

## W0. Introduction

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### W0.1

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#### (W0.1) Give a general description of 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. The strength of our global brands is reflected in Kantar's Brand Footprint report published in May 2018. Our business is organised across 3 geographies: the Americas; Europe; & emerging markets. Total turnover in 2018 was €50.9bn, with 58% of sales in emerging markets. From the beginning of 2018, Unilever began operating across three new Divisions created as part of our efforts to accelerate shareholder value creation. These divisions are Beauty & Personal Care, Foods & Refreshment & Home Care.

##### OUR VISION

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.

##### 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. **2018 HIGHLIGHTS**

- Our sustainable living brands grew 69% faster than the rest of the business & delivered 75% of total growth, showing support for our progress in sustainable growth
- Just under €1 bn invested in research & development
- Unilever was named leader of the Personal Products category in the 2018 Dow Jones Sustainability Index (DJSI) assessment.

##### DISCLAIMER

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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.

## W-FB0.1a

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### (W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Agriculture  
 Processing/Manufacturing  
 Distribution

## W0.2

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### (W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	October 1 2017	September 30 2018

## W0.3

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### (W0.3) Select the countries/regions for which you will be supplying data.

Algeria  
 Argentina  
 Australia  
 Bangladesh  
 Belgium  
 Bolivia (Plurinational State of)  
 Brazil  
 Cambodia  
 Canada  
 Chile  
 China  
 Colombia  
 Costa Rica  
 Côte d'Ivoire  
 Cyprus  
 Denmark  
 Dominican Republic  
 Ecuador  
 Egypt  
 El Salvador  
 Ethiopia  
 Finland  
 France  
 Germany  
 Ghana

Greece  
Honduras  
Hungary  
India  
Indonesia  
Iran (Islamic Republic of)  
Ireland  
Israel  
Italy  
Japan  
Kenya  
Lithuania  
Mexico  
Morocco  
Myanmar  
Nepal  
Netherlands  
Niger  
Nigeria  
Pakistan  
Philippines  
Poland  
Portugal  
Romania  
Russian Federation  
Saudi Arabia  
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  
Venezuela (Bolivarian Republic of)  
Viet Nam  
Zimbabwe

#### W0.4

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**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

#### W0.5

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**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

## W1. Current state

### W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Direct primary use: Good quality water is a vital ingredient in many of our Foods & Refreshment, Home & Beauty & Personal Care products. It is also vital for heating, cooling & cleaning processes in all 274 manufacturing sites. Without access to good quality freshwater we would not be able to produce products, would have to find alternative ways to access water (e.g. tankering) or would have to invest further into pre-treatment, resulting in lost of revenue. Worst case scenario, it would mean that we would have to relocate manufacturing volume /facilities. Indirect primary use: Many of our agricultural suppliers need access to freshwater to grow the agricultural raw ingredients we rely on. Most of our products also need water to be used eg shampoo & laundry detergent. Poor quality water or limited water availability constrains demand for our products as consumers reduce the frequency of use. Lack of water availability can translate into lack of supply & price volatility for us, resulting in the further revenue & increased costs. If consumers reduce frequency of use of products, we would also lose revenue from lower sales. Future importance: Water scarcity is already a material issue for Unilever however, if climate change continues to impact the frequency of extreme weather, availability of good quality freshwater will likely become more of a risk where it has a direct impact on our operations i.e. Parana Basin which is water stressed & we have 3 manufacturing sites. Whilst we are innovating to use less water ie Day2 which is made from 0.02% of the water used in a normal laundry load, we continue to use it as an input material and we still using it for cleaning. Given it is also a basic requirement for farming & for consumer use, it is unlikely it will it's importance to us will be downgraded in the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Direct primary use: Recycled, brackish & produced water are used in our manufacturing operations wherever possible. For example, our Amli factory in India is treating & reusing wastewater for utilities, such as cooling towers and boilers. This has created water savings of over 600m3 per year, with an investment payback of the project being less than a year. Reuse & recycling enables greater operational efficiency & minimises the amount of water we abstract from shared resources – this is important rather than vital, for multiple reasons varying by location, but could include: reduces competition for resources with neighbouring industry, community and environment, reduces costs of operations, needed to meet local regulation etc. Secondary benefits include energy & chemical efficiency, product recovery & cost reductions. Where not available, fresh water alternatives may be available. Indirect primary use: Sufficient amounts of indirect use of recycled or brackish water are important for irrigation of agricultural crops. This results in crop availability for our products. Most of our home & personal care products also need water. In areas of water scarcity, customers may reuse water from laundry rinsing to clean their floor with our products. In future, the amount of recycled, brackish &/or produced water available for use will likely gain increased importance as water shortages increase with consumers making compromises on where to use fresh water supplies. Future importance: With increasing stresses on water supplies through climate change, industrialization and population growth, it is likely that access to recycled, brackish and/or produced water will become more important to our operations in the future as we seek innovative ways to reduce our burden on water sources.

### W-FB1.1a

**(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.**

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Other, please specify (cocoa)	Less than 10%	Sourced	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Other, please specify (soy oils)	10-20	Sourced	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Other, please specify (Rapeseed)	10-20	Sourced	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Other, please specify (tea)	10-20	Both	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Palm oil	41-60	Sourced	The Water Footprint Network was used to identify water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Please select	Please select	Please select	

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Our global EPR system records withdrawals for 100% of manufacturing operations (absolute & relative to production). Data is collected on a monthly basis by each manufacturing operation & assured annually in line with ISAE 3410. Data is collected using utility bills & onsite meters, in line with Unilever's Basis of Preparation. Water withdrawals - Total volumes = sum of withdrawals for all UL factories. Externally we report global performance, internally we report site & region to drive improvements. For CDP our volumes are in line with GRI however, there is disparity between total withdrawals & the Total Abstraction metric reported in our online SLR as we report rainwater below the line & identify rainwater harvesting as a means of minimizing water abstraction & the impact of factories on shared water resources. In addition, Measurement, Monitoring & Targeting (MM&T) is now in 208 factories (approx 83% of our manufacturing footprint). Hourly information helps validate our data.
Water withdrawals – volumes from water stressed areas	100%	Our global EPR system records withdrawals for 100% of manufacturing operations (absolute & relative to production). Data on water withdrawal is collected on a monthly basis by each factory & is assured annually in line with ISAE 3410. Data on water stress is collected approximately every 2 years, and recorded in the EPR system, allowing us to monitor and track their performance separately to the total water for all operations and ensure that we take action where it matters the most. Water stress is assessed for 100% of Unilever factory locations using publicly available tools including WRI Aqueduct. Today, 40% of our manufacturing sites are located in areas classified as water stressed.
Water withdrawals – volumes by source	100%	Water withdrawals by source are reported in the global Environmental Performance Reporting (EPR) system for 100% of manufacturing operations. Water withdrawals by source is collected on a monthly basis by each factory. Within Unilever's central Environmental Performance Reporting (EPR) system we differentiate between water by source of abstraction, i.e. municipal, ground water, surface water etc for 100% of manufacturing sites. Data is collected using utility bills and onsite meters, in line with Unilever's Basis of Reporting. Where rainfall patterns suit, various sites have installed rainwater harvesting to minimize the amount of water that we abstract from municipal or ground water sources. Sites can monitor the use of collected rainwater through onsite flow meters and report via the EPR system.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sectors]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>

	% of sites/facilities/operations	Please explain
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Water withdrawals quality	100%	Water withdrawal quality is measured and reported for 100% of manufacturing operations, in line with the Unilever Safe Water Usage Guidance, part of the Unilever Good Manufacturing Practices (GMP). Information on water withdrawal quality is stored at site level and not reported centrally. The frequency of water withdrawal quality testing is subject to local conditions, for example, in some locations where we have a new local water supply, we will perform microbial testing on a weekly or daily basis. Control systems & methodologies applied are based on hazard analysis and critical control points (HACCP) study.
Water discharges – total volumes	100%	Water discharge volumes are measured 100% of manufacturing operations, as part of meeting local effluent & surface water compliance requirements. Information relating to discharge volumes is managed locally by the site teams & used for compliance, managing costs & targeting efficiencies. The frequency of monitoring is determined locally in accordance with regulatory requirements. The methods used to measure water discharges by volume at site are subject to technology, treatment type & regulatory requirements. The data used within the CDP report are based on a water model which estimates wastewater volumes based on technologies & product type. All manufacturing operations report key parameters on a monthly basis through the EPR system. Within our manufacturing process, some sites use non-contact cooling water, this is an efficient way of cooling where there is an abundance of water. The volumes of water returned back to source are reported as water discharges.
Water discharges – volumes by destination	100%	Water discharge volumes are measured and reported at a site level for 100% of manufacturing operations, as part of meeting local compliance requirements. The destination of the water discharge forms part of our consent and informs stakeholder management activities. The frequency of monitoring is determined locally in accordance with reporting requirements and to support site performance. In most cases, water discharge volumes are measured by flow meters. Volumetric data used within the calculations reported in CDP are based on a water model which assumes the wastewater volumes based on technologies and products at sites.
Water discharges – volumes by treatment method	100%	Water discharge volumes are measured & reported at a site level for 100% of manufacturing operations where applicable (i.e. not for zero liquid discharge sites), as part of meeting local compliance requirements. The frequency is determined locally in accordance with reporting requirements & to support site performance. COD data is reported centrally on a monthly basis within the global Environmental Performance Reporting (EPR) system for 100% of manufacturing operations. The methods used to measure the water discharges by volume at site are subject to technology, treatment type & regulatory requirements. Water treatment technologies vary by category, age & location. For instance, the effluent treatment for an ice cream factory will differ from a homecare factory due in large to the products it is creating ie fats, oils and grease from dairy ingredients
Water discharge quality – by standard effluent parameters	100%	Discharge water quality parameters are reported & monitored for 100% of manufacturing operations. Centrally, using our global EPR system, we track Chemical Oxygen Demand (COD) as a standard effluent parameter across all manufacturing operations. This is reported monthly & assured annually by external party (ISAE 3410.) At site level, the parameters monitored and reported will vary based on production type, discharge destination and local regulation e.g. may include BOD, pH, temperature. The frequency of monitoring is determined locally in accordance with reporting requirements and also used to support site performance. improvements The methods used to measure the water quality at site are subject to technology, treatment type and regulatory requirements. Water treatment technologies vary by category, age & location (for instance, the effluent treatment for an ice cream factory will be very different to a homecare factory).
Water discharge quality – temperature	51-75	Water discharge quality in terms of temperature is reported at a site level whenever applicable for local regulation. This is part of meeting local effluent and surface water compliance requirements. It is not a requirement for all manufacturing operations and therefore reported 51-75% of sites. Frequency of measurement can be a requirements of local compliance, and may also vary from site to site depending on the monitoring regime. For instance, approximately 63% of the sites monitoring temperature do so using continuous, or time / flow proportional composite sampling. We do not require sites to report & monitor water discharge temperature data centrally.
Water consumption – total volume	100%	Water consumption has been calculated using the definition recommended by CDP using information available for 100% of manufacturing operations . This is a calculated field using the measured data from above (water consumption=water withdrawal by volume – water discharge by volume). Water consumption as a metric is not used internally, but the data used is within the calculation is. In addition, we have been calculating our consumer water footprint since 2010, using data from a representative group of products in 5 water-using categories: Hair Care, Household Care, Laundry, Oral Care & Skin Cleansing, from 7 water-scarce countries. Our definition of domestic water scarcity is based on how many people in each country experience physical water scarcity and the number of people who lack access to sanitation and clean water. We calculate water impact annually, both at an absolute level & per consumer use, which is the water impact of our consumers doing a load of laundry or taking a shower.
Water recycled/reused	1-25	We take significant actions to reuse & recycle water in our manufacturing operations as it is one way to reduce our overall abstraction. These initiatives can include optimisation activities such as increasing the cycles of concentration in cooling towers, small loop recycling such as recovery & reuse of cleaning waters or more significant water recycling such as reuse of treated wastewater for utilities. Although our onsite metering now provides very granular oversight of water use, it is currently cost prohibitive & represents little value to measure & monitoring all reuse opportunities within the manufacturing operations. Where we have meters set up on recycle loops this measures water flows on a 1minute / 15minute basis depending on the flowrate & meters installed. Volumetric data used within this report are calculated based on a water model which estimates the water recycled/reused volumes created by technologies and processes. This uses annually reported data.

	% of sites/facilities/operations	Please explain
The provision of fully-functioning, safely managed WASH services to all workers	100%	Within 100% of manufacturing operations we provide access to WASH services for workers and ensure that we are meeting good practices laid out in the WBCSD WASH in the Workplace Pledge. We conduct an annual review through the SHE Positive Assurance Review for 100% of manufacturing & non-manufacturing sites. This includes a set of pre-defined questions around safety, health & the environment and includes a question relating to the WBCSD WASH in the Workplace Pledge. Based on responses, sites with significant improvement areas will be provided with action plans. We engage in partnerships and external advocacy to create systems change on WASH issues. For example, we have been signatories of the UN CEO Water Mandate since its inception, active members of the WBCSD WASH Leadership Group and the WEF WASH Steering Group.

## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	34208	Lower	Comparison with previous year: Total water withdrawals have reduced by 7% against the previous year. Explanation: This has been driven by continuous improvement programme, and in 2018 was the result of significant changes to product mix due to the divestment of the spreads business. Impact on Long term performance: By the end of 2018, we had achieved our 2020 target, cutting the amount of water abstracted by our factories by 44% per tonne of production since 2008. Future total withdrawal: It is anticipated that Unilever will continue to drive water efficiency within our operations, therefore will decrease, despite significant reductions to date, water efficiency continues to drive direct financial benefits. With increased water stress externally, this is also one way in which we can ensure that we value every drop.
Total discharges	20937	About the same	Comparison with previous year: Total discharges calculated for 2018 have decreased by 10%. Explanation: Changes in product mix within the portfolio as a result of the 2018 divestment, have hidden much of the progress made within the manufacturing network. We are adopting a Zero Liquid Discharge philosophy in many of our sites, which is eliminating discharge and reusing back into processes, as well as significant action on overall water reduction which in turn reduces the total demand for process water. Future total discharges: It is anticipated that as Unilever continue to drive water efficiency within our operations, and water reuse & recycling plays a much more significant role – our water discharge volumes will decrease. With increased water stress externally, this is also one way in which we can ensure that we value every drop. As our data accuracy improves for centrally monitoring and reporting water discharge, these volumes will be more reflective of the actions taken. Reporting / anomalies: Note that the 2017 CDP reported figure has been updated to provide comparable data & include the Non-Contact Cooling Water data (2017 data is now 23,213 mega litres).
Total consumption	13271	Lower	Calculated water consumption for 2018 has decreased by 2%. A combination of changes in product mix, 2018 divestment & improved water efficacy have resulted in changes to the water consumption. As our data accuracy improves for centrally monitoring & reporting water discharge, these volumes will be more reflective of the actions taken. Anomalies: Our 2017 CDP reported figure has been updated to provide comparable data & include the Non-Contact Cooling Water data into discharge volume (2017 data is 13,637 mega litres). In addition to the water consumed in manufacturing, water consumption was calculated using the definition provided by CDP (Technical Note). The boundary reported aligns with Total Withdrawal & Total Discharge to account for manufacturing only. We've been calculating consumer water footprint annually since 2010, using data from a group of products in 6 water-using sub-divisions in 7 water-scarce countries. In 2018, we estimated consumers used around 7.1 billion m3 of water when using our products. On average, each use required 13.8l of water. Vs 2010, the water associated with use reduced by around 2%, consistent with 2017. Our portfolio is now made up of more products with a higher-than-average water footprint however, we are aligning our strategy to overcome this. Eco-efficiency projects allow us to continue meeting demand, whilst reducing the water consumed/discharged. In 2018, we invested in 57 projects which are expected to save around 900m litres of water per year & generate €2.5m in cost savings. Water efficiency is building up resilience to the impacts of climate change & helping us prepare for a future where natural resources will be increasingly scarce. Future total discharges: There has been recent changes to the preservatives used in many of our products, resulting in increased washing requirements. This is likely to be short term. Further delivery in efficiency, identified through MM&T is expected to continue to deliver savings.

## W1.2d

**(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.**

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	35	About the same	WRI Aqueduct	Tool used: 100% Unilever manufacturing operations are allocated a water stress rating based on a combination of the WRI Aqueduct tool, discussions at site level and media reviews. Tool Applied: Water stress rating use a 1-5 scale. Volumes withdrawn from sites which scored a water stress rating of 4 and 5 are considered water stressed. Water abstracted from these water stressed sites are reported in our EPR reporting system. The performance is tracked and communicated separately within the business on a quarterly basis, and more ambitious targets applied to water stressed sites. Water stress ratings are updated on an ongoing basis off the back of direct engagement with local authorities and media reviews. Through improved knowledge of the water situation in our factories, we have reduced the number of water stressed sites from 130 (in 2016) to 108. This was a result of raising the threshold to ensure that we put increased focus where there is the greatest risk. Previously sites that scored 3, 4 or 5 were considered water stressed. In doing so, we were able to better differentiate the support water stressed sites (e.g. through capital) and make a difference where it mattered the most. Performance: Re-baselining the 2017 data shows that absolute water withdrawal reduced by 2% in water stressed sites. Using +/- 10% to indicate a notable change, this has been determined to be 'about the same'. Explanation: Performance has been largely consistent through Unilever's eco-efficiency programs. However, the divestment of our spreads business (which was water intensive), began in 2018 has had a significant impact on overall water abstraction - few of these sites were located in water stressed areas. By YE 2018, Unilever had achieved 44% reduction of water per tonne of production, which surpassed our target of 40% by 2020.

**W-FB1.2e**

**(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from water stressed areas?**

Agricultural commodities	The proportion of this commodity produced in water stressed basins is known	The proportion of this commodity sourced from water stressed basins is known	Please explain
Other commodities from W-FB1.1a, please specify (Cocoa)	Not applicable	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Other commodities from W-FB1.1a, please specify (soy oils)	Not applicable	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Other commodities from W-FB1.1a, please specify (Rapeseed)	Not applicable	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Other commodities from W-FB1.1a, please specify (Tea)	Yes	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Palm oil	Not applicable	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.

**W-FB1.2f**

**(W-FB1.2f) What proportion of the produced agricultural commodities reported in W-FB1.1a originate from water stressed areas?**

Agricultural commodities	% of total agricultural commodity produced in water stressed areas	Please explain
Other produced commodities from W-FB1.2e, please specify (Tea)	0	Of the agricultural commodities in scope, Unilever only produces tea in plantations in Kenya and Tanzania. Neither of these countries are classified as water stressed. This was the case last year, so there has been no change in this % between reporting years. The latest IPCC Report shows a prediction of no to little change in precipitation levels in these countries against the 1.5°C and the 2°C scenarios & we anticipate we will continue production in these regions in the future with proportions being reliant on a number of factors such as M&A activity and/or consumer trends (preference for fruit teas over standard).

