity and explanation of cost calculation

Our strategy is to develop innovative products which help people adapt to water scarcity, expanding usage occasions. We are investing in product innovation to cut water use and exploring options beyond our traditional business model to find new solutions for communities. One priority is to research, develop and launch water-smart products – new products or formulations that work just as well but with less water, poor quality water or no water at all. For example, when we realised that only 58% of women in the US use a conditioner every week, 95% of which ends up washed down the drain, we launched a new hair care brand: 'the good stuff'. This new brand – launched in the US in 2019 – is challenging the status quo of the conditioner market. The good stuff's range comprises six no-rinse conditioners that are customised in format and texture to address multiple hair types and needs. The good stuff's conditioners not only care for hair, but the no-rinse formulas also save on average 99 seconds per shower. This could amount to 460 litres of water saved per bottle of no-rinse conditioner – equivalent to the typical volume of water a person would drink over seven months.

The good stuff follows our Love Beauty and Planet range in the US and Europe – launched in 2018 – which uses fast-rinse technology in its conditioners. These conditioners give great results while being quicker to rinse out. If every woman in the US saved even ten seconds per shower, it would save enough water to meet all the water

needs of half a million people for that year.

Other examples are Domestos Flush Less, a toilet spray that disinfects and eliminates odours without the need to flush, and Day2, a dry wash spray that revives clothes to look, feel and smell 'just-washed' in between washes.

Addressing water shocks and stresses by designing products that can work well with less water or low-quality water is a standard part of our innovation process. In addition to standard innovation costs we estimate the cost to realise this opportunity to be around €600,000 per annum, comprised of staff costs at Manager and Director level.

Comment

No comment necessary

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Situation: The Unilever Sustainable Living Plan set out our ambition to play a leadership role in the transition to a zero-carbon economy by becoming carbon positive in our manufacturing by 2030, in recognition of the significant risks and opportunities from climate change to our business.

Task: We recently announced our climate and nature commitments which form part of the Compass (2020+ business strategy). Now that we have achieved 100% renewable electricity, we're working to get our entire energy use from renewable sources. We currently have 24 sites that are completely carbon neutral around the world. Our goal is to become entirely carbon neutral across the business before 2030. Renewable energy has a key role to play in delivering this commitment- and to mitigating the cost impact of rising energy prices as well as regulatory risks e.g. carbon prices.

Action: Our approach is to reduce our overall energy consumption and to purchase or generate renewable electricity on site where possible. By 2030, we aim to source 100% of the energy we use across all our manufacturing operations from renewable sources. The Science Based Targets initiative has validated this target as meeting the level of decarbonisation (removal of carbon dioxide from the atmosphere) needed to keep the global temperature increase to 1.5°C.

Response: We expect that our ambition to use 100% renewable energy in our

manufacturing operations by 2030 will lower operational costs, improve resilience in our energy supply and attract investors who are increasingly considering carbon risk. In 2019, 38% of our grid electricity supplied through a combination of corporate Power Purchase Agreements (PPAs) and green electricity tariffs. Averaged over our 2019 reporting period (1 October 2018 – 30 September 2019), 85% of all the grid electricity used in our manufacturing operations was generated from renewable resources. Since September 2019, we have been operating with 100% renewable grid electricity across five continents in our manufacturing operations. Our investment in energy efficiency programmes have led to a reduction in total energy consumption of 28% – and to the halving of carbon emissions per tonne of production since 2008. This has also helped to achieve over €733 million in cumulative cost avoidance.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Since 2008 Unilever have avoided costs of over €733m through energy efficiency programmes in our operations. For CDP C4.3b, we have provided our GHG emission reduction initiatives we are currently in the process of funding which has been used to provide the figure for financial opportunity 3. We estimate we can save €10,294,973 annually through these initiatives, assuming a lifespan of 11 years (our lower estimate), and the subtraction of the initial investment. If we looked at the savings for all initiatives collectively across the expected lower lifespan, this would equal savings of over €100,000,000 (€113,244,701 to be precise).

Cost to realize opportunity

22,970,587

Strategy to realize opportunity and explanation of cost calculation

Our approach is to reduce our overall energy consumption and to purchase or generate renewable electricity on site where possible.

In 2019, 38% of our grid electricity supplied through a combination of corporate Power Purchase Agreements (PPAs) and green electricity tariffs.

Averaged over our 2019 reporting period (1 October 2018 – 30 September 2019), 85% of all the grid electricity used in our manufacturing operations was generated from renewable resources. Since September 2019, we have been operating with 100% renewable grid electricity across five continents in our manufacturing operations. Our investment in energy efficiency programmes have led to a reduction in total energy consumption of 28% – and to the halving of carbon emissions per tonne of production since 2008. This has also helped to achieve over €733 million in cumulative cost avoidance.

We are also generating our own renewable electricity. In Italy, for example, a wind farm at Avellino powers five of our sites, which could reduce our environmental impact by over 7,000 tonnes of CO₂ emissions per year. And our operations in Russia, Ukraine and Belarus are powered by a mix of 75% wind and 25% solar energy. We have on-site solar installations at our facilities in 13 countries. In the UK and Ireland, ten of our sites use renewable electricity from an onshore wind farm in the Scottish Highlands. In addition to direct actions to transition our electricity supply to renewable electricity we are also working to help create the right policy and regulatory environment which promotes wider adoption of lower emission sources of energy thereby lowering the cost for renewables through greater availability e.g. we're a founding signatory of RE100.

Cost to realise opportunity: The estimated cost of realising the opportunity is the direct investment amounts assigned to the GHG reduction initiatives within CDP C4.3b. These initiatives include those such as compressed air and cooling technology, the use of solid biofuels, waste heat recovery, lighting upgrades, efficient motors and drivers, solar PV and process optimisations.

Comment

No comment necessary

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate related scenarios and models applied	Details
2DS IEA 450 Greenpeace RCP 8.5 IEA B2DS	<p>Inputs/assumptions: We drew on various physical scenarios (e.g. IPCC RCP 8.5 Scenario) & transition scenarios (e.g. Greenpeace Energy Revolution, IEA WEO 450ppm scenario, IEA 2DS) & various 3rd party scenarios as well as TCFD guidance. We also used internal data sources such as historical financial results, scopes 1, 2 & 3 (value chain) emissions, & commodity spend. The analysis covered Unilever's full value chain: raw materials, manufacturing, logistics & sales & covered a time horizon of 2030 in line with our current GHG emission targets.</p> <p>Assumptions: In the 2°C scenario, we focused on transition risks (eg regulatory change) & assumed in the period to 2030, society acts rapidly to limit emissions with measures to restrain deforestation & emissions (eg carbon pricing). In the 4°C scenario, we focused on physical impacts & assumed climate policy was less ambitious & emissions remained high.</p> <p>We quantified financial implications on turnover & cost of sales by, for example applying the IEA's 450ppm carbon prices (\$75-100 p/tonne) to manufacturing emissions & the carbon footprint of our raw materials to calculate one of the cost impacts in our 2°C scenario.</p> <p>Main impacts, 2°C scenario:</p> <ul style="list-style-type: none">• Carbon pricing introduced in key countries & there are increases in both manufacturing & raw material costs such as dairy ingredients & metals used in packaging• Zero net deforestation requirements introduced & shifts to sustainable agriculture pressures agricultural production, raising the price of key raw materials <p>Main impacts, 4°C scenario:</p> <ul style="list-style-type: none">• Chronic & acute water stress, reducing agricultural productivity in some regions, raising prices of raw materials• Increased frequency of extreme weather causing increased incidences of disruption to manufacturing & distribution networks• Temperature increase & extreme weather events reducing economic activity, GDP growth & sales levels fall <p>Influence on strategy:</p> <p>Sourcing/Zero net deforestation: We included soy & tea in our scenario analysis in 2019 to understand how the risks might inform our sourcing strategy & financial planning. We chose soy based on its strategic importance to Unilever (large purchase volume). We are also the world's largest tea company, buying around 10% of global black tea, resulting in high importance to our Foods &</p>

	<p>Refreshment (F&R) portfolio.</p> <p>Operations/carbon pricing: We measure & report on energy consumption & emissions. We actively manage the transitional risks from climate change (emerging legal & regulatory) by reducing our emissions as a whole. Since 2008, we have reduced our energy consumption in factories by 65%. We are also future-proofing by sourcing from renewable sources/generating our own energy, decreasing our reliance on non-renewable sources such as coal. At the same time, we have also been protecting assets from climate-related risk (extreme weather) with sustainable building standards such as BREEAM or LEED. Our Foods Innovation Centre in the Netherlands, opened 2019, attained BREEAM outstanding, meaning it met stringent climate adaptation measures.</p> <p>Divisional strategies: We further use these scenarios to help our divisions respond to climate change, managing risks & capitalising on growth opportunities. For example, in F&R, we're focusing on opportunities from trends in plant-based diets (e.g. Knorr Future 50). We have a range of vegan & vegetarian variants such as vegan Magnum, & Hellmann's vegan as well as brands such as The Vegetarian Butcher. A recent FAIRR report noted Unilever had the lowest exposure to GHG emissions from animal agriculture in the sector.</p> <p>M&A strategy: Our M&A strategy aims to capitalise on future revenue opportunities by focusing new acquisitions to serve specific consumer segments such as sustainability conscious consumers. A number of recent acquisitions (Pukka Herbs, Mae Terra, Seventh Generation) are B Corps – meaning they have met stringent environmental & social criteria as laid out in the B Corp impact assessment.</p>
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C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Consumers for fast moving consumer brands such as those sold by Unilever are increasingly looking for products with a positive impact on society & the environment. Therefore, increasing the number of Unilever brands which meet these needs is part of our growth strategy. In response, we decided to create our own definition of such a brand.</p> <p>Situation: 'Sustainable Living' (SL) brands must not only have a clear purpose that, over time, helps to tackle a social or environmental concern; the products & services sold under this brand must also contribute to one or more of the targets we have set in our Unilever Sustainable Living Plan</p>

		<p>(USLP). There are 16 climate-related targets as part of the USLP.</p> <p>Task: To assess product & purpose, we developed a methodology to help us determine how, & to what extent, each brand delivers against the 2 product & purpose criteria. It enables brands to generate a view of progress across social & environmental factors. In 2019, 35 of our top 40 brands qualified as SL brands, delivering 78% of Unilever's growth.</p> <p>Time horizon: Climate-related risk & opportunity evaluation is a standard key part of how we run our projects, looking ahead 3-5 years. In addition, we review our category portfolio (across projects) with a horizon of 5-10 years several times per year. Company-level reviews are carried out on an annual basis & have a 10-20 year horizon (up & until 2030 & 2039).</p> <p>Action: Addressing climate risks by designing products with a lower GHG impact, can work well with less water or low-quality water, & have less & more easily recyclable packaging is a standard part of our innovation process.</p> <p>Response: Take Day2, a dry wash spray that revives clothes in between washes-saving water (& energy to heat water), & time. Our Love Beauty & Planet brand, launched in the US & Europe uses fast-rinse technology in its conditioners. Both of these products enable consumers to be more resilient to changing water availability from climate change. Through M&A strategy, we are widening our portfolio to help reduce our GHG impact. For example, The Vegetarian Butcher expands our portfolio into plant-based foods which are less environmentally detrimental compared to meat-based foods, & Seventh Generation, acquired in 2016, is attracting environmentally conscious millennial consumers through its climate & renewable energy advocacy & actions.</p>
Supply chain and/or value chain	Yes	<p>Water scarcity & climate change are risks to our business & could significantly impact Unilever's growth. Many raw materials we use come from farms & forests, meaning we need secure, sustainable supplies to grow our business. At the same time, our agricultural supply chain connects us to millions of people, helping us realise many of our ambitions for positive social impact.</p> <p>Situation: In 2015, palm oil production was impacted by severe weather linked to a dry El Nino. This brought high temperature across SE Asia, hitting palms yields, lowering</p>

		<p>output. There were also severe forest fires in Indonesia, particularly in Sumatra & Kalimantan where we source substantial volumes from. Being a large buyer of palm oil means we are inherently linked to the risks associated with it.</p> <p>The Unilever Sustainable Agriculture Code (SAC) defines 11 social, economic & environmental indicators for sustainable sourcing. To date, with our suppliers & growers we have implemented 4,000+ water management plans through our sustainable sourcing programme, ranging from drip irrigation to better soil & nutrient management. Our Sustainable Agriculture Programme, SAC, & Responsible Sourcing Policy, are at the heart of our approach.</p> <p>Task: The plan is to empower a new generation of farmers & smallholders who are committed to protecting & regenerating their farm environment with a focus on the short, medium & long term.</p> <p>Action: In 2018, Unilever set out to certify an initial 40 suppliers, selected to ensure a representative variety of our crops & geographies, against SAC 2017, which is our current Code. Result: Feedback in 2018/2019 showed they welcomed more intensive interaction with the auditor during the certification process, & the opportunity to improve their farming practices by remediating non-conformances. While factors such as the variability of weather mean that although this is a short period to identify trends in agricultural data, our findings to date are positive. Averaged across all crops in the SAC programme (measured per tonne of product), we now see a 21% reduction in irrigation water use, a 17% reduction in pesticide use, & a 2% reduction in carbon footprint, helping reinforce the opportunities in this area.</p>
Investment in R&D	Yes	<p>As a result of the increasing demand from consumers for sustainable products, sustainable innovation is a significant growth opportunity for Unilever. All innovation projects are assessed across a number of sustainability areas including GHG, water & packaging waste impacts & contribution towards our Unilever Sustainable Living Plan (USLP) targets. Project scores are tracked & reviewed by project teams as well as senior management up to the R&D leadership team. In 2019, 35 of our top brands were Sustainable-Living (SL) brands -they have a clear purpose that helps to tackle a social or environmental issue or cause & they produce products with reduced environmental footprint &/or that improve health & wellbeing or livelihoods.</p>

		<p>These brands have continuously outperformed our average rate of growth over last 5+ years. In 2019 they grew by 3.0% & delivered 78% of our underlying growth.</p> <p>Task: Unilever always focuses on the long-term value creation for its stakeholders. However, in terms of remaining competitive, we invest annually to ensure our categories & brands remain competitive in the short & medium term - turning a trend into a product.</p> <p>Situation: We use our expertise in innovation to bring people products they enjoy but with lower GHG impacts - both in our factories & during use.</p> <p>Action: Launched in 2019 in Home Care, the Cif Power & Shine ecorefill allows people to buy just one spray bottle and then use it for life. If the trigger breaks, we will deliver a new one free of charge. Result: The spray refill is ten times more concentrated than a standard Cif Power & Shine spray product. It is designed to be diluted in people's homes so 97% less water is transported. More products fit onto pallets and 87% fewer trucks are needed to distribute the products, cutting greenhouse gas emissions. The ecorefill bottles use 75% less plastic than the reusable spray bottle. And – once the plastic sleeves are removed – the ecorefill is 100% recyclable after use. Product innovation in our Beauty & Personal Care ranges can help people to reduce how much water they use in their home & therefore energy required for heating. For example, our Love Beauty and Planet range in the US – launched in 2018 – uses fast-rinse technology in its conditioners. These conditioners give results while being quicker to rinse out.</p>
Operations	Yes	<p>In our operations, we use two forms of energy: heat (thermal) and power (electrical). We use thermal energy mainly in the form of hot water during manufacturing. Electrical energy is used for a range of purposes, such as lighting and powering machinery. As part of the action we're taking to achieve our carbon positive ambition, we're in the process of eliminating our use of fossil fuels for generating both heat and power. Unilever wants to make manufacturing as efficient as possible – using fewer resources and generating less waste. The costs savings from eco-efficiency – particularly from energy savings – help our bottom line. Between 2008 and the end of 2019 Unilever had reduced GHG emissions from energy used in our factories by 65% per tonne of production contributing to cumulative cost avoidance from energy of over €733 million</p>

