Materiality Matrix 2019/2020 – Issues and Topics

Improving Health and Well-being
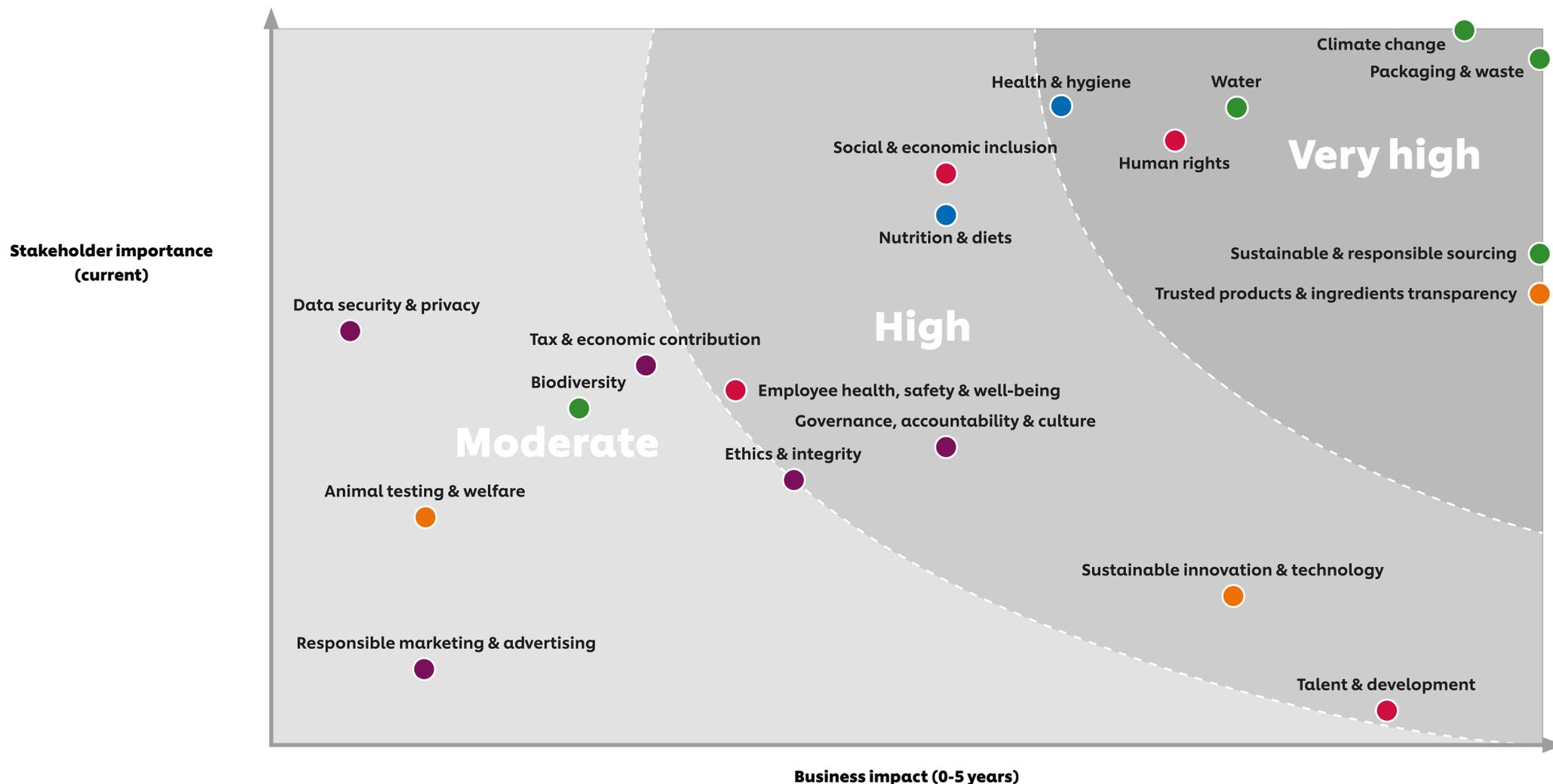
Reducing Environmental Impact