**W-FB1.2g**

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**(W-FB1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a originate from water stressed areas?**

Agricultural commodities	% of total agricultural commodity sourced in water stressed areas	Please explain
Other sourced commodities from W-FB1.2e, please specify (cocoa)	0	The figure provided was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index and the latest available Unilever volume data for 2018. The majority of our cocoa supplies come from Cote d'Ivoire and Ghana which are not currently areas associated with water stress. According to the latest IPCC Report however, there is evidence that West Africa could witness negative impacts in the future from climate change on crop yields and production against a 2°C or above scenario. It is expected we will continue sourcing from these countries to meet future requirements. However, volumes may differ depending on a number of factors such as product performance, consumer trends & technological innovation. This year all three components of the water footprint (green, blue, grey) have been used to calculate this value. This is the first year reporting on cocoa in response to this question.
Other sourced commodities from W-FB1.2e, please specify (soy oil)	2	The figure provided was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2018. We source most of our soy oil from countries not associated with high water stress. It is expected we will continue sourcing from these countries to meet future requirements. However, volumes may differ depending on a number of factors such as product performance, consumer trends & technological innovation. In 2018, we developed a piloted approach to assess the impact of climate change on our key commodities, selecting soy for the initial pilot. Our analysis showed that soybean yields may actually increase over the 2030 and 2050-time horizon given the areas we source from. This is the first year reporting on soy oil in response to this question.
Other sourced commodities from W-FB1.2e, please specify (rapeseed)	0	The figure provided was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2018. This is the first year calculating this figure, so we are not able to comment on whether it has changed since the previous reporting year. The percentage is not comparable with that given for the previous reporting year, because a different water stress index was used to determine the level of risk for producing countries. This index is updated on a quarterly basis, so is believed to be more accurate than the one previously used. We source the majority of our rapeseed oil from Canada and several locations in Europe which aren't currently associated with water scarcity. It is expected we will continue sourcing from these countries to meet future requirements. However, volumes may differ depending on a number of factors such as product performance, consumer trends & technological innovation. The latest IPCC Report indicates high-latitude areas such as Canada, may be affected by increased precipitation using both the 1.5°C – 2°C scenarios so we do not anticipate a negative effect on rapeseed by 2030.
Other sourced commodities from W-FB1.2e, please specify (tea)	44	The figure provided was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2018. The percentage is not comparable with that given for the previous reporting year, because a different water stress index was used to determine the level of risk for producing countries. This index is updated on a quarterly basis, so is believed to be more accurate than the one previously used. Whilst the latest IPCC Report shows a prediction of no to little change in precipitation levels in the countries against the 1.5°C and the 2°C scenarios where we produce tea, we source around 38% of our tea from other countries in Africa and Asia which are more vulnerable to the extreme weather events linked to climate change. In the future, we may experience greater pressure on higher altitude growing regions to overcome losses in more vulnerable locations. Currently, we will continue sourcing from these countries to meet our requirements. However, volumes may differ depending on a number of factors such as product performance, consumer trends & technological innovation.
Palm oil	5	Comment: Unable to use less than symbol. Correct % is <5%. The figure provided was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2018. This is the first year calculating this figure, so we are not able to comment on whether it has changed since the previous reporting year. The percentage is not comparable with that given for the previous reporting year, because a different water stress index was used to determine the level of risk for producing countries. This index is updated on a quarterly basis, so is believed to be more accurate than the one previously used. The majority of our palm oil supplies come Indonesia and Malaysia which are not currently associated with water-stress. However, according to the latest IPCC Report, Asia may be more vulnerable to the extreme weather events linked to climate change in the future. It is expected we will continue sourcing from these countries to meet our current requirements. However, volumes may differ depending on a number of factors such as product performance, consumer trends & technological innovation.

W1.2h

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	3546	Lower	Relevant: Fresh water supplies are important for Unilever (UL). 94% of fresh surface water is used for non-contact cooling activities (a once thro process where water is returned to source). This takes place in 7 water abundant sites. Using water to transfer heat is cost effective & minimises impact vs electrical cooling or use of refrigerants. Vs previous year, surface water withdrawal reduced by 19%, mainly driven by divestment in 1 EU spreads factory which used once through non-contact cooling water. UL accounts for rainwater as a water saving measure as it reduces reliance on municipal & groundwater supplies, which reduced by 7% over the year. Although direct use of rainwater makes up a small % of total use (<1%), it is an increasingly important source for the business, minimizing reliance on municipal supplies & supporting downstream flood mitigation. It is anticipated we will continue to drive reductions in surface water, this will be focused in areas of water stress.
Brackish surface water/Seawater	Relevant	858	Lower	Relevant: Brackish water in 2018 was a relevant source of water where we use it for non-contact cooling water activities. 23% of the water used for non-contact cooling activities is from brackish/seawater. Using water to transfer low-grade heat is both cost effective & minimises overall environmental impact vs electrical cooling or use of refrigerants. Performance: Compared to the previous year, Brackish water withdrawal reduced by 28%, this is mainly driven by the divestment in 1 EU spreads factory, which used brackish water for once through non-contact cooling water. Future Trend: It is anticipated that Unilever's use of Brackish surface water / seawater will further reduce in the near future as the divestment of the spreads site is represented in the data. Longer term brackish / seawater may still be relevant as technologies such as marine source heat pumps may represent a future opportunity and increasing water stress may require us to consider alternative sources.
Groundwater – renewable	Relevant	7921	Lower	Relevant: Ground water is used in manufacturing operations as both a process and as a raw ingredient. This makes up 23% of the Unilever's total water withdrawal. Performance: Compared to the previous year, Groundwater has reduced by 4%. This is largely due to the eco-efficiency initiatives across our manufacturing network. For example our steam optimization and hot water improvement program at Casalpusterlengo, Italy which reduces the amount of groundwater required. Future Trend: It is anticipated that Unilever will continue to drive reductions in ground water, therefore, we anticipate that future use will continue to decline, however it is important to note that this will be focused in areas of water stress.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: Fossil groundwater sources are not used within our operations. Future Trend: Non-renewable groundwater will remain of low relevance to Unilever.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: In line with the revised CDP definitions, produced water is not used within our operations. Future trend: Produced water offers an opportunity to do more with less, in the future this is likely to become more relevant to the business. We continue to learn from our peers and suppliers in identifying new ways to minimize abstraction.
Third party sources	Relevant	21883	Lower	Relevant: In line with the revised CDP definitions, water reported here is that obtained from municipal suppliers, public or private utilities & wastewater from other organisations. Performance: Municipal water represents 63% of Unilever (UL)'s total water use. During 2018 municipal water use reduced by 4%. This is largely due to our eco-efficiency initiatives. i.e. in Caivano, Italy, in 2018 we started to see the benefits of the measurement, monitoring& targeting programme which uses data visualization to identify new opportunities & drive water efficiency. Future trend: At present UL does not receive wastewater or treated wastewater from other organisations. It is anticipated UL will continue to drive reductions in municipal water, however it will be focused in areas of water stress. We expect treated wastewater from other organisations could offer opportunities to minimise demand from shared water resources & minimise risks of over abstraction in the future.

**W1.2i**

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	3575	Lower	Relevant: 20% of Unilever (UL) sites discharge water to fresh water sources. Where we are discharging directly (around 12% of sites) there is onsite wastewater treatment by us or a 3rd party located onsite. Performance: An 11% reduction vs previous year. Overall, wastewater production remained consistent however, we are adopting a Zero Liquid Discharge philosophy in many sites where wastewater is treated & reused. UL has 65 sites achieving zero liquid status which contributed to this reduction. We have selected 'Lower' as the quantity of discharged water reported here & in W5.2 is estimated using a bespoke methodology (category level mass balance). This aligns with reductions in abstraction. Future: We expect volume of water discharged to surface water will reduce as recycling activities & Zero Liquid Discharge sites increase. Efficiencies in wastewater treatment can lead to reduction in abstraction & sludge & cost savings, forming part of our reduction strategy.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: Our manufacturing facilities discharge no effluent direct to brackish / seawater. Performance: Remained the same against previous year. Future: It is expected that discharge to brackish surface / seawater will remain of low relevance in the future.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: Our manufacturing facilities discharge no effluent to Groundwater. Performance: Remained the same against previous year effluent is discharged to ground water Future: It is expected that discharge to groundwater will remain of low relevance in the future.
Third-party destinations	Relevant	17362	Higher	Relevant: Many of our sites use municipal, public or private utilities and other organisations to treat and dispose of wastewater. 81% of Unilever's wastewater is sent offsite for further treatment prior to release back to the environment. Performance: This has increased by 13% on the previous years' performance. Overall wastewater production has remained consistent. We are adopting a Zero Liquid Discharge philosophy in many of our sites where wastewater is treated & reused back into processes. Unilever now has 65 sites achieving zero liquid status. We estimate that this reuse is currently of the magnitude of 10% of total wastewater volumes from global manufacturing operations. Future: It is expected that the volume of water discharged to third party destinations will reduce as recycling activities and zero liquid discharge sites increase.

**W1.2j**

**(W1.2j) What proportion of your total water use do you recycle or reuse?**

	% recycled and reused	Comparison with previous reporting year	Please explain
Row 1	1-10	Higher	Relevant: Water recycling and reuse represents a significant opportunity to reduce the amount of water we withdraw. Performance: We have increased the number of zero liquid discharge factories (meaning virtually no water is discharged to the environment) from 54 to 65 during 2018 by reusing and recycling treated wastewater back through the operations of the factory. The volume of water recycled reported here is estimated based on a model. Future Trend: Water recycling and reuse initiatives include good practices such as increased cycles of concentration in cooling towers, small-scale technology changes e.g. vacuum pumps and large-scale wastewater recycling programmes, and represent a move to more efficient manufacturing process. With increasing water stress and declining water quality, together with Unilever's commitments on water it is anticipated that water recycling & reuse will increase.

**W-FB1.3**

**(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?**

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Other commodities from W-FB1.1a, please specify (cocoa)	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against tons of volume purchased. This is for blue water use only.
Other commodities from W-FB1.1a, please specify (soy oil)	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against tonnes of volume purchased. This is for blue water use only.
Other commodities from W-FB1.1a, please specify (rapeseed)	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against tonnes of volume purchased. This is for blue water use only.
Other commodities from W-FB1.1a, please specify (tea)	Yes	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against tonnes of volume purchased. This is for blue water use only and the same methodology is adopted for calculating the intensity of produced volumes. Since this is the first year of measurement, we have not yet used these figures internally.
Palm oil	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against tonnes of volume purchased. As palm oil is rain-fed, there is limited blue water use. Since this is the first year of measurement, we have not yet used these figures internally.

**W-FB1.3a**

**(W-FB1.3a) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you produce.**

**Agricultural commodity**

Other produced commodities from W-FB1.3, please specify (tea)

**Water intensity value (m3)**

291944771

**Numerator: water aspect**

Total water consumption

**Denominator: unit of production**

Tons

**Comparison with previous reporting year**

This is our first year of measurement

**Please explain**

The total water consumed has been calculated by multiplying the WFN modelled data against tons of volume purchased. In 2018, we reported water intensity for blue water only, but this year is for all water uses-given that green contributes greatest to the intensity of this crop. Understanding water intensity of crop production is helpful in identifying sourcing regions facing water stress & climate-related vulnerabilities. We do not currently have strategies to apply this knowledge to decision-making in tea production. We produce tea in Kenya & Tanzania, neither of which are currently at high risk to water stress, according to the Maplecroft Water Stress Index. Influencing water intensity, however, would be challenging, given that 82% of consumption comes from green water sources. We anticipate we will sell more products in the future. If the intensity figure (from WFN) changes, as to will the crop intensity for tea. We do not anticipate a change in the short to mid-term.

## W-FB1.3b

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**(W-FB1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you source.**

**Agricultural commodities**

Other sourced commodities from W-FB1.3, please specify (cocoa)

**Water intensity value (m3)**

923383808

**Numerator: Water aspect**

Total water consumption

**Denominator: Unit of production**

Tons

**Comparison with previous reporting year**

This is our first year of measurement

**Please explain**

Total blue water consumed has been calculated by multiplying the Water Footprint Network modelled data against tons of volume purchased. Since this is the first year of measurement, we have not yet used these figures internally. The percentage is not comparable with that given for the previous reporting year, as in 2018, we reported water intensity for blue water only, but this year chose to report this for all water uses, given that green water consumption contributes 99% of consumption and thus the water intensity of this crop. We do not currently have strategies to apply this knowledge to decision-making in cocoa sourcing. Influencing water intensity, however, would be challenging, given that 99% of modelled consumption comes from green water sources. We anticipate we will sell more products in the future. If the intensity figure (from WFN) changes, as to will the crop intensity for cocoa. We do not anticipate a change in the short to mid-term.

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**Agricultural commodities**

Other sourced commodities from W-FB1.3, please specify (soy oil)

**Water intensity value (m3)**

1513423810

**Numerator: Water aspect**

Total water consumption

**Denominator: Unit of production**

Tons

**Comparison with previous reporting year**

This is our first year of measurement

**Please explain**

We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against tons of volume purchased. The percentage is not comparable with that given for the previous reporting year, as in 2018, we reported water intensity for blue water only, but this year chose to report this for all water uses, given that green water consumption contributes 99% of consumption and thus the water intensity of this crop. We do not currently have strategies to apply this knowledge to decision-making in soy oil sourcing. Influencing water intensity, however, would be challenging, given that 95% of modelled consumption comes from green water sources. We anticipate we will sell more products in the future. If the intensity figure (from WFN) changes, as to will the crop intensity for soy oil. We do not anticipate a change in the short to mid-term.

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**Agricultural commodities**

Other sourced commodities from W-FB1.3, please specify (rapeseed)

**Water intensity value (m3)**

711392736

**Numerator: Water aspect**

Total water consumption

**Denominator: Unit of production**

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Tons

#### Comparison with previous reporting year

This is our first year of measurement

#### Please explain

The percentage is not comparable with that given for the previous reporting year, as in 2018, we reported water intensity for blue water only, but this year chose to report this for all water uses, given that green water consumption contributes 99% of consumption and thus the water intensity of this crop. We do not currently have strategies to apply this knowledge to decision-making in rapeseed sourcing. Influencing water intensity, however, would be challenging, given that 94% of modelled consumption comes from green water sources. We anticipate we will sell more products in the future. If the intensity figure (from WFN) changes, as to will the crop intensity for rapeseed. We do not anticipate a change in the short to mid-term.

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#### Agricultural commodities

Other sourced commodities from W-FB1.3, please specify (palm oil)

#### Water intensity value (m3)

5608253762

#### Numerator: Water aspect

Total water consumption

#### Denominator: Unit of production

Tons

#### Comparison with previous reporting year

This is our first year of measurement

#### Please explain

The percentage is not comparable with that given for the previous reporting year, as in 2018, we reported water intensity for blue water only, but this year chose to report this for all water uses, given that green water consumption contributes 99% of consumption and thus the water intensity of this crop. We do not currently have strategies to apply this knowledge to decision-making in palm oil sourcing. Influencing water intensity, however, would be challenging, given that 96% of modelled consumption comes from green water sources. We anticipate we will sell more products in the future. If the intensity figure (from WFN) changes, as to will the crop intensity for palm oil. We do not anticipate a change in the short to mid-term.

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#### Agricultural commodities

Other sourced commodities from W-FB1.3, please specify (tea)

#### Water intensity value (m3)

3357362736

#### Numerator: Water aspect

Total water consumption

#### Denominator: Unit of production

Tons

#### Comparison with previous reporting year

This is our first year of measurement

#### Please explain

The percentage is not comparable with the previous reporting year, as in 2018, we reported water intensity for blue water only, but this year chose to report this for all water uses, given that green water consumption contributes 99% of consumption & thus the water intensity of this crop. We do not currently have strategies to apply this knowledge to decision-making in tea sourcing. Influencing water intensity, however, would be challenging, given that 96% of modelled consumption comes from green water sources. We anticipate we will sell more products in the future. If the intensity figure (from WFN) changes, as to will the crop intensity for tea. We do not anticipate a change in the short to mid-term.

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## W1.4

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### (W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

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## W1.4a

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**(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

### Row 1

#### **% of suppliers by number**

1-25%

#### **% of total procurement spend**

1-25

#### **Rationale for this coverage**

Suppliers are requested to disclose via CDP based on their status as a strategic supplier through Partner to Win (PtW) or their contribution to our upstream water risk. PtW suppliers are those we maintain strategic relations with - they are key to achieving our sustainable sourcing targets & future growth ambitions. In return, suppliers benefit from growth, by leveraging the opportunities we provide in emerging markets & shared investment opportunities e.g. technology. Suppliers were engaged through direct interaction with our Relationship Managers. We use data obtained from suppliers through CDP Water Supply Chain Information Request to evaluate the level of activity & competence in understanding & measuring environmental impact. For less mature companies, we help improve their capabilities through environmental improvement projects. We ask suppliers to disclose information on: 1) GHG emissions (Scope 1 & 2), emission intensity & energy & 2) Water risks, targets & facility level data.

#### **Impact of the engagement and measures of success**

In 2018, 75 raw & packaging material suppliers were invited to report their water risks via the CDP Supply Chain Information Request. Through this questionnaire, we ask suppliers to report risks & opportunities associated with water risks in the landscapes they operate. We ask suppliers to disclose information on: 1) GHG emissions (Scope 1 & 2), emission intensity & energy & 2) Water risks, targets & facility level data. This is used to inform us of our key supplier's risk exposure and provides information to prioritise engagement with suppliers who have a high level of risk. This represents 36% of our spend for raw materials & packaging. We achieved a 93% response rate from these suppliers. These measures of success were chosen for the following reasons: 1. Spend: Indicates the importance of this supplier group, making up a third of spend for raw materials and packaging. 2. Response Rate: This serves as a measure to assess our supplier's level of engagement.

#### **Comment**

None required

## W1.4b

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## **(W1.4b) Provide details of any other water-related supplier engagement activity.**

### **Type of engagement**

Onboarding & compliance

### **Details of engagement**

Inclusion of water stewardship and risk management in supplier selection mechanism

Requirement to adhere to our code of conduct regarding water stewardship and management

Other, please specify (Unilever Sustainable Agriculture Code )

### **% of suppliers by number**

1-25

### **% of total procurement spend**

26-50

### **Rationale for the coverage of your engagement**

Unilever communicates its expectations to all agricultural raw material suppliers for them to comply with the Sustainable Agriculture Code (SAC) or an equivalent scheme, if we are to count their material as sustainably sourced. Sourcing sustainably helps secure our supplies & reduces risk & volatility in our raw material supply chains. It opens up opportunities for innovation by focusing on people's sustainable living needs & consumer preference, we build stronger brands. Sustainable farming methods can also improve the quality of our products, such as our sauces, soups, dressings and ice creams. Coverage here is based on raw agricultural suppliers as a proportion of total suppliers which is why it seems low. Around 26% of procurement spend is based on spend with those suppliers responding to CDP.

### **Impact of the engagement and measures of success**

Our measure of success is the rate of compliance against the SAC. It was 83.2% in 2018, with those farmers presenting non-compliance against requirements of the code, rectifying these within 6 weeks of the initial audit. In total, 56% of our agricultural raw materials were sustainably sourced by end 2018, the same as in 2017. In response to being behind on our 2020 target, we are placing more emphasis on social issues as we roll out an update to our code, the SAC 2017. From the beginning of 2018 onwards we have focused our efforts on a number of priority crops and commodities where we can drive most impact within their agricultural sectors. To monitor compliance with the code, a 3rd-party body conduct audits of suppliers implementing the SAC. This includes water management requirements and where deviations are found, corrective actions are taken to rectify.

### **Comment**

Our SAC has the expectations set out for our suppliers, including water management practices which are mandatory, expected & leading. See SAC sections 4.1 – Improving water use & efficiency, 4.2 – Irrigation for more information.

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## **W1.4c**

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### **(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

Over 99% of water use across our value chain occurs when consumers use our products so our engagement activities focus on them to understand their needs. Method & strategy of engagement: We engage with consumers using a number of different channels to gather insights, including People Data Centres which conduct social media analytics to understand sentiment, consumer carelines which gather verbal feedback from consumers on our products and broader market research on consumers trends. In response to these insights, we're concentrating on consumer segments and product categories which require most water to use including laundry, household cleaning, skin cleansing, oral and hair care. Rationale: Water is essential for people to enjoy our products particularly when doing laundry, washing hair, showering or bathing. It is our responsibility as a business to help firstly, understand the consumer use impact of our products and secondly, to help consumers reduce the impact of our products. We pay particular attention to consumers who use our products in areas of water scarcity. We're looking at how climate change may affect the availability of water and what risks this creates for our consumers, our suppliers and our business. Success measurement: Ultimately, the success of our engagement with consumers is determined by the sales of products with water saving benefits. For example, our laundry brand Sunlight's breakthrough SmartFoam technology, delivering superior performance, less suds and half the amount of water needed to wash, continues to grow sales in South Africa and expanded to more formats in India. It provides a critical benefit for consumers in water stressed areas and contributes to our USLP target of halving the water associated with consumer use of our products by 2020.

## **W2. Business impacts**

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## W2.1

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### (W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

## W2.1a

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### (W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and total financial impact.

#### Country/Region

Switzerland

#### River basin

Rhine

#### Type of impact driver

Physical

#### Primary impact driver

Drought

#### Primary impact

Increased operating costs

#### Description of impact

In the summer of 2018 a drought in Europe resulted in low water levels in the River Rhine. This restricted the traffic along the river, reducing the number of cargo barges able to deliver raw materials to several of our European factories e.g. our savoury factory in Switzerland. To mitigate the risk in the short term, we transferred cargo to road at an increased cost and delay to the business. The operational cost to the business was less than our substantive threshold definition.

#### Primary response

Supplier diversification

#### Total financial impact

500000

#### Description of response

Central logistics teams were able to transfer logistics road at additional expense to mitigate the impact on customer service and stock levels. An analysis of the impact on major trade network for German companies estimated due to partial loading of boats there were surcharges of 60% in addition to the freight rate, which might be typically be €10. Using this assumption, we estimated the financial impact to the business based on 1 months production volume at each of the 12 operational factories (responsible for 3% of Unilever's global production volume) within the basin. Not all 12 sites use the Rhine for transport however, due to an increase demand for land transport we have estimated a cost to all in the area.