		<p>since 2008.</p> <p>Situation: In 2020 we reconfirmed our existing science-based target to have zero greenhouse gas emissions from energy and refrigerant use in our operations by 2030. In line with this goal we will continue to pursue further decarbonisation of our Operations.</p> <p>Task: We review opportunities to improve on a monthly basis and report progress and concrete examples on an annual basis.</p> <p>Action: Our ambitious eco-efficiency targets cover 261 of our manufacturing sites & 81 non-manufacturing sites. By the end of 2019, 24 of Unilever's sites globally were carbon neutral (up from 15 in 2018). Task: This means that these sites have no net impact on CO2 levels in the atmosphere. These sites have used a variety of renewable energy sources to move away from fossil fuels. For example, in the UK and Ireland, 10 of our sites use renewable electricity from a 23-turbine strong wind farm in Lochluichart, an onshore wind farm in the Scottish Highlands. We're also advocating for increased investment in offshore wind power in the UK, together with other businesses and NGOs such as SSE, Greenpeace and the WWF. Since September 2019, we have been using 100% renewable grid electricity across 5 continents. This will extend to all continents by the end of 2020.</p>
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C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

Financial planning elements that have been influenced	Description of influence
Row 1	<p>Revenues</p> <p>Impacted for some suppliers, facilities, or product lines</p> <p>Our 2°C & 4°C scenario analysis helps us determine the financial risks and opportunities associated with climate change on an annual basis. Our scenarios assess the potential impact of climate change over the long term on key commodities. However, we also face physical climate change risks and opportunities in our supply chain and direct operations over the short and medium term – notably from the effects of extreme weather (direct operations and sourcing) and water scarcity, impacting consumer use of our water-reliant products.</p> <p>(Situation/Task) Unilever's revenue growth and profitability is determined by our portfolio, geographical and channel presence and how these</p>

	<p>evolve over time in response to consumer demand. Failure to pre-empt or respond to changing consumer preferences or needs could limit our growth and, therefore actively capitalizing on the opportunities, fuels it. During periods of drought consumers may reduce their use of certain products including laundry detergents, shampoos and conditioners, and toilet cleaners as they are unable to access water to use them or experience declining water quality which limits their enjoyment and/or efficacy.</p> <p>(Action) We are investing some of our 800+m euro spend in creating new products and adapting current formulations to work just as well with less water, poor quality water or no water at all (i.e. dry shampoos), with a particular focus on household cleaning, skin cleansing, oral and hair care. Our financial planning in relation to our product innovations focuses on the short term. Many of our Beauty & Personal Care and Home Care products now have fast-rinse technology as standard, using less water or low temperature washing. We have also developed dry shampoos (e.g. TRESemmé) and 'leave in' conditioners such as our 'The good stuff' brand (launched in the US in 2019) no rinse formula which saves on average 99 seconds per shower, amounting to a possible 460 litres of water being saved per bottle sold.</p> <p>To further capitalise on the future revenue opportunities, our M&A strategy aims to acquire new businesses which serve specific consumer segments such as sustainability conscious consumers. A number of our recent acquisitions, including Pukka Herbs, Sundial, Mae Terra, Seventh Generation, and OLLY Nutrition, are recognised as B Corps – meaning they have met stringent environmental and social criteria as laid out in the B Corp impact assessment. For example, Seventh Generation advocates for renewable energy and is taking action to decarbonise its own business and Pukka Herbs has its own science-based zero carbon goal. Our financial planning in relation to M&A and divisional strategies tends to focus more on the medium-term.</p> <p>(Result) Impact on revenue is currently moderate but likely to be higher in the future. For example, based on our sales projections, we estimate that the sale of products which address water scarcity issues could yield around €2-3 billion cumulative incremental turnover by 2025.</p>
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C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2015

Covered emissions in base year (metric tons CO₂e)

1,858,924

Covered emissions in base year as % of total base year emissions in selected

Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO₂e)

1,062,633.13

% of target achieved [auto-calculated]

42.8361175605

Target status in reporting year

Underway

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

This target is a continuation of Abs1 reported in 2019. Unilever committed to reduce scope 1 and 2 GHG emissions 100% by 2030 from a 2015 base year. This target has been approved by the Science Based Targets Initiative as meeting the 1.5 degree C warming scenario. We will achieve the target through: 1) reducing intensity of energy consumption and 2) use of 100% renewable energy for all residual energy requirements. During 2019, the fourth year of this target, we reduced absolute scope 1+2 emissions by 32.7% vs 2018, with scope 1 emissions reducing by 13.3% and scope 2 emissions reducing by 50.4%. Progress accelerated in 2019 as we met our RE100 target to achieve 100% renewable grid electricity by 2020 a year early.

Target reference number

Abs 2

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2015

Covered emissions in base year (metric tons CO₂e)

1,858,924

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2040

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

1,062,633.13

% of target achieved [auto-calculated]

42.8361175605

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This target is a continuation of Abs2 reported in 2018. Having achieved zero scope 1+2 emissions by 2030 (target Abs1), as a long term target we will ensure that existing operations maintain this status and new operations are designed to operate using 100% renewable energy.

This target will supersede target Abs1 after 2030. During 2019, the third year of this target, we reduced absolute scope 1+2 emissions by 32.7% vs 2018, with scope 1 emissions reducing by 13.3% and scope 2 emissions reducing by 50.4%. Progress accelerated in 2019 as we met our RE100 target to achieve 100% renewable grid electricity by 2020 a year early.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2019

Target coverage

Business activity

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Intensity metric

Other, please specify

Metric tons CO2 per metric ton of production

Base year

2018

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.07045537

**% of total base year emissions in selected Scope(s) (or Scope 3 category)
covered by this intensity figure**

91

Target year

2019

Targeted reduction from base year (%)

26.5

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.051784697

% change anticipated in absolute Scope 1+2 emissions

-24.1

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.07528952

% of target achieved [auto-calculated]

-25.8916750727

Target status in reporting year

Expired

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This target applies to Unilever's manufacturing sites only, excluding distribution centres, warehouses, offices and data centres which comprised 9% of scope 1+2 emissions in 2018. Unilever's medium-term target for emissions of CO₂ from energy used in manufacturing is that emissions in 2030 will be zero. In addition to this absolute target, we set annual relative targets for each eco-efficiency metric to assess progress and keep us on track towards our long-term goal. Our target for 2019 was a reduction per tonne of production of 26.5%. Our reporting year runs from 1st October 2017 - 30th September 2018, hence start and target dates set as '2018'.

Target reference number

Int 2

Year target was set

2010

Target coverage

Business activity

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based) + 3 (upstream and downstream)

Scope 1+2 (market-based) +Scope 3 (upstream & downstream)

Intensity metric

Other, please specify

Metric tons CO₂e per consumer use

Base year

2010

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.0000445

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

70

Target year

2030

Targeted reduction from base year (%)

50

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.00002225

% change anticipated in absolute Scope 1+2 emissions

-100

% change anticipated in absolute Scope 3 emissions

-5

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.0000453

% of target achieved [auto-calculated]

-3.595505618

Target status in reporting year

Underway

Is this a science-based target?

Yes, this target has been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)

Unilever has committed to reduce GHG emissions from the life-cycle of its products by 50% per consumer use by 2030 from a 2010 base-year. This target has been approved by the Science Based Targets Initiative. Based on projections for changes in the number of consumer uses of our products by 2030, this equates to a 5% decrease in absolute emissions. Within this target, we aim to reduce emissions from our own operations (scope 1+2) by 100% by 2030. The baseline for 2010 was calculated from a portfolio of products across 30 countries, covering approximately 70% of our total GHG footprint.

By 2019, the emissions intensity had increased by 6% compared to 2010, particularly due to the growth of our skin cleansing and hair portfolios, which has resulted in an increase in the number of uses of our products in hot showers taken by our consumers. However, as our turnover increased by 17% in the same period, this does demonstrate that we have decoupled emissions from business growth. We've created a detailed plan to annually assess the feasibility for Unilever to reach our halving target by 2030, taking both external transitions towards a low-carbon society as well as the latest available data and assumptions about our GHG footprint into account. The Unilever Leadership Executive annually evaluates the progress we are making towards reaching our 2030 halving GHG goal by reviewing the latest footprint results and the cross-function low-carbon transition roadmaps.

Base year and start year clarification: 2010 was the first year of our reporting (in our 2011 Unilever Sustainable Living Plan Report) and is our baseline. We compare our cumulative progress to 2010, as stated in the target.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2016

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

metric ton of product

Base year

2015

Figure or percentage in base year

59

Target year

2020

Figure or percentage in target year

100

Figure or percentage in reporting year

84.6

% of target achieved [auto-calculated]

62.4390243902

Target status in reporting year

Underway

Is this target part of an emissions target?

This target is part of target Abs 1, our SBTi approved target to reduce scope 1 + 2 emissions by 100% by 2030

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

Unilever was a founder signatory to the RE100 campaign and has committed to source 100% renewable grid electricity across all operations by 2020. This is part of a wider target to use 100% renewable across all operations by 2030

Target reference number

Low 2

Year target was set

2016

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: energy carrier

All energy carriers

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

metric ton of product

Base year

2015

Figure or percentage in base year

28.7

Target year

2030

Figure or percentage in target year

100

Figure or percentage in reporting year

45.8

% of target achieved [auto-calculated]

23.9831697055

Target status in reporting year

Underway

Is this target part of an emissions target?

This target is part of target Abs 1, our SBTi approved target to reduce scope 1 + 2 emissions by 100% by 2030

Is this target part of an overarching initiative?

Science-based targets initiative

Please explain (including target coverage)

Unilever's overall target is to consume 100% renewable energy across all operations by 2030. As an interim target, we aim to consume 50% renewable energy by 2020. In addition, we will completely remove the use of coal from our energy mix and source 100% renewable grid electricity by 2020.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2018

Target coverage

Business division

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency
GJ

Target denominator (intensity targets only)

metric ton of product

Base year

2018

Figure or percentage in base year

1.27

Target year

2019

Figure or percentage in target year

1.22

Figure or percentage in reporting year

1.25

% of target achieved [auto-calculated]

40

Target status in reporting year

Expired

Is this target part of an emissions target?

This target is part of target Abs 1, our SBTi approved target to reduce scope 1 + 2 emissions by 100% by 2030. We consider reducing energy consumption as being the number 1 priority towards reducing absolute CO2 emissions as it also gives a cost benefit which can be re-invested in renewable energy.

Is this target part of an overarching initiative?

Science Based Targets initiative

Please explain (including target coverage)

This target applies to Unilever's manufacturing sites only, excluding distribution centres, warehouses, offices and data centres which comprised 4% of energy usage in 2019. Our Unilever Sustainable Living Plan manufacturing targets are based on CO2 emissions. Clearly, energy used in manufacturing is central to achieving this target and we therefore set annual targets each year to drive reductions in energy used in manufacturing. In 2018, we set a stretching target of 6% reduction of energy used in manufacturing per tonne of production. We achieved 1.6% reduction in this intensity measure relative to the previous 12 months. We aim to set stretching targets, with the potential to underperform, rather than set unambitious targets that we are certain to meet. Compared to our baseline year of 2008, energy use per tonne of production in 2019 was 29% lower.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	7	9,759
Implemented*	229	67,142
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes
Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)

6,065.61

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,127,484

Investment required (unit currency – as specified in C0.4)

1,914,351

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption
Solid biofuels

Estimated annual CO2e savings (metric tonnes CO2e)

8,059.33

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

212,498

Investment required (unit currency – as specified in C0.4)

1,105,200

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes
Cooling technology

Estimated annual CO2e savings (metric tonnes CO2e)

10,058.96

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2,184,955

Investment required (unit currency – as specified in C0.4)

4,881,665

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes
Waste heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)

20,129.88

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3,328,552

Investment required (unit currency – as specified in C0.4)

5,507,761

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

2,391.36

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

480,222

Investment required (unit currency – as specified in C0.4)

1,094,206

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings

Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)

6,060.99

Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,436,603

Investment required (unit currency – as specified in C0.4)

2,264,536

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

13,384

Scope(s)

- Scope 1
- Scope 2 (location-based)
- Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3,443,811

Investment required (unit currency – as specified in C0.4)

5,786,825

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

- Low-carbon energy consumption
- Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

821

Scope(s)

- Scope 2 (location-based)
- Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

97,706

Investment required (unit currency – as specified in C0.4)

201,050

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption

Solar heating and cooling

Estimated annual CO2e savings (metric tonnes CO2e)

169

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

71,377

Investment required (unit currency – as specified in C0.4)

214,993

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Unilever allocates capital investment for those projects which contribute most significantly towards our Unilever Sustainable Living Plan targets to reduce CO2 emissions from energy use in manufacturing. To support our manufacturing sustainability strategy, Unilever has identified a global ring-fenced 'Clean Technology' capital fund to resource energy reduction projects (as well as other eco-efficiency and Scope 1 and 2 emissions reduction improvements) requiring higher level of investment (>€ 0.5 million). This fund is financed through a carbon penalty on CO2 emissions from our factories.

	The selection of projects for investment is managed globally and based on a combination of eco-benefit and financial return. Many employees have sustainable business ideas and factory teams can apply for investment for their ideas, which are evaluated on the basis of environmental benefit and financial return to ensure only the best projects are selected. In 2019 we invested €38 million in over 230 of the best energy and emissions reduction projects globally which will reduce global CO2 emissions by 5.4% (77000 tonnes CO2) and energy use by 2.5% (190000 MWh). This also ensures a quicker delivery of the environmental benefits. Supporting the best ideas identified by our factory teams through investment in individual projects and then rolling them out globally provides strong motivation to generate new ideas. We will therefore continue our Clean Technology investment programme in 2019 and beyond to leverage our global scale.
Dedicated budget for other emissions reduction activities	As part of our strategy to achieve 100% of purchased grid electricity from renewable sources by 2020, Unilever is now sourcing certified green power in all regions. Our business incurs a small cost premium for this compared to conventional grid electricity, but the cost is more than offset by cost savings from increased energy efficiency. However, we believe the cost is more than offset by cost savings from increased energy efficiency with the additional benefit of our brands being able to claim they are reducing their carbon footprint.
Internal price on carbon	An internal carbon price is applied to carbon emissions generated by the facilities across the Unilever manufacturing network to create the internal clean energy fund. This fund forms part of the group annual capex budget and is used to invest in renewable energy projects. In previous years, we also added a shadow price to all new capital investment decisions over €1 million. However, in practice it made little difference to the overall investment because we are fundamentally not a carbon or energy intensive industry. We have therefore chosen to focus our attention on the internal clean energy fund going forward.
Employee engagement	Everyone in our manufacturing organization is encouraged to share their successes in implementing reduction projects. Through our global Manufacturing Sustainability intranet site, project teams summarise their achievements in 'Proud Practices', which are then shared with all other sites. We now have over 170 'Proud Practices' to share. This acts as a spur for other manufacturing sites to repeat the project in their own factory and achieve rapid global roll out of eco efficiency projects.