Enhancing Livelihoods

Responsible Business Practices

Wider Sustainability Issues

A total of **169 topics** have been identified and grouped into **19 issues**. The tables on the following pages list the 19 issues that form Our Materiality Matrix and reflect how we have prioritised them. We have classified these issues into five Focus Areas. **Improving Health & Well-being**, **Reducing Environmental Impact** and **Enhancing Livelihoods** encompass the three Big Goals of the Unilever Sustainable Living Plan; **Responsible Business Practices** and **Wider Sustainability Issues** include issues that are not explicitly part of our Plan, but which are relevant to our commitments as a responsible business. These issues are listed by **priority** which indicates the importance attached to any given issue according to its impacts on our business and its importance to our stakeholders. Priority does not equate to the extent of action within Unilever to address an issue.

Materiality matrix chart. Y-axis: **Stakeholder importance (current)**. X-axis: **Business impact (0-5 years)**. Regions labelled **Moderate**, **High**, **Very high**.

Plotted issues: Climate change, Packaging & waste, Health & hygiene, Water, Social & economic inclusion, Human rights, Nutrition & diets, Sustainable & responsible sourcing, Trusted products & ingredients transparency, Data security & privacy, Tax & economic contribution, Biodiversity, Employee health, safety & well-being, Governance, accountability & culture, Ethics & integrity, Animal testing & welfare, Sustainable innovation & technology, Responsible marketing & advertising, Talent & development.

Improving Health and Well-being

Very high priority	
Health & hygiene Definition: Improving the health and hygiene of stakeholders across our value chain through products, campaigns and partnerships.	• Handwashing • Hygiene • Oral health • Sanitation

High priority	
Nutrition & diets Definition: Developing products with a balanced nutritional profile and promoting consumers' understanding of their own nutrition, and its links to their health and well-being.	• Access and affordability • Calories • Diets and lifestyle • Fortification • Meat and dairy-free alternatives • Nutritional labelling • Nutritional profile • Product reformulation • Religious or vegetarian suitability • Salt • Saturated fat • Sugar • Trans fat

Improving Health and Well-being	Reducing Environmental Impact	Enhancing Livelihoods	Responsible Business Practices	Wider Sustainability Issues

Reducing Environmental Impact

Very high priority

Climate change
Definition: Reducing GHG emissions, energy use and mitigating the effects of long-term changes in the Earth's climate and its physical impacts on business operations, communities and the natural environment. Advocacy and partnerships with others to reduce climate change impacts.

- Access to affordable, reliable and sustainable energy
- Air pollution
- Alternative energy sources
- Climate partnerships & advocacy
- Deforestation
- Direct energy consumption
- GHG emissions from our value chain
- Low carbon products
- Operational eco-efficiency
- Refrigerants
- Renewable energy
- Transportation

Packaging & waste
Definition: Reducing the environmental impact of packaging and waste, including the protection of marine environments.

- Biodegradable/bio-based packaging
- Circular economy
- Consumer waste
- Energy from waste
- Fibres
- Food waste
- Livelihoods of waste pickers
- Marine life & plastic pollution
- Microplastics
- New business models: reusable & refillable packaging
- Operational (manufacturing; offices; logistics) waste
- Package collection & recycling
- Recycling technologies
- Sachet waste
- Single-use packaging
- Wipes
- Virgin plastic

Water
Definition: Improving access to water, and managing water use and abstraction sustainably across our value chain.

- Access to affordable water & water services
- Biodegradability: formulation & chemical use in manufacturing and agriculture
- Conflict & competition over water resources
- Consumer water use
- Safe drinking water
- Water abstracted for production
- Water availability & security
- Water discharge
- Water in ecosystem protection & restoration (also water recycling)
- Water partnerships & advocacy
- Water pollution
- Water quality
- Water regulation
- Water reuse & recycling
- Water-related risks & management
- Water use in agriculture

Sustainable & responsible sourcing
Definition: Ensuring the social, environmental and economic sustainability of key agricultural raw ingredients in the supply chain – and sourcing of non-agricultural materials in a responsible, fair and transparent manner.

- Cereals
- Certification
- Cocoa
- Conflict materials
- Dairy
- Environmental degradation
- Extended producer responsibility
- Food commodity prices
- Food security
- Herbal infusions
- Land use
- Organic products
- Palm oil
- Paper & board
- Rapeseed
- Responsible sourcing of non-agricultural goods and services
- Soy
- Sugar
- Sustainable sourcing of agricultural crops
- Tea
- Traceability & transparency
- Vanilla
- Vegetables

Moderate priority

Biodiversity
Definition: Protecting the variety and value of plant and animal life on Earth by applying sustainable agricultural practices.

- Flora & fauna
- Natural capital

Improving Health and Well-being	Reducing Environmental Impact	Enhancing Livelihoods	Responsible Business Practices	Wider Sustainability Issues

Enhancing Livelihoods

Very high priority

Human Rights
Definition: Upholding and promoting the basic rights and freedoms of all who work across the value chain.

- Child labour
- Discrimination
- Equality of opportunity & treatment
- Forced labour
- Freedom of association & collective bargaining
- Harassment
- Informal labour in our value chain
- Labour management relations
- Land rights
- Maternity & paternity protection
- Migrant workers & trafficking
- Modern slavery
- Rights of indigenous peoples
- Sexual exploitation
- Training & education
- Working hours

High priority

Social & economic inclusion
Definition: Delivering business growth that benefits multiple stakeholder groups, and ensuring fair compensation at all levels across the business and our value chain.

- Access to land & opportunities
- Emerging markets strategy
- Equal remuneration
- Executive pay
- Fair trade
- Gender diversity & inclusion
- Gender equality in the workplace
- Gender pay gap
- Gender pricing
- Knowledge transfer to emerging markets
- Living Wage
- Opportunities for young people
- Product affordability & accessibility
- Rural development
- Self-esteem & body confidence
- Smallholder farmers
- Small-scale retailers
- Socially inclusive business models

Employee health, safety & well-being
Definition: Protecting and promoting the physical and mental well-being of employees.

- Communicable diseases
- Mental health & well-being
- Non-communicable diseases (e.g. cancer, diabetes, obesity)
- Occupational health & safety
- Physical health

Talent & development
Definition: Attracting, retaining and developing the best talent through policies and practices related to employees.

- Access to talent
- Employment practices
- Employee engagement
- Talent attraction & retention

Responsible Business Practices

High priority

Governance, accountability & culture
Definition: Implementing policies and practices to ensure all stakeholder expectations are met and to help manage risks and crises – and ensuring that employees are confident about speaking up.

- Accountability to stakeholders
- Board composition & effectiveness
- Employment culture
- Transparency & reporting
- Values
- Whistle blowing

Ethics & integrity
Definition: Ensuring employees live Unilever's values in their own work, are vigilant in identifying potential concerns and confident about speaking up in such situations.

- Anti-bribery & corruption
- Anti-counterfeiting
- Anti-trust/anti-competitive behaviour
- Compliance
- Ethical business practices
- Intellectual property
- Public policy & lobbying

Moderate priority

Data security & privacy
Definition: Protecting Unilever and others' data from malicious attack and improper use.

- Cyber security
- Data privacy

Tax and economic contribution
Definition: Paying tax in a fair and transparent manner, and responding appropriately to specific tax policies (e.g. carbon, sugar). Making a positive contribution to local and national economies.

- Economic value added
- New ventures/acquisitions
- Payments to suppliers
- Tax contributions
- Tax incentives
- Tax transparency

Responsible marketing and advertising
Definition: Marketing to consumers in an appropriate and responsible manner.

- Gender and other stereotyping
- Marketing to children
- Marketing to other vulnerable groups
- Responsible marketing practices

Wider Sustainability Issues

Very high priority

Trusted products & ingredients transparency
Definition: Ensuring the quality and safety of our products – and the ingredients we use within them.

- Consumer confidence in ingredients
- Product & ingredient safety
- Product & ingredient transparency
- Responsible labelling

High priority

Sustainable innovation & technology
Definition: Promoting sustainable and the safe use of technologies to create new and modified products, packaging and ways of conducting business.

- Artificial intelligence
- Big data
- Eco-design
- New & emerging technologies

Moderate priority

Animal testing & welfare
Definition: The treatment and well-being of animals in the supply chain, as well as policies and practices in relation to animal testing.

- Animal testing
- Cage-free eggs
- Farm animal welfare