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#### Country/Region

India

#### River basin

Indus

#### Type of impact driver

Regulatory

#### Primary impact driver

Other, please specify (Increased water usage)

#### Primary impact

Increased operating costs

#### Description of impact

Continuing into 2018 (from 2017), despite good wastewater treatment facilities, five Unilever manufacturing sites were required by regulatory bodies to join common effluent treatment plants, rather than onsite treatment. Previously these factories had been

treating & recycling wastewater onsite, meeting zero liquid discharge or low discharge status. The costs for transitioning to the industrial treatment plant did not represent a substantive financial impact to the business, but will impact our ability to deliver continued savings through water recycling and represents an increase in the volume of COD reported by sites.

#### Primary response

Comply with local regulatory requirements

#### Total financial impact

20000

#### Description of response

The sites complied with the requirement to use the centralised treatment plant. This will minimise the volume of water that can be recycled on site and will in turn increase the total water abstraction from the two sites. Estimated annual cost is €20,000 for use of the industrial treatment plant, but this will be based on the wastewater flow rate and load leaving the site.

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## W2.2

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### (W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

## W2.2a

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### (W2.2a) Provide the total number and financial value of all water-related fines.

#### Row 1

##### Total number of fines

1

##### Total value of fines

2732

##### % of total facilities/operations associated

0.4

##### Number of fines compared to previous reporting year

About the same

##### Comment

Administrative penalty was issued by the municipality and authorities were reimbursed for clean-up costs.

## W3. Procedures

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### W-FB3.1

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**(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?**

Operations: We comply with legal requirements with regards to the discharge of water pollutants at 100% of our sites. This is done through a combination of onsite and offsite treatment of effluents. Monitoring programmes developed locally are in compliance with the legislation and take into account the sensitivity of the water course into which the discharge is going into. There is currently no central standard for the quality of water discharges but all environmental aspects are managed under the Unilever Environmental Care Framework. COD data are required to be entered on our monitoring system on a monthly basis whilst all other data are recorded and collected at site level. This is measured in line with the scope and assumptions detailed in our Basis of Preparation – available through our corporate website. COD load is typically calculated using COD concentration data measured in on site laboratories or those of wastewater treatment companies and volumetric flow data from effluent flow meters on site.

Supply chain: Furthermore, for ingredient sourcing, risks are addressed through certification schemes such as the Unilever Sustainable Agriculture Code, which prohibits the dumping of waste into water bodies, bans the use of most toxic pesticides and requires that risks of contamination by nutrients be minimised. Unilever has developed Global Guidelines on the Use of Pesticides in Sustainable Tea Sourcing, listing which chemicals are unacceptable due to their risks, building upon the World Health Organisation Recommended Classification of Pesticides by Hazard, the Stockholm Convention on Persistent Organic Pollutants and the Rotterdam Convention on Prior Informed Consent for certain hazardous chemicals and pesticides in international trade.

**W-FB3.1a**

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**(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.**

**Potential water pollutant**

Fertilizers

**Activity/value chain stage**

Agriculture – direct operations

Agriculture – supply chain

**Description of water pollutant and potential impacts**

Crops under production in our direct operations are limited to tea in plantations in Kenya and Tanzania. All other agricultural materials Unilever sources come from our suppliers. Impacts: In both cases, farming practices during the agriculture (direct and in our supply chain) phase may include the use of fertilisers, (organic & synthetic). Impacts include the pollution of watercourses and groundwater e.g. excess nitrates may lead to eutrophication and the destabilising of aquatic ecosystems on both the local scale and magnitude.

**Management procedures**

Animal waste management

Livestock management

Soil conservation practices

Crop management practices

Sustainable irrigation and drainage management

Fertilizer management

Calculation of fertilizer intensity data

Follow regulation standards

**Please explain**

Managing Impacts: To minimize the impacts of potential water pollutant on ecosystems or human health, the majority of our plantations have onsite wastewater treatment plants which are either internally or externally operated, the remaining use offsite wastewater treatment facilities managed by industrial centres or municipalities. Where we source materials, our agricultural suppliers apply the Sustainable Agriculture Code (SAC) and other scheme, which specify management procedures for water pollution, like the ones stated here. Some examples below are taken from Section 1 of the SAC which focuses on Crop and pasture nutrient management including requirements for suppliers to have: - Nutrient Management Plans and nutrient application records. - Be informed by nutrient deficiency symptoms, soil and tissue analyses: - Conduct nitrogen and phosphorus calculations - Practices in place to minimise risks of contamination and pollution associated with nutrient inputs Fertilizer management is important as it minimises risks of contamination and pollution by ensuring that the right amount of fertiliser is used, and that it is applied in ways that minimise waste and pollution (avoiding certain application techniques, timing and ensuring that machinery is well maintained and calibrated). By implementing the SAC and in-turn the management procedures described, farmers are made to be aware of the potential sources of pollution on their farm, whilst assurance processes ensure compliance against these practices is met. Measurement: Certification and verification audits are conducted which monitor compliance with the SAC and its requirements. The

compliance rate is therefore a measure of success, whilst steps ensuring corrective actions are taken ensure that any non-conformances are rectified in a timely manner.

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#### **Potential water pollutant**

Pesticides and other agrochemical products

#### **Activity/value chain stage**

Agriculture – direct operations

Agriculture – supply chain

#### **Description of water pollutant and potential impacts**

Crops under production in our direct operations are limited to tea in plantations in Kenya and Tanzania. All other agricultural materials Unilever sources come from our suppliers. In both cases, farming practices may include the use of pesticides. Impacts: run-off can carry pesticides into aquatic environments leading to the poisoning of local wildlife and/or widespread transportation by global circulation. Wind can carry them to surrounding areas potentially effecting the success of other species on a large scale and magnitude.

#### **Management procedures**

Pesticide management

Substitution of pesticides for less toxic or environmentally hazardous alternatives

Waste water management

Follow regulation standards

#### **Please explain**

Both at Unilever's tea plantations in Kenya and Tanzania, and on farms implementing the Sustainable Agriculture Code (SAC) or other schemes implemented by our agricultural suppliers, integrated pest management is conducted, to seek out and adopt viable alternatives to more toxic chemical pesticides. The SAC stipulates several requirements pertaining to the management procedures highlighted in 'Management procedures' column in this table aimed at better soil and water management, biodiversity, and a range of other environmental impacts we can directly/indirectly influence. As the growth of our business and it's ability to operate depends on being able to produce and source ingredients sustainably for our products, it is one of the pillars of focus in our Unilever Sustainable Living Plan (USLP). Section 2 of our SAC focuses on pest, disease and weed management with requirements for the following: Pesticides with active ingredients classified by the World Health Organisation (WHO) as extremely hazardous (class 1a) are prohibited from use (amongst others), whilst highly hazardous (class 1b) ingredients must be phased out within 3 years of implementation of the code. Integrated pest management (IPM) – an approach of: (1) prevention through crop rotation, biological and physical controls, etc, (2) observation through monitoring and action thresholds, etc and lastly (3) intervention through ingredient selection, resistance avoidance, etc; is adopted by producers. Measurement: Certification and verification audits are conducted which monitor compliance with the SAC and its requirements. The compliance rate is therefore a measure of success, whilst steps ensuring corrective actions are taken ensure that any non-conformances are rectified in a timely manner.

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#### **Potential water pollutant**

Manure and slurries

#### **Activity/value chain stage**

Agriculture – direct operations

Agriculture – supply chain

#### **Description of water pollutant and potential impacts**

Unilever agricultural raw material suppliers implementing the Sustainable Agriculture Code and other schemes recognised in the Scheme Rules, comply with a series of requirements that address potential water pollutants derived from farming operations. Impacts: Farming practices may include the use of fertilisers (including manure), while livestock farms are also likely to use antibiotics and other veterinary medicines. All these are potential sources of water pollution and are from our supply chain. Within our manufacturing operations, we do not have manure or slurry pollutants. However, waste sludge is derived from our wastewater treatment plants. In some countries this is used as a soil improver with quality in line with local regulation. Impacts include the pollution of watercourses and groundwater e.g. excess nutrient application may lead to eutrophication and the destabilising of aquatic ecosystems; the application of certain pesticides may cause damage to aquatic organisms, and both pesticides and nutrients can bring water below that required for potability in the local area of operation. Effluent treatment plant sludge represents around 25% of our annual waste disposed by sites.

#### **Management procedures**

Animal waste management

Livestock management

Waste water management

Follow regulation standards

#### **Please explain**

The Sustainable Agriculture Code (SAC) and other schemes implemented by our agricultural suppliers, stipulate several requirements pertaining to the management procedures highlighted in 'Management procedures' column in this table aimed at better soil and water management, biodiversity, and a range of other environmental impacts we can directly/indirectly influence. Surface and ground water must be protected from direct and indirect pollution. Sewage and wash water are the main sources of this, so none may discharge directly into watercourses and these must be a sufficient distance to avoid pollution. Crossing points for livestock made of hard surfaces to avoid riverbank erosion and contamination. Measurement: Certification and verification audits are conducted which monitor compliance with the SAC and its requirements. The compliance rate is therefore a measure of success, whilst steps ensuring corrective actions are taken ensure that any non-conformances are rectified in a timely manner.

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### W3.3

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#### **(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

### W3.3a

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#### **(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

##### **Direct operations**

###### **Coverage**

Full

###### **Risk assessment procedure**

Water risks are assessed as part of other company-wide risk assessment system

###### **Frequency of assessment**

Six-monthly or more frequently

###### **How far into the future are risks considered?**

3 to 6 years

###### **Type of tools and methods used**

Tools on the market

Enterprise Risk Management

###### **Tools and methods used**

WRI Aqueduct

Other, please specify (Environmental Care Framework Standard )

###### **Comment**

Water stress assessments for our manufacturing operations we use the WRI Aqueduct tool. This is formally updated every 2 years however, is reviewed on an ongoing basis in light of significant changes e.g. acquisitions or information from the factory network on emerging water insecurity. At a site level we use Unilever's Environmental Care Framework Standard which takes into consideration local water conditions and local environment. Environmental Audits are conducted against the Unilever's Environmental Care Framework Standard and / or ISO14001, as well as the audits conducted through our World Class Manufacturing Programme Environment Pillar and wherever it's a requirements of local compliance.

## Supply chain

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

Annually

### How far into the future are risks considered?

>6 years

### Type of tools and methods used

Tools on the market  
Enterprise Risk Management

### Tools and methods used

Water Footprint Network Assessment tool  
Other, please specify (Internal company methods)

### Comment

Unilever adopts a risk profile that is aligned to our Vision to grow our business, whilst decoupling our environmental footprint from our growth and increasing our positive social impact. Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Unilever's senior management. Using resources from Water Footprint Network & the Life Cycle Analysis community, we are able map the water supplies used to produce our agricultural & non-renewable materials, so understand key materials & locations of greatest risk.

## Other stages of the value chain

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed in an environmental risk assessment

### Frequency of assessment

Annually

### How far into the future are risks considered?

>6 years

### Type of tools and methods used

Tools on the market  
International methodologies  
Databases  
Other

### Tools and methods used

Water Footprint Network Assessment tool  
WRI Aqueduct  
WWF-DEG Water Risk Filter  
Environmental Impact Assessment  
Life Cycle Assessment  
IPCC Climate Change Projections  
FAO/AQUASTAT  
Maplecroft Global Water Security Risk Index  
Regional government databases  
Other, please specify (Internal studies-consumer use of product)

### Comment

Scarcity = Number of people experiencing physical water scarcity & lack access to sanitation/clean water We calculate impact annually, (absolute & per consumer use) using data from products in our 5 water-using categories: Hair Care, Household Care, Laundry, Oral Care & Skin Cleansing & from 7 water-scarce countries. This helps us focus on water saving innovations where they are truly needed i.e. innovating fast-rinse products or moving towards water-smart products requiring little or no water

(W3.3b) Which of the following contextual issues are considered in your organization’s water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	<p>Why this issue is relevant: Water availability at the basin/catchment level is important to Unilever as it impacts our ability to run our operations. It is vital for heating, cooling &amp; cleaning processes in all 274 manufacturing sites. Without access to freshwater we would not be able to produce products, resulting in loss of revenue. Explanation of the assessment: We incorporate water availability at a basin level in our manufacturing operations risk assessments by using the WRI Aqueduct tool, which includes datasets on water availability, and quality parameters from sources such as FAO, UNICEF and IWMI. The WRI Aqueduct tool allows for consideration of future projected change in water stress conditions, using climate scenarios developed by the IPCC 5th assessment report. In addition, water availability at a basin level is also addressed through conversations with the site teams throughout the year. Unilever’s factory teams live and work in the area and are often most aware of the increasing water stresses. Basin level water risks are also included into the aspects register which is conducted at sites annually as part of the Unilever Environmental Care Framework and/or ISO14001 assessment. Environmental aspects are considered under three specific states (normal, abnormal and emergency) and at three times (past, present and future). If water access and source depletion are environmental aspects that are considered significant, it will be incorporated into the site-based risk assessment process. Site engagement with local authorities and environmental agencies is managed at a site level, this is one way that we anticipate future changes in the short to medium term availability of water. Tools used: WRI Aqueduct, Discussions with factory teams, Unilever Environmental Care Framework / ISO14001</p>
Water quality at a basin/catchment level	Relevant, always included	<p>Why this issue is relevant: Good quality water is a vital ingredient in many of our foods &amp; refreshment, home &amp; personal care products. It is also vital for heating, cooling &amp; cleaning processes in all 274 manufacturing sites. Without access to good quality freshwater we would not be able to produce products, resulting in loss of revenue. Explanation of the assessment: We incorporate water quality (of both the water received and the water leaving our factories) into our risk assessments principally through site based ISO14001 and Unilever’s Environmental Care Framework Standard. Water quality testing is conducted on incoming and outgoing water, frequency and parameters determined by risk &amp; local regulation. Our manufacturing sites monitor and assess environmental aspects under three specific states (normal, abnormal and emergency) and at three times (past, present and future), addressing both internal operational changes and external environmental changes. Water quality and depletion of water sources are environmental aspects that are considered and if deemed significant, will be incorporated into the site based risk assessment process, where controls and management procedures are allocated. Assessing water quality through top down tools has limitations due to data sets available, variability locally and seasonal fluctuations. Tools used: Unilever Environmental Care Framework / ISO14001</p>
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	<p>Why this issue is relevant: The actions of one user in a watershed can determine the supply for everyone else. If depletion in quality or quantity for example were to occur in an area where Unilever (UL) had a site, the ability for that site to run their operations would be limited, resulted in lost production &amp; revenue. In some cases there may be multiple facilities within 1 location ie the Parana basin where we have 3 facilities which would result in material losses. Because of this, in areas where there are higher water risks, we’re building our water efficiency efforts through engaging with local communities and taking collective action with others to contribute to better water security for all. Explanation of the assessment: We incorporate stakeholder conflicts &amp; concerns associated with water resources at a local level into risk assessments in a number of ways as they are fundamental to our license to operate. 1)We monitor stakeholder issues associated with water through tools such as SIGWATCH &amp; media reviews. 2)At a local level, factory management work with water authorities, communities &amp; other stakeholders to keep up to date with regulation changes, other users &amp; community activities 3)Future potential stakeholder conflicts at a local level are relevant for UL -under ISO14001 &amp; UL’s Environmental Care Framework Standard, our manufacturing sites are required to track changes in regulations, engagement with communities &amp; regulators allow sites to understand potential issues on the horizon &amp; act accordingly. Environmental aspects are also assessed on their nuisance impact to neighbours. 4)Through our engagement in forums such as the WEF, World Business Council for Sustainable Development, CEO Water Mandate &amp; engagement with NGOs &amp; industry roundtables, emerging stakeholder conflicts / issues of concern are often raised. Tools used: SIGWATCH, direct engagement with stakeholders, Unilever Environmental Care Framework/ISO14001, External forums.</p>
Implications of water on your key commodities/raw materials	Relevant, always included	<p>Of the €34 billion Unilever spends on it’s supply chain, 33% is on raw materials. Our agricultural suppliers need access to water (fresh &amp; brackish/recycled) for irrigation to grow crops we rely on for products. Decreases production volumes = decrease revenue &amp; growth opportunities. Increased sourcing costs can additionally limit profit margins. We manage risk by (1) assessing the risk (by materiality &amp; geography), (2) by implementing policies &amp; guidelines to encourage water management best practice. Suppliers &amp; 3rd parties are required to sign up to our Responsible Sourcing Policy (RSP), while 1/3 implement the Sustainable Agriculture Code (SAC) &amp;/or equivalent standard(s) with their growers; each of which have standards &amp; obligations on water efficiency &amp; resource management. In addition, our Climate Smart Agriculture (CSA) Guide, in the SAC Implementation Guide, draws a link between requirements &amp; CSA themes. We use WFN tools &amp; LCA databases to map water availability for suppliers who produce our materials. Assessments, conducted by growers using the SAC, factor in water management, inc assessments of current water use, sustainable abstraction &amp; use of surface/ground water, water rights &amp; permits. Between 2011 &amp; 2018, over 14,500 growers carried out risk assessments to protect surface &amp; ground water from pollution. Furthermore, suppliers report the quantity of water used for irrigation, dilution of inputs &amp; watering of livestock. Separate to the SAC, key suppliers respond to CDP Supply Chain water, which provides a better understanding of current/future risks &amp; opportunities. The UL Safety &amp; Environmental Assurance Centre (SEAC) are collaborating with the University of Leeds to review existing climate crop models for 10 key crops, including changes in water availability. The review will enable us to apply models in our raw materials supply chain as part of our climate strategy &amp; climate smart initiative. Tools used: Water Footprint Network tools &amp; LCA.</p>

	Relevance & inclusion	Please explain
Water-related regulatory frameworks	Relevant, always included	Why this issue is relevant: Changes in water-related regulation are considered due to the financial impact it may have on our operations. For instance, in India recent changes require us to treat industrial wastewater within a central industrial treatment plant rather than via our own treatment plant. This has resulted in a reduction of the amount of water we can reuse, increasing abstraction and the cost associated with it. It has also led to an increase in COD leaving the site. Explanation of the assessment: Water related regulatory frameworks, as well as Unilever standards and external commitments are incorporated into risk assessments at site level through ISO14001 & Unilever's Environmental Care Framework Standard. Environmental aspects are mapped under three specific states (normal, abnormal and emergency) and at three times (past, present and future). Regulatory frameworks and Unilever standards form part of a scoring methodology which determines the significance of the aspect and the necessary controls & actions. In addition, site managers maintain good working relationships with municipal suppliers to ensure they are up to date with changing legislation or licensing considered with upstream and downstream activities, three operational states (normal, abnormal and emergency) and three time frames (past, present and future). Tools used: Unilever Environmental Care Framework / ISO14001, relationships with municipal suppliers, variety of new regulation tracking tools. Sites use a variety of tools which are available nationally to help to identify and track new regulation, for instance, in South Africa the sites use a service provided by Implex to provide information on changing regulation associated with Occupational Health, Safety and Environmental indicators. In other countries and regions, appropriate tools are developed locally.
Status of ecosystems and habitats	Relevant, always included	Our sustainable agriculture (SA) programme is key to growing crops in ways which sustain soil, minimise water & fertiliser use & protect biodiversity. Without raw ingredients, we would not be able to make products. We concentrate efforts on priority crops crucial to us, & where we can have the most impact ie palm oil. 5 initiatives are considered in water risk assessments: 1) SA Programme: provides good agricultural practice ie ecosystem services & biodiversity management practices. Compliance is mandatory on water withdrawal & dumping of waste in water bodies. 2) For certain materials, suppliers use external certification schemes (RSPO & RTRS etc) to support sustainable sourcing. 3) Biodiversity Action Plan (BAP)'s are developed in critical cases or where a particular issue has been identified. These set targets, supported by agronomic consultants & partnerships with NGOs provide technical support. 4) Using ISO14001 & our Environmental Care Framework Standard, manufacturing sites track & assess environmental issues ie ecosystems & habitats, falling within our direct control, according to 3 states: normal/abnormal/emergency at 3 times: past/present/future. 5) Environmental risk assessment using spatial models to assess fate & effect of chemicals used in products on receiving waters & to assure safety. This is included in risk assessments for product innovation & agricultural supply chains, based on current & future potential changes in ecosystems/habitats. In our agricultural supply chains, suppliers implementing the SA Code are required to produce a BAP (requirement F58), by selecting 1 theme described in the Code ie maintenance & improvement of wildlife corridors. To help identify & prioritise management of important species & habitats to design the BAP, suppliers can use the Cool Farm Tool Biodiversity Module, which calculates scores on 4 dimensions & 11 species groups. Tools: SAC Biodiversity Action Plan/Cool Farm Tool Biodiversity Module.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Why this issue is relevant: Some of our employees, particularly in developing and emerging markets, live in communities where access to clean, safe drinking water and sanitation facilities is limited. Providing facilities at work ensures they do - at the very least - have access during working hours. Additionally, a number of our sites have to adhere to high hygiene standards as we manufacture food and drinks – this extends to the hygiene of our employees. Unilever signed the World Business Council for Sustainable Development WASH Pledge to ensure access to WASH in all our factories, plantations and workplaces. All employees have access to fully-functioning WASH services. Explanation of the assessment: We do not rely on any external tools to assess WASH risk as access to WASH services is built into the water risk assessments for all our facilities and provision for access to WASH for all employees is built into our factory design and quality requirements. To ensure ongoing adherence, we have updated our Occupational Health standard to include specific reference to access to safe drinking, sanitation and hygiene for all employees and this will be audited annually across all sites as part of the SHE standard. Unilever also co-founded the WASH4Work Coalition to amplify the importance of WASH in Workplaces. For suppliers we ensure good access to WASH services through either independent certification, our Sustainable Agriculture Code or for those suppliers we assess as high risk, as part of the audit for our Responsible Sourcing Policy. Tools used: Internal assessment tools built into our factory design and quality requirements. Sustainable Agriculture Code.
Other contextual issues, please specify	Not relevant, explanation provided	Not relevant.