C-AC4.4/C-FB4.4/C-PF4.4

(C-AC4.4/C-FB4.4/C-PF4.4) Do you implement agriculture or forest management practices on your own land with a climate change mitigation and/or adaption benefit?

Yes

C-AC4.4a/C-FB4.4a/C-PF4.4a

(C-AC4.4a/C-FB4.4a/C-PF4.4a) Specify the agricultural or forest management practice(s) implemented on your own land with climate change mitigation and/or adaptation benefits and provide a corresponding emissions figure, if known.

Management practice reference number

MP1

Management practice

Biodiversity considerations

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/similar practices on biodiversity conservation including: ensuring that high value conservation areas are not destroyed; ensuring that farms conserve all natural ecosystems and have not destroyed forest or other natural ecosystems; and ensuring that production activities do not degrade any protected area. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Primary climate change-related benefit

Increase carbon sink (mitigation)

Estimated CO₂e savings (metric tons CO₂e)

0

Please explain

There is research currently underway to quantify this for crops grown against Unilever's Sustainable Agriculture Code (SAC) standard.

Management practice reference number

MP2

Management practice

Crop diversity

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. We ensure that we grow different

varieties of tea and do not exceed 10% of cropped area with any one variety. We maximise genetic distances between the varieties through breeding.

Primary climate change-related benefit

Increasing resilience to climate change (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

This management practice is about improving crop resilience and is not intended to directly reduce CO2e emissions.

Management practice reference number

MP3

Management practice

Contour farming

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/similar practices on preventing soil erosion. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Primary climate change-related benefit

Other, please specify

Soil, nutrients & moisture conservation

Estimated CO2e savings (metric tons CO2e)

0

Please explain

This management practice is about improving crop resilience to soil erosion and is not intended to directly reduce CO2e emissions.

Management practice reference number

MP4

Management practice

Diversifying farmer income

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Between 2006 and 2016 we worked with the Kenya Tea Development Agency (KTDA) and the NGO IDH, to provide education and training through Farmer Field Schools. The programme enabled 86,000 lead farmers to access initiatives aiming to improve their agricultural practices. It helped over 580,000 farms achieve the certification standards set by the Rainforest Alliance – establishing a solid foundation for tea growing in Kenya which continues to be run by KTDA.

Primary climate change-related benefit

Increasing resilience to climate change (adaptation)

Estimated CO₂e savings (metric tons CO₂e)

0

Please explain

This management practice is about farmer livelihoods and is not intended to directly reduce CO₂e emissions.

Management practice reference number

MP5

Management practice

Efficient equipment use

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO₂e savings (metric tons CO₂e)

0

Please explain

We do not currently measure emission reduction from efficient equipment use.

Management practice reference number

MP6

Management practice

Equipment maintenance and calibration

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/ similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Moreover, the plantation's own preventative maintenance programme manages this aspect.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from equipment maintenance and calibration.

Management practice reference number

MP7

Management practice

Enhanced forest regeneration practices

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/ similar practices. The standard is

available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Moreover, in Kenya, Unilever has collaborated with IDH on their Initiative for Sustainable Landscapes (ISLA) programme, which aims to restore and conserve 60,000 ha of the South West Mau Forest by 2030.

Primary climate change-related benefit

Increase carbon sink (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from enhanced forest regeneration practices.

Management practice reference number

MP8

Management practice

Fertilizer management

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Moreover, the plantation's own nutrient use efficiency monitoring program manages this aspect.

Primary climate change-related benefit

Reduced demand for fertilizers (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from fertiliser management.

Management practice reference number

MP9

Management practice

Fire control

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. This aspect is covered by a safety, health and environmental framework.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from fire control.

Management practice reference number

MP10

Management practice

Integrated pest management

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Primary climate change-related benefit

Reduced demand for fertilizers (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

This management practice is about climate adaptation and is not intended to directly reduce CO₂e emissions.

Management practice reference number

MP11

Management practice

Knowledge sharing

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. Training in good agricultural practices is provided to contract farmers (outgrowers) and staff at plantations.

Primary climate change-related benefit

Increasing resilience to climate change (adaptation)

Estimated CO₂e savings (metric tons CO₂e)

0

Please explain

This management practice is about climate resilience and is not intended to directly reduce CO₂e emissions.

Management practice reference number

MP12

Management practice

Low carbon energy use

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. Renewable energy infrastructure has been established at plantations, in the form of solar and hydroelectric schemes, as well as biomass conversion for boilers.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO₂e savings (metric tons CO₂e)

0

Please explain

We do not currently measure emission reduction from low carbon energy use at these sites.

Management practice reference number

MP14

Management practice

Organic farming

Description of management practice

An area of 389 hectares of Kenyan tea plantation has been converted from conventional to organic tea production.

Primary climate change-related benefit

Reduced demand for fertilizers (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

This management practice is about climate adaptation and is not intended to directly reduce CO2e emissions.

Management practice reference number

MP15

Management practice

Practices to increase wood production and forest productivity

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/ similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Primary climate change-related benefit

Increase carbon sink (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from practices to increase wood production and forest productivity .

Management practice reference number

MP16

Management practice

Permanent soil cover (including cover crops)

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. The harvesting of tea only involves picking leaves rather than extraction of the plant and exposure of soil. As such, soil cover is guaranteed.

Primary climate change-related benefit

Increase carbon sink (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from permanent soil cover .

Management practice reference number

MP17

Management practice

Pest, disease and weed management practices

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/ similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Primary climate change-related benefit

Reduced demand for pesticides (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

This management practice is about climate adaptation and is not intended to directly reduce CO2e emissions.

Management practice reference number

MP18

Management practice

Reducing energy use

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. Renewable energy infrastructure has been established at plantations, in the form of solar and hydroelectric schemes, as well as biomass conversion for boilers.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reductions from cuts in energy use at these sites.

Management practice reference number

MP19

Management practice

Reforestation

Description of management practice

Unilever tea plantations in Kenya comply with the Rainforest Alliance certification standard, which require such/similar practices.

A reforestation programme is in place and participatory forest conservation and reforestation being done with partners - community, the Sustainable Trade Initiative (IDH) Initiative for Sustainable Landscapes (ISLA) and the Kenya Forest Service.

Primary climate change-related benefit

Increase carbon sink (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from reforestation.

Management practice reference number

MP20

Management practice

Replacing fossil fuels by renewable energy sources

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. Renewable energy infrastructure has been established at plantations, in the form of solar and hydroelectric schemes, as well as biomass conversion for boilers.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

We do not currently measure emission reduction from renewable energy sources in Kenya and Tanzania.

Management practice reference number

MP13

Management practice

Land use change

Description of management practice

Unilever owns tea plantations in Kenya and Tanzania. These comply with the Rainforest Alliance certification standard, which require such/ similar practices. The standard is available here: <https://www.rainforest-alliance.org/business/sas/resource-item/rainforest-alliance-sustainable-agriculture-standard/>

Primary climate change-related benefit

Increasing resilience to climate change (adaptation)

Estimated CO₂e savings (metric tons CO₂e)

0

Please explain

This management practice is about climate adaptation and is not intended to directly reduce CO₂e emissions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Climate friendly freezers are ice cream cabinet freezers used for out of home ice cream purchases by our retail customers, which have lower energy use and lower emissions than previous versions. We have a range of cabinets in the market and have worked to reduce the energy consumption of the freezer cabinets we purchase, thus the average energy consumption of the cabinet fleet.

The climate-friendly hydrocarbon (HC) refrigerants we use in our freezers have a negligible global warming potential compared to previously used hydrofluorocarbons (HFCs). By the end of 2019, we had purchased over 2.9 million freezers using natural refrigerants. We continue to roll out climate-friendly HC freezers to our customers and to make our freezers more energy efficient. This programme is now just part of business as usual so we have retired the external formal target. Instead we will continue monitoring this at the local level to ensure climate-friendly cabinets continue to be available for our retailers.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

We define climate-friendly (hydrocarbon) refrigerants as propane and isobutane (R290 and R600a) refrigerants and HFC-free foaming gas.

% revenue from low carbon product(s) in the reporting year

0

Comment

This group of products is aimed at enabling third parties to reduce their emission which is why we have reported revenue as 0.

In 2018/2019, the freezers we purchased consumed on average 50% less electricity per freezer than those purchased in 2008, saving our customers money as well as reducing their GHG emissions. We estimated that €111 million in electricity costs (equivalent to around 0.20% of Unilever's turnover – not direct revenue for Unilever) were avoided by our customers (versus our 2010 baseline of energy).

Methodology to calculate: Unilever internal database of global cabinet purchases: countries, type of cabinets, age of cabinets. Based on this data, we can calculate annual energy consumption, GHG emissions and energy savings for our customers.

Assumptions from our carbon reporting

- Total number of cabinets within fleet uses same assumptions as Unilever carbon reporting, based on our cabinet purchasing database and model assumptions on replacement of older cabinets.

Assumptions from external sources

- The electricity cost is based on published electricity tariff data from the World Bank, March 2017 and assumes relevance of this source for electricity purchased by our wide range of global customers
- Cost calculation is based on 245 days annual operation only (March to October), assumption based on the seasonality of most ice cream markets

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2008

Base year end

December 31, 2008

Base year emissions (metric tons CO₂e)

1,167,662

Comment

None

Scope 2 (location-based)

Base year start

January 1, 2008

Base year end

December 31, 2008

Base year emissions (metric tons CO₂e)

1,622,369

Comment

None

Scope 2 (market-based)

Base year start

January 1, 2008

Base year end

December 31, 2008

Base year emissions (metric tons CO₂e)

1,618,220

Comment

None

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)
652,831.02

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

In calculation of Scope 2, market-based emissions and grid average emissions factors, as published by IEA, have been used where we do not have contractual instruments or specific contracts for reduced emission factor electricity purchases. We have not found it possible to obtain supplier-specific emission factors or residual mix data for markets where the GHG Protocol Scope 2 guidance suggests that they should be applied. For Unilever, this is primarily countries outside Europe and North America. We intend to apply supplier-specific emissions factors in subsequent years as soon as they become available.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

1,278,171.03

Scope 2, market-based (if applicable)

409,802.11

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Small non-manufacturing sites such as marketing and sales offices

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Energy consumption data (used to calculate Scope 1 and Scope 2 emissions) is currently captured for larger non-manufacturing sites (over 100 employees) in Unilever's Environmental Performance Reporting system. Data is not captured for smaller sites. We have estimated that emissions from these omitted sites represent below 2% of reported combined Total Scope 1 emissions and Scope 2 emissions and are therefore not considered to be relevant within Unilever's total emissions.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

14,448,185.71

Emissions calculation methodology

We measure the full GHG footprint of our product portfolio and annual sales using an LCA method compliant with the ISO 14040 standard. We use a combination of external Life Cycle Inventory databases (secondary data) and supplier specific data (primary data e.g. for surfactants, perfumes and some of food ingredients) to measure the GHG emissions of purchased ingredients and packaging materials used in the production of our products.. We measure approximately 3000 products across 14 countries – this represents approximately 80% of our annual sales volume. of our annual sales volume.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

25

Please explain

According to our analysis, GHG emissions from raw materials (including ingredients, primary and secondary packaging and inbound transport) accounts for 24% of our total GHG footprint - the second largest source of GHG emissions for Unilever. There are also significant risks associated climate change in our supply chain. For example. we conducted a 2 and 4 degree climate scenario study which found that some of the biggest risks for Unilever by 2030 were associated with the increased costs of raw materials from carbon pricing and supply constraints due to water stress and severe weather. Unilever is significant buyer of goods and services – especially agricultural raw materials – and is therefore well placed to exert influence on the supply chain to reduce carbon emissions over the long-term and manage climate risks in the short term, for example by mandating compliance with our Sustainable Agriculture Code 2.0 which addresses a range of climate related issues such as deforestation, soil management, water management and energy management.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

Given the nature of our business, we do not include the embedded emissions associated with capital goods. Our capital assets (factories and equipment) have long lifespans (>10 years) and their relative footprint is small (<1%) compared to the footprint of the volume of products they produce over their lifetime. This has been confirmed in Life Cycle Analysis studies (e.g. EU PEF studies).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

330,249

Emissions calculation methodology

CO₂e factors are based on 2019 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. Calculated from imported energy usage by energy type as reported in our web-based Environmental Performance Reporting (EPR) system for all Unilever owned manufacturing sites globally, plus warehouses, distribution centres, offices and data centres within our scope of reporting.

- CO₂e factors for fuels represent indirect emissions associated with the extraction and transport of primary fuels as well as the refining, distribution, storage and retail of finished fuels.
- CO₂e factors for imported energy for each country reflect indirect emissions of CO₂, CH₄ and N₂O associated with the extraction and transport of primary fuels as well as the refining, distribution, storage and retail of finished fuels used in the generation of electricity and heat.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Fuel and energy use emissions not included in scope 1 or 2 are reported in the relevant scope 3 emissions section

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

262,364.83

Emissions calculation methodology

In order to calculate emissions in this category, Unilever used ISO 14040 series of Life Cycle Analysis standards. We use life cycle inventory data for processes/activities using sources such as Ecoinvent, IEA energy data and internal data on habits and specifications. The studies are performed/ modelled in GaBi software. All of the data is based on secondary data. The results are obtained from Unilever's annual GHG footprint analysis.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation represents a small proportion (1%) of Unilever's full product life cycle-based GHG footprint.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

12,371

Emissions calculation methodology

In order to calculate emissions in this category, Unilever used CO₂e factors based on 2019 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. The data was calculated from volume of hazardous and non-hazardous waste disposed to landfill and recycled/recovered materials from manufacturing operations, considering the Scope 1 and 2 emissions of waste management suppliers that occur during disposal or treatment of the respective waste disposal route.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Data is 100% scope 1 and 2 emissions of waste management suppliers that occur during disposal or treatment of the respective waste disposal route.

Business travel

Evaluation status

Not relevant, explanation provided

Please explain

Unilever has conducted estimates of emissions associated with this category in the past and these have indicated them to be small (est. 1%) compared to size of our product footprint.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

Unilever has conducted estimates of emissions associated with this category in the past and these have indicated them to be small (est. <1%) compared to size of our product footprint.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

As a manufacturer of fast moving consumer goods, we have very limited or no upstream leased assets. We are a purchaser of raw materials and the emissions in our upstream value chain are accounted for in our scope 3 (suppliers) footprint. 0 related emissions related to this row.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

1,602,884.62

Emissions calculation methodology

In order to calculate emissions in this category, Unilever uses the ISO 14040 series of LCA standards. We use life cycle inventory data for processes/activities using sources such as Ecoinvent, IEA energy data and internal data on habits and specifications. The studies are performed/modelled in GaBi software. Downstream distribution is calculated using average distances and modes of transport derived from data collected from our distribution network and logistic providers. GHG emissions reported covers approximately 80% of sales.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

65

Please explain

According to our analysis, GHG emissions from downstream transportation and distribution (including distribution and retail) accounts for 8% of our total GHG footprint - the third largest source of GHG emissions for Unilever. There are also significant risks associated climate change in our downstream transportation and distribution chain. Our logistics network transports our finished goods over 1.5 billion kilometres each year from our factories to where they are sold. The transport sector is still heavily reliant on fossil fuels which means that as our business grows, our CO₂ emissions from transport are also at risk of increasing – impacting the cost of transportation as a result of carbon taxes. We can take direct action on these emissions. Since 2010, we've achieved a 38% reduction improvement in our CO₂ efficiency through reducing the overall number of kilometres travelled, avoiding wasted journeys and switching to greener transport options. We also work with retailers to introduce more energy efficient ice cream freezer cabinets - we've purchased over 2.9 million with lower carbon emissions.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Unilever sells finished products that do not require further processing. Emissions associated with the use of our products by our consumers are included in the section – use of sold products, therefore there are 0 emissions related to this row.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

39,730,116.39

Emissions calculation methodology

We measure the full GHG footprint of our product portfolio and annual sales using an LCA method compliant with the ISO 14040 standard. We measure the consumer use phase using a combination of primary habits data and on pack recommendations of use combined with life cycle inventory data. We measure approximately 3000 products across 14 countries – this represents around 80% of our annual sales volume.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

According to our analysis, GHG emissions from product use accounts for 65% of our total GHG footprint - by far the largest source of GHG emissions for Unilever. There are also significant risks associated with climate change which can affect product use e.g. water scarcity impacting the use of products which rely on water (such as laundry detergents and shampoos). Higher energy costs can also affect demand for personal and household care products due to the impact on disposable incomes. Taking action to reduce GHG from product use through energy-efficient (e.g. low/no hot water use) innovations or improving our packaging is a significant growth opportunity. Our Divisions (which manage over 400 brands and thousands of products) response to climate change has been guided by a review of the areas where we can have the biggest impact on mitigating climate risk or benefiting from climate opportunity.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

393,515.63

Emissions calculation methodology

In order to calculate emissions in this category, Unilever used ISO 14040 series of LCA standards. We use life cycle inventory data for processes/activities using sources such as Ecoinvent, IEA energy data and internal data on habits and specifications. The

studies are performed/modelled in GaBi software. All data in this category is based on secondary data.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

As per the emissions calculation methodology, there are 0 emissions related to suppliers or value chain partners for emissions related to End of life treatment of sold products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

The distribution and sale of our products involves various business partners (logistics and retail) as opposed to leased assets. Emissions from downstream activities associated with our products are reported in the downstream transportation and distributions section and therefore 0 emissions are separately captured against this row.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Given the nature of our business, we do not own any franchises so 0 emissions are related to this row

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for a business that sells fast moving consumer goods so 0 emissions are related to this row.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant. Data included in other scope 3 emissions categories so 0 emissions are related to this row.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant. Data included in other scope 3 emissions categories so 0 emissions are related to this row.

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO₂e)

14,448,185.71

Please explain

We use a mix of feedstocks across our portfolio and in our products, hence the numbers here are not specifically for agriculture/forestry derived materials only. We measure the full GHG footprint of our product portfolio and annual sales using an LCA method compliant with the ISO 14040 standard. We use a combination of external Life Cycle Inventory databases (secondary data) and supplier specific data (primary data e.g. for surfactants, perfumes and some food ingredients) to measure the GHG emissions of purchased ingredients and packaging materials used in the production of our products. We measure approximately 3000 products across 14 countries – this represents approximately 80% of our annual sales volume. According to our analysis, GHG emissions from raw materials (including ingredients, primary and secondary packaging and inbound transport) accounts for 24% of our total GHG footprint - the second largest source of GHG emissions for Unilever. There are also significant risks associated

climate change in our supply chain. For example, we conducted a 2 and 4 degree climate scenario study which found that some of the biggest risks for Unilever by 2030 were associated with the increased costs of raw materials from carbon pricing and supply constraints due to water stress and severe weather. Unilever is significant buyer of goods and services – especially agricultural raw materials – and is therefore well placed to exert influence on the supply chain to reduce carbon emissions over the long-term and manage climate risks in the short term, for example by mandating compliance with our Sustainable Agriculture Code 2017 which addresses a range of climate related issues such as deforestation, soil management, water management and We measure the full GHG footprint of our product portfolio and annual sales using an LCA method compliant with the ISO 14040 standard. We measure the consumer use phase using a combination of primary habits data and on pack recommendations of use combined with life cycle inventory data.

Activity

Consumption

Scope 3 category

Use of sold products

Emissions (metric tons CO₂e)

39,730,116.39

Please explain

According to our analysis, GHG emissions from product use accounts for 66% of our total GHG footprint - by far the largest source of GHG emissions for Unilever. There are also significant risks associated with climate change which can affect product use e.g. water scarcity impacting the use of products which rely on water (such as laundry detergents and shampoos). Higher energy costs can also affect demand for personal and household care products due to the impact on disposable incomes. We're taking action to reduce GHG from product use through energy-efficient (e.g low/no hot water use) innovations and improving our packaging, which is a significant growth opportunity. Our Divisions (which manage over 400 brands and thousands of products) response to climate change has been guided by a review of the areas where we can have the biggest impact on mitigating climate risk or benefiting from climate opportunity.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO₂.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	350,534.04	This is direct relation to CO2 emissions from biogenic fuel combustion.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Yes

C-AC6.8a/C-FB6.8a/C-PF6.8a

(C-AC6.8a/C-FB6.8a/C-PF6.8a) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

CO2 emissions from land use management

Emissions (metric tons CO2)

0

Methodology

Other, please specify

(CO2 emissions are managed but not measured and reported separately)

Please explain

We apply best management practices to minimise CO2 emissions on our plantations as required under the certification schemes but this does not involve estimation and reporting of CO2 emissions.

CO2 removals from land use management

Emissions (metric tons CO2)

0

Methodology

Other, please specify

(CO2 emissions are managed but not measured and reported separately)

Please explain

We apply best management practices to minimise CO2 emissions on our plantations as required under the certification schemes but this does not involve estimation and reporting of CO2 emissions.

Sequestration during land use change

Emissions (metric tons CO2)

0

Methodology

Other, please specify
Not applicable

Please explain

We have long-established plantations with no relevant/recent land use change.

CO2 emissions from biofuel combustion (land machinery)

Emissions (metric tons CO2)

0

Methodology

Other, please specify
(Aggregated and not reported separately)

Please explain

CO2 emissions from biofuels in non-Unilever owned operations are reported, if applicable, in our aggregated scope 3 product life cycle emissions that are reported on the basis of sales in 14 countries representing approx 80% of our total sales volume.

CO2 emissions from biofuel combustion (processing/manufacturing machinery)

Emissions (metric tons CO2)

350,534.04

Methodology

Default emissions factors

Please explain

These emissions relate to biogenic fuels such as biomass, wood/wood waste, liquid biofuels, fuel crops and biogas used as fuels within our manufacturing operations.

CO2 emissions from biofuel combustion (other)

Emissions (metric tons CO2)

0

Methodology

Other, please specify
(Aggregated and not reported separately)

Please explain

CO2 emissions from biofuels in non-Unilever owned operations are reported, if applicable, in our aggregated scope 3 product life cycle emissions that are reported on the basis of sales in 14 countries representing approx 80% of our total sales volume.

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Palm Oil

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Our GHG emissions for palm includes processing and soy derivatives. The figures provided are derived from our annual product footprint data which covers approximately 80% of sales volume (extrapolated to total sales) and is not calculated volume and is not from purchasing volumes. The numbers are calculated using an internationally agreed approach - using a life cycle assessment method compliant with the ISO 14040 standard. We measure approximately 3000 products across 14 countries.

Agricultural commodities

Soy

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Our GHG emissions for soy includes processing and soy derivatives. The figures provided are derived from our annual product footprint data which covers approximately 80% of sales volume (extrapolated to total sales) and is not calculated volume and is not from purchasing volumes. The numbers are calculated using an internationally agreed approach - using a life cycle assessment method compliant with the ISO 14040 standard. We measure approximately 3000 products across 14 countries.

Agricultural commodities

Timber

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We do not have data in an easy extractable format for paper and board.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Palm Oil

Reporting emissions by

Total

Emissions (metric tons CO₂e)

2,490,179

Change from last reporting year

Lower

Please explain

Our GHG emissions for palm oil includes processing. The figures provided are derived from our annual product footprint data which covers approximately 80% of sales volume (extrapolated to total sales) and is not calculated and is not from purchasing volumes. The numbers are calculated using an internationally agreed approach - using a life cycle assessment method compliant with the ISO 14040 standard. We measure the consumer use phase using a combination of primary habits data and on pack recommendations of use combined with life cycle inventory data. We measure approximately 3000 products across 14 countries. Emissions decreased compared to the previous year, due to a drop in total purchased volume from our divestment of the spreads business and in 2019, removal of associated volume from Unilever's volume tracking database.

Soy

Reporting emissions by

Total

Emissions (metric tons CO₂e)

186,679

Change from last reporting year

Lower

Please explain

Our GHG emissions for palm oil includes processing. The figures provided are derived from our annual product footprint data which covers approximately 80% of sales volume (extrapolated to total sales) and is not calculated and is not from purchasing volumes. The numbers are calculated using an internationally agreed approach - using a life cycle assessment method compliant with the ISO 14040 standard. We measure the consumer use phase using a combination of primary habits data and on pack recommendations of use combined with life cycle inventory data. We measure

approximately 3000 products across 14 countries. Emissions decreased compared to the previous year, due to a drop in total purchased volume from our divestment of the spreads business and in 2019, removal of associated volume from Unilever's volume tracking database.

Timber

Reporting emissions by

Total

Emissions (metric tons CO2e)

0

Change from last reporting year

About the same

Please explain

We do not have data in an easy extractable format for paper and board in order to add the emissions figure. Therefore, we have put 0.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000204431

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1,062,633

Metric denominator

unit total revenue

Metric denominator: Unit total

51,980,000,000

Scope 2 figure used

Market-based

% change from previous year

34

Direction of change

Decreased

Reason for change

The combined effect of a reduction in energy use per tonne of production including emissions reduction initiatives (19%) and procurement of renewable electricity (81%). Emissions reduction initiatives: (1) improved machine efficiencies (43% of total); (2) the introduction of newer technologies through capital investment (5%); (3) an increase in the use of renewable fuels (13%); (4) better recycling of waste heat for preheating etc (39%). This reduction in emissions intensity is consistent with Unilever's overall strategy to become carbon positive by 2030. The change in this intensity measure between 2018 and 2019 is presented on a like-for-like basis.

Intensity figure

0.05563477

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1,062,633

Metric denominator

metric ton of product

Metric denominator: Unit total

19,100,160

Scope 2 figure used

Market-based

% change from previous year

28.1

Direction of change

Decreased

Reason for change

In November 2015 we announced our Carbon Positive target to reduce scope 1+2 emissions to zero by 2030, alongside use of 100% renewable energy in our operations by 2020. In 2019, we achieved an annual total emissions reduction of 28% per metric tonne, with scope 1 and scope 2 decreasing by 7% and 47% respectively. The combined effect of a reduction in energy use per tonne of production including emissions reduction initiatives (19%) and procurement of renewable electricity (81%). Emissions reduction initiatives: (1) improved machine efficiencies (43% of total); (2) the introduction of newer technologies through capital investment (5%); (3) an increase in the use of renewable fuels (13%); (4) better recycling of waste heat for preheating etc (39%). This reduction in emissions intensity is consistent with Unilever's overall strategy to become carbon positive by 2030. The change in this intensity measure between 2018 and 2019 is presented on a like-for-like basis.C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	626,638	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	26,193	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Algeria	2,393.79
Argentina	27,148.37
Australia	6,029.47
Bangladesh	17,556.62
Belgium	296.49
Bolivia (Plurinational State of)	2,068.8
Brazil	53,201.03
Canada	7,261.86
Chile	7,351.74
China	6,645.24
Colombia	9,041.96
Costa Rica	3,998.92
Côte d'Ivoire	4,693.39
Cyprus	190.55
Czechia	0
Denmark	0
Dominican Republic	0
Ecuador	6,927.09

Egypt	6,723.42
El Salvador	6,458.77
France	14,025.82
Germany	18,589.93
Ghana	4,210.66
Greece	4,999.12
Honduras	3,540.1
Hungary	5,774.35
India	55,183.08
Indonesia	32,526.03
Iran (Islamic Republic of)	227.31
Ireland	0
Israel	14,461.75
Italy	21,589.21
Japan	0
Kenya	7,556.76
Lithuania	716.83
Malaysia	0
Mexico	16,146.98
Morocco	2,479.89
Myanmar	12,866.07
Nepal	771.25
Netherlands	5,449.99
Niger	1.81
Nigeria	13,790.5
Pakistan	8,483.54
Peru	0
Philippines	7,461.09
Poland	4,132.2
Portugal	8,297.93
Romania	4,038.97
Russian Federation	21,212.19
Saudi Arabia	2,978.24
South Africa	20,909.28
Spain	13,400.04

Sri Lanka	2,149.25
Sweden	0
Switzerland	1,663.58
Taiwan, Greater China	636.65
United Republic of Tanzania	116.81
Thailand	12,560.04
Trinidad and Tobago	112.9
Tunisia	1,024.06
Turkey	22,762.36
Ukraine	113.48
United Arab Emirates	1,519.93
United Kingdom of Great Britain and Northern Ireland	48,669.97
Uruguay	13.48
United States of America	65,049.73
Venezuela (Bolivarian Republic of)	840.3
Viet Nam	1,738.45
Zimbabwe	22.21
Austria	0
Ethiopia	28.92
Finland	0
Guatemala	0
Nicaragua	0
Panama	0
Singapore	0.8
Slovakia	0
Paraguay	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
-------------------	-------------------------------------

Africa	51,330.34
Europe	151,834.98
Latin America	136,850.44
NAMET & RUB	75,896.42
North America	72,311.59
North Asia	7,281.89
SEAA	73,181.95
South Asia	84,143.74

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4a/C-FB7.4a/C-PF7.4a

(C-AC7.4a/C-FB7.4a/C-PF7.4a) Select the form(s) in which you are reporting your agricultural/forestry emissions.