### W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Clarification of definition: For reporting purposes, Customers & Consumers are different for Unilever (UL). Customers are retailers. For the sake of this question, we will use the term 'customers' to describe our approach to 'consumers' Our customers are always included into our water related risk assessments because they account for 85% of our overall water footprint. Customers need water to use many of our products – from cooking food, to washing their hair or doing laundry which poses a significant risk for our business given that more & more regions in the world are experiencing water scarcity, & many lack a reliable supply of clean water – potentially harming sales. Climate change is making this worse by disrupting weather patterns. This is why it is important for us to measure our water footprint & consider customer behaviour within our risk assessments, tracking progress towards halving our water impact by 2020. We calculate water impact annually, both at an absolute & 'per consumer use' level. Measuring our water footprint enables us to see which of our products require the most water. We can help our consumers reduce their water use through product innovation; e.g. new formulations such as Domestos Flush Less, and product formats that work well with less water, for example our Comfort One Rinse conditioner. We pay particular attention to the water used with our products in areas of water scarcity such as that in South Africa, where we launched Domestos Flush Less in 2018 to respond to the Cape Town water restrictions responding to drought. We're looking at how climate change may affect the availability of water and what risks this creates for our consumers, our suppliers and our business. Method of engagement: We track changing consumer sentiment through our 27 People Data Centres around the world. Through close collaboration between marketing and R&D, we use our insights to inform product development, leveraging our €900 million annual R&D spend.
Employees	Relevant, always included	Our employees are always incorporated into our risk assessments, for instance in terms of access to water and sanitation or their role in the delivery of the our corporate sustainability plan - the Unilever Sustainable Living Plan (USLP), which sets out specific targets to tackle the business risks of water scarcity. Delivery of these targets requires effort across many functions from supply chain to marketing and R&D. Methods of engagement: We directly engage employees in the importance of taking action to mitigate our risks related to water. Employees are provided training and are engaged in continuous improvement programmes in our factories. Marketers and research scientists are involved in consumer insight research and home visits. Employees are also provided access to our EcoDesign tool to evaluate the impact of product innovation on water use and whether or not it could contribute negatively. In addition, we have various internal communication methods and points of engagements with employees on water, e.g. internal and community outreach celebrations such as USLP family days, World Handwash Day, World Water Day and World Water Week.
Investors	Relevant, always included	Our investors are always considered within our risk assessments. By better understanding and responding to our water risks across our value chain we are making our business fit for the future and in turn ultimately impact share price and decision making. Anticipating and responding to water risks is part of our vision of accelerating growth while reducing our environmental footprint and increasing our positive social impact. This is delivering more trust from consumers and a stronger business for shareholders with lower risks and consistent, competitive and profitable long-term growth. Banks are now linking ESG performance with interest rates, offering preferable rates to companies actively identifying and managing risks i.e. manufacturing risks in water-scarce countries. Method of engagement: We are actively participating in an S&P pilot of their tool to assess companies ESG risk – one of their areas of engagement is water use. For the wider investment community, there are a series of events throughout the year including 1-to-1 meetings, analyst calls and results presentations where investor concerns relating to Unilever performance, including water and the wider USLP agenda are discussed. We also participate in indices such as CDP Water and DJSI that aim to inform investors of our water risk management activities. The ratings and rankings themselves usually reflect key metrics investors need for decision making purposes.
Local communities	Relevant, always included	Local communities are incorporated within our water related risk assessments e.g. areas local to our operations as there can be competition for resources, especially in areas of water scarcity. Impacts on local communities are assessed as part of the aspects & impacts assessment, as well site management plans & site level engagement to ensure our license to operate & manage negative impacts of our operations. This is usually f2f & led by the site manager, supported by HR. Wider water risk assessment tools are incorporated based on water demands. In our supply chain we help smallholder farmer (SHF) communities improve practices through training, including water use & conservation -helping manage risks associated with ingredient quality & continuity of supply. We have helped implement 4,000+ water management plans with suppliers & growers through our sustainable sourcing programme & helped 800,000 SHF's gain access to training & support so specific water risks are better understood & mitigation strategies designed. The principles of Climate Smart agriculture are integrated into supplier policies- the Sustainable Agriculture Code (SAC) & Responsible Sourcing Policy (RSP). Suppliers are assessed against them. These detail our commitment to water efficiency & management in agriculture & have been rolled out across our supply chain. As part of our SAC we expect all agricultural suppliers & farmers to explore how they can reduce water use. We further engage communities through education & training to encourage behaviour change & reduce disease. In India we are engaging local communities to help achieve the Government of India's Swachh Bharat mission. In 2015 we launched 'Swachh Aadat, Swachh Bharat –a marketing campaign combined with on-the-ground programmes to promote good WASH habits. We also engage communities in promoting access to water. In 2017, we began partnering with WHI to set up community water plants. So far, we have set up 4 pilot plants in India.
NGOs	Relevant, always included	We engage with NGOs to manage risk in two ways: 1) To ensure we are addressing the issues that matter to society 2) To ensure a lack of action on NGO concerns does not negatively affect our reputation Method of engagement: We refresh our materiality analysis every two years to understand evolving stakeholder concerns, including those of the NGO community. As part of this, we analyse NGO campaigns using SIGWATCH, to spot any emerging water related risks. We have direct, long-standing partnerships with UNICEF, PSI, Wateraid, and WSUP to help deliver progress on our sanitation and hygiene targets and work closely with other NGOs such as WaterAid, WWF and WSUP to ensure our water agenda secures the best outcomes. We also work with locally relevant organizations in priority countries such as UCEWQ in South Africa. UCEWQ have been analysing the potential risks and opportunities from using greywater in small-scale agriculture, for toilet flushing and other non-consumption uses. They have also developed materials to help people implement greywater recycling methods at home.
Other water users at a basin/catchment level	Relevant, always included	Other water users are considered within Unilever's risks assessment e.g. upstream industrial water users, downstream communities. These stakeholders are relevant in our risk assessments as the actions of one user in a watershed can determine the water supply for everyone else – For instance, extraction quantities at the basin level can impact downstream quantities used for activities such as irrigation. Method of engagement: Under ISO14001 & Unilever's Environmental Care Framework Standard, our manufacturing sites track risks associated with access to water. Where it is deemed to represent a risk, either at the current moment in time or in the future, sites will incorporate the needs of, and the impacts on, other water users (and effluent dischargers) into site-based risk assessments. Other water users are incorporated in the central risk assessment conducted using the WRI Aqueduct tool which assesses water stress based on the disparities between water supply and water demand.

	Relevance & inclusion	Please explain
Regulators	Relevant, always included	Water regulators are considered within Unilever's risk assessments i.e. changes to licensing or regulations which could pose operating or financial risks if not factored into our management approach. Method of engagement: Under ISO14001 & Unilever's Environmental Care Framework Standard, our manufacturing sites track regulation associated with water (including wastewater) and assess environmental aspects against current & future regulation. Site managers meet regularly with regulators and maintain good working relationships to ensure they are up to date with changing legislation or licensing. Changes to regulation and costs are considered within water related risk assessments scenario analysis.
River basin management authorities	Relevant, always included	River basin management authorities are one of the stakeholders considered by factories under ISO14001 & Unilever's Environmental Care Framework Standard. River basin management authorities are relevant to the assessment as they are often responsible for water allocation at a sub-national level and often layout the longer-term strategic direction for water management. Method of engagement: Under ISO14001 & Unilever's Environmental Care Framework Standard, our manufacturing sites track risks associated with access to water. Depending on the site location and the specific needs of the river basin management authority, engagement will vary. For instance, in our Kericho tea plantation in Kenya, Unilever has been working with Initiative for Sustainable Landscapes (ISLA) to restore & conserve of the South West Mau water catchment and the larger Sondu River basin through Forestation, water quality & quantity enhancement, energy management and livelihood improvement.
Statutory special interest groups at a local level	Relevant, always included	Statutory special interest groups at a local level are considered within Unilever's risk assessments as they can affect our license to operate. It also helps us to drive community relations at the local level. At a group level, we also engage with key organisations such as WBCSD and the CEO Water Mandate to both support best practice sharing and knowledge transfer. In 2010, we established Hindustan Unilever Foundation (HUF), a not-for-profit organisation that aims to conserve 500bn litres of water by 2020. Methods of engagement: Hindustan Unilever Foundation, under ISO14001 & Unilever's Environmental Care Framework Standard. Projects are implemented in over 4,000 villages across 11 river basins throughout India. The projects include storage and improved water use efficiency in agriculture and have also enabled government water/agriculture initiatives and company supply chains. By 2018, more than 700billion litres of water was conserved, over 0.8 million tonnes additional agricultural and biomass production generated & more than 7.5 million days of employment created from improved supply & demand water management, conservation & governance knowledge initiatives.
Suppliers	Relevant, always included	Suppliers are factored into water risk assessments because their business is integral to our business. We are committed to engaging with our suppliers across our supply chain through the Unilever Sustainable Agriculture Code (SAC), and through our own technical expertise. Our SAC sets out standards for water use, irrigation management & catchment-level water conservation as well as provision for drinking water and sanitation for employees. Unilever suppliers & third parties are required to sign our SAC & our Responsible Sourcing Policy. Using resources from Water Footprint Network (WFN) & the Life Cycle Analysis (LCA) community, we have mapped the water suppliers use to produce our agricultural & -non-renewable- materials, so understand key materials & locations of greatest risk. We have implemented >3,000 water management plans with our farmers, which includes continuous improvement activities. We are also working with our farmers to increase yields through using best -in -class varieties, or better soil & nutrient management, to reduce the water use per tonne of product produced. Method of engagement: WFN, LCA, SAC & CDP Supply chain
Water utilities at a local level	Relevant, always included	Water utilities are relevant in our assessments as they are often responsible for the delivery of water at adequate volumes & quality, for water pricing and for wastewater management activities. Method of engagement: Under ISO14001 & Unilever's Environmental Care Framework Standard, our manufacturing sites track regulation associated with water (including wastewater) and assess environmental aspects against current & future regulation. Site managers directly engage with water utility providers during annual contractual negotiations, & more frequently if required. This ensures that we maintain good working relationships with municipal suppliers and are up to date with changing legislation, licensing and pricing.
Other stakeholder, please specify	Relevant, always included	We are active members of collaborative initiatives such as the UN CEO Water Mandate, WEF & WBCSD & work closely with these organizations to help ensure business contributes to progress on WASH & water issues & mobilise greater cross-industry engagement. Method of engagement: Direct dialogue -We actively collaborate in initiatives such as the UN CEO Water Mandate & WBCSD's WASH in Supply Chains Advisory Group. We also engage other stakeholders related to water for example, some of our local External Advisory Boards have experts such as WWF's Global Conservation Director. We are also co-founders & members of the multi-stakeholder steering committee of WASH4Work -facilitating public-private partnerships, & engaging citizens in calling for improved WASH facilities. The network aims to mobilise greater private sector engagement in WASH provision within its operations, supply chains & surrounding communities. We also engage with scientists. Unilever South Africa has established the Unilever Centre for Environmental Water Quality. Its research guides national policy through the National Water Advisory Council. Method of engagement: The National Water Advisory Council partners with industry, local and national government, water resource management forums, communities and other academic institutions, to increase knowledge about, and practical methods for the sustainable management of water resources in South Africa. In 2016 the Centre completed a risk analysis review of using greywater, illustrating how greywater can be reused in small-scale agriculture, toilet flushing and other non-consumptive uses. They have also developed materials that guide people through behaviour change as well how to successfully collaborate with water catchment agencies, NGOs, community based organisations, and national and provincial government departments.

### W3.3d

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Tools used: Water Footprint Network Assessment tool, WRI Aqueduct, WWF-DEG Water Risk Filter, Environmental Impact Assessment, Life Cycle Assessment, IPCC Climate Change Projections, FAO/AQUASTAT, Maplecroft Global Water Security Risk Index, Regional government databases, Other, please specify (Internal studies-consumer use of product)

Risk management is integral to our strategy. In 2018, we conducted the following water related assessments across the business.

Identification & assessing water related risks: At a group level we use WRI Aqueduct and WWF-DEG Water Risk Filter to conduct a top down assessment of water related risks in 100% of our manufacturing sites, key consumer locations & key ingredients. We followed this with discussions with sites and a media review. We use social media reviewers & news sites such as SIGWATCH on an ongoing basis at group level to identify emerging issues & changes in regulation and societal sentiment. Continuous contact with our sites teams throughout the year identify emerging indicators of water stress for instance, abstraction restrictions, changes in pricing etc.

Addressing water risk within our agricultural supply chain we have contributed to the WFN's Water Footprint Assessment Tool & mapped water used in key agricultural raw materials. In addition, we have conducted a risk assessment of our agricultural supply chain at a crop-country level, based on scores assigned according to the knowledge of Unilever's sustainable sourcing team and procurement colleagues. This has been used to help inform discussions on where to prioritise programme initiatives with suppliers or partners. Risk assessment forms the basis of SAC 2017 and the equivalent certification schemes implemented by agricultural suppliers, all of which address issues relating to water (e.g. extraction and quality). Through the certification process, risks are evaluated, and any major non-compliances are typically remediated before certificates are issued. To map water stress to sourcing origins, we use the Maplecroft Water Stress Index.

For all our manufacturing operations, ISO14001 or Unilever's Environmental Care Framework Standard we conduct aspects and impacts registers and site based risk assessments which include various water issues specific to the site. These are prioritized by site, with management plans established to reduce risks.

Responding: The output from these assessments are used in various ways eg the risk scores for individual manufacturing sites are used within our World Class Manufacturing programme to stratify our operations & establish priority setting & determine annual water targets. They have also been used to establish investment criteria for internal funding into water efficiency projects financed under the Clean Tech programme where paybacks are extended for sites in water stressed locations.

At a site level, through the Environmental Care Framework Standard, environmental aspects which include water related risks are prioritised with action plans, timelines & responsibilities. This is revised on an annual basis, or where there is change at the facility.

## W4. Risks and opportunities

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### W4.1

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**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain



#### (W4.1a) How does your organization define substantive financial or strategic impact on your business?

Supply chain is one of Unilever's principal risks which could impact the Group's business model, future performance, solvency or liquidity over the long-term. This is across the value chain, including direct operations and supply chain.

##### Process to assess the financial impact of risks

We use our principal risks (all 15 included in pages 29-33 of our Annual Report and Accounts 2018) to identify scenarios which could force Unilever to cease being viable over a three-year period. In addition to general monitoring of the risks throughout the year, 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 and their ability to affect the business operating and meeting its liabilities. Our time horizons are aligned with our forward-looking planning, set out in our three-year strategic plans and annual forecasts and our Boards assume overall accountability for the management of risk and reviewing the effectiveness of Unilever's risk management and internal control systems.

##### Definition of substantive financial impact

In assessing viability, 'severe but plausible' scenarios based on our principal risks are considered and the threshold to which we work with these scenarios is 1% of our Group Turnover which constitutes our definition of 'substantive financial impact'. In 2018, 1% was equal equivalent to €509m of turnover. The substantive financial impact on our businesses & its viability is identified in 2 ways:

- 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 and the lost cost and growth opportunities from not keeping up with technological changes; and
- 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 and significant water shortages in our key developing markets. All the principal risks could impact our business within the next two years (ie short-term risks), or could impact our business over the next three to five years (ie medium-term risks).

Since water risks arising from climate change are greatest over the 6 year time horizon, we wanted to understand the impact of global warming scenarios on our business up to 2030.

##### Principal risk scenarios related to Climate change

For the 2017-2018 reporting period, we performed an assessment of the impact of 2°C and 4°C global warming scenarios on our business to inform the principal-risk scenarios related to climate change. The 2°C and 4°C scenarios were constructed on the basis that average global temperatures will have increased by 2°C and 4°C in the year 2100. We looked at the impact on our business in 2030 assuming we have the same business activities as we do today. We also 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.
- 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.

We identified the material impacts on Unilever's business arising from each of these scenarios based on existing internal and external data. The impacts were assessed without considering any actions that Unilever might take to mitigate or adapt to the adverse impacts or to introduce new products which might offer new sources of revenue as consumers adjust to the new circumstances.

## W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	12	1-25	The facilities included here and in further detail in Section 5 are those which pose a potential substantive financial or strategic impact from water related stress based on the above definition of substantive. A threshold of 5% of national production has been used as a proxy for revenue, assuming a full year of lost production. For this reporting, a facility is equivalent to Unilever's definition of a site, for which there may be multiple factories located and making different types of products. The facilities included here and in further detail in Section 5 are those which pose a potential substantive financial or strategic impact based on the above definition of substantive. A threshold of 5% of national production has been used as a proxy for revenue, assuming a full year of lost production. For this reporting, a facility is equivalent to Unilever's definition of a site, for which there may be multiple factories located and making different types of products.

## W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive impact on your business, and what is the potential business impact associated with those facilities?**

### Country/Region

India

### River basin

Other, please specify (Gulf of Kutch)

### Number of facilities exposed to water risk

1

### % company-wide facilities this represents

1-25

### Production value for the metals & mining activities associated with these facilities

<Not Applicable>

### % company's annual electricity generation that could be affected by these facilities

<Not Applicable>

### % company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

### % company's total global revenue that could be affected

Less than 1%

### Comment

Through our company-wide risk assessment, the Gulf of Kutch is identified as water stressed. The production is dependent on continued access to water. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

### Country/Region

India

### River basin

Other, please specify (Pennar)

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

1-25

**Comment**

Through our company-wide risk assessment, the Pennar river basin is identified as water stressed, though as a result of different drivers. This is confirmed at the local level with site engagement. The production is dependent on continued access to water. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

---

**Country/Region**

Indonesia

**River basin**

Other, please specify (Mas)

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

1-25

**Comment**

Through our company-wide risk assessment and engagement with the site and other stakeholders, the Mas river basin has been identified as an area exposed to water stress. The production is dependent on continued access to water. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. The production is dependent on continued access to water. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

---

**Country/Region**

Indonesia

**River basin**

Other, please specify (Citarum)

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-25

**Comment**

Through our company-wide risk assessment and engagement with the site and other stakeholders, the Citarum river basin has been identified as an area exposed to water stress. The production is dependent on continued access to water. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

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**Country/Region**

South Africa

**River basin**

Orange

**Number of facilities exposed to water risk**

2

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-25

**Comment**

Through our company-wide risk assessment and engagement with the site team, the factories located in the Orange river basin are located in an area increasingly exposed to water stress. The production is dependent on continued access to water. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. Recent events in the river basin supporting Cape Town & surrounding area have increased attention on the risks to the business in the Orange basin. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

---

**Country/Region**

Turkey

**River basin**

Other, please specify (Marmara)

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-25

**Comment**

Through our company-wide risk assessment, the Marmara is identified as water stressed. The production is dependent on continued access to water. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

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**Country/Region**

Turkey

**River basin**

Other, please specify (Konya Island Basin)

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-25

**Comment**

Through our company-wide risk assessment, the Konya island basin is identified as water stressed. The production is dependent on continued access to water. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

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**Country/Region**

Brazil

**River basin**

Parana

**Number of facilities exposed to water risk**

3

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

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**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-25

**Comment**

Although Global tools do not place the Parana basin as areas of water stress, consultation and experience from our sites teams in the area during 2015 recognised that the depleting water levels and threats of regulatory responses and tariff changes could justify elevating the water stress rating for four of the factories in the basin. The Parana river basin includes the greater part of South Eastern Brazil, Paraguay, South Eastern Bolivia, and northern Argentina. Although water levels this year continue to increase and have recovered somewhat, the sites located in Parana basin are still deemed to be exposed to significant future water risks. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

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**Country/Region**

Brazil

**River basin**

Paraiba Do Sul

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

This site is located in a water stressed area. The production is dependent on continued access to water. As part of the business' continuous improvement programme the site is taking action to minimise water use. Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

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**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Region**

India

**River basin**

Other, please specify (Gulf of Kutch)

**Type of risk**

Physical

**Primary risk driver**

Rationing of municipal water supply

#### Primary potential impact

Reduction or disruption in production capacity

#### Company-specific description

Baseline water stress in the region is high, and expected to increase into the future. This is driven by high seasonal variability, an expected increase in demand and declining water quality. The ground water levels in the region are already in decline and saline intrusion in the coastal areas is further contaminating water supplies making it unfit for consumption or irrigation. A reliance in the region on rainfed irrigation for farming, and the increasing volatility of monsoon rains threatens the livelihoods of millions of farmers in the region. The operations in the region are supplied with municipally supplied water. Competition for water could lead to reallocation of water by municipalities and result in either increased costs or restricted / halted supply.