Total emissions

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location based (metric tons CO ₂ e)	Scope 2, market based (metric tons CO ₂ e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in Scope 2 market based approach (MWh)
Algeria	1,581.72	1,163.5	3,061.38	820.84
Argentina	24,324.51	5,728.35	64,351.79	49,441.96
Australia	33,239.93	33,239.93	43,871.77	0
Bangladesh	1,007.84	209.18	1,790.16	1,421.36
Belgium	880.83	0	4,727.9	4,727.9

Bolivia (Plurinational State of)	912.29	898.31	1,982.89	35.38
Brazil	25,219.02	0	247,771.12	247,771.12
Canada	0	0	26,346.66	26,346.66
Chile	9,575.91	830.03	23,517.23	19,803.21
China	68,082.19	20,665.38	125,936.41	80,871.71
Colombia	4,893.54	1,882.62	21,981.69	13,719.42
Costa Rica	57.9	0	5,468.22	5,468.22
Côte d'Ivoire	3,122.66	2,433.14	8,154.61	1,869.11
Cyprus	289.09	0	440.98	440.98
Czechia	151.37	0	286.74	286.74
Denmark	296.56	8.59	2,370.22	2,320.94
Dominican Republic	74.89	74.89	165.66	0
Ecuador	5,078.5	3,307.84	17,310.28	6,196.83
Egypt	10,347.85	7,863.92	22,352.35	5,405.73
El Salvador	819.8	0	5,449.71	5,449.71
France	4,814.42	169.82	94,538.47	90,870.66
Germany	60,212.58	15,539.75	210,746.56	168,655.22
Ghana	1,664.82	1,441.12	7,477.94	1,117.94
Greece	5,372.43	65.69	10,077.66	9,965.24
Honduras	2,204.53	0	5,722.68	5,722.68
Hungary	7,509.04	29.1	27,524.44	27,418.22
India	194,224.84	31,240.79	222,976.53	208,287.62
Indonesia	140,840.54	116,415.5	353,180.45	95,138.39
Iran (Islamic Republic of)	1,330.13	874.95	2,486.18	856.73
Ireland	127.37	0	307.35	307.35
Israel	25,446.64	18,496.25	44,163.37	12,275.5
Italy	29,908.83	24,196.71	138,987.78	17,122.13
Japan	2,982.3	0	5,493.35	5,493.35
Kenya	3,238.8	2,546.59	19,693.37	3,856.23
Lithuania	964.92	0	6,578.17	6,578.17
Malaysia	348.39	257.28	525.61	139.13
Mexico	31,109.41	0	76,443.8	76,443.8
Morocco	2,009.59	1,540.03	2,921.41	689.62

Myanmar	1,788.18	1,788.18	5,286.17	0
Nepal	0	0	1,967	1,967
Netherlands	13,289.7	686.79	28,285.81	26,880.76
Niger	151.02	139.88	157.51	0
Nigeria	1,461.16	1,263.49	3,534.48	477.94
Pakistan	15,159.11	10,347.51	58,318.43	32,318.07
Peru	66.43	17.92	257.19	183.82
Philippines	33,962.67	2,222.27	55,803.37	52,155.1
Poland	53,893.07	12,817.98	113,498.09	59,683.46
Portugal	2,532.65	0	8,509.64	8,509.64
Romania	3,223.87	0	9,939.22	9,939.22
Russian Federation	25,787.12	10,326.75	70,524.72	43,209.52
Saudi Arabia	9,988.56	7,191.12	13,944.04	3,920.17
South Africa	79,401.46	19,435.21	93,190.1	73,797.29
Spain	0	0	15,106.24	15,106.24
Sri Lanka	7,954.08	7,954.08	48,474.53	34,796.26
Sweden	293.21	0.84	24,667.06	24,589.61
Switzerland	121.6	0	4,514.97	4,514.97
Taiwan, Greater China	1,758.97	1,595.52	3,001.41	278.45
Thailand	25,789.49	19,814.45	82,525.31	12,335.94
Trinidad and Tobago	825.14	825.14	1,503.92	0
Tunisia	980.48	726.1	2,214.07	584.91
Turkey	46,776.06	8,660.51	103,849.32	82,084.04
Ukraine	389.44	6.86	932.84	916.01
United Arab Emirates	12,754.83	2,725.54	19,976.83	15,177.49
United Kingdom of Great Britain and Northern Ireland	46,228.65	702	151,706.78	149,693.59
Uruguay	7.52	2.29	240.44	195.92
United States of America	171,289.48	3,754.15	395,758.41	381,358.02
Venezuela (Bolivarian Republic of)	1,699.36	1,247.94	5,740.66	1,499.21

Viet Nam	12,592.64	2,101.55	27,589.15	23,010.72
Zimbabwe	502.73	172.2	615.07	380.53
Austria	35.8	9.95	232.07	171.31
Ethiopia	0.56	0.39	1,857.69	1,857.69
Finland	768.11	126.94	6,189.44	5,597.71
Guatemala	41.6	0	100.87	100.87
Nicaragua	77.35	0	221.83	221.83
Panama	72.71	21.14	281.44	213.89
Singapore	414.28	318.11	1,024.71	244.34
Slovakia	12.23	0	76.16	76.16
Paraguay	0.05	0.05	470.81	470.81
United Republic of Tanzania	1,813.67	1,679.96	6,174.96	530.78

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location based (metric tons CO ₂ e)	Scope 2, market based (metric tons CO ₂ e)
Africa	91,356.88	29,111.98
Europe	230,926.33	54,354.16
Latin America	107,060.46	14,836.52
NAMET & RUB	137,392.42	59,575.53
North America	171,289.48	3,754.15
North Asia	72,823.46	22,260.9
SEAA	248,976.12	176,157.27
South Asia	218,345.87	49,751.56

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	295,487	Decreased	18.7	An increase in the purchase of renewable grid electricity during 2019 reduced S2 emissions by 286,437 tonnes CO2 and new projects using renewable energy reduced S1+S2 emissions by 9,050 tonnes CO2, compared to total emissions of 1,578,880 tonnes CO2 in 2018. This equates to $(295,487/1,578,880)*100 = 18.7\%$ reduction in S1 + S2 emissions. Examples include: purchase of I-RECS in Argentina, India & Indonesia; PPA's in Colombia & Russia; replacement of fossil fuels by biomass in Brazil.
Other emissions reduction activities	122,465	Decreased	7.8	Specific emissions reduction projects, plus general efficiency improvement projects, during 2019 reduced S1 + S2 emissions by 122,465 tonnes CO2 compared to total emissions of 1578880 tonnes CO2 in 2018. This equates to $(122,465/1,578,880)*100 = 7.8\%$ reduction. Examples include increase in use of solar thermal technology, increase in use of biomass fuel to replace fossil fuels, insulation of pipes and tanks, maximising combustion efficiency of boilers and condensate recovery and utilisation of low grade heat that would otherwise be wasted. Specific emissions projects are as reported in question C4.3b and are coordinated centrally. General efficiency improvement projects are managed at individual factory level and are not reported in C4.3b, hence the difference in reported emissions between these 2 questions.

Divestment	86,025	Decreased	5.4	Reduction in emissions of 86,025 tonnes CO2 for sites divested during 2019 or 2018, compared to 1,578,880 tonnes CO2 reported in 2018. This equates to $(86,025/1,578,880)*100 = 5.4\%$ decrease in Unilever's S1 + S2 emissions.
Acquisitions	538	Increased	0.03	Additional emissions of 538 tonnes CO2 from acquired sites reporting for the first time in Unilever's global Environmental Performance Reporting system in 2019. This equates to $(538/1,578,880)*100 = 0.03\%$ increase in Unilever's S1 + S2 emissions.
Mergers	0	No change	0	Not applicable
Change in output	11	Decreased	0.7	Reduced emissions of 11,732 tonnes CO2 due to production volume and product mix changes, as reported by our existing factories in our Environmental Performance Reporting system. This equates to 0.7% decrease in S1 + S2 emissions of 1,578,880 tonnes CO2 $(11,732/1,578,880)*100 = 1.9\%$
Change in methodology	0	No change	0	Not applicable
Change in boundary	0	No change	0	Not applicable
Change in physical operating conditions	0	No change	0	Not applicable
Unidentified	0	No change	0	Not applicable
Other	0	No change	0	Not applicable

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

		Indicate whether your organization undertook this energy related activity in the reporting year
Consumption of fuel (excluding feedstocks)		Yes
Consumption of purchased or acquired electricity		Yes
Consumption of purchased or acquired heat		Yes
Consumption of purchased or acquired steam		No
Consumption of purchased or acquired cooling		No
Generation of electricity, heat, steam, or cooling		Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non renewable sources	Total (renewable and non renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	951,127.76	2,911,111.3	3,862,239.06
Consumption of purchased or acquired electricity		2,027,771.16	647,284.8	2,675,055.97

Consumption of purchased or acquired heat		244,625.67	305,764.02	550,389.69
Consumption of self-generated non-fuel renewable energy		14,843.82		14,843.82
Total energy consumption		3,238,368.41	3,864,160.12	7,102,528.53

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

2,429,634.23

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

2,138,360.37

MWh fuel consumed for self-cogeneration or self-trigeneration

291,273.86

Emission factor

0.0558

Unit

metric tons CO₂ per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO₂ factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO₂ emissions due to other GHG's not being material.

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

42,882.29

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

42,882.29

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0628

Unit

metric tons CO₂ per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material.

Fuels (excluding feedstocks)

Coal

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

132,553.39

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

132,553.39

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0927

Unit

metric tons CO2 per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material.

Fuels (excluding feedstocks)

Wood Waste

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

170,013.99

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

170,013.99

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0

Unit

metric tons CO2 per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material. As this fuel source is biogenic, for scope 1 emissions calculation it is reported with emission factor = zero.

Fuels (excluding feedstocks)

Solid Biomass Waste

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

450,089.32

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

450,089.32

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0

Unit

metric tons CO2 per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material. As this fuel source is biogenic, for scope 1 emissions calculation it is reported with emission factor = zero.

Fuels (excluding feedstocks)

Biomethane

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

23,816.55

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

23,816.55

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0

Unit

metric tons CO2 per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material. As this fuel source is biogenic, for scope 1 emissions calculation it is reported with emission factor = zero.

Fuels (excluding feedstocks)

Liquid Biofuel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

73,691.39

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

73,691.39

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0

Unit

metric tons CO2 per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material. As this fuel source is biogenic, for scope 1 emissions calculation it is reported with emission factor = zero.

Fuels (excluding feedstocks)

Wood

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

233,516.51

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

233,516.51

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0

Unit

metric tons CO2 per GJ

Emissions factor source

IPCC 2006, Volume 2, Chapter 2 Table 2.2

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material. As this fuel source is biogenic, for scope 1 emissions calculation it is reported with emission factor = zero.

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

306,041.39

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

306,041.39

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.07683

Unit

metric tons CO2 per GJ

Emissions factor source

Derived from IPCC 2006, Volume 2, Chapter 2 Table 2.2. This emission factor is a weighted average of emission factors for Light Fuel Oil, Heavy Fuel Oil and High Speed Diesel.

Comment

The source of data for CO2 factors for fuels is based on IPCC and we review the factors regularly to ensure that they remain within the range given. As our fuel use relates to fuel combustion, we only report CO2 emissions due to other GHG's not being material.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	124,396.96	92,872.1	14,843.82	14,255.48
Heat	3,752,685.92	3,701,962.72	951,127.76	950,334.56
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Africa

MWh consumed accounted for at a zero emission factor

178.14

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Africa

MWh consumed accounted for at a zero emission factor

1,857.69

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Africa

MWh consumed accounted for at a zero emission factor

71,404.76

Comment

Sourcing method

Heat/steam/cooling supply agreement

Low-carbon technology type

Biomass

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Africa

MWh consumed accounted for at a zero emission factor

10,446.92

Comment

Sourcing method

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Biomass

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

7,454.33

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

219,822.7

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

191,062.61

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

142,738.98

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

7,361.78

Comment

Sourcing method

Heat/steam/cooling supply agreement

Low-carbon technology type

Biomass

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

65,015.83

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

12,862.73

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

17,436.26

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

57,078.15

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

188,401.99

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

39,556.73

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

5,722.68

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

59,188.92

Comment

Sourcing method

Heat/steam/cooling supply agreement

Low-carbon technology type

Biomass

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Latin America (LATAM)

MWh consumed accounted for at a zero emission factor

52,691.21

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

NAMET & RUB

MWh consumed accounted for at a zero emission factor

42,488.41

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

NAMET & RUB

MWh consumed accounted for at a zero emission factor

916.01

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

NAMET & RUB

MWh consumed accounted for at a zero emission factor

721.11

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

NAMET & RUB

MWh consumed accounted for at a zero emission factor

82,940.77

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

NAMET & RUB

MWh consumed accounted for at a zero emission factor

36,778.89

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

NAMET & RUB

MWh consumed accounted for at a zero emission factor

2,095.37

Comment

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

North America

MWh consumed accounted for at a zero emission factor

28,595.31

Comment

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

North America

MWh consumed accounted for at a zero emission factor

379,109.37

Comment

Sourcing method

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

North Asia

MWh consumed accounted for at a zero emission factor

5,679.06

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

North Asia

MWh consumed accounted for at a zero emission factor

75,192.65

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

North Asia

MWh consumed accounted for at a zero emission factor

278.45

Comment

Sourcing method

Unbundled energy attribute certificates, other - please specify
Japan Natural Energy Certificate

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify
North Asia

MWh consumed accounted for at a zero emission factor

5,493.35

Comment

Sourcing method

Heat/steam/cooling supply agreement

Low-carbon technology type

Biomass

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify
SEAA

MWh consumed accounted for at a zero emission factor

61,638.13

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

SEAA

MWh consumed accounted for at a zero emission factor

71,193.67

Comment

Sourcing method

Heat/steam/cooling supply agreement

Low-carbon technology type

Biomass

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

South Asia

MWh consumed accounted for at a zero emission factor

54,833.58

Comment

Sourcing method

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

South Asia

MWh consumed accounted for at a zero emission factor

1,937.11

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

South Asia

MWh consumed accounted for at a zero emission factor

11,586.83

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify

South Asia

MWh consumed accounted for at a zero emission factor

1,967

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify
South Asia

MWh consumed accounted for at a zero emission factor

196,185.05

Comment

Sourcing method

Unbundled energy attribute certificates, other - please specify
PowerPlus

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify
South Asia

MWh consumed accounted for at a zero emission factor

12,280.76

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Geothermal

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify
SEAA

MWh consumed accounted for at a zero emission factor

50,191.82

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

1.25

Metric numerator

GJ

Metric denominator (intensity metric only)

Per tonne of production

% change from previous year

1.6

Direction of change

Decreased

Please explain

This metric relates to energy intensity within Unilever's manufacturing operations. Since 2008, energy intensity has been reduced by 29%, which has contributed to cumulative cost benefits of €730 million.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

- ⌚ Unilever's Basis of Preparation 2019 SLR PDF.pdf
- ⌚ 2019 Limited Assurance Report.pdf

Page/ section reference

P3 - The emissions captured within our Assurance Report are for our manufacturing operations as outlined in our master Basis of Preparation document. Therefore the % of reported emissions captured in the Assurance Report will align with 93% of reported emissions for Scopes 1 and 2 in CDP.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

93

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

- ⌚ Unilever's Basis of Preparation 2019 SLR PDF.pdf
- ⌚ 2019 Limited Assurance Report.pdf

Page/ section reference

P3 - The emissions captured within our Assurance Report are for our manufacturing operations as outlined in our master Basis of Preparation document. Therefore the % of reported emissions captured in the Assurance Report will align with 88% of reported emissions for Scopes 1 and 2 in CDP.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

88

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Biennial process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

- ⌚ 2019 Limited Assurance Report.pdf

Page/section reference

P2 - this verification includes more than just the consumer use. Our scope for our 'Halve the greenhouse gas impact of our products across the lifecycle by 2020' target includes six phases of the life cycle: raw materials (primary packaging, secondary packaging, ingredients), manufacturing, distribution, retail, consumer use, and disposal.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	ISAE 3410	<p>Our external assurance provider (PwC) includes in its assurance report the absolute and per tonne of production reduction in Scope 1 + 2 emissions for manufacturing emissions such that progress against our target in Metric tonnes CO2e per metric tonne of product is verified. This is vs baseline. Y-o-Y can then be found using the previous years Assurance Report.</p> <p>U 1, 2</p>
C4. Targets and performance	Year on year emissions intensity figure	ISAE 3410	<p>Our external assurance provider (PwC) includes in its assurance report the absolute and per tonne of production reduction (intensity) in Scope 1 + 2 emissions for manufacturing emissions such that progress against our target in Metric tonnes CO2e per metric tonne of product is verified. This is vs baseline. Y-o-Y can then be found using the previous years Assurance Report.</p> <p>U 1, 2</p>
C9. Additional metrics	Other, please specify Energy use per tonne of production	ISAE 3410	<p>Our external assurance provider (PwC) includes in its assurance report the absolute and per tonne of production reduction in Scope 1 + 2 emissions for manufacturing emissions such that progress against our target in Metric tonnes CO2e per metric tonne of product is verified.</p> <p>U 1, 2</p>
C8. Energy	Energy consumption	ISAE 3410	<p>Our external assurance provider (PwC) includes in its assurance report the energy use in gigajoules per tonne of production in 2019.</p>

			1, 2
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Unilever's Basis of Preparation 2019 SLR PDF.pdf

2019 Limited Assurance Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We no longer have any sites that remain within the EU ETS however, our strategy is focused around trying to reduce emissions faster than the Paris Agreement to decarbonize faster and below the carbon caps. Our manufacturing emissions reduction targets, supported by energy reduction targets, drive reductions in both Scope 1 and 2 emissions. We monitor governmental developments around actions to combat climate change and take proactive action to minimise the impact on our operations. We are advocating for changes to public policy frameworks that will enable accelerated decarbonisation, in line with the upper level of ambition of the Paris Agreement on Climate Change and we anticipate that will come via 1) the introduction of mandatory carbon pricing and 2) the setting of science-based climate targets – both of which we are campaigning for. Through alliances such as the We Mean Business Coalition (one of whose members is the RE100 coordinator, The Climate Group), we will continue to push for pro-climate market reforms.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

- Stakeholder expectations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities
- Other, please specify
 - Transition to a low carbon economy

 GHG scope as follows for Unilever internal carbon pricing schemes:

- Scope 1 (Unilever)
- Scope 1, 2 and 3 (Ben & Jerry's)

GHG Scope

- Scope 1
- Scope 2
- Scope 3

Application

We set an internal carbon price (€30 p/tonne) in 2016, increasing to €40 in 2018. This applied to emissions generated by facilities across our manufacturing network to create the internal clean energy fund. The fund formed part of the group annual CAPEX budget & was used for renewable energy projects. However, this didn't change behaviour as expected since energy-& consequently carbon costs-were immaterial to the capital costs over the assessed period. In previous years, we also added a shadow price to all new capital investment decisions over €1m. In practice it made little difference to the investment because we're not a carbon/energy intensive industry. We have therefore chosen to focus attention on the internal clean energy fund, raising our internal carbon price to €50 p/tonne for 2020. We also decided to end shadow carbon pricing, instead internally taxing capital expenditure budgets of our 3 Divisions based on emissions from the prior year. So far, over €120m has been allocated.

Actual price(s) used (Currency /metric ton)

40

Variance of price(s) used

In July 2016, Unilever introduced an explicit internal price of carbon of €30 per tonne. This was increased to €40 per tonne for the emissions of 2017 and continued for 2018 and 2019. For 2020, we are raising this to €50 per tonne. Our ice cream brand, Ben & Jerry's has an internal carbon price of \$10 per tonne which also covers Scopes 1, 2 and 3 emissions.

Type of internal carbon price

- Shadow price
- Internal fee
- Implicit price

Impact & implication

Prior to 2020, we used the internal price on carbon in two ways. First, to evaluate the business case for new capital investments of significant size, e.g. in new manufacturing capacity, plant or equipment. Secondly, we created an internal annual charge on emissions of CO₂ from our manufacturing network. This levy has created an internal Clean Technology fund for energy, waste and water-saving projects at our manufacturing sites. This greatly expands our ability to accelerate the rate at which we move towards our current 2030 ambition to achieve use of 100% renewable energy. In addition, our ice cream company Ben & Jerry's has instituted an internal carbon tax of \$10 for each metric tonne of its GHG emissions from farm to landfill. The company pays the tax itself with funds going towards internal GHG-reducing initiatives. 42% of its ice cream lifecycle emissions come from dairy so the company works with farmers to implement GHG footprint-reducing strategies, including manure separators that turn methane into bedding for cows. Additional measures include investing in solar panels at the Vermont ice cream factory, and installing electric vehicle charging stations at its facilities. Further to these explicit price of carbon, Unilever also applies an implicit cost of carbon (as defined by the UN Global Compact) by setting emissions reductions targets and delivering against them, so driving down emissions as if an explicit price were used in the decision calculation.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify

Suppliers must commit to the fundamental mandatory principles of Unilever's RSP which includes reducing their environmental impact. This is a prerequisite for supplying us.

% of suppliers by number

95

% total procurement spend (direct and indirect)

70

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Unilever spends around €34 billion on goods and services from around 60,000 suppliers annually, giving us the scale and impact to influence those in our wider value chain.

Across our value chain – operations; sourcing and manufacturing, our suppliers help us achieve our Unilever Sustainable Living Plan commitments such as zero net deforestation which contributes to our wider climate change commitments. Through our Responsible Sourcing Policy (RSP), suppliers must confirm they have read and are committed to the mandatory requirements we set under the RSP's fundamental principles. One of these fundamental mandatory principles is 'Business is conducted in a manner which braces sustainability and reduces environment impact'. Unilever then provide suppliers with implementation guidance to ensure compliance, as well as the RSP Audit Requirements document, outlining how we undertake due diligence.

In 2019, 70% of procurement spend was through suppliers meeting the Mandatory Requirements of our Responsible Sourcing Policy.

Impact of engagement, including measures of success

Our target that we have succeeded is set at 100% for procurement spend being met through suppliers meeting the mandatory requirements of the RSP. In 2019, we had achieved 70% of procurement spend, up from 61% in 2018, and 55% in 2017. Whilst we haven't met 100%, we are clearly progressing in the right direction to show that the process is working.

Comment

No comment required.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

80

% of customer - related Scope 3 emissions as reported in C6.5

10

Please explain the rationale for selecting this group of customers and scope of engagement

For the sake of this questionnaire, we are talking about consumers as our customers to align with CDP's expectations.

As consumer use accounts for over 60% of our GHG footprint, we focus a lot of our engagement on education & information sharing to encourage behavioural change. We prioritise based on the most material environmental impacts of our product portfolio, prioritising Laundry because it represents over 10% of Unilever's GHG footprint specifically. Consumers are becoming much more aware of the positive difference brands can make to social and environmental issues, and also the difference they themselves can make through their everyday shopping choices. Unilever's Making Purpose Pay research showed that 33% of those surveyed purchased products with sustainability in mind & 21% say that they would actively choose brands if their sustainable living credentials were clearer in marketing & on labelling.

We help consumers make a sustainable choice through the products we design & through communication online, on pack & in store. For example, our Laundry brands communicate with consumers through packs & online on how they can adopt better laundry habits to reduce their own environmental impacts – habits such as correct dosing, lower temperature washing, washing a full load & using shorter wash cycles. They also include the Washright logo on pack to support more sustainable washing. In Europe we are partners in the AISE 'I prefer 30' campaign.

In 2019 our Seventh Generation brand continued its campaign against climate change by working with the Sierra Club to increase the uptake of renewable energy across US cities. Our Love, Beauty and Planet brand continued ongoing their campaign called 'join the movement' which shares positive acts that our consumers are making across the

world to lower their environmental impacts i.e. planting to encourage biodiversity, utilizing eco-friendly transportation etc.

Strategy for engagement: Unilever reaches consumers in three main ways:

- Developing new products, such as dry shampoos or 'quick wash' laundry detergents, which change how people use products
- Communicating better habits to consumers on product packs, in stores and online; and
- Working with retailers, industry bodies and other partners to inspire people to take small actions that make a big difference.

Impact of engagement, including measures of success

In 2017 our WaterSavers initiative works with schools and football/soccer clubs, partnering with businesses and NGOs in the Netherlands to build awareness among young people of how changing behaviour – in particular, taking shorter showers – can make a real difference to GHG emissions. WaterSavers has reached over 83,000 children in over 1,100 schools. The initiative provided students with the information they need to encourage those around them to take five-minute showers, using our Five Levers for Change behaviour change methodology to tackle long-term habits. Following our partnership with Young Crowds, specialists in educational content, an additional 890 school classes signed up for the 2017–2018 WaterSavers school programme. In 2017, our WaterSavers programme won the European AIM Nudging for Good Excellence Award.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Biodiversity considerations

Description of management practice

Practices include afforesting with native species suited to the site conditions and those that contribute to improvement and restoration of ecological connectivity.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

We work with our suppliers and other stakeholders to promote forest certification through our purchases. We give preference to supplies delivered through the Forest Stewardship Council (FSC) certification scheme and accept other national schemes under the framework of the Programme for the Endorsement of Forest Certification (PEFC).

Climate change related benefit

Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)

Comment

These practices encourage the capture of carbon from the atmosphere, whilst boosting resilience of biodiversity and ecosystem services that forest provided, such as habitat for biological pest control species and fuel wood for farmers.

Management practice reference number

MP19

Management practice

Reforestation

Description of management practice

Practices include reforesting with native species suited to the site conditions and those that contribute to improvement and restoration of ecological connectivity. Practices to increase wood production and productivity: As an example, the PEFC standard requires that regeneration, tending and harvesting operations are carried out in time, and in a way that does not reduce the productive capacity of the site.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

We work with our suppliers and other stakeholders to promote forest certification through our purchases. We give preference to supplies delivered through the Forest Stewardship Council (FSC) certification scheme and accept other national schemes

under the framework of the Programme for the Endorsement of Forest Certification (PEFC).

Climate change related benefit

- Increasing resilience to climate change (adaptation)
- Increase carbon sink (mitigation)

Comment

These practices encourage the capture of carbon from the atmosphere, whilst boosting resilience of biodiversity and ecosystem services that forest provided, such as habitat for biological pest control species and fuel wood for farmers.

Management practice reference number

MP15

Management practice

Practices to increase wood production and forest productivity

Description of management practice

Practices to increase wood production and productivity: As an example, the PEFC standard requires that regeneration, tending and harvesting operations are carried out in time, and in a way that does not reduce the productive capacity of the site.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

We work with our suppliers and other stakeholders to promote forest certification through our purchases. We give preference to supplies delivered through the Forest Stewardship Council (FSC) certification scheme and accept other national schemes under the framework of the Programme for the Endorsement of Forest Certification (PEFC).

Climate change related benefit

- Increasing resilience to climate change (adaptation)
- Increase carbon sink (mitigation)

Comment

Practices to increase wood production and productivity: Such practices made foresters more economically resilient to future shocks and highly productive forests are better able to capture more carbon.

Management practice reference number

MP1

Management practice

Biodiversity considerations

Description of management practice

The SAC and equivalent schemes, stipulate management requirements for biodiversity, natural resources and ecosystem services, like the need for a plan to manage

Your role in the implementation

- Knowledge sharing
- Operational
- Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Increasing resilience to climate change (adaptation)

Comment

Management provides supporting services to agriculture, like pollination by bees and other insects. By supporting biodiversity, agriculture is better able to cope with shocks that could undermine productivity.

Management practice reference number

MP5

Management practice

Composting

Description of management practice

Some of the standards recognised by us have requirements for the production, application, handling and storage of compost. An example of a composting requirement is for the location of the storage area to be a safe distance from living quarters and waterways.

Your role in the implementation

- Knowledge sharing

Operational
Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Reduced demand for fossil fuel (adaptation)
Reduced demand for fertilizers (adaptation)

Comment

As an alternative to the use of synthetic fertilizers, this practice would reduce their use and the emissions attributed to fossil fuels used in production of the product.

Management practice reference number

MP3

Management practice

Contour farming

Description of management practice

As an example, farmers implementing the SAC are encouraged to use apply contour farming to mitigate soil erosion.

Your role in the implementation

Knowledge sharing
Operational
Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

- Reduced demand for fossil fuel (adaptation)
- Reduced demand for fertilizers (adaptation)

Comment

By reducing the risk of soil erosion and consequent loss of valuable nutrients, contour farming reduces overall fertilizer use.

Management practice reference number

MP10

Management practice

Integrated pest management

Description of management practice

As an example, farmers implementing the SAC are required to incorporate crop rotation into their integrated pest management plan.

Your role in the implementation

- Knowledge sharing
- Operational
- Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

- Reduced demand for fossil fuel (adaptation)
- Reduced demand for fertilizers (adaptation)

Reduced demand for pesticides (adaptation)

Comment

This activity is beneficial for preventing the build-up of particular pests and improving soil fertility, by rotating crops that have different nutrient requirements. As such, it may reduce the demand for synthetic fertilizers and pesticides, and their associated reliance on fossil fuels in production of these.

Management practice reference number

MP5

Management practice

Efficient equipment use

Description of management practice

Most standards require farmers have an energy management plan to identify, management and monitor energy use to gain efficiencies.

Your role in the implementation

Knowledge sharing

Operational

Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Emissions reductions (mitigation)

Reduced demand for fossil fuel (adaptation)

Comment

Reducing energy use will have a direct reduction in emissions associated with generation and fossil fuels implicated in this.

Management practice reference number

MP6

Management practice

Equipment maintenance and calibration

Description of management practice

As an example, farmers implementing the SAC are required to maintain and calibrate their machinery to ensure desired flow rates and distribution patterns are delivered.

Your role in the implementation

Knowledge sharing
Operational
Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Emissions reductions (mitigation)
Reduced demand for fossil fuel (adaptation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

This practice would optimise use of inputs, thus avoiding wastage and leading to the associated climate change benefits.

Management practice reference number

MP8

Management practice

Fertilizer management

Description of management practice

As an example, farmers implementing the SAC are required to take crop needs into account at all stages of growth and use this to design the Nutrient Management Plan.

Your role in the implementation

- Knowledge sharing
- Operational
- Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

- Emissions reductions (mitigation)
- Reduced demand for fossil fuel (adaptation)
- Reduced demand for fertilizers (adaptation)

Comment

Management would reduce emissions released through over-application of synthetic fertilisers and the emissions attributed to fossil fuels used in production of the product.

Management practice reference number

MP9

Management practice

Fire control

Description of management practice

As an example, farmers implementing the SAC must not use fire for land preparation or in-field disposal of harvest residues.

Your role in the implementation

- Knowledge sharing
- Operational
- Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Emissions reductions (mitigation)

Comment

By avoiding use of fire in farming practices, atmospheric pollution and associated emission would be avoided.

Management practice reference number

MP11

Management practice

Governmental or institutional policies and programs

Description of management practice

As an example, farmers implementing the SAC must comply with legal requirements applicable to the country of production. This could apply to laws prohibiting illegal deforestation.

Please ignore the management practice reference number. This is an additional management practice not already highlighted in 4.4a.