#### Timeframe

1 - 3 years

#### Magnitude of potential impact

Medium

#### Likelihood

Unknown

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

110000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

Estimated cost to move annual volume from nearest similar production facility

#### Primary response to risk

Increase investment in new technology

#### Description of response

The operations in the Kutch basin are already one of the most water efficient within the Unilever Skin Cleansing network, however through water & energy audit programmes (last assessment occurred in June 2019), continue to seek new ways to continue to drive operational savings. In addition, to address issues beyond the factory boundary, Hindustan Unilever Foundation has been working with the AKRSP and the Development Support Centre (DSC) to support improved farming practices and irrigation.

#### Cost of response

200000

#### Explanation of cost of response

To further site based water efficiencies, in 2019 the site have been exploring the installation of enhanced water recycling system to reuse treated water back into production.

---

#### Country/Region

India

#### River basin

Other, please specify (Pennar)

#### Type of risk

Physical

#### Primary risk driver

Declining water quality

#### Primary potential impact

Increased operating costs

#### Company-specific description

The sites in the Pennar river basin have a high baseline water stress with extremely high seasonal variability. Water demand is

expected to increase, broadening the gap in supply and demand. Water quality is expected decline. Depleting quality and availability could impact our ability to operate, as pre-treatment of incoming water will become more intensive and complex, ultimately resulting in higher operating costs in the form of energy, maintenance and testing for our direct operations. Regulatory changes to address the increasing water stress could represent both opportunities and risks for the business. Greater regulation on water quality and abstraction could lead to better operating environment but may result in increased investment into initiatives such as Zero Liquid Discharge and ground water replenish schemes – for this reason increased operating costs have been identified as the primary impact. Alternatively, regulation introduced in the state of Himachal Pradesh means that our factories can no longer treat wastewater onsite and must instead send 100% to an industrial site treatment plant. Previously this factory treated and recycled 100% of water onsite, reaching a Zero Liquid Discharge status. The new requirement is resulting in increased water abstraction and an increase in COD leaving the site. impacts to the business include: Higher water prices & Regulatory uncertainty.

#### Timeframe

1 - 3 years

#### Magnitude of potential impact

Medium

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

200000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

The potential financial impact of €200,000 is based on the our knowledge of the on-cost, where other locations within India had to use industrial treatment plants over onsite treatment. In reality, the costs will be based on the wastewater flow rate and load leaving the site. This figure does not include the additional water abstraction costs or any business continuity costs associated with intermittent access.

#### Primary response to risk

Increase investment in new technology

#### Description of response

Increased investment: In our factories located across India, we support water efficiency projects through the central capital programme. During 2018, the site has achieved zero liquid discharge status through opportunities such as: reuse of washwater, condensate recovery & reuse and recycling of treated water into the utilities. Through our Prabhat factory scheme, site teams have been replenishing water through the restoration of local ponds. It is estimated that 20million m3 of water have been conserved to date.

#### Cost of response

100000

#### Explanation of cost of response

During 2018, we invested nearly €100,000 into the sites located in the Penna Basin. These projects include reuse of washwater, condensate recovery & reuse and recycling of treated water into the utilities. The 2018 capital projects are expected to deliver over 900m3 in annual water savings. Many of these projects deliver on water savings, as well as carbon and waste.

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#### Country/Region

Indonesia

#### River basin

Other, please specify (Mas)

#### Type of risk

Physical

#### Primary risk driver

Rationing of municipal water supply

#### Primary potential impact

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Reduction or disruption in production capacity

#### Company-specific description

The baseline water stress in the Mas Riverbasin is extremely high and expected to increase into the future. This is driven by an increase in water demand and declining water quality from domestic, farming and industrial waste. Water in our manufacturing operations is sourced from municipal supply. The potential impact on our manufacturing operations relate to declining quality and interrupted supplies. The site has not experienced any water related impacts during the reporting period.

#### Timeframe

4 - 6 years

#### Magnitude of potential impact

Medium

#### Likelihood

Unknown

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

140000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

The potential financial impact of €140,000 is based on our knowledge of the on-cost of additional water treatment for poor quality water derived from other locations in the Unilever network.

#### Primary response to risk

Increase investment in new technology

#### Description of response

Increased investment: The factory team continue to work to drive efficiency in water use. We invested over €470K through our sustainability capital programme into the sites located in the Mas Basin. Projects funded included boiler optimization, increased circulation of water and steam optimization. These projects will deliver on water savings, as well as carbon and waste with an average payback of 1.7years.

#### Cost of response

470000

#### Explanation of cost of response

During the reporting year, the site investment into water savings initiatives was €470K. This is part of a long term programme to drive continuous improvement on water at the site. This figure is based on the capital requests from factories & is a one off cost. Many of these projects deliver on water savings, as well as carbon and waste with an average payback of 1.7 years.

---

#### Country/Region

Indonesia

#### River basin

Other, please specify (Citarum)

#### Type of risk

Physical

#### Primary risk driver

Declining water quality

#### Primary potential impact

Increased operating costs

#### Company-specific description

The Citarum river basin has a high baseline water stress which is expected to worsen into the future. This is predominantly caused by increase in water demand and declining water quality as a result of industrial activities. Large seasonal variability poses challenges around both water availability and flooding. The water provided to the Unilever sites in the Citarum basin is sourced

from the municipal supplier/s and water quality remains a concern. Increased heavy metals from the industrial zones represent a possible contamination if municipal treatment cannot remove. The sites have additional pre-treatment on site and declining water quality can lead to increased costs for treatment & maintenance. Localised flooding also represents concerns to the continued operations of the factories.

#### Timeframe

1 - 3 years

#### Magnitude of potential impact

Medium

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

375000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

The potential financial impact estimate of €375K is based on our knowledge of the on-cost of additional water treatment for poor quality water derived from other locations in the Unilever network.

#### Primary response to risk

Increase investment in new technology

#### Description of response

In 2018 we have invested over €1.6m on ecoefficiency measures across factories in the Citarum basin from the central sustainability capital budget. These projects drive water, energy and waste and minimise the impact on business operations. Projects funded included expansion of the metering programme, RO optimization, condensate & heat recovery.

#### Cost of response

1600000

#### Explanation of cost of response

Infrastructure investment: During 2018, we invested nearly €1.6m through our sustainability capital programme into the sites located in the Citarum Basin. Projects funded included expansion of the metering programme, RO optimization, condensate & heat recovery. Many of these projects deliver on water savings, as well as carbon and waste with an average payback of 2.4years.

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#### Country/Region

South Africa

#### River basin

Orange

#### Type of risk

Physical

#### Primary risk driver

Increased water stress

#### Primary potential impact

Constraint to growth

#### Company-specific description

The Orange River Basin is medium high and expected to increase over the coming 20years. Medium-high seasonal variability, demand is expected to increase whilst water availability decreases. The river basin spans 4 countries: Lesotho, Botswana, Namibia and South Africa. The section in South Africa is sub-divided into 5 further water management areas. We have 2 manufacturing facilities located in the Upper Vaal management area. Industrial, agricultural and domestic growth and mining mean there is a gap between supply and demand that could pose issues related to access. Today, the Upper Vaal relies on water transfers from the other management areas to meet the demand. In the future this could result in water shortages or restricted access impacting the sites operating in the region. Declining water quality in the region could impact cost of water treatment. The site has not

experienced any water related impacts during the reporting period.

#### Timeframe

4 - 6 years

#### Magnitude of potential impact

Medium

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

170000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

The way that water stress will impact our manufacturing operations in South Africa is yet to materialise. The €170K financial impact estimate is based on experience in other countries, we expect that this will entail pricing increase (up to 50% increase) and/or potential caps to abstraction license, resulting in the need to tanker water from other catchments (estimated cost increase of x3), this has been applied for the full annual water consumption for the sites in the basin.

#### Primary response to risk

Increase investment in new technology

#### Description of response

Increase investment in new technology: In 2018, we invested €1.1m on eco-efficiency measures in factories in the Orange basin to minimize environmental impacts. Projects include rainwater harvesting, water reuse and boiler optimization. These projects will also deliver energy and waste savings as well. The online metering system that was installed in previous years is delivering new insights, some of which require capital investment, but many address behaviour e.g. CiP practices. In 2014, Unilever issued a Green Bond, the 1st by a company in the FMCG sector, with one of the new factories financed through this is in the Orange Basin. Various initiatives were built into the new facility which include pigging systems, rainwater harvesting, & water recycling. The site achieved USGBC LEED Gold building certification in 2017 for water efficient technologies.

#### Cost of response

1100000

#### Explanation of cost of response

In 2018, we invested €1.1m on eco-efficiency measures in factories the Orange basin to minimize environmental impacts including water. This figure is based on the capital requests from factories & is a one off cost. Many of these projects deliver on water savings, as well as carbon and waste with an average payback of 2.2 years.

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#### Country/Region

Turkey

#### River basin

Other, please specify (Marmara)

#### Type of risk

Regulatory

#### Primary risk driver

Increased difficulty in obtaining withdrawals/operations permit

#### Primary potential impact

Constraint to growth

#### Company-specific description

The sites in the Maramara basin of Turkey have a high baseline water stress which is expected to worsen into the future. This is caused by high seasonal variability and an increasing gap between supply and demand. The region is highly populated and urbanized, high industrial activity with wastewater treatment. This could pose business risks associated with restricted access to water, increasing regulation or costs or caps on water use restricting growth. Although a water stressed location, these operations

were also subject to flooding in 2012 causing significant damage. Improved flood resiliency measures were installed at the affected factory shortly after.

#### Timeframe

More than 6 years

#### Magnitude of potential impact

Medium

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

10000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

The potential financial impact of €10K is based on an increase in raw water costs at the site, similar to that experienced in other locations.

#### Primary response to risk

Increase investment in new technology

#### Description of response

To minimize the impact of operations on the water resources the site continue to drive water efficiency measures. Increased Investment: In 2018 we have invested ~€240k on ecoefficiency measures within the Marmara basin on sustainability initiatives with an average payback of <2years. The site also undertook a utilities audit in 2018 by the central engineering team to support the site in driving further savings. The metering system installed in 2017 is driving non-capital savings as site teams are able to identify operational inefficiencies associated with leaks, non value losses and cleaning optimization opportunities.

#### Cost of response

240000

#### Explanation of cost of response

In 2018 we have invested ~€240k on ecoefficiency measures within the Marmara basin on sustainability initiatives with an average payback of <2years.

---

#### Country/Region

Turkey

#### River basin

Other, please specify (Konya Island Basin)

#### Type of risk

Physical

#### Primary risk driver

Rationing of municipal water supply

#### Primary potential impact

Constraint to growth

#### Company-specific description

The sites in the Konya Island basin has an extremely high baseline stress which is expected to increase as a result of increasing demand and declining availability predictions for the future. The Konya Island basin is a closed riverbasin with outstanding importance of nature conservation as one of the "Global 200" eco-regions identified by WWF. Increased industry, migration and agricultural activities are causing a reduction in groundwater levels and declining water quality. This could pose business risks associated with restricted access to water, increasing regulation associated with abstraction, but also potentially zero liquid discharge requirements as we have seen in other countries.

#### Timeframe

More than 6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

70000

**Potential financial impact figure - maximum (currency)**

400000

**Explanation of financial impact**

The potential financial impact range of €70K - €400K is based on an increase in raw water costs at the site to the requirements to estimated costs associated with the capital expenditure required to deliver zero liquid discharge at the 2 locations.

**Primary response to risk**

Increase investment in new technology

**Description of response**

To minimize the impact of operations on the water resources the site continue to drive water efficiency measures. The new Konya project finished in 2016 – and part financed under the Green Bond has many water efficiency features inbuilt into the design including rainwater harvesting, water recycling and reuse options. In addition, the site team continue to use data from the metering, monitoring & targeting system to further water efficiency measures.

**Cost of response**

450000

**Explanation of cost of response**

In 2018 we have invested ~€450k on ecoefficiency measures within the Konya Island basin on sustainability initiatives with an average payback of <0.5years. Projects include various CIP optimization projects and the installation of solar heating system for water.

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**Country/Region**

Brazil

**River basin**

Parana

**Type of risk**

Physical

**Primary risk driver**

Increased water stress

**Primary potential impact**

Increased operating costs

**Company-specific description**

Water stress in the São Paulo State and the Cantareira reservoir system continue to be a concern for our operations in the area. The ongoing situation has the potential to impact our factories through both access to water and energy. Factories are reliant on energy from the grid, where hydropower makes up 70-75% of national grid electricity. If drought conditions continue into the future, we anticipate a requirement to reduce load, self-generate or face brown/black-outs. During the 2015 drought, several of our factories needed to tanker in water from other river basins to substitute for the restricted water; this resulted in increased water costs, but also represented a potential reputational risk for the facility. Increased operating costs have been identified as the primary impact but in reality there are likely to be multiple.

**Timeframe**

Current up to 1 year

**Magnitude of potential impact**

High

## Likelihood

Likely

## Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

## Potential financial impact figure (currency)

1600000

## Potential financial impact figure - minimum (currency)

<Not Applicable>

## Potential financial impact figure - maximum (currency)

<Not Applicable>

## Explanation of financial impact

The potential financial impact of €1.6m is based on an experience Unilever has already seen. In 2015, a drought in Brazil meant some of our factories in Sao Paulo needed to supplement water supplies with tankered water due to restricted water access for a limited duration. The potential annual financial impact figure is therefore based on the assumption this reoccurs, with 3 of the sites in the Parana basin having to source 100% of their annual water supply from another catchment, delivered by tanker.

## Primary response to risk

Other, please specify (Multiple activities as below)

## Description of response

The business is adopting a multi-pronged approach to address the water related risks in the region. ● Include in Business Continuity Plan: Contingency plans were put in place for both water & energy as energy is derived largely from hydropower. ● Water-related capital expenditure: The sites have accelerated their USLP roadmaps & increased investment in new technology, e.g. in 2017, invested ~€900K through our sustainability capital programme, followed by a further ~€600k in 2018 into projects which include expansion of the metering program, water & wastewater treatment improvements, cooling tower recirculation improvements and rainwater harvesting, overall are expected to payback of <3years. ● Improve alignment of our public policy influencing activity with our water stewardship commitments: Since 2015 Unilever have been partnering with Trata Brasil to address issues re: basic sanitation services & overall improved water resources. We continue to support The Nature Conservancy to address water security by investing in green infrastructure. Since the launch in 2015, the initiative has restored 30,000 hectares of green infrastructure, raised €5m in funds & benefited 2,500 families with environmental compensation. Wider best practice sharing with the industry on manufacturing efficiency and product development and consumer education was conducted at the World Water Forum in 2018.

## Cost of response

300000

## Explanation of cost of response

Infrastructure investment: In our Brazilian factories we support water efficiency projects through the central capital programme. In 2017, we invested nearly €900K into the sites located in the Parana Basin. This was increased by a further €300K in 2018 into projects which include water & wastewater treatment plant improvements, rainwater harvesting, extension of the metering programme, cooling tower optimization, delivering an average payback of <3years providing water, waste and energy savings.

---

## Country/Region

Brazil

## River basin

Paraiba Do Sul

## Type of risk

Physical

## Primary risk driver

Increased water stress

## Primary potential impact

Increased operating costs

## Company-specific description

The Paraiba river basin covers a significant area of north eastern Brazil. Risks to the Parnaiba basin include declining water quality, reduction in availability caused by silting of rivers & reservoirs and desertification resulting in changes to run off. Climate change is expected to exacerbate issues further. This could affect our manufacturing operations through volatility of supply, increased costs & restrictions on access, increased treatment requirements to manage declining quality, interrupted energy supply (hydro based) and potential reputational pressures caused by the poor access to water and sanitation by communities. The sites continue to drive their

USLP roadmaps & invest into new technologies for instance in 2018 a site in the Paranaiba basin received >€300K for investment into improved utility metering to support better oversight of the use of water and energy. Through new insights, this is expected to deliver a 2% year on year improvements. The site has not experienced any water related impacts during the reporting period.

#### Timeframe

1 - 3 years

#### Magnitude of potential impact

Medium

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

170000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

In the event that water supplies were restricted and the full capacity was met through tankered water from another catchment, this would result in an annual additional potential financial impact to the factory of €170K. This however, is not a feasible response and is used for illustrative purposes only.

#### Primary response to risk

Increase investment in new technology

#### Description of response

Increased investment: In our factories located across Brazil, we support water efficiency projects through the central capital programme. During 2018, we invested over 300m Euro through our sustainability capital programme into strengthening the online metering programme for utilities. This in turn will drive new insights into water efficiency measures which should deliver increased water efficiencies through behaviour and further investment into technology improvements.

#### Cost of response

300000

#### Explanation of cost of response

Infrastructure investment: During 2018, we invested over €300m through our sustainability capital programme into strengthening the online metering programme for utilities.

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## W4.2a

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**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

#### Country/Region

India

#### River basin

Tapti River

#### Stage of value chain

Use phase

#### Type of risk

Reputation & markets

#### Primary risk driver

Inadequate access to water, sanitation, and hygiene services

#### Primary potential impact

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Constraint to growth

#### Company-specific description

Rapid urbanisation means many low-income people in India live without easy access to clean water, a flushing toilet and other basic services. More than half of Mumbai's 12.5 million inhabitants don't have their own toilet. The urban poor may pay up to 50 times more for a litre of water than their richer neighbours, as they often have to buy their water from private vendors. Unilever studies observing and interviewing consumers in their homes showed that when water is scarce, or supplies are unreliable, people limit how frequently they wash or do the laundry. This reduces the demand for Unilever products such as those in our Beauty & Personal Care portfolio (ie shampoo) or Home Care (ie laundry detergent). By helping to tackle water scarcity we can change people's lives, build our brands and contribute towards UN Sustainable Development Goal 6 – ensure access to water and sanitation for all. The Tapti basin extends over states of Madhya Pradesh, Maharashtra and Gujarat, and include both rural and urban areas of water scarcity.

#### Timeframe

Current - up to 1 year

#### Magnitude of potential financial impact

Medium-high

#### Likelihood

Very likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

505000000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

Based on detailed business case studies estimating the potential financial impact of 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 that designing products that can work well with less water or low-quality water could represent an equivalent of net present value opportunity of €505m over the next 10 years.

#### Primary response to risk

Infrastructure investment

#### Description of response

We are investing in new projects and business models that can increase access to water, including the creation of community hygiene and water centres. By doing so, we are providing entire communities with the infrastructure that enables them to use our products locally, delivering social benefits whilst increasing growth. Over 1,500 people in 1 of Mumbai's largest slums are benefiting from clean water & facilities at our pioneering Suvidha Centre which opened in 2016. Suvidha (which means 'facility' in Hindi) was built with our partners, the Municipal Corporation of Greater Mumbai and Pratha Samajik Sanstha, a non-profit community organisation. It provides flushing toilets, handwashing facilities with soap, clean showers, safe drinking water and state-of-the-art laundry operations at an affordable cost for low-income households. Located in the heart of Azad Nagar, one of Mumbai's many slums, the Centre meets almost 80% of people's basic water needs for laundry, showers, toilets and handwashing. The services are provided on a pay-per-use basis, which are below market rates. Saving water is a priority for the Centre - and circular economy principles have been integrated into its design. Fresh water is first used for bathing, handwashing and laundry. The wastewater from these activities is then used for flushing toilets. The Centre's water recycling unit helps to recycle 90% of the water used – and a rainwater harvesting system helps to reduce the demand on mains water supplies.

#### Cost of response

100000

#### Explanation of cost of response

The maintenance and further rollout of Suvidha centres in India is managed by 1FTE at management level equivalent to ~ €100k in India p.a.

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#### Country/Region

Kenya

#### River basin

Other, please specify (Sonde)

#### Stage of value chain

Supply chain

#### Type of risk

Physical

#### Primary risk driver

Increased water scarcity

#### Primary potential impact

Supply chain disruption

#### Company-specific description

Sustainable sourcing was identified to be a key risk to Unilever during the 2017/2018 materiality assessment. Tea is one of our priority crops and we buy around 10% of the world's black tea. It is well documented in a number of scientific journals that tea plants require at least 100-300cm rainfall annually so changes in water availability can have a direct impact on production. The plants require regular well-distributed rainfall to produce their best leaves. Unexpected dry periods cause pest outbreaks (e.g. mites) and bush death. Unexpected wet periods result in more weeds and fungal infection, soil erosion and waterlogging. Unilever is the largest buyer of black tea globally and we own the world's leading tea brand, Lipton. We therefore require large volumes of high quality tea and we source high volumes of this from Kenya. The risk is that changes to weather conditions affect our security of supply, particularly at the volume and quality standards we require.

#### Timeframe

4 - 6 years

#### Magnitude of potential financial impact

Medium-low

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

We are unable to provide a financial impact figure for the cost of supply chain disruption based on the increased water scarcity in the Sondu river basin. However, we can provide context on the scale of the potential impact. Lipton for example is the world's leading tea brand, being consumed in more than 110 countries. We also have iconic brands such as PG tips, Brooke Bond and Bushells in our portfolio which are consumed by millions of tea-drinkers every day. The loss of revenue from being unable to meet our tea sourcing requirements for these brands would have a very real financial impact on Unilever. For example, in 2018 brands such as Lipton and Brooke Bond each contributed €1 billion or above in revenue to the Foods & Refreshments category. However, revenue loss as a result of supply chain disruption would only be an impact if we were to do nothing, rather than proactively managing this risk. In reality, if there were to be a prolonged period of supply chain disruption related to key brands, we would mitigate against this through sourcing from different regions or reformulating using alternative tea varieties that are more drought resistant for example.

#### Primary response to risk

Work with supplier to engage with regulators/policymakers

*Work with supplier to engage with regulators/policymakers Increase investment in new technology*

#### Description of response

Working with suppliers to engage with regulators/policymakers: We work with many partners, from tea-growers, suppliers and NGOs to local and national governments. In 2007, we assisted the Rainforest Alliance (RA) in the development of local indicators for sustainable tea production in Kenya in accordance with the Sustainable Agriculture Network certification standard and began to certify our tea farms, in the process helping to transform both our own supply chain and the wider industry. Since 2015, 100% of the tea in our Lipton tea bag blends has come from Rainforest Alliance Certified™ sources. In 2018, 84% tea purchased for all our brands was from sustainable sources: 68% was Rainforest Alliance Certified™ and 16% was trustee Verified. Increased

investment in new technology: Working with tea research institutes, universities and tea companies, we've sourced more than a thousand tea cultivars from around the world and are mapping their genetic diversity. We've started an R&D project to cultivate more sustainable varieties of tea – as a contribution to helping safeguard the future of the world's tea supply. Our project is run in partnership with Nature Source Genetics in our tea gardens in Kenya. It aims to increase the number of crops that can withstand drought, disease and pests.

#### Cost of response

1500000

#### Explanation of cost of response

Includes the following estimates: x6 FTEs work on the rollout of global certification education & investing approx €1.5m p.a. on the development & deployment of farmer training in conjunction with RA & through a number of other initiatives like Trustea (which we co-founded). By the end of 2018, 586 factories had achieved Trustea verification. Unilever also pays RA a participation fee in order to carry the organisation's frog logo on its pack of approx. €11 (\$12.50 USD) per tonne of tea.

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#### Country/Region

United States of America

#### River basin

Mississippi River

#### Stage of value chain

Supply chain

#### Type of risk

Physical

#### Primary risk driver

Declining water quality

#### Primary potential impact

Increased production costs due to changing input prices from supplier

#### Company-specific description

Stretches of the Mississippi River exceed water quality standards for mercury, bacteria, sediment, PCBs (polychlorinated biphenyl), and nutrients. Potential reduction in revenue, as a consequence of higher pricing for purchased materials such as soy, due to suppliers experiencing 1) Higher prices of clean water and wastewater treatment provision, 2) restrictions in use and 3) changes in allocation imposed by water authorities. We identify the Mississippi River Basin as an area of poor soil health and water quality in our external reporting in regards to our soy sourcing, as we source 3/4 of the soy used in Hellmann's, one of Unilever's €1 billion brands, from the US. It is likely we will see an increase in production costs of products such as Hellmann's from increased supplier costs relating to soy oil.

#### Timeframe

1 - 3 years

#### Magnitude of potential financial impact

Medium-low

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

We are not able to quantify the financial cost to Unilever from the declining water quality in the Mississippi river basin. We do however know that if suppliers have difficulties getting access to the quality and quantity of water required to grow key crops we use in our products, it is likely we will see an increase in sourcing costs, limiting our profit margins. As Hellmann's generates revenue of €1 billion or above for Unilever, this could have a substantial financial impact to us. However, this would be an impact if we were to do nothing, rather than proactively managing this risk. In reality, if there were to be a prolonged period of increased

production cost related to key brands, we would mitigate against this through forward buying or reformulating using alternative oils such as for example.

#### Primary response to risk

Increase requested supplier reporting on water

#### Description of response

Working with State government on implementation of cover cropping programs in our supply chain to mitigate water quality risks. Investing €1-2M per year in farmer data collection and estimating environmental impact on farms. Under the wider Sustainable Sourcing Programme, our Sustainable Agriculture Code covers practices that all our suppliers should achieve, water management is 1 key pillar. The Code includes mandatory requirements such as water quality measurement and fertiliser control together with good practices.

#### Cost of response

2000000

#### Explanation of cost of response

Unilever invests €1-2M per year in farmer data collection and estimating environmental impacts on farms. We also focus on ensuring our suppliers are compliant with our SAC as mentioned in the 'description of response' 72% of our soy oil came from sustainable sources in 2018 - including RTRS certified soy oil, RTRS certificates redeemed in 2018 & self-verified soy oil (the US).

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### W4.3

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#### (W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

### W4.3a

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#### (W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

##### Type of opportunity

Products and services

##### Primary water-related opportunity

Sales of new products/services

##### Company-specific description & strategy to realize opportunity

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. Our biggest water use - over 99% of our product water footprint - occurs when consumers use our products. So we are concentrating on product categories which require most water to use including laundry, household cleaning, skin cleansing, oral and hair care. We are investing in water-smart products, which are particularly suited to the needs of people living in water-stressed areas but can also help encourage a wider shift to more sustainable consumption of water. For example, our Day2 dry wash spray that prolongs the time between washes. Each bottle saves approximately 60 litres of water and is made with 0.02% of the water used in a normal laundry load. Another example is our SmartFoam technology, which is a patented anti-foam molecule reducing the number of rinses by breaking down soap suds more quickly. This saves significant amounts of water. It was first launched in South Africa in 2016 in our Sunlight 2-in-1 Handwashing Laundry Powder and in India in our Rin soap bars. In India, our market research shows that people who use a liquid detergent rather than a bar use 1/3 less water when washing dishes. We continue to drive market conversion towards liquids across key water-scarce countries

##### Estimated timeframe for realization

1 to 3 years

##### Magnitude of potential financial impact

Medium-high

##### Are you able to provide a potential financial impact figure?

Yes, an estimated range

##### Potential financial impact figure (currency)

---

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

2000000000

#### Potential financial impact figure – maximum (currency)

3000000000

#### Explanation of financial impact

Our strategy is to develop innovative products which help people adapt to water scarcity, expanding usage occasions. Based on detailed business case studies estimating the potential financial impact of 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 incremental sales in 2025.

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#### Type of opportunity

Products and services

#### Primary water-related opportunity

New R&D opportunities

#### Company-specific description & strategy to realize opportunity

Despite our planet being over 71% water, half the global population is expected to live in water-stressed areas by 2025. Providing safe drinking water is part of our Health & hygiene pillar commitment in our Unilever Sustainable Living Plan (USLP) which is our ambition for sustainable growth through purpose-led brands, cutting business costs, reducing risk and helping us to build trust. We have developed a simple, affordable solution to help more people get the safe drinking water they need, directly contributing to UN Sustainable Development Goal 6: ensure availability and sustainable management of water and sanitation for all and driving growth in developing markets. Many people simply cannot afford clean and safe drinking water, or live in places that don't have clean and safe mains water supplies. We set out to overcome this by inventing a way to purify water which would be affordable for those who need it most. In 2008 we introduced Pureit, which uses our unique GermKill Kit™ to remove harmful viruses, bacteria, parasites and other impurities from water – in line with strict international standards – without boiling. A decade after it was launched, Pureit is still the world's most advanced and most widely available home water purification system. The most affordable model is 1,500 Indian rupees (€20). In addition, in 2014 we acquired Qinyuan (now Truliva), a leading Chinese water purification business which enhanced our reach in the water purification market.

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

Medium-high

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

1000000000

#### Potential financial impact figure – maximum (currency)

2000000000

#### Explanation of financial impact

Unilever's strategy is to grow our revenues by developing the market for in-home water purifiers. Based on detailed business case studies estimating the potential financial impact of new products and services relating to water purification in our Home Care categories, Unilever estimates that our water purification business could represent an incremental-turnover opportunity of €1-2bn over the next 10 years.

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#### Type of opportunity

Resilience

#### Primary water-related opportunity

Increased resilience to impacts of climate change

#### Company-specific description & strategy to realize opportunity

Increasing resilience to the impacts of climate change in our operations helps us future proof our business & protect growth opportunities ie ensuring water quantity for increased production volume. Unilever(UL)'s growth target is 3-5% & we will unlikely meet this if we do not have sustainable access to water (quantity & quality) as it is used as an ingredient & to run our

heating/cooling systems & clean manufacturing facilities. To build resilience we continue investing in water efficiency through a ring fenced fund aimed at manufacturing operations. We invested €32k on rainwater harvesting around the Tapti River, India, saving an estimated 43k m<sup>3</sup> of water (pa). The harvesting potential of this is 9k m<sup>3</sup>, which is enough to meet our needs for 30 days. Since 2008, we have reduced total water abstraction by 44% per tonne of production. World Class Manufacturing (WCM) cost deployment tools support sites to address & manage dependencies. Given that 35% withdrawals in 2018 were from operations in water-scarce areas, we anticipate the need to build greater resilience against climate change. Our factory water efficiency programme, doing more with less, will help to increase resilience & adapt to the future climate with less water available for industrial activities. At the same time, it will also reduce our contribution to climate change & allow us to grow our business in a sustainable way.

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

105000000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

Since 2008, our water-efficiency improvements have resulted in direct avoided costs of around €105 million since 2008 with greater savings predicted in the future as more projects are implemented based on key learnings from others. The average payback of water capital projects was 2 years. We track costs associated with utility savings centrally and report within our ARA and USLP externally.

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## W5. Facility-level water accounting

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### W5.1

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**(W5.1) For each facility referenced in W4.1c, provide coordinates, total water accounting data and comparisons with the previous reporting year.**

#### Facility reference number

Facility 1

#### Facility name (optional)

#### Country/Region

India

#### River basin

Other, please specify (Gulf of Kutch)

#### Latitude

23.07

#### Longitude

70.13

#### Primary power generation source for your electricity generation at this facility

<Not Applicable>

#### Oil & gas sector business division

<Not Applicable>

---

**Total water withdrawals at this facility (megaliters/year)**

127.9

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

127.9

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

Production volume and water abstraction have remained at similar levels compared to the previous year. This is a zero liquid discharge factory, with all wastewater treated and reused on site. In 2019 the site worked with the central engineering team to conduct a utility assessment, bringing specialists and suppliers together to identify further opportunities and establish a short to medium term capital investment programme. Key water projects identified were associated with further improving the water recycling opportunities with impact expected to be realized by 2021.

---

**Facility reference number**

Facility 2

**Facility name (optional)****Country/Region**

India

**River basin**

Other, please specify (Pennar)

**Latitude**

11.9239

**Longitude**

79.8292

**Primary power generation source for your electricity generation at this facility**

&lt;Not Applicable&gt;

**Oil & gas sector business division**

&lt;Not Applicable&gt;

**Total water withdrawals at this facility (megaliters/year)**

179.05

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

179.05

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

Production at the site has increased slightly, water abstraction has also increased slightly but not at the same rate, with water intensity reducing compared to the previous year. This is a zero liquid discharge factory. This is a zero liquid discharge factory, with all wastewater treated and reused on site. The site continue to drive water savings through the world class manufacturing

programme, projects implemented under the programme include water recycling for utilities, CIP optimization and condensate recovery.

---

**Facility reference number**

Facility 3

**Facility name (optional)**

**Country/Region**

Indonesia

**River basin**

Other, please specify (Mas)

**Latitude**

-7.25

**Longitude**

112.75

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

442.6

**Comparison of withdrawals with previous reporting year**

Higher

**Total water discharges at this facility (megaliters/year)**

253

**Comparison of discharges with previous reporting year**

Higher

**Total water consumption at this facility (megaliters/year)**

189.6

**Comparison of consumption with previous reporting year**

Higher

**Please explain**

This increase in water abstraction at the site has been driven by a recent global change in preservatives and changes to run strategies & product mix. The water consumption and discharge also reflect these changes. In 2018 the site received over €472k in capital to deliver sustainability projects which includes steam upgrade programme. Impact of the programme will be seen in 2019/20 annual data.

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**Facility reference number**

Facility 4

**Facility name (optional)**

**Country/Region**

Indonesia

**River basin**

Other, please specify (Citarum)

**Latitude**

-6.233333

**Longitude**

106.98

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

---

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

1171

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

602.3

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

568.8

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

The water abstraction is about the same as the previous year -1%, with water intensity reduced by 2%. Information on discharge volumes is managed by site teams & used for compliance & targeting efficiencies. Total discharged is based on assumptions from a site water model. Key improvements include: RO improvements, water leak detection and improved cleaning practices. In 2018 the site received over €1.5m in capital to deliver sustainability projects which includes extended metering programme to support improved water oversight.

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**Facility reference number**

Facility 5

**Facility name (optional)****Country/Region**

South Africa

**River basin**

Orange

**Latitude**

-26.190244

**Longitude**

28.267709

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

136.4

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

89

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

47.4

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

Overall the site has increased water abstraction on an absolute basis, but reduced water intensity by 6%. This is principally driven

by the increase in production (+19%) as the factory ramps up. This factory opened in 2016 and part financed through the Green Bond – a £250m Stirling bond with specific criteria on environmental performance. As such there are various water efficiency measures built into the factory as standard eg inline water metering, water recycling and efficient cleaning.

---

**Facility reference number**

Facility 6

**Facility name (optional)**

**Country/Region**

South Africa

**River basin**

Orange

**Latitude**

-26.2

**Longitude**

28.233333

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

212.1

**Comparison of withdrawals with previous reporting year**

Lower

**Total water discharges at this facility (megaliters/year)**

115.4

**Comparison of discharges with previous reporting year**

Lower

**Total water consumption at this facility (megaliters/year)**

96.7

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

The reduction in water consumption has changed principally due to the changes to the product mix caused by the divestment of the spreads business, which in 2017 was responsible for the majority of the water used at the shared site. In 2018 the site received over €980k in capital to deliver sustainability projects which includes extended metering programme to support improved water oversight and rainwater harvesting. Results are expected to materialise in 2019.

---

**Facility reference number**

Facility 7

**Facility name (optional)**

**Country/Region**

Turkey

**River basin**

Other, please specify (Marmara)

**Latitude**

41.15

**Longitude**

27.8

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

---

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

394

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

254.6

**Comparison of discharges with previous reporting year**

Lower

**Total water consumption at this facility (megaliters/year)**

139.4

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

The reduction in water consumption has changed principally due to the changes to the product mix caused by the divestment of the spreads business. Information on discharge volumes is managed by site teams & used for compliance & targeting efficiencies. Total discharged is based on assumptions from a site water model. In 2018 the site received over €275k in capital to deliver sustainability projects which includes steam optimisation programme. Results are expected to materialize in 2019.

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**Facility reference number**

Facility 8

**Facility name (optional)****Country/Region**

Turkey

**River basin**

Other, please specify (Konya inland basin)

**Latitude**

37.969961

**Longitude**

32.619772

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

739.5

**Comparison of withdrawals with previous reporting year**

Higher

**Total water discharges at this facility (megaliters/year)**

421.7

**Comparison of discharges with previous reporting year**

Higher

**Total water consumption at this facility (megaliters/year)**

317.8

**Comparison of consumption with previous reporting year**

Higher

**Please explain**

The facilities in the Konya inland basin represent a new multicategory factory that remains in early operational stage of production. Between 2017 and 2018 there was an 85% increase in production. Intensity metrics improved by nearly 25% with improved as

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optimal capacity. This factory was financed using the proceeds of the Unilever Green Bond, as such there were various sustainability features built in such as water metering, rainwater harvesting and water recycling technologies. Information on discharge volumes is managed by site teams & used for compliance & targeting efficiencies. Total discharged is based on assumptions from a site water model.

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**Facility reference number**

Facility 9

**Facility name (optional)**

**Country/Region**

Brazil

**River basin**

Paraiba Do Sul

**Latitude**

-8.366188

**Longitude**

-35.129463

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

36.9

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

24.1

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

12.8

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

Despite growth in production (+3%) the site have continued to deliver savings in absolute (-4%) and water intensity (-6%). New insights derived from the installation of the online metering system continue to drive improvements. Total discharged is based on assumptions from a site water model. The method for calculating water consumption is in line with updated CDP guidance.

---

**Facility reference number**

Facility 10

**Facility name (optional)**

**Country/Region**

Brazil

**River basin**

Parana

**Latitude**

-23.11705

**Longitude**

-47.212849

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

---

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

175.4

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

175.4

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

Changes to product compaction have meant that volumetric production growth has changed very little, however water intensity has increased by 4%. The site has been focusing on the optimisation of their water recycling system, already a zero liquid discharge factory and rainwater harvesting. Impact of phase 1 of the rainwater harvesting system should be visible in 2019. Information on discharge volumes is managed by site teams & used for compliance & targeting efficiencies. Total discharged is based on assumptions from a site water model.

---

**Facility reference number**

Facility 11

**Facility name (optional)****Country/Region**

Brazil

**River basin**

Parana

**Latitude**

-22.967059

**Longitude**

-46.997012

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

346.6

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

198.1

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

148.5

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

Despite a small decline in production, absolute and water intensity metrics have increased, this is principally driven by a recent

global change in preservatives and changes to run strategies & product mix. The water consumption and discharge also reflect these changes.

---

**Facility reference number**

Facility 12

**Facility name (optional)**

**Country/Region**

Brazil

**River basin**

Parana

**Latitude**

-22.967059

**Longitude**

-46.997012

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

413

**Comparison of withdrawals with previous reporting year**

About the same

**Total water discharges at this facility (megaliters/year)**

254.4

**Comparison of discharges with previous reporting year**

About the same

**Total water consumption at this facility (megaliters/year)**

158.6

**Comparison of consumption with previous reporting year**

About the same

**Please explain**

Absolute water abstraction has declined by -6%, this is inline with fall in production (-6%). Despite a recent global change in preservatives and changes to run strategies & product mix, the sites' total water abstraction has not been affected as significantly as others in the network. Information on discharge volumes is managed by site teams & used for compliance & targeting efficiencies. Total discharged is based on assumptions from a site water model. The method for calculating water consumption is in line with updated CDP guidance.

---

## W5.1a

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**(W5.1a) For each facility referenced in W5.1, provide withdrawal data by water source.**

**Facility reference number**

Facility 1

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Brackish surface water/seawater**

0

**Groundwater - renewable**

---

0

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

127.9

**Comment**

No changes in water source since previous year.

---

**Facility reference number**

Facility 2

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Brackish surface water/seawater**

0

**Groundwater - renewable**

176.79

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

2.26

**Comment**

No changes in water source since previous year.

---

**Facility reference number**

Facility 3

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Brackish surface water/seawater**

0

**Groundwater - renewable**

0

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

442.6

**Comment**

No comment

---

**Facility reference number**

Facility 4

**Facility name**

---

Fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Brackish surface water/seawater

0

Groundwater - renewable

0

Groundwater - non-renewable

0

Produced/Entrained water

0

Third party sources

1171

**Comment**

No comment

---

**Facility reference number**

Facility 5

**Facility name**

Fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Brackish surface water/seawater

0

Groundwater - renewable

0

Groundwater - non-renewable

0

Produced/Entrained water

0

Third party sources

136.4

**Comment**

No comment

---

**Facility reference number**

Facility 6

**Facility name**

Fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Brackish surface water/seawater

0

Groundwater - renewable

0

Groundwater - non-renewable

0

Produced/Entrained water

0

Third party sources

212.1

---

**Comment**

No comment

---

**Facility reference number**

Facility 7

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0.7

**Brackish surface water/seawater**

0

**Groundwater - renewable**

394

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

0

**Comment**

No comment

---

**Facility reference number**

Facility 8

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Brackish surface water/seawater**

0

**Groundwater - renewable**

0

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

739.5

**Comment**

No comment.

---

**Facility reference number**

Facility 9

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Brackish surface water/seawater**

0

**Groundwater - renewable**

36.7

**Groundwater - non-renewable**

---

0

**Produced/Entrained water**

0

**Third party sources**

0.2

**Comment**

No comment.

---

**Facility reference number**

Facility 10

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

161.3

**Brackish surface water/seawater**

0

**Groundwater - renewable**

14

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

0

**Comment**

No comment

---

**Facility reference number**

Facility 11

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

131.8

**Brackish surface water/seawater**

0

**Groundwater - renewable**

0

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

11.2

**Comment**

No comment

---

**Facility reference number**

Facility 12

**Facility name**

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0.7

---

**Brackish surface water/seawater**

0

**Groundwater - renewable**

407.3

**Groundwater - non-renewable**

0

**Produced/Entrained water**

0

**Third party sources**

5

**Comment**

No comment.

---

**W5.1b**

---

**(W5.1b) For each facility referenced in W5.1, provide discharge data by destination.**

**Facility reference number**

Facility 1

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

0

**Comment**

This is a zero liquid discharge factory, all water is reused within the factory boundary. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a the water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 2

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

0

**Comment**

This is a zero liquid discharge factory, all water is reused within the factory boundary. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a the water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste

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metric.

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**Facility reference number**

Facility 3

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

253

**Comment**

Wastewater is treated onsite using primary & secondary treatment before being discharged to the municipal sewer for further treatment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 4

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

602.3

**Comment**

Wastewater is treated onsite using primary treatment, secondary and tertiary treatment before being discharged to the industrial park wastewater treatment plant. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 5

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

89

**Comment**

Wastewater is treated via primary and secondary treatment before discharged to the municipal sewer for further treatment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system &

---

externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 6

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

115.4

**Comment**

Wastewater is treated onsite using primary and secondary treatment before discharge to the municipal sewer. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 7

**Facility name**

**Fresh surface water**

254.6

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

0

**Comment**

Wastewater is treated onsite using primary and secondary treatment before discharge to the environment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric. Over the past 3 years this site has been taking significant steps to increase water recycling.

---

**Facility reference number**

Facility 8

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

421.7

**Comment**

Wastewater is treated onsite using primary, secondary & tertiary treatment before being discharged to the industrial wastewater treatment for further treatment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a

---

central reporting system & externally assured as part of our total waste metric. During 2018 this site achieved zero liquid discharge status and will be reflected in 2019 CDP submission.

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**Facility reference number**

Facility 9

**Facility name**

**Fresh surface water**

24.1

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

0

**Comment**

Wastewater (principally from sanitation) is treated onsite using primary and secondary treatment before being discharged to the environment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 10

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

0

**Comment**

This is a zero liquid discharge factory, all water is reused within the factory boundary. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a the water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 11

**Facility name**

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

198.1

**Comment**

Wastewater (principally from sanitation) is treated onsite using primary, secondary & tertiary treatment before being discharged to the municipal sewer for further treatment. Discharge data is managed on site & used for compliance, managing costs & targeting

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efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

---

**Facility reference number**

Facility 12

**Facility name**

**Fresh surface water**

254.4

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

0

**Comment**

Wastewater is treated onsite using primary, secondary & tertiary treatment before being discharged to the river. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

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**W5.1c**

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**(W5.1c) For each facility referenced in W5.1, provide the proportion of your total water use that is recycled or reused, and give the comparison with the previous reporting year.**

**Facility reference number**

Facility 1

**Facility name**

**% recycled or reused**

51-75%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 2

**Facility name**

**% recycled or reused**

51-75%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming

---

**Facility reference number**

Facility 3

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 4

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 5

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 6

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 7

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 8

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 9

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 10

**Facility name****% recycled or reused**

51-75%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 11

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

---

**Facility reference number**

Facility 12

**Facility name****% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

We do not measure water recycled by sites centrally, but regard it as way to achieve water reductions by using only what we need. Accurate data on water recycling would require detailed metering which at present is cost prohibitive. We estimate that average recycling rates are >10% of total water abstracted. Where sites are Zero Liquid Discharge, they are reusing & recycling 100% of wastewater, on average is ~60% of the total incoming water abstraction.

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**W5.1d**

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**(W5.1d) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?****Water withdrawals – total volumes****% verified**

76-100

**What standard and methodology was used?**

PricewaterhouseCoopers (PwC) has been providing independent limited assurance on selected Unilever Sustainable Living Plan performance indicators including water for 6 years. Prior to this Deloitte carried out independent assurance on our environmental manufacturing performance indicators, including water. PwC's assurance engagement is in accordance with ISAE 3000 & they apply the Institute of Chartered Accountants in England & Wales (ICAEW) Code of Ethics. PwC assurance statement is attached.

**Water withdrawals – volume by source****% verified**

Not verified

**What standard and methodology was used?**

Water withdrawal by source is a new reporting metric incorporated within 2014. We do not propose to have this verified by external auditors.

**Water withdrawals – quality****% verified**

Not verified

**What standard and methodology was used?**

Water withdrawal quality is managed by site teams locally and forms part of our overall quality procedures. The data is not reported centrally and therefore not externally verified as part of our assurance procedures.

---

## Water discharges – total volumes

### % verified

Not verified

### What standard and methodology was used?

Water discharges by volume are monitored and reported at site level. The data is not reported centrally and therefore not externally verified as part of our assurance procedures.

## Water discharges – volume by destination

### % verified

Not verified

### What standard and methodology was used?

Not verified externally. Internal verification through Internal Audit programme, as part of the Unilever World Class Manufacturing Audit Programme.

## Water discharges – volume by treatment method

### % verified

Not verified

### What standard and methodology was used?

Not verified externally. Internal verification through Internal Audit programme, as part of the Unilever World Class Manufacturing Audit Programme.

## Water discharge quality – quality by standard effluent parameters

### % verified

76-100

### What standard and methodology was used?

Our discharge water quality parameters are reported & monitored using our global EPR system, where we track discharge of COD centrally as a measure of water quality. PwC has been providing independent limited assurance on selected Unilever Sustainable Living Plan performance indicators in accordance with ISAE 3000 including Chemical Oxygen Demand for 6 years. PwC assurance statement is available here: [https://www.unilever.com/Images/pwc-assurance-report-2016\\_tcm244-504834\\_en.pdf](https://www.unilever.com/Images/pwc-assurance-report-2016_tcm244-504834_en.pdf)

## Water discharge quality – temperature

### % verified

Not verified

### What standard and methodology was used?

Not verified externally. Internal verification through Internal Audit programme, as part of the Unilever World Class Manufacturing Audit Programme where it is a requirement of local compliance.

## Water consumption – total volume

### % verified

Not verified

### What standard and methodology was used?

Not verified externally.

## Water recycled/reused

### % verified

Not verified

### What standard and methodology was used?

Not verified externally.

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## W6. Governance

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### W6.1

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

Row	Scope	Content	Please explain
1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	To enable us to deliver our strategy, we take a holistic approach to water which is why our Unilever Sustainable Living Plan (USLP) stretches our value chain. We use our annual water footprint assessment to help guide our USLP water commitments & strategy. Water use is a pillar commitment in our USLP with targets aligned & contributing to the UN SDGs - 6, 12, 13 & 17. Our alignment is complimented by our commitments to other international initiatives & standards such as the CEO Water Mandate & the WHO standards for drinking water quality. Our USLP is supported by our Group Environmental Policy which embeds performance standards for factories , particularly in water-scarce areas. Standards for supplier best practice are found in our Responsible Sourcing Policy (RSP) which is integral to our Enhancing Livelihoods Big Goal of the USLP. This goes beyond regulatory compliance, extending to suppliers. The policy embeds water efficiency & risk management into their agricultural practices. Stakeholder awareness & education is further driven by our USLP commitments on consumer education which aim to drive behavior change. We have set public goals to help consumers with products & services which meet their water scarcity & quality needs. We also have innovated to meet these needs i.e. Domestos Flush less in SA. Innovation is core to our strategy. We communicate the linkages/tradeoffs with GHG for example through our USLP reporting (SLR) & our Annual Report & Accounts. Our SLR includes communication water-related innovation & progress, company-wide targets related to our value chain, & water action through transformational change –inc water stewardship & policy influence. Through our USLP, we also acknowledge the impact access to water & sanitation can have on communities. Lifebuoy, Pureit & Domestos can make a difference in these areas & are targeted to do so. Progress on these KPIs are reported annually as part of the SLR.

W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

## W6.2a

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**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Chief Executive Officer (CEO) <i>Chief Marketing &amp; Communications Officer</i>	It's our Board's & CEO's responsibility to review, monitor & guide strategy. The Board's Corporate Responsibility Committee (CRC) tracks progress & potential risks linked with the Unilever Sustainable Living Plan (USLP) including water-related targets. The CRC feed into the Boards regularly so they can fulfil their oversight responsibilities. The Boards take accountability for the management & guidance of water-related risks & opportunities with support from CRC, Unilever Leadership Executive, & the USLP Steering Team. The operational running of Unilever is delegated to the CEO, with the exception of key matters such as governance, structural and constitutional matters. In 2018, our CEO was Chairman of the ICC, Chair of the B Team & Vice-Chair of the UNGC where he has championed the role of business in addressing the SDGs, including Clean water and sanitation (SDG 6) & Responsible consumption and production (SDG 12).
Board-level committee	The Corporate Responsibility Committee (CRC) is a designated Board Committee with the role of providing oversight of conduct, progress & risks associated with the Unilever Sustainable Living Plan (USLP) – including our water targets to the Boards and the CEO so they can fulfil their oversight duties.

## W6.2b

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**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives <i>Monitoring and overseeing progress against goals and targets for addressing water issues such as those in manufacturing, agriculture and consumer use of our products.</i>	Unilever (UL) has a dual headed structure. The Boards of UL NV & PLC have ultimate responsibility for reviewing, monitoring & guiding the strategy for the UL Group, as well as its conduct. The Boards are one-tier boards with the same people on both, comprising of the same Executive Directors (CEO & CFO only) & Non-Executive Directors. The Board’s delegated Corporate Responsibility Committee (CRC) tracks the progress & potential risks associated with the UL Sustainable Living Plan (USLP) & feed into the Board for key decisions on major plans of action to be made. Within the USLP, there are water related targets including those for manufacturing, agriculture & consumer use. The CRC report their findings to the Boards regularly so that they can fulfil their oversight responsibilities. The Boards are responsible for the reviewing, monitoring & guiding the strategy (including major plans of action & overseeing M&A decisions) for the Group, as well its corporate responsibility & conduct. They also take overall accountability for the management & guidance of risks & opportunities, including those associated with water, supported by the UL Leadership Executive (ULE), CRC & USLP Steering Team. The monitoring of performance & progress against water targets is fed into the Boards by the CRC, with performance & water scarcity incorporated into the sustainability capital fund with impact overseen by the Board. For the 2nd year, we applied recommendations by the TCFD & CRC members were briefed on the plans to grow the business whilst meeting the UN’s goal of staying below a 2 degree rise in temperature which could impact weather patterns & water availability. The CRC’s responsibilities are complemented by those of the Audit Committee, a Board delegated committee, responsible for reviewing the assurance of the USLP. It again ensures the Board’s ability to fulfil its oversight responsibilities. During 2018 the Committee continued its oversight of the assurance work that is performed on Environment & Occupational Safety (EOS) & selected USLP metrics i.e. water use in manufacturing & COD. For management employees (inc ULE), incentives include fixed pay, a bonus as a percentage of fixed pay & a long-term management co-investment plan (MCIP) linked to financial & USLP performance. The USLP component accounts for 25% of total MCIP award. The sustainability component of MCIP includes consideration of our progress against climate change & water targets. A number of our targets directly address risks & opportunities related to water scarcity caused by climate change. We estimate that the sale of products which address water scarcity issues could increase, addressing water scarcity &/ or have a lower GHG in use eg our Beauty & Personal Care division is investing R&D spend in water smart product such as dry shampoo which help consumers use less water while also offering relevant benefits such as reduced colour loss which can arise from frequent washing.

W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (Chief R&D Officer)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

More frequently than quarterly

**Please explain**

In 2016, we established a Water Board, meeting quarterly and chaired by the Category President Home Care in 2018 (the most water-intensive category) with key members from the Unilever Leadership Executive (ULE) e.g Chief R&D Officer & Chief Sustainability Officer. The Water Board included the Heads of the key water-dependent product categories (Skin Cleansing, Household Care, etc) along with senior R&D representatives of key water stressed markets (South Asia, South East Asia & Africa). The Water Board focuses on domestic water & ways to accelerate Water-smart product innovations. Key achievements include: Unilever Water Strategy on category innovation plans. The Chief R&D Officer was also part of the Unilever Sustainable Living Plan (USLP) Steering Team which supports the ULE & the Boards and leads the integration of the water strategy through our USLP (4 water-related targets) and informs our risk management - putting risk assessment at the core of the Board agenda.

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**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (Chief Supply Chain Officer )

**Responsibility**

Other, please specify (Environmental Compliance, water efficiency, investment into facilities and water related risks )

*Environmental Compliance, water efficiency, investment into facilities and water related risks*

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

We collect data on environmental performance associated with water on a monthly basis. Information on performance is communicated to wider stakeholders which include the CSCO & the Cluster & Category VPs on a quarterly basis. The CSCO is a member of the Unilever Leadership Executive (ULE) & part of the USLP ST which is accountable for ensuring our sustainability goals, including water are achieved. The USLP ST meets 5 times a year. The CSCO's areas of focus areas related to water are:

- Driving reduction in absolute water abstraction and water intensity metrics for manufacturing
- Adherence with environmental regulation within manufacturing network
- Capital expenditure in manufacturing network
- Oversight of the sustainable sourcing of agricultural

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[W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4](#)

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**(W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

Yes

[W-FB6.4a/W-CH6.4a/W-EU6.4a/W-OG6.4a/W-MM6.4a](#)

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**(W-FB6.4a/W-CH6.4a/W-EU6.4a/W-OG6.4a/W-MM6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Who is entitled to benefit from these incentives?	Indicator for incentivized performance	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Financial Officer (CFO) <i>Our Chief Marketing Officer (CMO) &amp; our Chief R&amp;D officer.</i>	Reduction in consumptive volumes Reduction of product water intensity	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 Corporate Responsibility & Compensation Committees. Taking into account Unilever's wider progress on sustainability together with our publicly reported USLP targets (such as our commitment to reduce the water impact of our products across the lifecycle), 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 water 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) are required to invest at least 33% of their annual bonus in MCIP.
Recognition (non-monetary)	Other, please specify (Employees)	Reduction of product water intensity Behavior change related indicator Supply chain engagement Increasing access to workplace WASH	Compass Awards are an internal recognition programme aimed at recognising teams and individuals who are pioneering new ways of doing business. Every team (functional or project team) can apply for the awards and winners will be selected by the Board Panel. Threshold: One of categories for entries is 'Sustainable Business Development' with the measurement being 'Impact of the campaign on environment/community, demonstrating Unilever Sustainable Living Plan (USLP).' Projects must therefore align with one of the 3 pillars of the USLP – Enhancing livelihoods, Reducing environmental impact, Improving health and well-being. Rationale: Unilever sees giving recognition for great work as an important way of motivating employees. This can motivate them to feel empowered, helps them collaborate and use an owners mindset for planning. It also helps share best practice across the business and drive efficiencies. Measures of success: Winners will be chosen based on their alignment with the USLP 3 pillars. This could include for example product innovations which require less water to be used (e.g fast-rinsing laundry detergent or non-rinse hair conditioner) or behaviour change programmes to use less domestic water or WASH programmes on drinking water, handwashing with soap or sanitation. Both are aligned with the Reducing environmental impact big goal of the USLP.
Other non-monetary reward	Other, please specify (Employees)	Reduction of product water intensity Behavior change related indicator	Unilever recognises individuals and teams for the design and implementation of water projects and other sustainability projects by including them in internal communications. Threshold: Not applicable. Rationale: Knowledge sharing across different parts of the business and teams. Measures of success: Inclusion in communications such as internal newsletters, peer to peer sharing sessions, case studies and personal stories.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations
- Yes, other

**W6.5a**

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Process: Our biennial materiality assessment helps us confirm the issues important to us & stakeholders are consistent with our approach to engagement. Our most recent materiality assessment in 2017/2018 was scrutinised Corporate Citizenship to ensure best practice. An issue is material to Unilever if it meets two conditions. 1) it impacts our business in terms of growth, cost, risk or trust, 2) it is important to our stakeholders - including governments and NGOs. We also consider whether it is aligned with our Vision & Purpose; its potential impact on our value chain; and the degree to which we can affect change. Our 2017-2018 assessment confirmed that our material issues were being addressed through the USLP, with Water identified as very high priority.

We engage on water scarcity directly & indirectly through trade associations. In 2018 our CEO was Chairman of the WBCSD, where we engage on Climate Smart Agriculture. We also engage the World Economic Forum, UN Global Compact & the Consumer Goods Forum to overcome major challenges including water. Research helps us develop water-smart products ie new products/formulations using less water such as easy-rinse detergent. Our Safety & Environmental Assurance Centre works with scientific community. We publish findings in peer-reviewed scientific journals eg Journal of Applied Toxicology & discuss our approach to safety risk & environmental impact assessment with policy makers & regulators .

**W6.6**

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**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

**W7. Business strategy**

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**W7.1**

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**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Our long-term Vision is to grow our business, while decoupling our environmental footprint from our growth & increasing our positive social impact. Our Unilever Sustainable Living Plan sets clear commitments (our 3 big goals) to improve health & wellbeing, reduce environmental impact, & enhance livelihoods. Underpinning these are targets in areas such as hygiene, nutrition, sustainable sourcing, fairness in the workplace, opportunities for women & inclusive business as well as GHGs, waste & water. On Water, in addition to the water we rely on for our manufacturing & for growing ingredients, we know consumers facing water scarcity is a significant commercial risk for us as many of our products require consumers to use water, ie soap or laundry detergent. A specific example arose during the drought in Sao Paulo when consumers stopped washing on occasion to cope with lack of water. We have therefore reshaped our long-term product innovation strategy to invest in the development of products which help people adapt to a water scarce world—including the development of low & no rinse laundry, sanitation & hair products for water stressed countries. As we approach 2020, we are refreshing our long-term sustainability strategy, which includes building on our current water targets in agriculture (water management), manufacturing (reduced abstraction) & consumer use (halve water in consumer use). This is closely aligned with the SDGs & an extended timeframe of 2030.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Consumers facing water scarcity is a significant commercial risk for us as many of our products require consumers to use water, such as soap or laundry detergent. In order to address this risk, we have started to re-shape the product portfolio of our Home and Personal Care Divisions. To achieve this, we have done a water study which gave us many consumer insights on what are the 'pain points' that people face in different geographies on both water quality and quantity. Based on this study, each Division shaped step-up plans which include new innovations tailored to key segments, as well as plans for additional consumer and R&D research. We have already successfully launched several water-smart products, such as our SmartFoam laundry detergent which cuts rinsing by half, launched in South Africa under our Sunlight brand and expanded into the Rin detergent bar in India. Comfort One Rinse fabric conditioner, self-foaming hand & body wash which reduces water use by 1/3 and dry shampoo are other examples.
Financial planning	Yes, water-related issues are integrated	11-15	We have conducted an extensive analysis to model the potential impact of increasing water scarcity and quality issues on our business. We estimate that up to €1.4bn of Unilever's Home and Personal Care turnover could be at risk by 2025 due to water scarcity affecting frequency of use of our products if we continued with business as usual and did not reshape our product innovation strategy and product portfolio. As a result, our Home and Personal Care categories are re-shaping their portfolios to adapt to the water-stressed world. In order to ensure that the scale of our action is appropriate for the scale of the opportunity and risk, we have set ourselves some internal business targets on water. These targets measure the business contribution (sales and profits) of our products which are designed for use in a water-stressed situations. They range in time horizon (averaging 5-10+ years) however, as these are internal targets relating to sales and profits, we do not share these externally.

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

0

**Anticipated forward trend for CAPEX (+/- % change)**

0

**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

CAPEX: 2018 was the 6th year of the ring-fenced water fund; the water capital was maintained at €6m, with a final spend of €7.4m on overall sustainability projects delivering water savings. The average payback of projects was 1/7years, delivering annualized expected savings of 1.1m m3 –whilst also delivering carbon & waste savings. We will continue allocating the central fund in the future. OPEX: During 2018 we established an internal model for delivering utility deep dive projects conducted by internal engineering group, supported by key partners. The deep dives are over 2-3 days & focused on driving sustainability savings. We have found taking an integrated end to end approach to site assessments which engages factory teams to address water, waste, carbon & energy savings provides greater insights. The audits are delivered through internal teams, with an estimated equivalent operational spend in the region of €800k. It is expected we will continue to run these audits going forward.

## W7.3

### (W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	To understand the impact that climate change could have on Unilever's 2030 business we have looked at the impact of 2°C and 4°C global warming by 2100 assuming we have the same business activities in 2030 as we do today. 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 (eg. implementing carbon pricing at \$75-\$100 per tonne, taken from the IEA'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 – ie from greater scarcity of water or increased impact of severe weather events. The scenario assesses the impact on our business from regulatory changes. 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.

## W7.3a

### (W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

## W7.3b

### (W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenario(s)	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	2DS Greenpeace Other, please specify (IPCC AR5 RCP8.5)	Our analysis shows that, without action, both 2°C and 4°C scenarios present financial risks to Unilever by 2030, predominantly due to increased costs. However, whilst there are financial risks which would need to be managed, we would not have to materially change our business model. The most significant impacts of both scenarios are on our supply chain where costs of raw materials and packaging rise due to carbon pricing and rapid shift to sustainable agriculture in a 2°C scenario and due to chronic water stress and extreme weather in a 4°C scenario. The impacts on sales and the cost of manufacturing operations are likely to be relatively small in these scenarios. The results of this analysis confirm the importance of doing further work to ensure that we understand the critical dependencies of climate change on our business and to ensure we have action plans in place to help mitigate these risks and thus prepare the business for the future environment in which we will operate.	We are taking action to address our climate change risks in line with the output from the scenario analysis. Both 2 & 4°C scenarios highlighted risks in our supply chain. We are conducting further deep dives into individual crops. In the 2°C scenario, a high carbon price would affect our operational costs. Our Division's 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 eg Our Personal Care category is investing in water-smart product innovations such as dry shampoo and cleansing conditioner which help consumers use less hot water while also offering relevant benefits such as reduced colour loss and damage which can arise from frequent washing. Home Care is launching products and formulations that address water scarcity and help our consumers save water, eg. Our Smartfoam Sunlight 2-in-1 Handwashing Laundry Powder. We have acquired water purification businesses such as Pureit and Qinyuan (renamed Truliva), which are providing safe drinking water to millions of people with a lower carbon footprint than alternatives.

## W7.4

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

The low purchase price of water in many water scarce regions continues to represent a challenge to meeting internal investment criteria. Following some research conducted by Massachusetts Institute of Technology Supply Chain Management Programme & Kelly Business School we have improved our understanding of the embedded costs of water. For instance, much of the water we use on site is treated, heated, cooled &/or has chemicals added to it. The cost of this can be up to 40x more expensive than the per m3 unit price. Our MMT programme which covers energy & water across sites is bringing costs to the forefront. Over the last couple of years, we have seen a marked increase in the number of project submissions from site teams to access the Water Capital Fund which is a centrally managed fund ring-fenced for water investment projects. We continue to explore water valuation processes that address future water risks & means of embedding into business cases & operational decision making.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals Brand/product specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Water systems are hugely complex & interconnected. For example, what impacts suppliers can impact the availability of raw materials to our business & ultimately, impact our consumers. Why: We have set out a global water strategy to both safeguard our ability to operate & help contribute to SDG 6. Water is essential for people to enjoy our products. With limited water, consumers struggle to wash their hands, clothes, care for their homes or make a cup of tea. This is reflected in our water footprint; over 99% of our water use occurs when consumers use our products, particularly when doing laundry, washing hair, showering or bathing. That is why we focused our attention on our water-intensive product categories such as Home Care & Beauty & Personal Care. Our public target to reduce consumer water use is to Halve the water associated with the consumer use of our products by 2020. We report on progress annually via our Annual Report and Accounts and Unilever Sustainable Living Plan Report (SLR). Our R&D teams are focusing on products that provide the same performance with less water, poor quality water or no water at all. This work builds on a public target to: Provide 50 million households in water-scarce countries with laundry products that deliver excellent results but use less water by 2020. We report on progress annually. We're also working with our suppliers to reduce the water used to grow our crops, & we're reducing water use in our own factories across the world. Our public target is to: develop comprehensive plans with our suppliers & partners to reduce the water used to grow our crops in water-scarce countries. We report on progress annually. The actions of one user in a watershed can determine the water supply for everyone else. If the water system in which we operate depletes in quality or quantity, our business is at risk. Because of this, in areas where there are higher water risks, or we own agricultural sites, we're building our efficiency efforts through engaging local communities & other contributors to ensure better water security for all.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Risk mitigation

### Description of target

We have manufacturing operations located in water-stressed areas which means we want to reduce the water impact of our operations and increase our manufacturing resilience. Our progress is driven by continuous improvement initiatives at all sites to reduce, reuse and recycle water. We do this through a combination of low-cost and no-cost techniques and behaviours, and a water-specific capital investment programme. We continue to track and drive improvements in water performance as a component of our overall water strategy. Water efficiency has demonstrated strong financial paybacks, reduces our dependency on water resources and supports process innovation. Target: By 2020, water abstraction by our global factory network will be at or below 2008 levels, despite significantly higher volumes.

### Quantitative metric

Absolute reduction in total water withdrawals

### Baseline year

2008

### Start year

2010

### Target year

2020

### % achieved

100

### Please explain

We have manufacturing operations located in water-stressed areas which means we want to reduce the water impact of our operations and increase our manufacturing resilience. Target: By 2020, water abstraction by our global factory network will be at or below 2008 levels, despite significantly higher volumes. Achievement: Total water abstracted 22.5 million fewer cubic metres in 2018 than in 2008 (a reduction of 44% per tonne of production) meaning we reached our target ahead 2 years early. This data has been independently assured, see attached PwC Independent Assurance Report 2018. Benefits to our business include risk mitigation, costs savings and promoting best practice across our factory network.

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### Target reference number

Target 2

### Category of target

Water use efficiency

### Level

Brand/product

### Primary motivation

Climate change adaptation and mitigation strategies

### Description of target

Target: to halve the water associated with the consumer use of our products by 2020. Our biggest water impact – over 99% – occurs when consumers shower, bathe and wash clothes with our products. So, in the context of water scarcity and water security resulting from climate change, we're developing innovative products that deliver the benefits people need and provide the same performance with less water e.g. our Rin and Sunlight smart-foam fast-rinse laundry detergents available in India and South Africa respectively, and our Love Beauty and Planet range, which uses fast-rinse technology in its conditioners, are helping people to use less water, as they require less water to work effectively. We are also developing products which use no water at all, such as Domestos Flush Less, a toilet spray that disinfects and eliminates odours without the need to flush, and Love Home and Planet and Day2 dry wash sprays, which are made with only 0.02% of the water used in a normal UK laundry load.

### Quantitative metric

Other, please specify (% reduction per use (dose) of a product)

### Baseline year

2010

### Start year

2010

### Target year

2020

### % achieved

4

### Please explain

The consumer use of our products accounts for over 99% of our total water use, meaning it's the area we can have the biggest impact on both water scarcity and security. Because of our water footprint, our water strategy is focused on accelerating our product innovations to meet the needs of people in water-scarce regions, while continuing to reduce water use in agriculture and our own manufacturing operations. Our 2018 progress against our target was 2% lower than it was in 2010 which is in line with the progress made in 2017. Whilst we now sell more products that work well with less water, such as our Rin SmartFoam laundry bar, we have acquired skin cleansing and hair care brands in countries that use above-average amounts of water. This overshadows the progress we've made and makes it difficult for us to reach our commitment of halving our water impact by 2020.

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### Target reference number

Target 3

### Category of target

Water, Sanitation and Hygiene (WASH) services in the community

### Level

Brand/product

### Primary motivation

Other, please specify (Brand equity + sales of new products + Commitment to the UN Sustainable Development Goals (SDGs))

*Brand equity + sales of new products + Commitment to the UN Sustainable Development Goals*

### Description of target

By 2020 we will help 25m people gain improved access to a toilet by promoting the benefits of using clean toilets & by making toilets accessible. When we added this target to the Unilever Sustainable Living Plan in 2014, we became the first company to make a commitment to improving sanitation on this scale. Our toilet cleaning brand Domestos' partnership with UNICEF has helped 16.5 million people gain improved access to a toilet. Sanitation is one of the most complex areas of development, so we're working with partners to roll out quality sanitation programmes with increasing speed & scale. Through our global partnership with UNICEF we roll-out sanitation initiatives in schools. We've found that by educating children about the importance of good hygiene habits, they in turn influence their families. Through this target, we are contributing to SDG 6, specifically target 6.2 & tackling water security through reducing open defecation & therefore its impact on the freshwater ecosystem.

### Quantitative metric

Other, please specify (Number of people who have gained improved access to a toilet through our toilet cleaning brand Domestos' partnership with UNICEF)

### Baseline year

2014

### Start year

2014

### Target year

2020

### % achieved

66

### Please explain

Since 2014, we've helped 16.5 million people gain improved access to a toilet through our Domestos brand. Our target is to help 25 million by 2020. We support government efforts to build more toilets and have helped build over 220,000 toilets so far. In India, there's a big push from the government on toilet construction. We ran the Domestos Toilet Academies (DTA) programme under the local brand name Domex. The Academies trained local entrepreneurs to sell, install and maintain clean and safe toilets. But just because people have a toilet, doesn't necessarily mean they will use it. The toilets may not function, they may not be maintained and/or hygienic. So our main focus is on encouraging people to use toilets where they are made available and keep them clean to prevent disease, especially in schools. As part of our global partnership with UNICEF and with other NGO partners, we run school programmes in eight countries in Asia, Africa, South America and Eastern Europe.

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### Target reference number

Target 4

### Category of target

Other, please specify (Provide safe-drinking water)

### Level

Brand/product

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### Primary motivation

Other, please specify (Brand equity + sales of new products + commitment to the UN Sustainable Development Goals (SDGs))

*Brand equity + sales of new products + Commitment to the UN Sustainable Development Goals*

### Description of target

Through our range of water purifiers by our Pureit brand, we aim to provide 150 bn litres of safe drinking water by 2020. Pureit uses our unique GermKill Kit™ to remove harmful viruses, bacteria, parasites & other impurities from water. There's no need for gas, electricity or for a continuous water supply. Our water purifiers provide safe drinking water in 13 countries, which combined represent half of the world's population: Bangladesh, Brazil, China, Ghana, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, the Philippines, Sri Lanka & Vietnam. Between 2005-2018, we provided 106 bn litres of safe drinking water, with around 10 bn litres in 2018. Our most affordable model costs around €20 in India, with an ongoing running cost of just thirty Indian paise for a litre of safe drinking water. This is lower than the cost of boiling water & much less than bottled water and more sustainable. Through this target, we are contributing to SDG 6, specifically target 6.1.

### Quantitative metric

Other, please specify (Litres of safe-drinking water provided)

### Baseline year

2005

### Start year

2005

### Target year

2020

### % achieved

71

### Please explain

In 2008 we introduced Pureit – our household water purifier. Pureit uses our unique GermKill Kit™ to remove harmful viruses, bacteria, parasites and other impurities from water. The health of the environment and the people in it are inextricably linked. There's no need for gas, electricity or for a continuous water supply, which is especially beneficial in areas with a lack of water security. It's as safe as boiled water but cheaper, and much cheaper & more sustainable than bottled water. Our detailed lifecycle analysis shows that per litre, its carbon footprint is at least 80% smaller than boiled or bottled water. A decade after it was launched, Pureit is still the world's most advanced home water purification system. Pureit is the most widely used system for home water purification, available in 13 countries. We've supplied 106 billion litres of safe drinking water since 2005 and aim to reach 150 billion by 2020.

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W8.1b

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**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Other, please specify (Reducing environmental footprint of product across the whole value chain - By 2030 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.)

*Reducing environmental footprint of product across the whole value chain*

**Level**

Company-wide

**Motivation**

Increased revenue

**Description of goal**

Relevance: We operate in many regions which are water-stressed. 58% of 2018 UL turnover came from developing markets, which tend to be susceptible to water scarcity. Importance: Sufficient amounts of good quality freshwater is vital for UL throughout the value chain: i) As an ingredient in Foods & Refreshment and Home, Beauty & Personal Care products. It's also used for heating, cooling & cleaning processes in all 274 manufacturing sites; ii) Many agricultural suppliers need access to freshwater to grow product ingredients we rely; iii) Most of our products need water for use eg shampoo. Poor quality or limited availability constrains demand for products as consumers reduce frequency of use, impacting demand for products, restricting future growth. Implementation: The goal considers 2 phases 1) the ingredients phase & 2) the consumer-use phase of around 1,000 products. Performance in these phases is calculated at a corporate level 'per consumer use' to give a performance measure of a representative cluster of products. The assessment is then extrapolated at category & country level to account for un-clustered products in 7 water-scarce countries. Knowing product intensity provides insight to R&D for the development of new/reformulation of existing products.

**Baseline year**

2010

**Start year**

2010

**End year**

2030

**Progress**

Progress: % change in UL's impact (water added to the products & water associated with use) between the 2010 baseline & the current period since 2010. Success = achieving target. Progress = % change vs 2010 baseline. Part of our Vision is to grow our business whilst decoupling our environmental impact from our growth. Our 'Environmental Big Goal' is designed to help deliver our vision. We measure progress against our Big Goal through a series of targets which aim to reduce by halve our greenhouse gas (GHG), water and waste impacts across our value chain, from sourcing our raw materials to within our own manufacturing and operations and consumer use. Progress against this target is available in both our Annual Report and Accounts 2018 and our Sustainable Living Report 2018. The greenhouse gas impact of our products across their lifecycle continues to edge up and has now increased by about 6% since 2010. The acquisition of some skin cleansing and hair care brands which have a higher greenhouse gas impact per consumer use, remains the main reason for this.

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**W9. Linkages and trade-offs**

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**W9.1**

**(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?**

Yes

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**W9.1a**

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## (W9.1a) Describe the linkages or tradeoffs and the related management policy or action.

### Linkage or tradeoff

Linkage

### Type of linkage/tradeoff

Decreased GHG emissions

### Description of linkage/tradeoff

Reducing water use can also reduce the energy used to heat water during 'consumer use' part of our value chain. Impact: when energy is costly, people may limit washing or doing laundry. This could reduce demand for our products, reducing revenue & restricting growth. Measurement: we look up the intensity of the electric grids in the countries where we calculate our products' footprint & use this to calculate the GHG impact of the water use related to our products. We calculate impact both at an absolute & per use level. We measure the emissions associated with the lifecycle of a large group of products that are representative of all our 12 sub-divisions & we focus on 14 key countries, representing around 60-70% of our sales volume. By doing so we can see where we are making improvements & where we still have work to do i.e. by innovating new or redesigning to produce more energy-efficient products.

### Policy or action

Part of our business strategy for delivering long-term, compounding growth is 'Winning with brands & innovation'. Product innovation strengthens our place in the market by responding to consumer needs such as reducing water & energy when using our products. As part of our water strategy, R&D are focusing on developing products providing performance with less, poor quality or no water at all ie Love Home & Planet & Day2, dry wash sprays made with 0.02% water used in a normal UK laundry load. Each bottle saves 60 litres of water. We also promote products which offer benefits while encouraging behaviours which save water & GHG emissions at the same time. Products include Lifebuoy self-foaming hand wash & Dove & Treseemme dry shampoos, which require less or no (heated) water. Progress on our following commitments, a) to halve the water associated with the consumer use of our products & b) to halve the GHG impact of our products (both measured per consumer use) have been limited. Progress in 2018 vs 2017 for a) our water commitment, was non-moving at -2%. We saw an improvement against b) our GHG commitment but this is still a 6% increase in GHG impact of our products per consumer use since 2010. For both commitments, we explain the limitations on progress come from having a portfolio now made up of more Beauty & Personal Care brands with higher-than-average water and GHG footprints, owing to the water and energy needed for product use.

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### Linkage or tradeoff

Linkage

### Type of linkage/tradeoff

Decreased energy use

### Description of linkage/tradeoff

Within our operations, we see a clear relationship between water & energy –mostly saving water, saves energy. Impact: In 2015, water shortages to Unilever were felt through energy shortages in Taiwan & Poland. As we transition to a low carbon economy, a reliance on certain sources (hydropower) could impact business continuity in times of drought, reducing ability to produce clean energy. This was evident in 2017 where the hydropower plant in Sri Lanka was affected by drought & local authorities requested a transition to generators. Measurement: Our online metering programme shows linkages between water & energy. Outside our factory - generation of energy is highly dependent on water (whether hydropower or cooling for coal power plants). Performance: In 2018, 36.7% of our total energy use in our manufacturing was generated from renewable resources, compared to 15.8% in 2008. In 2018, 35 of our manufacturing sites generated renewable electricity on-site, mostly from solar & hydro power.

### Policy or action

Through our World Class Manufacturing programme, we adopt an integrated approach to resource optimization. We assess all projects in our central sustainability capital fund against their contribution to carbon, water and waste targets & seek to support projects that deliver win-win-wins for the business. As part of our climate commitment we have set carbon positive targets for 2030 and by recognizing the linkages we will seek to address both water and energy security through our procurement decisions. Progress in 2018 vs 2017 for our water commitment was non-moving at -2% and we saw a slight decline (-3%) against our greenhouse gas commitment, although it's still above our 2010 baseline. For both commitments, we explain the limitations on progress come from having a portfolio now made up of more Beauty & Personal Care brands with higher than average water footprints and requirements for heated water. However, we have continued to use less energy in our manufacturing operations (1.27 GJ/tonne of production in 2018 vs 1.30 GJ/tonne of production in 2017) and less water (1.67 m3/tonne of production in 2018 vs 1.80 m3/tonne of production in 2017).

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## W10. Verification

## W10.1

**(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?**

Yes

## W10.1a

**(W10.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W8. Targets	Metric: By 2020, water abstraction by our global factory network will be at or below 2008 levels, despite significantly higher volumes.	ISAE3000	In 2018, PricewaterhouseCoopers LLP (PwC) assured our water abstraction metric. PwC's assurance engagement is in accordance with ISAE 3000 and they apply the Institute of Chartered Accountants in England & Wales (ICAEW) Code of Ethics. The Unilever Board's Audit Committee oversees the USLP assurance programme. External independent assurance supports our internal controls. Risk management is integrated into every stage of our activities, processes and systems to ensure we mitigate accuracy and reliability risks. Our Corporate Audit function provides us with an objective and independent review of the effectiveness of risk management and internal control systems throughout Unilever.
W8. Targets	Metric: The number of people reached through our programmes on handwashing, sanitation, oral health, self-esteem and safe drinking water by end 2018	ISAE3000	PricewaterhouseCoopers LLP (PwC) assure our sanitation metric every other year. They independently assured our Health and Hygiene pillar commitments in 2018. The Unilever Board's Audit Committee oversees the USLP assurance programme. External independent assurance supports our internal controls. Risk management is integrated into every stage of our activities, processes and systems to ensure we mitigate accuracy and reliability risks. Our Corporate Audit function provides us with an objective and independent review of the effectiveness of risk management and internal control systems throughout Unilever.

## W11. Sign off

## W-FI

**(W-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.**

## W11.1

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Chief Supply Chain Officer	Other C-Suite Officer

## W11.2

**(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes

## Submit your response

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### In which language are you submitting your response?

English

### Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors Customers

### Please confirm below

I have read and accept the applicable Terms