Your role in the implementation

Knowledge sharing
Operational
Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and

capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Emissions reductions (mitigation)

Increasing resilience to climate change (adaptation)

Comment

Legal compliance that prevents environmental damage and exploitation of resources has general benefits to ensuring resilience of the farming system is maintained and that emissions associated with activities like land use change from illegal deforestation are avoided.

Management practice reference number

MP10

Management practice

Integrated pest management

Description of management practice

As an example, farmers implementing the SAC must produce a plan that incorporate IPM principles of prevention, observation and intervention.

Your role in the implementation

Knowledge sharing

Operational

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Reduced demand for pesticides (adaptation)

Comment

Adoption of this approach ensures that precautionary measures inform the application of pesticides and that pesticide use is reduced through the opting for preventative measures or biological agents.

Management practice reference number

MP13

Management practice

Land use change

Description of management practice

As an example, farmers implementing the SAC may not convert high conservation value / high ecological value or high carbon stock land to farmland.

Please ignore the management practice reference number. This is an additional management practice not already highlighted in 4.4a.

Your role in the implementation

Knowledge sharing

Operational

Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Emissions reductions (mitigation)

Comment

By preventing conversion of natural or semi-natural land uses to agriculture, the release of stored carbon will be avoided.

Management practice reference number

MP18

Management practice

Reducing energy use

Description of management practice

As an example, farmers implementing the SAC must develop an energy management plan to reduce energy consumption.

Your role in the implementation

Knowledge sharing
Operational
Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions we source from.

Climate change related benefit

Emissions reductions (mitigation)

Comment

This will directly reduce emissions of the farm operation, given the emissions associated with upstream energy generation, where fossil fuel-derived sources are concerned.

Management practice reference number

MP15

Management practice

Timing of farm operations

Description of management practice

As an example, the timing of application of nutrients should consider weather conditions, to avoid runoff and loss of nutrient to rivers.

Please ignore the management practice reference number. This is an additional management practice not already highlighted in 4.4a.

Your role in the implementation

- Knowledge sharing
- Operational
- Procurement

Explanation of how you encourage implementation

Our role when sourcing against the SAC versus schemes recognised as equivalent with the principles and practices of sustainable agriculture differs.

Knowledge Sharing and Operational: For suppliers using Unilever's own code, an agronomic network of consultants implements the standard, through training and capacity building.

Procurement: For those suppliers of materials assured against external or industry-recognised standards, the demand Unilever procurement creates for sustainably grown materials, maintains and drives the uptake of these practices in the regions

Climate change related benefit

- Reduced demand for fertilizers (adaptation)

Comment

By timing the use of inputs to account for external factors, the wastage of inputs is avoided, thus avoiding the need for further application.

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support	<p>Unilever has publicly supported calls for carbon pricing and has introduced an internal carbon price in our investment decisions. Unilever has also signed a number of statements in support of carbon pricing, for example the Prince of Wales's Corporate Leaders Group Carbon Price Communiqué, the World Bank statement on carbon pricing and we are part of the UN Global Compact Carbon Pricing Coalition. In Paris, Unilever was part of the We Mean Business Coalition which called for a Price on Carbon as a key policy ask. Unilever's has also consistently called for a price on carbon, for example in at the World Bank for the Carbon Pricing Leadership Coalition in April 2016. Unilever also participated in the High Level Assembly of the CPLC in April 2018, and the Global Commission on the Economy and Climate whose policy recommendations include carbon pricing. We engage finance ministers and heads of state through our leadership, on the need for carbon pricing as a key policy solution to address climate change, for example at the World Economic Forum's CEO Climate Leaders Group at Davos.</p> <p>In 2019, we welcomed the report of the High Level Commission on Carbon Pricing and Competitiveness, which showed there was little evidence to support the view that carbon pricing damaged competitiveness – and that potential risks could be overcome by smart policy design.</p>	<p>Unilever believes that carbon pricing is a fundamental part of the global response to climate change. Unilever also recognises that without it, we are unlikely to be able to meet our own greenhouse gas reduction targets. By signing the World Bank carbon pricing statement, Unilever has added its name to governments and companies calling for a strengthening of carbon pricing policies to redirect investment commensurate with the scale of the climate challenge; bringing forward and strengthening the implementation of existing carbon pricing policies to better manage investment risks and opportunities; and enhancing cooperation to share information, expertise and lessons learned on developing and implementing carbon pricing through various "readiness" platforms.</p>

Energy efficiency	Support	<p>Unilever lobbied, as part of a coalition coordinated by Transport & Environment, for a strengthening of EU efficiency targets for trucks. A joint letter requesting a high level of ambition was well received and resulted in draft proposals significantly more ambitious than those for which the haulage industry had asked.</p> <p>In 2017 we were part of the CEPS Circular Economy Task Force which produced its report in 2018 with a number of recommendations to drive resource efficiency including energy efficiency in the EU.</p> <p>Through the EU Alliance to Save Energy, EUASE, Unilever has called for recognition that energy efficiency can drive forward the EU's competitiveness, energy security and climate change objectives, and for ambitious energy efficiency targets for 2030. In the US, Unilever has signed the BICEP (Business for Innovative Climate and Energy Policy) Climate Declaration, which specifically mentions the importance of energy efficiency.</p>	<p>Energy efficiency measures, for example those that encourage the purchase and installation of more efficient boilers and appliances, will be critical to enabling a lower greenhouse gas impact across Unilever's product lifecycle. This is why Unilever has supported energy efficiency policies through organisations like EUASE and BICEP.</p> <p>Unilever believes that policy measures that incentivise, or indeed mandate, energy efficiency improvements have the potential to reduce greenhouse gas emissions cost effectively as well as create jobs and improve resilience to future high or volatile energy prices. Specifically, we support emissions performance standards in power generation and the tightening of energy efficiency standards for vehicles, appliances and buildings.</p>
Clean energy generation	Support	<p>Unilever supports renewable energy initiatives that deliver benefits on a lifecycle basis, helping to combat climate change and reduce dependency on fossil fuels. We are part of the RE100 campaign where we commit to 100% renewable energy and advocate for policies to support widespread adoption of renewables. In 2015 we announced new 'carbon positive' targets to source 100% of our energy across our operations from renewable sources by 2030 (this supersedes our previous target of sourcing 40%</p>	<p>As a member of the groups such as the World Business Council for Sustainable Development, the RE100 campaign, the EU Corporate Leaders Group on Climate Change and the Global Commission on the Economy and Climate, we have called for legislative measures including:</p> <ul style="list-style-type: none"> • The introduction of carbon pricing, including the removal of fossil fuel subsidies. • Incentives to support the development of clean energy generation. • Increases in research and

		<p>of our energy across our operations from renewable sources by 2020); source all our electricity purchased from the grid from renewable sources by 2020; eliminate coal from our energy mix by 2020; and in order to achieve our target of carbon positive by 2030, we set out to directly support the generation of more renewable energy than we consume and make the surplus available to the markets and communities in which we operate.</p> <p>As of start of 2020, Unilever is using 100% renewable grid electricity across all factories, offices, R&D facilities, data centres, warehouses and distribution centres. We also generate our own power at sites in 23 countries. In the US, Unilever has signed the BICEP (Business for Innovative Climate and Energy Policy) Climate Declaration, which specifically mentions the importance of clean energy generation and renewable energy. In 2015 we took part in CERES/BSR climate lobby day – a day of congressional lobbying on behalf of climate action.</p> <p>In the EU, Unilever has signed the Trillion Tonne Communiqué, which calls on governments to design a credible strategy to transform the energy system in order to reduce emissions to net zero before the end of this century. Unilever's CEO, Alan Jope also serves as a member of WEF's Alliance of CEO Climate Leaders.</p>	<p>development spending on renewable energy. Disclosure by companies of climate related financial risks.</p>
Other, please specify Net Zero Emissions Targets	Support	<p>We have actively pushed for global emissions targets of Net Zero by 2050, as part of the B-Team's campaign for ambitious climate action. We pushed for this language</p>	<p>Mandatory global goals of Net Zero Emissions by 2050. Country Level 2050 Pathways compatible with the Paris</p>

		<p>in the Paris the 1.5 degree reference in the text is widely understood to be synonymous with this level of ambition. Our advocacy included public letters, interventions directly to ministers asking for a long-term goal within the Paris Agreement and setting our own internal targets to show what is possible . This core message has been included in key advocacy engagements including media OpEds and on platforms such as the World Economic Forum in Davos and the UN Climate Change Bonn negotiations in May 2018, including the Talanoa Dialogue. Our CEO Alan Jope was a signatory to a letter to EU Heads of State in spring 2019 calling on them to adopt the European Commission's vision of a Climate Neutral Europe by 2050, and the EVP of our UK & Ireland business participated in a roundtable to push for the UK to adopt a Net Zero by 2050 target in line with the recommendation from the UK's Committee on Climate Change.</p> <p>We have also worked with the World Business Council for Sustainable Development to share best practice in the development of Power Purchase Agreements.</p>	<p>Agreement. Where relevant this goal should be enshrined in national polices too. We engaged at the Bonn negotiations in May 2018 to call for governments to give a signal that the ambition in Nationally Determined contributions will be raised during the 2018-2020 period, and asked that they signal this rise in ambition as early as COP24 in Poland in December 2018.</p>
Other, please specify Other: Global Phase down of HFCs & other	Support	<p>Unilever, as a founding member of Refrigerants, Naturally! has argued for natural refrigerants such as CO2 and hydrocarbon gases to be used as refrigerants in point of sale cooling equipment instead of Hydrofluorocarbons with much higher Global Warming Potential Values. In 2015 and 2016 Unilever, through Refrigerants Naturally!, advocated for the adoption of the</p>	<p>The inclusion of HFCs within the scope of the Montreal Protocol, to accelerate their global phase down in refrigeration applications.</p>

		Kigali Amendment to the amendment to the Montreal Protocol to also include the global phase down of HFCs.	
Other, please specify Sustainable biofuels	Support	<p>Unilever has undertaken a wide range of activities in order to influence decision makers on the issue of biofuels. These include publishing a brochure, "Promoting Sustainable Biofuels", and joining forces with peer consumer goods companies as well as environmental NGOs and aid charities. In the EU, Unilever has been active in promoting a cap on 1st generation biofuels and called for support for sustainable alternatives for the production of renewable energy. Through FoodDrinkEurope (FDE) we were in contact with the rapporteurs in the European Parliament in 2014/2015. Unilever chaired the FDE Task Force on Biofuels. The final agreement between the EU Parliament and the EU Council in April 2015 contains a 7% maximum limit of 1st generation biofuels and the obligation for Member States to stimulate alternatives, including 2nd generation biofuels and electricity for transport. In 2016 the EU Commission has tabled proposals for the use of renewable energy for the period 2020-2030. The EU Commission proposes to reduce the use of first generation biofuel and stimulate the use of better and more sustainable alternatives (electricity for transport and the use of 2nd generation biofuels). This is aligned with our advocacy which has been promoted consistently together with green NGOs. Furthermore, in 2017, the EU Parliament has proposed to</p>	<p>Unilever supports policies that accelerate the exploitation of cost effective, sustainable sources for renewable energy. However it is important to be mindful of negative unintended consequences that could arise in the pursuit of greenhouse gas reduction strategies. One such risk is the potential impact of biomass energy programmes and biofuel targets, in particular on food security and sustainable agriculture. World population growth and increased economic development will require a substantial increase in food production in the coming years. The additional use of foodgrade feedstock as biomass for energy on a large scale will compete heavily for land presently used for growing food. This could destabilise the world's food supply and increase local food shortages and prices. Unilever believes that most first generation biofuels are neither environmentally efficient nor cost effective ways to reduce greenhouse gas emissions. Many studies have shown that several first generation biofuels have a poor performance (which could even be negative) with regard to reducing greenhouse gas emissions and dependency on fossil fuels. Unilever also believes that the development of high performance, bioenergy technologies – including second</p>

		<p>eliminate the biofuel use (by 2020) of palm oil and other vegetable oils which are linked to deforestation.</p> <p>generation biofuels – with an efficient carbon and energy balance, is essential. New innovative bioenergy applications, together with the use of electricity for transport, would provide strong incentives for the application of renewable energy technologies while minimising the negative repercussions on food markets and food security. We believe there is a strong case for government and business investment in new technologies and further research on the sustainable use of biomass.</p>
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Consumer Goods Forum (CGF)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Consumer Goods Forum (CGF) is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serve the consumer goods industry worldwide. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format. Its member companies have combined sales of €3.5 trillion and directly employ nearly 10 million people, with a further 90 million related jobs estimated along the value chain. It is governed by its Board of Directors, which comprises more than 50 manufacturer and retailer CEOs.

The CGF's environmental sustainability work positions the consumer goods industry as a leader in tackling climate change, reducing waste and improving environmental stewardship in global supply chains.

In pulling its weight to tackle climate change, the CGF has identified three key areas where its members are well-positioned to effect significant change. These are:

- Reducing food waste across operations and throughout the rest of the value chain
- Tackling deforestation
- Phasing out the most polluting refrigerants

To help the industry align around a common set of targets, CGF members have publicly committed to certain business practices through resolutions on deforestation (2010), refrigeration (2010 and 2016) and food waste (2015): these issues continue to be recognised as significant sources of greenhouse gasses.

There is additional work with stakeholders to drive progress towards broader international goals, such as those set by the UN Sustainable Development Goals with a focus on developing partnerships (SDG 17). The CGF's environmental work is also working on SDG 12 (ensure sustainable consumption for all), SDG 13 (Combat climate change and its impacts) and SDG 15 (Protect the planet).

By joining forces and acting collectively, members of The CGF have a transformative impact.

How have you influenced, or are you attempting to influence their position?

Unilever's Chief Sustainability Officer, co-led the Sustainability Steering Committee during 2018. As co-lead, Unilever is very deeply involved in the development of both the CGF resolutions directly related to climate change on deforestation and sustainable refrigeration. Unilever's CEO, Alan Jope, is a member of the Board of Directors of the CGF.

Trade association

World Business Council for Sustainable Development (WBCSD)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

A key thrust of the WBCSD's work is to advance the international climate policy debate through an active involvement in multilateral processes, particularly the United Nations Framework Convention on Climate Change (UNFCCC), but also other organisations such as the OECD, the International Energy Agency or the World Bank. In 2015, WBCSD launched the Low Carbon Technology Partnerships Initiative (LCTPi), a joint programme between WBCSD, the International Energy Agency and the Sustainable Development Solutions Network which was also endorsed by the French Presidency of COP21. For COP21, the initiative aimed to demonstrate that business was going to Paris with action based solutions which drive and support policy decisions on climate. It has eight active 'business solutions' in development: on renewables, energy efficiency in buildings, CCS, cement, advanced biofuels, climate smart agriculture, forests and

chemicals. As one of the organisations that make up the 'We Mean Business' coalition, WBCSD believes that bold climate action is not a burden, but a historic economic opportunity, and has called for robust and stable carbon pricing. WBCSD has been actively engaging G20 leaders in support of the following positions – keeping the implementation of the Paris Agreement high on the political agenda, ensuring appropriate economic mechanisms to accelerate the low carbon transition, such as carbon pricing and the removal of fossil fuel subsidies, and to push for increased disclosure of climate related financial risks by companies.

How have you influenced, or are you attempting to influence their position?

Unilever takes part in the WBCSD's Low Carbon Technology Partnership Initiatives (LCTPi) to find business solutions to climate change. If implemented, the LCTPi could contribute 65% of the emissions reductions needed by 2030. We have supported the development of a WBCSD guide to help businesses achieve 100% renewable energy sourcing through purchase power agreements.

Trade association

UN Global Compact

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Caring for Climate, the relevant UNGC initiative on climate change, was launched by the UN Secretary General Ban Ki Moon in 2007. It is aimed at advancing the role of business in addressing climate change by creating a platform for business leaders to advance practical solutions and help shape public policy as well as public attitudes. • Caring for Climate is a business leadership platform that calls for the global business community to make a long-term and lasting commitment to taking action to tackle climate change. Caring for Climate works collaboratively on joint initiatives between public and private sectors to understand and determine how both the public and private sectors can best take proactive and effective action in tackling climate change. Caring for Climate also encourages the private sector to take practical actions to continuously drive improvements on issues such as resource efficiency, carbon footprint reduction, working with governments and NGOs, peers, employees, customers and investors, as well as the broader public. Caring for Climate describes its position in its statement which is included in the Further Information box below. Caring for Climate is part of the UNGC's Action Platform on Pathways to Low Carbon and Resilient Development.

How have you influenced, or are you attempting to influence their position?

In 2018, Unilever engaged directly with the Global Compact's climate action initiative and through our CEO's (Paul Polman) role as Vice Chair of the UN Global Compact. As members of the UNGC Action Platform on Pathways to Low Carbon and Resilient Development we help to steer the programme.

We are a member of the UNGC's Caring for Climate Campaign and we have implemented the UNGC's Business Leadership Criteria on Carbon Pricing. We also

support the UNGC's Guide to Responsible Engagement in Climate Policy, which calls for companies and trade associations to ensure their lobbying aligns with their public position on climate change. As members of the UNGC Action Platform on Pathways to Low Carbon and Resilient Development we help to steer the programme.

Trade association

Alliance of CEO Climate Leaders

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Alliance of CEO Climate Leaders is convened by the World Economic Forum. While not a trade association in the traditional sense, it does advocate policy positions in respect of climate change at an international level. In November 2018 the group issues an open letter to heads of state calling for the introduction of policies including the introduction of carbon pricing and the adoption of climate-related financial disclosure standards.

<https://www.weforum.org/agenda/2018/11/alliance-ceos-open-letter-climate-change-action/>

How have you influenced, or are you attempting to influence their position?

Alan Jope, CEO of Unilever, succeeded Paul Polman (our former CEO) as a member of the Alliance in January 2019 and Thomas Lingard, Director, Climate & Environment, is a member of the Senior Advisors group which develops and recommends the strategy to the CEOs.

Trade association

International Association for Soaps, Detergents and Maintenance Products (AISE)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

With regards to climate change, AISE is strongly committed to improving the sustainability of the European detergent and maintenance products industry as a whole by strong cooperation with the European legislators on this aspect, and by developing voluntary initiatives to reduce the environmental impact of the industry and its products.

- In 2013 AISE volunteered for the EU Commission's Product Environmental Footprint (PEF) 3 year pilot project that aims to set product category specific rules for reporting and/or communicating key product environmental scores. This will likely form the basis of EU sustainability initiatives for consumer products in the future.
- AISE voluntary initiatives include detergent compaction projects for laundry products, and the AISE Charter for Sustainable Cleaning which lays down principles of continuous improvement in production as well as defines criteria for the more sustainable detergent products.

Over 200 European companies have now committed to this Charter. • Furthermore AISE is strongly involved in consumer education to reduce the use of energy, water and chemicals in the use phase, via the Cleanright.eu portal and the 'I prefer 30' campaign that aims to reduce the average wash temperature used in Europe. This campaign was initiated in 2013 and ran until 2016 in 5 EU countries (UK, IT, FR, DK & BE), after which it delivered the results to the European Commission.

How have you influenced, or are you attempting to influence their position?

Unilever has been strongly engaged in the formulation of the AISE position and vision, and the execution of it. Unilever's brands have developed concentrated detergents that work at lower temperatures. Our Vice President of Regulatory Affairs is on the AISE Board.

Trade association

Personal Care Products Council (PCPC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The PCPC state 'PCPC and its Member Companies are aligned in their understanding of the immediate and potential long-term impacts of climate change and its effect on our planet, natural environment and the well-being of society. Member Companies are committed to reducing their CO₂ emission and implementing mitigation, adaptation and resilience strategies.' In 2010, the PCPC Board, with support from Unilever, approved Sustainability Principles that demonstrate the industry's commitment to three pillars of sustainability: - Environment - Society - Economy. As a part of this commitment, PCPC conducts training and informational seminars to help members advance in their adoption and implementation of these important priorities. PCPC actively supports ongoing work to target and identify plastic ocean debris to protect our environment.

How have you influenced, or are you attempting to influence their position?

We welcomed the launch of PCPC's sustainability initiative at the AGM in March 2020. Our EVP & COO NA for Beauty and Personal Care is Vice Chair of the PCPC.

Trade association

Ceres

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Ceres brings together industry groups to promote the business case for sustainability and advocate for climate change solutions to policymakers. Ceres' unique theory of change is to move investors, companies, policymakers and other capital market

influencers to take action on four global sustainability challenges: climate change, water scarcity and pollution, inequitable workplaces and outdated capital market systems.

How have you influenced, or are you attempting to influence their position?

Unilever US actively participates in all Ceres' industry meetings, calls and advocacy days. Annually we gather with other like-minded businesses in Washington D.C. to meet with policymakers to push for action on climate change. In 2019 we advocated specifically for a carbon pricing strategy.

Trade association

Climate Leadership Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CLC was founded by industry groups from the energy, automotive and CPG sector, along with environmental NGOs, to push specifically for a carbon pricing strategy, and in particular the Baker-Shultz plan which is a bipartisan carbon tax plan that would reduce emissions and return fees back to taxpayers.

How have you influenced, or are you attempting to influence their position?

Unilever US has been involved with CLC since its inception and is active in the working groups to shape the framework for a carbon tax plan.

Trade association

CEO Climate Dialogue

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The CEO Climate Dialogue attempts to advance federal climate policy based on its guiding principles that represent diverse industry sectors of the US economy. The guiding principles are that climate solution policy should: significantly reduce GHG emissions; deliver timely emissions reductions across the economy ; be market-based; be durable and responsive; do no harm; promote equity. Unique to this group is that it is really the leaders of the businesses (the CEOs) who are showing leadership by calling for action, and putting a face to the need for change in the industry.

How have you influenced, or are you attempting to influence their position?

Unilever is a member of the CEO Climate Dialogue and we have been inputting directly into the Guiding Principles for Federal Action on Climate.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Ensuring that our direct and indirect activities advance ambitious climate policy is an essential part of Unilever's climate change strategy:

Unilever's climate change strategy recognises the importance of limiting global average temperatures to well below 2 degrees, and preferably no more than 1.5 degrees above pre-industrial levels, in line with the Paris Agreement on Climate Change.

Policy advocacy in support of these ambitious climate goals is an explicit part of that strategy and a responsibility of the Chief Sustainability Office in partnership with Global External Affairs colleagues in key markets.

We use tools such as Influence Map, who track trade association influence on climate change, to check that organisations to which we belong are not – without our knowledge – lobbying against the policies we want to see enacted.

In June 2019, our CEO sent an open letter to all trade associations and business groups it was a member of, asking them to confirm their lobbying position on climate policy and whether or not it was aligned with Unilever's. Within this letter, our CEO urged these groups to consider whether the level of ambition for which they are advocating is truly consistent with the deep emissions cuts implicit in the Paris Agreement and that the latest science makes clear are necessary.

Where inconsistent positions are uncovered they are discussed by the Global Corporate Affairs Director and the Global Climate And Environment Director and an action plan formed – either to engage with that trade association to seek a change in their policy, a public clarification that on that issue they do not represent Unilever, or to take a decision exit that trade association.

We seek guidance on this issue from The Unilever Sustainable Living Plan (USLP) Council. The Council is made up of internationally respected independent external experts on a broad range of environmental, social and economic issues including climate change, sustainable agriculture and women's rights. The Council was reformed during 2017 and a first meeting of the new council took place in June 2018, including a number of global experts on climate policy influence:

The USLP Council includes:

Jonathan Porritt, Forum for the future

Katja Iversen, Women Deliver

Bill McDonough, Cradle to Cradle

Val Curtis, London School of Hygiene and Tropical Medicine

Kavita Prakash-Mani, WWF

Ricken Patel, Avaaz

Professor John Ruggie

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

 Unilever Annual Report and Accounts 2019.pdf

Page/Section reference

Pages 40 - 43 provide our TCFD disclosure.

Please also see p19 'Planet' and p22 'Our performance' for more information on our other GHG KPI's and performance narrative.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify
Also includes our SECR disclosure.

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Unilever Sustainable Living Plan - GHG.docx

Page/Section reference

See Greenhouse gases section of the Unilever Sustainable Living Report. Each content element from the below list is broken out on the pages.

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics
- Other, please specify

Transformation change agenda and how we're working with our partners

Comment

Unilever's Greenhouse gas emissions reporting is online as it is easier for our stakeholders to access and we are able to update the content more frequently.

This section of the Unilever Sustainable Living Plan includes our Governance, Strategy, Risks & opportunities, Emissions figures, Emissions targets and information on our climate advocacy efforts across the industry and with our wider stakeholders (i.e. NGO's, governments etc).

C13. Other land management impacts

C-AC13.1/C-FB13.1/C-PF13.1

(C-AC13.1/C-FB13.1/C-PF13.1) Do you know if any of the management practices implemented on your own land disclosed in C-AC4.4a/C-FB4.4a/C-PF4.4a have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.1a/C-FB13.1a/C-PF13.1a

(C-AC13.1a/C-FB13.1a/C-PF13.1a) Provide details on those management practices that have other impacts besides climate change mitigation/adaptation and on your management response.

Management practice reference number

MP8

Overall effect

Positive

Which of the following has been impacted?

- Soil
- Water
- Yield
- Other, please specify
 - Financial

Description of impact

Fertiliser management: optimising fertiliser application saves money for the farmer (economic sustainability) and prevents damaging nutrient loss to watercourses.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

A detailed fertilizer guide is developed and implemented each year.

Management practice reference number

MP10

Overall effect

Positive

Which of the following has been impacted?

- Yield

Description of impact

Integrated pest management: Minimises risk to health of workers and bystanders (social sustainability) and can lead to better pest control overall, through prevention of damage

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Monitoring for signs of pest and disease in plantations is undertaken. Biological control methods are used.

Management practice reference number

MP11

Overall effect

Positive

Which of the following has been impacted?

Other, please specify

Other: Improved livelihoods

Description of impact

Knowledge sharing: This has improved farming skills and business knowledge of farmers.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

The implementation of farmer field schools and training is conducted.

Management practice reference number

MP15

Overall effect

Positive

Which of the following has been impacted?

Yield

Description of impact

Practices to increase wood production and forest productivity: Greater yield of biomass and calorific value, and higher income for farmers.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Improved forestry and wood handling procedures and programs.

Management practice reference number

MP19

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Yield

Description of impact

Reforestation: The improvement of habitat has supported native wildlife, establishing a reservoir of natural enemies to crop pests, reducing pest or disease pressure.

Furthermore, these areas have improved surface water infiltration within watersheds and thus have helped to regulate water flow.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

A reforestation programme is in place and participatory forest conservation and reforestation being done with partners - community, ISLA and IDH, KFS

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Description of impacts

Biodiversity considerations: Improves habitat conditions for species, many of which are beneficial to agriculture, through the control of pests and pollination.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

A biodiversity action plan describes initiatives to deliver improvements to this dimension.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity
Soil
Water

Description of impacts

Biodiversity – considerations & composting: Improves soil fertility and structure, allowing soil to better retain water and improving habitat for soil biota.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Soil management measures are typically captured in a management plan. This ensures a defined set of management interventions are undertaken.

Management practice reference number

MP3

Overall effect

Positive

Which of the following has been impacted?

Biodiversity
Soil
Water

Description of impacts

Contour farming: Improve soil stability on sloped terrain helping to retain topsoil from the impact of weather events

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Soil management measures are typically captured in a management plan. This ensures a defined set of management interventions are undertaken.

Management practice reference number

MP2

Overall effect

Positive

Which of the following has been impacted?

Soil
Yield

Other, please specify
Pests

Description of impacts

Crop Diversity & crop rotation: Crop rotation is beneficial to soil, as it prevents the build-up of pests and allows nitrogen fixing crops to 'pass on' nutrients to the next crop. This improvement in soil health can lead to better yields. Moreover, rotations can prevent the risk of pest infestations.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

A farm management plan typically includes records of crop rotation for planning purposes.

Management practice reference number

MP8

Overall effect

Positive

Which of the following has been impacted?

Yield

Description of impacts

Fertiliser Management: Optimising fertiliser application saves money for the farmer (economic sustainability) and prevents damaging nutrient loss to watercourses.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

A nutrient management plan is kept by farmers to document crop needs, capture results from soil or tissue nutrient testing and application rates.

Management practice reference number

MP10

Overall effect

Positive

Which of the following has been impacted?

Yield

Description of impacts

Integrated Pest Management: Minimises risk to health of workers and bystanders (social sustainability) and can lead to better pest control overall, through prevention of damage to beneficial insects. Yields of crops may also be increased by reducing harmful exposure to pollinators.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

An integrated pest management plan captures management measures like recommended thresholds or triggers to spray pesticides by.

Management practice reference number

MP7

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Description of impacts

Enhanced forest regeneration practices & land use change: By preventing land use change of important ecological areas like forest, grassland or wetlands, their soil, biodiversity and water features will be preserved.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

A biodiversity action plan should identify areas of ecological importance that should not be converted to agriculture.

Management practice reference number

MP8

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Description of impacts

Fertiliser application: The appropriate timing of activity, accounting for weather conditions, avoids wastage of inputs and damage to biological features of agricultural land (e.g. pollution of rivers from fertiliser application).

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Management plans that apply to irrigation, pesticide and fertiliser use, should consider weather events).

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Supply Chain Officer Our CSCO is a member of our Unilever Leadership Executive (ULE) - the highest operational Board within Unilever.	Board/Executive board

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	51,980,000,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	Unilever measures Scope 1 and 2 emissions from all our manufacturing sites worldwide. We also estimate the emissions of our products across the lifecycle, including consumer use. However, the challenges Unilever faces in terms of allocation to different customers are: 1. The lack of specificity of data – manufacturing data is reported at site level and many of our sites manufacture a range of products across Food & Refreshments, Home care and Beauty & Personal care. We do not breakdown emissions within a site so we cannot allocate accurately to customers. 2. Scope 3 data is sufficiently specific as we collect emissions by stock keeping unit (SKU). However, it would be highly resource intensive and inefficient to link the emissions of each SKU to our sales by customer because our data systems are not designed this way and so the procedure would need to be manual. The challenge could to some extent be overcome if customers adopted The Sustainability Consortium's (TSC) KPIs and associated questions; and the CDP Supply Chain questionnaire aligned exactly with the TSC KPIs and questions and used the same SAP-run data system. For Unilever and other manufacturers, the benefits would be the efficiency and simplicity of an aligned set of KPIs in a single data system.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

Latin American Spanish

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms