Welcome to your CDP Water Security Questionnaire 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

BACKGROUND

Unilever makes and sells more than 400+ brands in over 190 countries which are used by some 2.5 billion consumers worldwide every day. Our brands include Knorr, Dove, Rexona, Lipton, Hellmann's, Omo, Lifebuoy and Ben & Jerry's – amongst many others. Our business is organised across three divisions: Beauty & Personal Care, Foods & Refreshment and Home Care. Total turnover in 2020 was €50.7bn.

OUR PURPOSE

Unilever's purpose is to make sustainable living commonplace which we believe is the best way to deliver long-term sustainable growth. We put sustainable living at the heart of everything we do, including our brands and products, our standards of behaviour and our partnerships which drive transformational change across our value chain. In June 2020, we released new commitments to fight climate change and protect nature as part of our new integrated business strategy, the Unilever Compass which builds on the Unilever Sustainable Living Plan, which came to an end in 2020. Some of our Unilever Compass commitments include:

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

OUR REPORTING AND DISCLOSURE

Unilever's primary report is our Annual Report & Accounts (ARA). In our ARA, we report progress against our Unilever Compass commitments as well as a range of other non-financial indicators. Our ARA also includes TCFD disclosures. We provide additional climate related disclosure and commentary in the Planet & Society Hub on unilever.com.

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 2020 document in the Independent Assurance and metrics section on our website, alongside their findings in the PwC Limited Assurance Statement for 2020.

DISCLAIMER

This CDP submission may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'will', 'aim', 'expects', 'anticipates', 'intends', 'looks', 'believes', 'vision', or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (the 'Group'). They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

W-FB0.1a

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

Agriculture
Processing/Manufacturing
Distribution

W0.2

(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, 2019	September 30, 2020

W0.3

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

Algeria
Argentina
Australia
Bangladesh
Belgium
Bolivia (Plurinational State of)
Brazil
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

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

EUR

W0.5

(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 Care and Beauty and Personal Care products. It is also vital for heating, cooling &

			cleaning processes in all 264 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 increased operating costs. In a 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 and/or inhibit the product performance. 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 our 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. Whilst we are innovating to use less water ie Comfort Ultra Concentrated Detergents , we continue to use freshwater as a primary input for products as well as for cleaning, heating & cooling. Given it is also a basic requirement for farming & for consumer use, we expect that freshwater will continue to be vital to our operations and value chain in the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Direct primary use: Recycled, brackish & produced water is used in our manufacturing wherever possible. This is primarily used to run our utilities e.g. cooling towers. An example of water reuse & recycling beyond our utilities is our Ceytea powdered tea Factory in Sri Lanka which recently completed the 100% Re-Aqua programme to recycle all water at the site, reducing the water that is abstracted. Today over 90% of their water demand is met by recycled water. 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 & environment, reduces costs of operations, needed to meet local regulation etc. Secondary benefits include energy & chemical efficiency, product recovery & cost reductions. Where recycled water is not available, freshwater alternatives may be available. Indirect primary use: Sufficient amounts of indirect use of recycled or brackish water are important for irrigation of agricultural crops we buy for our products. Most of our home & personal care products also need water to be used. We also recognise that water at a municipal level also supports addressing the water supply-demand gap & securing water for all. Future importance: With increasing stresses on water supplies through climate change, industrialization & population growth, it is likely access to recycled, brackish &/or produced water will become more important. We continually seek ways to reduce our burden. For indirect use, the amount of recycled, brackish &/or produced water available for use will likely gain in importance to us too as water shortages will mean consumers will prioritise where to use fresh water supplies. At a municipal level, we anticipate water recycling & reuse will become an essential means of securing water for all.

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	Less than 10%	Sourced	We identified Unilever's biggest crops by purchased volume and compared them against

Cocoa			the Water Footprint Network database of water intensity. Because Unilever products are made up of hundreds of raw materials, no one material account for a large percentage of revenue.
Other, please specify Soy oils	Less than 10%	Sourced	We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity. Because Unilever products are made up of hundreds of raw materials, no one material account for a large percentage of revenue.
Other, please specify Wheat	Less than 10%	Sourced	We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity. Because Unilever products are made up of hundreds of raw materials, no one material account for a large percentage of revenue.
Other, please specify Tea	Less than 10%	Both	We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity. Because Unilever products are made up of hundreds of raw materials, no one material account for a large percentage of revenue.
Palm oil	Less than 10%	Sourced	We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity. Because Unilever products are made up of hundreds of raw materials, no one material account for a large percentage of revenue.

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 Environmental Performance Reporting system records withdrawals for 100% of manufacturing sites (absolute & relative to production). Monthly data is collected by each

		site & assured annually in line with ISAE 3000. Data is collected via utility bills & onsite meters, in line with our Basis of Preparation. Water withdrawals - Total volumes = sum of withdrawals for all factories. Externally we report global performance but internally we report by site, region, category to drive improvements. For CDP, volumes are in line with GRI however, there is disparity between total withdrawals & the Total Abstraction metric reported in our online Planet & Society Hub as we identify rainwater harvesting as a means of minimizing water abstraction & the impact of factories on shared water resources. Our measurement, monitoring & target (MM&T) system is now in 200+ factories (over 80% of our manufacturing footprint). Hourly information helps validate our data & drive efficiency.
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 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 Preparation. 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. We currently have 22 sites reporting rainwater collection & use in our manufacturing operations.
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 managed 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 and based on legal requirements and /or infrastructure e.g. might include continuous flow metering connected to the scada system to support real time tracking or manual composite sampling. The data used within the CDP report are based on a water model which estimates wastewater volumes based on technologies & product type.
Water discharges – volumes by destination	100%	Water discharge volumes are measured and reported at a site level for 100% of manufacturing operations. The destination of the water discharge forms part of our consent and informs stakeholder management activities. In most cases, water discharge volumes are measured by flow meters. The volumetric data used within the CDP report is based on a water model which estimates wastewater volumes based on technologies & product type. The destination is based on the reported Chemical Oxygen Demand (COD) destinations, this information is reported on a monthly basis within

		our Environmental Performance Reporting Systems.
Water discharges – volumes by treatment method	100%	Water discharge volumes are measured & reported at a site level for 100% of manufacturing operations as part of meeting local compliance requirements. Sites are not required to report water discharges by treatment type on a monthly basis. Through our central technology inventory we have oversight of the treatment methods in all sites. The treatment methods are updated on an ongoing basis, reflecting changes in onsite infrastructure. Volumetric discharge data used in CDP reporting are based on a water model which assumes the wastewater volumes based on technologies and products at sites, based on water abstraction which is on a monthly basis. When combined with the information in the technology inventory, we are able to report an estimate of discharge volumes by treatment method on a monthly basis.
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 an external party (ISAE 3000.) At site level, the parameters monitored and reported vary based on production type, discharge destination and local regulation e.g. common parameters include BOD, pH, temperature. The frequency of monitoring is determined locally in accordance with regulatory requirements, for instance in some sites we use automatic composite sampling, whereas others use daily grab or spot sampling. Water treatment technologies vary by category, age & location (for instance, the effluent treatment for an ice cream factory will be different to a homecare factory).

Water discharge quality – temperature	100%	Discharge water quality parameters are reported & monitored for 100% of manufacturing operations, in line with the local regulations. Testing protocols and frequency are subject to local permit requirements and are tracked and managed at site level in line with requirements for instance, approximately 1/3 of have installed automated continuous monitoring systems for temperature.
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 an annually 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 as an operational KPI, but the data used is within the calculation is, and is reported monthly. As an internal metric Unilever measure and report water used as an ingredient, allowing us to differentiate process water and track and target process improvements.
Water recycled/reused	100%	We reuse & recycle water in our operations as a way to reduce abstraction. Initiatives include optimisation such as increasing cycles of concentration in cooling towers, small loop recycling & reuse of cleaning waters or reuse of treated wastewater for utilities. Although our onsite metering provides much more granular oversight of water use, this is not in place at all sites. In 2020, we introduced a monthly reporting requirement for all sites for recycled final treated wastewater. This will not capture the many short-loop recycling initiatives but will give oversight of & encourage greater use of treated wastewater for uses such as utilities. Reporting and data accuracy on water recycling being developed. Volumetric data used within this report are

		calculated based on a water model which estimates the water recycled/reused volumes created by technologies & processes.
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. WASH services to all workers are also explored within the implementation of the Alliance for Water Stewardship standard being rolled out across water stressed sites. 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	29,607	About the same	Comparison with previous year: Total water withdrawals have reduced by 2% against the previous year. Explanation: Whilst underlying improvements in water efficiency have been delivered through

			the Low Carbon Fund (previously the Clean Technology Fund) investment into water efficiency in our manufacturing operations. There were two key factors which dominated the global performance in water abstraction during this reporting year: 1) Covid-19 : significant impact to consumer behaviour and on the performance of a number of our categories e.g. growth in hand and home hygiene, laundry products and in-home food and refreshment, but adverse impacts in personal care except for hygiene products. This resulted in a shift to a simplified production runs, making more of our most high-demand products, reducing our total water use, and water intensity. 2) Acquisition of GSK's Consumer Healthcare business in South Asia, which has a water intensive manufacturing process, meaning the benefits observed through the simplification were therefore not fully observed. Long term performance: By the end of 2018, we had achieved our 2020 target two years early, cutting the amount of water abstracted by our factories, we continued to drive efficiencies and at the end of 2020, we had achieved 49% per tonne of production. Future total withdrawal: Short term projections on water use are expected to be varied. Improvement programmes targeting new acquisitions will create significant improvements, but the agility programme (delayed implementation in 2019-2020) is anticipated to drive an increase in change overs and associated cleanings. For instance, in2019 Unilever rolled out an increased agility programme, it was anticipated that this would increase water use as sites changed over more. Longer term projections are that Unilever will continue to drive water efficiency within our operations as part of the overall sustainability, cost reduction and business continuity

			programmes.
Total discharges	20,277	Higher	Calculated water discharges for 2020 have increased (2019 data recalculated based on new internal reporting metrics on water consumption), with a 7% increase in absolute wastewater and a 5% relative increase. Changes have been driven mainly by a change in production mix, increased agility and new acquisition of Consumer Healthcare business in South Asia, which has a water intensive manufacturing process, meaning the benefits observed through the simplification were therefore not fully observed. Future Water Discharges: Short term projections on water discharges expected are varied. The agility programme (delayed implementation in 2019-2020) is anticipated to drive an increase in change overs and associated cleanings resulting in greater wastewater volumes. However, longer term, implementation of Circular Water Programme, recycling wastewater for utilities and processing will create greater value from the wastewater support and business continuity programmes.
Total consumption	9,330	Much lower	Calculated water consumption for 2020 has reduced (2019 data recalculated based on new internal reporting metrics on water consumption). This is largely driven by the change in product mix . Covid-19 had a significant impact to consumer behaviour and on the performance of a number of our categories e.g. growth in hand and home hygiene, laundry products and in-home food and refreshment, but adverse impacts in personal care except for hygiene products. This resulted in a shift to a simplified production runs, making more of our most high-demand products, reducing our total water use, and water intensity. Future water consumption: Water consumption will be largely influenced by changes in the Homecare category where there are 2 key trends occurring 1) a move from powders to

			liquid laundry products in emerging markets, this will likely result in an increase in water consumption as the ingredient water will be higher than the slurry mix for powders and at the same time - 2) An increase in e-commerce and move to concentrated laundry products will reduce the amount of water used as an ingredient e.g. in 2019-2020 launched ultra-concentrated in-home dilutable laundry detergents in Brazil, Argentina and Uruguay packaged in small bottles made with recycled plastic and which cost less than undiluted detergents.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	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: An internal water stress rating uses 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 sites, local authorities and media reviews. In 2020 we had 99 factories located in water stressed locations. Performance: The number of water stressed sites has remained consistent with 2019. In 2020 35% of our water abstraction is from sites in water stressed locations vs.37% in 2019. Absolute water abstraction by sites in water stressed location reduced by 5.6% vs total reduction of 2%. Explanation: Performance in water stressed sites overall has been driven by production mix changes, and eco-efficiency initiatives in a number of sites including Rungkut, Tultitlan and Manila. Positive impact was offset with the 2020 acquisition of GSK's Consumer Healthcare business in South Asia and additional 3 sites, 2 of which are located in highly water stressed areas.

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 areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Other commodities from W-FB1.1a, please specify	Not applicable	Yes	Unilever does not produce any cocoa.

Cocoa			
Other commodities from W-FB1.1a, please specify Soy oils	Not applicable	Yes	Unilever does not produce any soy.
Other commodities from W-FB1.1a, please specify Wheat	Not applicable	Yes	Unilever does not produce any wheat.
Other commodities from W-FB1.1a, please specify Tea	Yes	Yes	Unilever both sources and produces tea
Palm oil	Not applicable	Yes	Unilever does not produce any palm oil.

W-FB1.2f

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

Agricultural commodities	% of total agricultural commodity produced in areas with water stress	Please explain
Other produced commodities from W-FB1.2e, please specify Tea	0%	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. 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 which results in low sourcing risk to us when we assess the vulnerability of certain commodities/products in our portfolio. The latest IPCC Report shows a prediction of no to little change in precipitation levels in these countries against the 1.5ºc and the 2ºc scenarios & we therefore 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). This was the case last year and there has been no change between reporting years.

W-FB1.2g

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

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	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 2020. The risk rating and percentage of commodity produced in water stressed countries has not changed since the previous reporting year. 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 2ºc or above scenario. It is expected we will continue sourcing from these countries to meet future requirements. Unilever's cocoa suppliers address ESG risks that are endemic to the geography and commodity, like poverty, child labour and deforestation. Although not a priority issue in cocoa given the relatively high rainfall of Ghana and Cote d' Ivoire, heat and water stress of trees is addressed through the effective maintenance of shade trees. Moreover, water risks are covered by the Rainforest Alliance and UTZ certification standards implemented by our suppliers.
Other sourced commodities from W-FB1.2e, please specify Soy oils	1-10	The figure provided (2%) was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, & the latest available Unilever volume data for 2020. The risk rating & percentage of commodity produced in water stressed countries has not changed since the previous reporting year. We source most of our soy oil from the USA, which has a moderate water stress rating. States in the country with high water stress do not overlap with those in which our

		soybeans are produced. We therefore classify our exposure to water stress in the United States as low to medium-low. Water management is an important component of farm and crop management in this supply chain, a co-benefit of planting cover crops, which farmers are incentivised to do. The second country from which Unilever sources soybeans by order of volume is Brazil, which has a low risk to water stress. It is expected we will continue sourcing from these countries to meet future volume demand. 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. Water management forms part of the production curriculum for soy farming, with risks addressed by standards RTRS, Proterra and the United States Sustainable Soy Assurance Program implemented by Unilever's suppliers.
Other sourced commodities from W-FB1.2e, please specify Wheat	11-25	The figure provided (25%) was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2020. We source the majority of our wheat from United States of America, Germany, Pakistan, South Africa, United Kingdom and Mexico. From these countries, Pakistan and Mexico are considered High water stress. Both United States and South Africa are considered Low to Moderate in water stress. However, wheat growing in areas of the United States, tend to be in states with high water stress, making water management an important pillar of good agricultural practices. Unilever worked to source 100% of our cereals volumes sustainably by the end of 2020 (67% of our agricultural raw materials were sustainably sourced by the end of 2020, including 59% as physical sustainable sources and 8% in the form of certificates for palm, soy and sugar). Despite missing our target to source all agricultural raw materials sustainably, for the 12 priority crop groups – of which cereals is one – that make up around two-thirds of our total volume of agricultural raw materials, 92% were sustainably sourced in 2020. We are working to buy certified wheat that meets the requirements of certification standards like the Sustainable Agriculture Code and Farm Sustainability Assessment, which address water-related risks.

Other sourced commodities from W-FB1.2e, please specify Tea	26-50	The figure provided (46%) was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2020. The risk rating and percentage of commodity produced in water stressed countries has not changed since the previous reporting year. We source the majority of our tea from India, Kenya, Turkey Argentina and Indonesia. From these countries, India and Turkey are considered High water stress countries. Whilst the latest IPCC Report shows a prediction of no to little change in precipitation levels in the countries against the 1.5ºc and the 2ºc 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. It is expected we will continue sourcing from these countries to meet our requirements. Water management forms part of the production curriculum of tea plantations and estates, with risks addressed by standards like Rainforest Alliance and Trustea, against which our suppliers are certified.
Palm oil	1-10	The figure provided (<5%) was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2020. The risk rating and percentage of commodity produced in water stressed countries has not changed since the previous reporting year. The majority of our palm oil supplies come from 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. Water management forms part of the production curriculum of palm oil plantations, with risks addressed by the Roundtable for Sustainable Palm Oil (RSPO) standard, to which the majority of Unilever's palm oil supply is certified.

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	2,043	Much lower	Whilst surface water remains a relevant sources of water, it only accounts for 7% of total water withdrawals. 66% of fresh surface water is used for non-contact cooling activities. This takes place in 4 water abundant locations. Using water to transfer heat is cost effective & minimises overall environmental impact vs electrical cooling/refrigerants. Performance: Surface water has declined significantly (-18%), with most significant changes in LATAM as sites move between sources. Use of rainwater increased by 26% vs 2019. There are 22 sites across our network collecting and reusing rainwater. Rainwater makes up a small % of total use (~1.2%), it is increasingly important, minimizing reliance on municipal supplies & supporting downstream flood mitigation. We anticipate we will continue to drive reductions in surface water, focused in areas of water stress & continue to promote rainwater harvesting.
Brackish surface water/Seawater	Not relevant			Brackish surface water / Seawater is no longer used

				within our operations following the spreads divestment where it had been used as a form of non-contact cooling. In the future, Seawater could become a more important source of water e.g. for ground source heat pumps, cooling or direct water abstraction with desalination.
Groundwater – renewable	Relevant	8,079	Higher	Ground water is used in manufacturing operations as both a process and as a raw ingredient. This makes up 27% of the Unilever's total water withdrawal. Performance: Compared to the previous year, Groundwater has increased by 9%, this has been driven by recent acquisitions in South Asia and expansion in LATAM. Future Trend: We expect that groundwater will continue to be a relevant source of water for Unilever. It is anticipated that Unilever will continue to drive reductions in ground water, therefore, we anticipate that future use will continue to decline.
Groundwater – non-renewable	Not relevant			Groundwater from non-renewable sources is not a water source that we withdraw from today. In the future, it is unlikely that the this will become a source for abstraction given our increasing awareness of water resources, and the tightening regulatory

				environment.
Produced/Entrained water	Not relevant			Today, we do not use water from produced / entrained sources of water. The majority of our raw materials arrive to the site ready for production process e.g. dried vegetables for stock-cube production. In the future, as water becomes increasingly stressed, produced / entrained water may become more of an opportunity.
Third party sources	Relevant	19,485	About the same	Performance: Water provided by municipalities, water authorities, industrial parks or other represents 66% of Unilever's total water withdrawal. During 2020 municipal water use reduced by 4%. Impacts to municipal water consumption were a result of production growth in large personal care factory in the US and increased demand from ice cream production in Italy. Future trend: It is anticipated municipal water will continue to be a relevant source of water for Unilever. As part of our overall sustainability programme, we will continue to drive water efficiency and water recycling to reduce demand on 3rd Party sources. 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. Likewise, finding secondary uses for our wastewater could represent a more significant opportunity going forward.

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	7,889	Higher	Relevant: Calculated discharge to surface water accounts for approximately 40% of Unilever's wastewater discharged. Where we are discharging directly to the environment (around 29% of sites) we have onsite advanced wastewater treatment and meet local discharge requirements. Performance: Overall calculated water discharges have increased by 5% resulting from a combination of things: changes in production mix and increased change over from the agility programme. We are adopting a Circular Water philosophy in many sites where wastewater is treated & reused. Water discharge volumes are estimated using a category level mass balance. Future: We expect volume of water discharged to surface water to reduce as recycling activities & Circular Water programmes increase. Efficiencies in treatment can lead to reduction in abstraction & sludge & cost

				savings, forming part of our reduction strategy.
Brackish surface water/seawater	Not relevant			Water discharged to brackish surface water is not relevant for our operations any longer. Previous reporting periods had reported volumes of water discharged from non-contact cooling activities associated with our spreads business which was divested within the CDP 2019 reporting period. Future: Non-Contact Cooling is a low cost, with (in most cases) low /negligible environmental impact. There is a close link between water and energy, and as we continue to drive low carbon solutions, non-contact cooling using brackish / sea water sources may increase. It is unlikely that direct discharge of wastewater to oceans will increase however, as we seek to recover and reuse water within our operations. Water discharged to brackish surface water is not relevant for our operations any longer. Previous reporting periods had reported volumes of water discharged from non-contact cooling activities associated with our spreads business which was divested within the CDP 2019 reporting period.
Groundwater	Not relevant			Water discharged to groundwater is not relevant for our operations. We do not discharge wastewater to groundwater. At present do not have groundwater recharge activities.

				Future: Ground source heat pumps represent a low carbon opportunity to provide space cooling that could gain increased traction in the future. With increasing water insecurity, groundwater recharge with rainwater may become a requirement (as proposed in over exploited groundwater zones in India). Do not foresee discharge of treated wastewater to groundwater increasing in the future.
Third-party destinations	Relevant	12,388	Lower	Relevant: Many of our sites use municipal, public or private utilities for additional treatment of wastewater. 61% of Unilever's wastewater is sent offsite for further treatment prior to release back to the environment or for subsequent uses. Discharge to third-party destinations has reduced across the network, which has mainly been a result of SKU simplification and changes to run strategies in more developed markets where third party wastewater treatment is used to a greater degree. Future: Short term projections on water discharges expected are varied. The agility programme (delayed implementation in 2019-2020) is anticipated to drive an increase in change overs, resulting in greater wastewater volumes. However, longer term, implementation of Circular Water Programme, recycling wastewater for utilities and processing will create greater value from wastewater and business

				continuity.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	6,585	Much higher	21-30	Situation: As discharge to surface waters are increasing across the business, increasing need for high quality water discharges treated to tertiary levels are being required by regulators. Unilever are also driving internal programmes which treat wastewater discharges to higher qualities. Future Trend: We anticipate that wastewater treated using tertiary

					treatment will increase as regulations become more stringent. We also anticipate that in the future water recycling markets create secondary use opportunities - requiring specific water qualities and tertiary treatment. Information comes from central technology inventory detailing treatment methods and calculated wastewater volume data based on a model.
Secondary treatment	Relevant	5,545	About the same	31-40	Situation: We have various types of secondary treatment of wastewater across our manufacturing operations,

					based on age of facility and the category of wastewater e.g. ice cream vs. homecare. Secondary treatment as highest level of treatment is mainly for those sites which discharge municipal / industrial wastewater treatment. Future Trend: Overall we anticipate that municipalities will place increased requirements on industries to reduce the load prior to central treatment, based on a trend of increased flows into shared infrastructure. Information comes from central technology inventory detailing treatment

					methods and calculated wastewater volume data based on a model.
Primary treatment only	Relevant	5,790	Lower	21-30	Situation: Primary treatment of wastewater is is used to remove suspended solids and FOGs. Generally this consists of fat traps and dissolved air floatation. Primary treatment as highest level of treatment is mainly for those sites which discharge municipal / industrial wastewater treatment. Future Trend: Overall we anticipate that municipalities will place increased requirements on industries to reduce the load prior to

					central treatment, based on a trend of increased flows into shared infrastructure. Information comes from central technology inventory detailing treatment methods and calculated wastewater volume data based on a model.
Discharge to the natural environment without treatment	Not relevant				We do not discharge wastewater to the nature environment without treatment.
Discharge to a third party without treatment	Relevant	2,357	Lower	11-20	There are 4 sites that discharge wastewater to a third party without prior treatment. These sites have an agreement with a third party located close by to treat the wastewater

					before release. Future trend: it is expected that the volumes discharged will remain about the same into the future. Information comes from central technology inventory detailing treatment methods and calculated wastewater volume data based on a model.
Other	Not relevant				No comment . There are no other treatment types considered.

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	Not applicable	Yes	We do not collect actual water intensity

from W-FB1.1a, please specify Cocoa			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 oils	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 Wheat	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 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 tons of volume

			purchased. This is for blue water use only.
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 tons of volume purchased. This is for blue water use only.

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)

2,135,037,904

Numerator: water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

About the same

Please explain

The underlying theoretical water intensity value did not change vs 2019.
Water consumed (blue, green, grey) has been calculated using the WFN modelled data against volume purchased. Understanding water intensity of crop production helps identify sourcing regions facing water stress & climate-related risk. We produce tea in Kenya & Tanzania, neither of which are currently at high risk (Maplecroft Water Stress Index). Influencing water intensity however would be challenging, given 82% of consumption is via green water sources. We anticipate selling more in the future. If the intensity figure (from WFN) changes, as too will the intensity for tea. We do not anticipate a change in the short/mid-term. Unilever produces tea against RA certification

standard which has water management requirements. In Kenya, we partnered with IDH to stop & reverse deforestation in the SW Mau Forest, aiming to disrupt the effects.

W-FB1.3b

(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)

956,415,043

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Higher

Please explain

This number increased compared to 2019, since Unilever sourced slightly higher cocoa volumes . The underlying theoretical water intensity value did not change between years.
Water consumed (blue, green, grey) has been calculated using WFN modelled data against volume purchased. This water use is rainfed, so there are no opportunities to reduce crop intensity. Unilever's cocoa suppliers address endemic ESG risks to the geography & commodity, like poverty, child labour & deforestation. Although not a priority issue in cocoa given the relatively high rainfall of Ghana & Cote d' Ivoire, heat & water stress of trees is addressed through the effective maintenance of shade trees. Moreover, water risks are covered by RA & UTZ certification standards implemented by our suppliers. We anticipate we will sell more in the future. If the intensity figure (from WFN) changes, as too will the intensity for cocoa. We do not anticipate a change in the short/mid-term.

Agricultural commodities

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

Soy oil

Water intensity value (m3)

1,316,881,706

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Higher

Please explain

This number increased compared to 2019, since Unilever sourced more. The underlying theoretical water intensity value did not change between years.
Total water consumed has been calculated by multiplying the WFN modelled data against volume purchased. We do not currently have strategies to apply this knowledge to decision-making in soy oil sourcing. More broadly, we invest in sustainability programs like the United States Sustainable Soy Assurance Protocol, RTRS and Proterra, which include requirements for the management of water risks. 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.

Agricultural commodities

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

Wheat

Water intensity value (m3)

312,976,672

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Higher

Please explain

This number increased compared to 2019, since Unilever sourced more. The underlying theoretical water intensity value did not change between years.
We do not currently have strategies to apply this knowledge to decision-making in wheat sourcing. One-fifth of modelled consumption comes from blue water sources, so there are opportunities to reduce water use coming from surface and groundwater sources. These opportunities are evaluated by producers supply us with volume that is certified against a sustainability standard like the Sustainable Agriculture Code and the Farm Sustainability Assessment. Management requirements of these standards include

having a water management plan and ensuring equitable distribution of water in the catchment.

Agricultural commodities

Palm oil

Water intensity value (m3)

4,455,240,614

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Lower

Please explain

[DONE] This number decreased compared to that reported in 2019, since Unilever sourced less volume. Palm oil is a rainfed crop, of which 96% of total water consumption is attributed to this source. Given this dependence on rainfall, there is no opportunity to influence the water use intensity of the crop and we therefore do not currently have strategies to apply this knowledge to decision-making in palm oil sourcing. 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.

Agricultural commodities

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

Tea

Water intensity value (m3)

1,746,849,194

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

About the same

Please explain

The number stayed almost the same. The slight increase is due to a higher proportion being sourced.

In most countries, tea is a rainfed crop, which is why 82% of the modelled water intensity for tea is attributable to green water. We do not currently have strategies to reduce the water intensity of tea, as this is seen as infeasible in most producing countries. Nevertheless, we have a commitment to source all of our tea sustainably by 2020, by buying volume certified against standards like Rainforest Alliance and Trustea. These standards contain requirements for water conservation and management, which ensures certified farmers implement strategies to manage water-related risks. 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.

W1.4

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

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(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

26-50

Rationale for this coverage

Unilever spends around €34bn on goods & services annually from around 60,000 suppliers, giving us scale & impact to influence those we work with. Aligned with our strategy to sustainability source 100% of our key agricultural crops, we collect water use information from agricultural suppliers through the use of our Sustainable Agriculture Code or equivalent scheme. Of our total suppliers, only 9.3% are direct suppliers, from which we source raw material and ingredients.. From those, 35 % are agriculture related suppliers, 45% of which comply with our sustainable sourcing requirements and who via this program are requested to report on water use, risks and/or management information. This equals to a 16% of the totality of the suppliers.

Impact of the engagement and measures of success

Unilever engages suppliers to improve the sustainability practices of their farmers using a team of specialized consultants. We count materials as sustainable when they are Sustainable Agriculture Code (SAC) compliant or certified against an equivalent 3rd-party standard. These standards set requirements for the management of water risks e.g. abstraction of water from water sources for irrigation. Suppliers are requested to

report on water use, water risks and management practices. 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.

Our measure of success is the rate of compliance against the SAC. In 2020, only 1% of suppliers were non-compliant.

In addition, we collect quantitative data related to the volume of irrigation water used per tonne of crop produced. The data collected is used to track suppliers' water use performance over time, test the impact of particular interventions and engage with suppliers on possible improvements.

Comment

Coverage here is based on agricultural raw material suppliers as a proportion of total suppliers which is why it seems low. 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.

W1.4b

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

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services
Provide training and support on sustainable agriculture practices to improve water stewardship
Educate suppliers about water stewardship and collaboration

% of suppliers by number

Less than 1%

% of total procurement spend

Less than 1%

Rationale for the coverage of your engagement

Only suppliers covered under one brand whose related crops are the most water-intensive.

Impact of the engagement and measures of success

A fund has been created to invest in pioneer sustainability farming projects co-funded with suppliers and farmers. This includes innovation projects related towards supplier's water efficiency. The impact has been an important decrease of water use and fertilizer

saving amongst the selected suppliers. The water efficiency decrease has meant from 14-56% amongst the different suppliers. The use of fertilizer decreased from 25-41%.

Comment

Unilever will continue identifying suppliers with whom to engage and incentivize them to adopt innovative practices that reduces the water impact of their products.

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Demonstrable progress against water-related targets is incentivized in your supplier relationship management

Water management and stewardship action is integrated into your supplier evaluation

Offer financial incentives to suppliers improving water management and stewardship across their own operations and supply chain

% of suppliers by number

Less than 1%

% of total procurement spend

Less than 1%

Rationale for the coverage of your engagement

Only suppliers covered under one brand whose related crops are the most water-intensive.

Impact of the engagement and measures of success

A fund has been created to invest in pioneer sustainability farming projects co-funded with suppliers and farmers. Suppliers have been offered access to such a fund in order to improve water efficiency along training and collaboration. This incentivizes them to apply new techniques in order to improve the water used for irrigation and fertilizer use. The impact has been an important decrease of water use and fertilizer saving amongst the selected suppliers. The water efficiency decrease has meant from 14-56% amongst the different suppliers. The use of fertilizer decreased from 25-41%.

Comment

Unilever will continue identifying suppliers with whom to engage and incentivize them to adopt innovative practices that reduces the water impact of their products.

W1.4c

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

For the sake of our CDP disclosure, we are talking about consumers as our customers, rather than our retailers.

Over 85% 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 30 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 end of 2020.

W2. Business impacts

W2.1

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

No

W2.2

(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

W2.2a

(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

3,580

% of total facilities/operations associated

0.4

Number of fines compared to previous reporting year

Lower

Comment

During the reporting year we received a fine associated with discharge permit exceedances at a recently acquired Veliko Tarnovo factory in Bulgaria. Since acquisition of the site, a short-term tankering solution to a nearby municipal wastewater treatment facility was implemented whilst design & installation of new onsite advanced wastewater treatment facility took place.

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Fine

Financial impact

3,580

Country/Area & River basin

Bulgaria
Danube

Type of incident

Effluent limit exceedances

Description of penalty, incident, regulatory violation, significance, and resolution

During the reporting year we received a fine associated with discharge permit exceedances at a recently acquired Veliko Tarnovo factory in Bulgaria. Since acquisition of the site, a short-term tankering solution to a nearby municipal wastewater treatment facility was implemented whilst design & installation of new onsite advanced wastewater treatment facility took place.

Type of penalty

Enforcement order

Financial impact

0

Country/Area & River basin

United States of America
St. Lawrence

Type of incident

Effluent limit exceedances

Description of penalty, incident, regulatory violation, significance, and resolution

Although not classified as a penalty it is important to disclose the following at the Kilbourn site in Chicago, USA. The site had a significant non-compliance in 2020. Metropolitan Water Reclamation District ("MWRD") notified Unilever Kilbourn that it will be included on its published list of "significant violators" for a breach in FOG's (fats, oils, and grease). Unilever investigated and found that the higher levels of FOG were due to problem with a treatment chemical pump, and had breached the consent limit a number of times in 2019. The site has since rectified the issue and are adhering to correct consent levels.

W3. Procedures

W-FB3.1

(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 aim to 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 wastewaters. 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 – our internal environmental management system. COD data are required to be entered on our monitoring system on a monthly basis whist 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. Exceedances of legal requirements or environmental incidents are reported and monitored via our centralise incident reporting and management platform.

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

(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.

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.

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.

W3.3

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

Yes, water-related risks are assessed

W3.3a

(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

More than once a year

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

ISO 14001, Environmental Care Framework Standard , Datamaran, Interviews, Media reviews

Comment

Water stress assessments for our manufacturing operations we use the WRI Aqueduct tool. This is reviewed on an ongoing basis in light of significant changes e.g. acquisitions or information from the factory network on emerging water insecurity. Ratings and media reviews are discussed with factory teams.

At a site level we use Unilever's Environmental Care Framework Standard which takes into consideration local water conditions and the local environment, helping us prioritise according to the local risk and establish controls to mitigate risk them. 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?

More than 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 management process that is aligned to our Vision to our ambition to be a leader as a sustainable business. 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?

More than 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
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

Within the USLP (2010-2020) we have considered water scarcity as the 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

(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	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 & cleaning processes in all 264 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 and media reviews. 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. As part of our new Climate & Nature goals announced in June 2020, Unilever will undertake water stewardship activities in 100 most water stressed sites, understand specific shared water related risks at the sites is central to taking appropriate action. We also understand that water

		availability is key for our consumers' health, well-being and ability to use our products effectively, as part of the new compass goals we will work in strategic high risk markets to improve water security - including water quantity. Tools used: WRI Aqueduct, Discussions with factory teams, Unilever Environmental Care Framework / ISO14001.
Water quality at a basin/catchment level	Relevant, always included	Why this issue is relevant: Good quality water is a vital ingredient in many of our foods & refreshment, home & personal care products. It is also vital for heating, cooling & cleaning processes in all 261 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 & 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. As part of our new Climate & Nature goals announced in June 2020, Unilever will undertake water stewardship activities in 100 most water stressed sites, understand specific shared water related risks at the sites is central to taking appropriate action. We also understand that water quality is key for our consumers' health, well-being and ability to use our products effectively, as part of the new compass goals we will work in strategic high risk markets to improve water security - including water quality. 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.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	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 & revenue or requiring additional pre-treatment. 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 & 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 & media reviews. 2)At a local level, factory management and legal business partners work with water authorities, communities & other stakeholders to keep up to date with regulation changes, other users & community activities 3)Future potential stakeholder conflicts at a local level are relevant for UL -under ISO14001 & UL's Environmental Care Framework Standard, our manufacturing sites are required to track changes in regulations, engagement with communities & regulators allow sites to understand potential issues on the horizon & act accordingly. Environmental aspects are also assessed on their nuisance impact to neighbours at site and through our central environmental incident reporting and management programme. 4)Through our engagement in forums such as the WEF, World Business Council for Sustainable Development, CEO Water Mandate & engagement with NGOs & industry roundtables, emerging stakeholder conflicts / issues of concern are often raised. Tools used: SIGWATCH, direct engagement with stakeholders, Unilever Environmental Care Framework/ISO14001, Airsweb, External forums.

Implications of water on your key commodities/raw materials	Relevant, always included	Of the almost €34 billion Unilever spends on it's supply chain, 33% is on raw materials. Our agricultural suppliers need access to water (fresh & brackish/recycled) for irrigation to grow crops we rely on for products. Decreases production volumes = decrease revenue & growth opportunities. Increased sourcing costs can additionally limit profit margins. Explanation of assessment: We manage risk by (1) assessing the risk (by materiality & geography), (2) by implementing policies & guidelines to encourage water management best practice. Suppliers & 3rd parties are required to sign up to our Responsible Sourcing Policy (RSP), while 1/3 implement the Sustainable Agriculture Code (SAC) &/or equivalent standard(s) with their growers; each of which have standards & obligations on water efficiency & resource management. In addition, our Climate Smart Agriculture (CSA) Guide, in the SAC Implementation Guide, draws a link between requirements & CSA themes. We use WFN tools & 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 & use of surface/ground water, water rights & permits. Between 2011 & 2020, over 14,500 growers carried out risk assessments to protect surface & ground water from pollution. Furthermore, suppliers report the quantity of water used for irrigation, dilution of inputs & watering of livestock. Separate to the SAC, key suppliers respond to CDP Supply Chain water, which provides a better understanding of current/future risks & opportunities. The UL Safety & Environmental Assurance Centre (SEAC) are collaborating with Leeds University via PhD research to investigate whether Machine Learning can be used to improve climate crop modelling, including the handling of changes in water availability. The review will enable us to apply models in our raw materials supply chain as part of our climate strategy & climate smart initiative. Tools used: Water Footprint Network tools, CSA, SAC, RSP & LCA.
Water-related regulatory frameworks	Relevant, always included	Why this issue is relevant: Changes in water-related regulation are considered due to the financial and operational impact it may have on our manufacturing. For instance, in Egypt where wastewater recycling and reuse is becoming an operating requirement, requiring additional

		infrastructure and new contracts. Tracking regulatory changes ensures that the business can plan ahead and incorporate into decision making. 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 / relationships are established locally.
Status of ecosystems and habitats	Relevant, always included	[DONE] Our sustainable agriculture (SA) programme is key to growing crops in ways which sustain soil, minimise water & fertiliser use & protect biodiversity. Without crops, which are a significant raw material, we would not be able to make products. We concentrate efforts on priority crops crucial to us, & where we can have the most impact e.g. palm oil. Explanation of assessment: 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) SA Programme: Through the deployment of the Sustainable Agriculture Code and equivalent external certification schemes with suppliers, good agricultural practices are implemented. These include requirements around the protection of watercourses and buffer areas and prohibiting the dumping of waste into water bodies. 4) All suppliers implementing the Sustainable Agriculture Code are required to have Biodiversity Action Plan (BAP)'s to manage key features on farm, e.g. the maintenance and improvement of wildlife corridors between conservation areas. 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. Through these plans, suppliers set targets and actions, supported by agronomic consultants. These facilitate continuous improvement of the status of ecosystems and habitats surrounding the farm activity. 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, sanitation and hygiene facilities is limited. Providing facilities at work ensures they do - at the very least - have access during working hours. As part of Unilever's quality standards our factories adhere to high hygiene standards aligned with our GMP and covers personal hygiene for 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. The global Covid-19 pandemic only highlights the need for access to WASH at all stages of the supply chain. 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
Customers	Relevant, always included	Clarification of definition: For reporting purposes, Customers & Consumers are different for Unilever. Customers are retailers. For the sake of this question, we will use the term 'customers' to describe our approach to 'consumers' – the end users of our products. Situation/why: Our customers are one of our key stakeholders for whom we create value so ensuring we are considering them in our water-related risk assessments is imperative. Our customers water use accounts 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. Task: To understand where such risks lie within our business i.e. markets where access to sufficient quantity and/or good quality water is an issue for our customers. Knowing this means we can select/reformulate/engage accordingly based on the

		local market needs. Action/Methods of engagement: Firstly, we track changing consumer sentiment through our 30 People Data Centres around the world. Through close collaboration between marketing and R&D, we use our insights to inform product development, leveraging our ~€800m R&D spend. We also calculate water impact annually, both at an absolute & 'per consumer (customer) use' level. Measuring this enables us to see which of our products require the most water and where we need to potentially innovate and where we need to try and influence customer behaviour to encourage a reduction in water use i.e. on pack information around water-efficient formulas such as Unilever's SmartFoam technology. Results: Our customer insights and local market knowledge have seen Unilever develop new formulations such as our hair care brand Sunsilk which has been formulated to work with ranges of different quality of water, helping your hair look great no matter what. When it comes to nourishing and nurturing, we've got our leave-in combing creams, which means no need to rinse at all. Our scientists are working hard to create products that cleanse and revitalize hair with zero consumer water usage. It provides a critical benefit for consumers in water stressed areas and areas where declining water quality is declining.
Employees	Relevant, always included	Situation/why: Our employees are one of our key stakeholders for whom we create value so ensuring we are considering them in our water-related risk assessments is imperative. They are the people within the business leading the climate and water agendas and know them the best. Employees need access to water and sanitation in our offices and manufacturing facilities and play a key 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. Achievement of these targets (which ran until Q3 2020) required effort across many functions from supply chain to marketing and R&D. Task: To ensure our employees have access to WASH as standard and fully understand Unilever's efforts to improve such access globally (via our Health & Hygiene USLP commitments and since 2021, the relevant Unilever Compass Health & Wellbeing, and Nature goals). Action/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. 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. Results: In 2019 we conducted a listening survey to hear from our employees across the business on what was important to them in their lives and how Unilever's revised sustainability commitment needed to adapt to changing environment. Water was in the top 3 issues in each market. As such it core to the Climate and Nature goals announced in June 2020 as part of the 2020-2030 Unilever Compass.
Investors	Relevant, always included	Situation/why: Our shareholders are key stakeholders for whom we create value, so ensuring we are considering them in our water-related risk assessments is imperative. 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 driving value creation. Companies identifying and appropriately managing risks, such as manufacturing risks in water-scarce countries, should also benefit from a lower cost of capital. Task: Anticipating and responding to water risks is part of our vision to be the global leader in sustainable business. Through our sustainable business model we will drive superior performance, consistently delivering financial results in the top third of our industry. Action/Methods of engagement: Shareholders continue to be interested in Unilever's approach to sustainability, including specific topics such as water, as well as our wider progress and reporting. We speak directly to shareholders through meetings and calls with senior leaders and our Board about all aspects of our business, in addition to our quarterly results broadcasts and conference presentations. We also run webcasts for investors focused on key sustainability topics, including palm oil in 2019 and our approach to climate action in 2020. We were the first company to voluntarily commit to put our Climate Transition Action Plan to a shareholder vote, receiving over 99% votes in favour at our AGM in May 2021.

		We participate in indices such as CDP Water and DJSI that aim to inform investors of our water risk management activities. In 2019, we actively participated in an S&P pilot of their tool to assess companies ESG risk – one of their areas of engagement is water use. The ratings and rankings usually reflect key metrics relevant to investors for decision making purposes. Results: In 2020, we were one of 106 companies who achieved an A rating in CDP Water Disclosure. We are also leader of the Personal Products sector in the annual DJSI assessment which comes with inclusion in a whole host of Indexes our investors invest in. Our engagement on the S&P ESG rating in 2019 saw us gain a best in class score and a mark of trust for the investor community that we are adequately managing our sustainability risks (including water) and acting as a responsible business.
Local communities	Relevant, always included	Situation/why: Society (communities) are one of our key stakeholders for whom we create value so ensuring we are considering them in our water-related risk assessments is imperative. Local communities as critical water uses in the basins where are operations are located in are important to include in our assessment to ensure license to operate. Task: Anticipating conflicts with communities surrounding our operations helps us to take preventative action to mitigate emerging risks. Action/Methods of engagement: Impacts on local communities are assessed as part of the aspects & impacts assessment, as well site management plans & engagement to ensure our license to operate & manage negative impacts of our operations. This is usually 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. The principles of Climate Smart agriculture are integrated into supplier policies- the Sustainable Agriculture Code (SAC), Responsible Sourcing Policy (RSP) and our new Regenerative Agriculture Principles (launched 2021). These details 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. Results: We have helped implement 4,000+ water management plans with suppliers & growers through our sustainable sourcing programme & helped around 832,000 SHF's gain access to training & support so specific water risks are better understood & mitigation strategies designed. 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	Situation/why: Partnering with specialist NGOs helps Unilever to manage risks such as 1) ensuring we are addressing the issues that matter the most to society in the local areas we are operating, and 2) to ensure that negative reputational risks are managed. Task: To ensure we are taking into account local expertise around key issues which might affect our operations or value chain. We aim to reflect NGO expertise into our stakeholder considerations. They can also help us drive change at scale where our interests are aligned i.e. our Unilever Sustainable Living Plan targets. Action/Methods of engagement: We refresh our materiality analysis every year 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 and use Datamaran – an AI powered materiality assessment tool – which benchmarks our material issues against the material issues tracked globally across 330+ of our global peers' disclosure, >3000 sector specific regulations globally, >17Ks sector specific news articles and >130m Tweets. Unilever have direct and long-standing partnerships with UNICEF, PSI, Wateraid, and GAVI 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. In response to COVID-19 we set up the Hygiene Behaviour Change Coalition with the UK Government, working with 21 UN and NGO partners to improve hygiene awareness for over 1 billion people across the world. Working collectively with these partners with complimentary capabilities helped to understand and respond to rapidly emerging risks.

Other water users at a basin/catchment level	Relevant, always included	Situation/why: 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 which can impact on local growers, and therefore potentially impact our products and revenue. Task/Action/Methods 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. Our water stressed sites in India have been working with communities and farmers to help manage the demand and supply of water that gets used in agricultural practices through a programme called PRABHAT. Mapping the community water resources, in order to provide innovative water conservation techniques, this programme helps collectively build robust water structures. Thus, along with the governance of water at the village level, farmers also receive improved access, across cropping seasons. Result: In 2020, Unilever became a member of the Alliance for Water Stewardship and the 2030 Water Resources Group. Through these platforms, networks and processes we are creating a more formalised approach for engaging and considering other water users at a basin level and engaging in collective action for all water stressed sites.
Regulators	Relevant, always included	Situation/why: 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 at the local level. Task/Action/Methods 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 using scenario analysis. Result: This approach helps us to anticipate the impacts of changes in regulation and build into our operations, for instance this could involve a the introduction of new technology or a reformulation of a product.
River basin management authorities	Relevant, always included	Situation/why: River basin management authorities are one of the stakeholders considered by factories under ISO14001 & Unilever's Environmental Care Framework Standard and included where present. 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. Task/Action/Methods 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. Results: 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	Situation/why: Statutory special interest groups at a local level are considered within Unilever's risk assessments as they may be fellow users of the same water basin from which we draw water for our operations. Task: We take into consideration factors such as community use and population growth for example in areas of water stress and a lot of special interest groups have indepth local knowledge we can benefit from. Action/Methods of engagement/Response: Depending on the local water-related risk, we engage with special interest groups directly via our site managers in our markets. Our site managers are responsible for meeting regularly with regulators and maintaining good working relationships with the wider community to ensure they are up to date with changing legislation or licensing which might affect us and the other users of the resource at the site level.

		At the Group level, we are active members of collaborative initiatives such as the UN CEO Water Mandate, WEF Global Water Initiative & the WBCSD Water Group & work closely with these organizations to help ensure business contributes to progress on WASH & water issues & mobilise greater cross-industry engagement to mitigate water risk. In 2020 Unilever also became a member of the 2030 Water Resources Group, and will engage in activities in priority markets with the national platforms to address water related risks to water security. We also contribute directly, and sometimes via trade associations to proposed government bills and consultations.
Suppliers	Relevant, always included	Situation/why: Suppliers are factored into water risk assessments because their business is integral to our ability to make products and operate our business. Our suppliers also help us meet our water commitments as part of our Unilever Sustainable Living Plan (USLP). Task/Action/Methods of engagement: Unilever have 4 USLP water targets, which were active through fiscal year 2020 and include 'Reduce water use in agriculture'. We cannot achieve our non manufacturing and value chain targets alone. 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. Result: 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, to understand key materials & locations of greatest risk. Result: We have implemented 4,000+ 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.
Water utilities at a local level	Relevant, always included	Situation/why: 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. Task/Action/Methods 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. Result: This ensures that we maintain good working relationships with municipal suppliers and are up to date with changing legislation, licensing and pricing, managing the risk from supply and quality issues.
Other stakeholder, please specify	Not relevant, explanation provided	All stakeholders included in the above.

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) DATAMARAN (materiality)

Risk management is integral to our strategy. In 2020, we conducted the following water related assessments across the business.

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. Risks 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 activities & establish priorities . This is revised on an annual basis, or where there is change at the facility.

At corporate level we use WRI Aqueduct to update the top down assessment of water related risks in 100% of our manufacturing sites. For new acquisitions, we followed this with discussions with sites and a media review. WRI Aqueduct ratings are used to establish investment criteria for internal funding into water efficiency projects financed under the Low Carbon Fund (previously the Clean Technology Fund) programme where paybacks are extended for sites in water stressed locations. We use social media reviews & 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. Our national legal teams are connected with regulators and information platforms to keep them up to date with any changes and engage with the business directly where necessary.

At a corporate level in 2019 and 2020, we used Datamaran, an AI powered materiality assessment tool, to help us publicly report on the sustainability issues that most impact our business and matter to our stakeholders. Our latest materiality assessment highlighted new and emerging issues, and provided a fresh check on whether we are disclosing information and being transparent in the right areas. To reflect the dynamic and ever-changing sustainability landscape, we have redesigned our materiality process and methodology. Our materiality process has 5 phases: 1) Issue identification; 2) Issue prioritisation; 3) Internal stakeholder engagement; 4) Disclosure, transparency & insights; 5) Reporting on outcomes. In our latest materiality assessment, water (and the 16 underlying water topics) was identified as one of our most material issues across our value chain. We have designed a process which can be repeated more frequently to provide us and our stakeholders with more granular insights into the changing sustainability landscape and how this affects our business. And instead of relying on interviews with a small number of representative stakeholders, we harnessed big data through and used the extensive stakeholder insights available to us from within our business. We conducted an in-depth analysis of business impacts and used data and insights to gauge the relative importance of each issue to our stakeholders. To ensure a best practice approach and objectivity, our methodology was independently critiqued by DNV GL – a global business consultancy specialising in sustainability.

W4. Risks and opportunities

W4.1

(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

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

Definition: Substantive impacts for Unilever are those that would threaten the Groups business model, future performance, solvency or liquidity in the next three years. We call these our Principal risks & these apply to the Unilever Group (including our direct operations & supply chain). One Unilever's principal risks is climate change, which includes it's impact on water and the reduced demand for those of our products that require a significant amount of water during consumer use.

Determination: We use our principal risks (all 14 included in pages 44-50 of our Annual Report and Accounts 2020 https://www.unilever.com/Images/annual-report-and-accounts-2020_tcm244-559824_en.pdf) to identify scenarios which could force Unilever to cease being viable over a three-year period. Each year, we assess the cash flow impact a particular risk/mix of risks could have to the business based on the amount of cash held, our operating cash flows and the credit facilities available & their ability to affect the business operating & meeting its liabilities. Our time horizons are aligned with our forward-looking planning, set out in our three-year strategic plans and annual forecasts & our Boards assume overall accountability for the management of risk & reviewing the effectiveness of Unilever's risk management & internal control systems.

Threshold: In assessing viability, 'severe but plausible' scenarios based on our principal risks are considered and the definition we work with is 1% of our Group Turnover which was equal to €507m of turnover in 2020. We identify substantive financial impact in 2 ways:

1. assessing scenarios for each individual principal risk, for example the termination of our relationships with the three largest global customers; the loss of all material litigation cases; a major IT data breach or reputational damage from not progressing against our plastic packaging commitments, and the lost cost and growth opportunities from not keeping up with technological changes

2. assessing scenarios that involve more than one principal risk, for example a major global incident affecting one or more of Unilever's key locations resulting in an outage for a year in a key sourcing unit & significant water shortages in our key developing markets. An example of this could be the loss of sales incurred in places like Sao Paolo which affected Unilever operations during the 2015 drought. All the principal risks could impact our business within the next two years (ie short-term risks, under 3 years), or could impact our business over the next 3-10 years (ie medium-term risks, less than 10 years).

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	10	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 1% of global production has been used as a proxy for revenue, assuming a full year of lost production. There are limitations for this approach e.g. not all tonnage is valued the same, and this does not take into account the supply chain network flexibility that we have built into the system. 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 financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Indonesia

Other, please specify

Citarum

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

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 at good quality. 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 and in 2020 started their water stewardship journey to address shared 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.

Country/Area & River basin

India

Other, please specify

Gulf of Kutch

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

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/Area & River basin

Indonesia

Other, please specify

Mas

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

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 at good quality. 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/Area & River basin

South Africa
Orange

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

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 at a good quality. Although there were no water related impacts to operations, to 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/Area & River basin

Brazil
Paraiba Do Sul

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

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.

Country/Area & River basin

Brazil

Parana

Number of facilities exposed to water risk

2

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

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 recognise that the depleting surface and groundwater 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 during this reporting year continue to increase and have recovered somewhat, the sites are aware of the impact of El Nino on the rainfall patterns and water flows in the Parana basin, and as such are still deemed to be exposed to significant future water risks. Groundwater abstraction capacity constraints will place restrictions on site growth. 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/Area & River basin

India

Penner River

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

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/Area & River basin

Turkey

Other, please specify

Konya Closed Basin

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

Comment

This site is located in a water stressed area, and dominated by the baseline water stress with 2030 projections worsening as a result of increased demand, reducing supply and underlying seasons variability. Significant growth in agriculture and industrial activity in the area is impacting on declining groundwater levels. As part of the business' continuous improvement programme the site is taking action to minimise water use and in 2020 started their water stewardship journey to address shared water risks. 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.

Country/Area & River basin

China

Yongding He

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

This site is located in a water stressed area, and dominated by the baseline water stress and seasonal variability. This is projected to remain constant into the longer term future. 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.

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/Area & River basin

Indonesia

Other, please specify

Citarum

Type of risk & Primary risk driver

Physical

Declining water quality

Primary potential impact

Increased operating costs

Company-specific description

Situation: 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 and saline intrusion. Large seasonal variability poses challenges around both water availability and flooding. Unilever have Household manufacturing operations in the Citarum basin, which account for over 1% of global production (used as a proxy for revenue). The main source of water comes from the municipal supplier/s and water quality remains a concern.

Task: Increased heavy metals from the industrial zones represent a possible contamination issue where municipal treatment cannot remove pollutants, resulting in reduced quality for our operations and additional expenditure on treatment. 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 and further contamination of water supplies.

Action: In 2020 Unilever invested in a water recycling system for the chiller system and expanded the water metering and monitoring system across factories in the Citarum basin from the central sustainability capital budget. These projects are expected to reduce water abstraction by 3,000m3/yr and deliver a payback of 2 years. Expansion of our measurement, monitoring and target (MM&T) system will have long lasting impact on identification of further efficiencies.

Response: The water efficiency investment are part of our ongoing water efficiency roadmap and a key response to mitigating water related risks. This site is 35% more efficient than the sub-category average for homecare. The site continue to explore opportunities to drive water efficiency through process improvements and water recycling. In 2020 these sites began their water stewardship journey to address shared water risks around this site as part of our ongoing activities to protect and preserve water resources.

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)

375,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

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. This has been adapted to take into account the size and output of this specific site.

Primary response to risk

Increase investment in new technology

Description of response

Action: In 2020 Unilever invested in capital infrastructure to the value of €564K for sustainability measures across factories in the Citarum basin from the central sustainability capital budget, delivery energy, carbon, water and waste outcomes. Water projects funded through this included expansion of the metering programme, and reuse and recycling initiatives at a cost of €12K. These projects form part of a roadmap of activities and are expected to reduce water abstraction by 2700m3/yr and deliver a payback of 2 years.

Response: The water efficiency investment are part of our ongoing water efficiency roadmap and a key response to mitigating water related risks. The site continue to explore opportunities to drive water efficiency through process improvements and water recycling. In 2020 Unilever started a water stewardship programme to address shared water risks around this site as part of our ongoing activities to protect and preserve water resources. In January 2021 Unilever joined the Indonesian Water Coalition. The multi-party partnership for water stewardship and sustainable water resource management through collective action at the Watershed level. (More information available here: https://www.unilever.co.id/news/press-releases/2021/koalisi-air-indonesia-ketahanan-air-untuk-masa-depan-indonesia.html)

Cost of response

12,000

Explanation of cost of response

Infrastructure investment: During 2020, we invested a further €12K in projects that delivered water savings alone, through our sustainability capital programme into the sites located in the Citarum Basin. Projects funded included expansion of the metering programme, and a small reuse programme. These projects are expected to reduce water abstraction by 2700m3/yr and form part of a long term roadmap of action on water. The combined wider sustainability eco efficiency programme implementation in these sites was €563m in total during 2020, invested into overall water, energy & carbon and waste reduction. Many of these projects deliver on water savings, as well as carbon and waste with an average payback of 2.7 years. This is part of a long term programme to reduce environmental impact in our sites.

Country/Area & River basin

India

Other, please specify

Gulf of Kutch

Type of risk & Primary risk driver

Physical

Rationing of municipal water supply

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Situation: Baseline water stress in the region is high and is expected to increase into the future. This is driven by high seasonal variability, an expected increase in overall 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.

Task: Unilever makes Skin Cleansing products at this location, which account for approximately 1.1% of global production (used as a proxy for revenue), which are supplied with municipal water, with additional tankered water used for higher quality purposes like drinking water. Competition for water resources between users could lead to protests and /or the reallocation of water by municipalities and result in restricted supply for our sites, meaning reduced production capacity. In the event that production was significantly disrupted, Unilever has the potential to use the wider regional network to meet market demands but this would likely result in increased logistics costs.

Action: 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, the factory team are working with the NGOs BAIF to create infrastructure for water conservation, Water use efficiency in agriculture, Water governance by the local community and creating a local cadre to ensure sustainability of the initiatives.

Result: The cost of response figure includes the investment into community engagement initiatives such as construction and rehabilitation of check dams, farm ponds and farm bunding in the local area with support from partners BAIF. This is expected to deliver a combined saving of 1.45 billion litres conserved, creating additional 803 tonnes of agricultural production and creation of 5500 person days of employment in 2020.

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)

110,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The potential financial impact figure includes the cost to move annual production volume from this facility to the nearest similar production facility. It is calculated using the production volume and the on cost of getting the new production line up and running at the nearest facility.

Primary response to risk

Engage with local communities

Description of response

Action: 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, the factory team have been engaging with the local community and working with the NGOs BAIF and Sahjeevan to create infrastructure for water conservation, Water use efficiency in agriculture, Water governance by the local community and creating a local cadre to ensure sustainability of the initiatives.

Cost of response

46,500

Explanation of cost of response

Result: The cost of response figure includes the investment into community engagement initiatives such as construction and rehabilitation of check dams, farm ponds and farm bunding in the local area which totals €46,500 with support from partners with BAIF . This is one of 3 programmes with BAIF, expected to deliver a combined saving of 21 billion litres water saved over a 4 year period.

Country/Area & River basin

Indonesia

Other, please specify

Mas

Type of risk & Primary risk driver

Physical

Rationing of municipal water supply

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Situation: The baseline water stress in the Mas River basin 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.

Task: Unilever has Beauty & Personal Care facility in this river basin which account for around 1.1% of our global production (used as a proxy for total revenue) (as indicated in W4.1c). Water for our manufacturing operations here is sourced from municipal supply only. 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. In the event that production was significantly disrupted, Unilever has the potential to use the wider regional network to meet market demands but this would likely result in increased logistics costs.

Action: 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. This has been adapted to take into account the size and output of this specific site so we can be specific with our estimation.

Result: During the reporting year, the site investment into water savings initiatives was €58K into 2 direct water efficiency projects, with an average payback of 2.2years. A total of €487K was spent through the Low Carbon Fund (previously known as the Clean Technology Fund) on 11 energy, carbon, waste and water efficiency projects, some of which have additional water savings. This is part of a long-term programme to drive continuous improvement on the site. This figure is based on the capital requests from factories & is a one-off cost.

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)

140,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Action: 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. This has been adapted to take into account the size and output of this specific site so we can be specific with our estimation.

Primary response to risk

Increase investment in new technology

Description of response

The factory team continue to work to drive efficiency in water use. We invested over €487K through our sustainability capital programme into the sites located in the Mas Basin. Projects funded included production efficiencies, compressor upgrades, metering expansion, condensate return, RO backwash return. These projects will deliver on overall eco-efficiency with an average payback of 1.7 years.

Cost of response

487,000

Explanation of cost of response

Result: During the reporting year, the site investment into water savings initiatives was €487K. This is part of a long-term programme to drive continuous improvement on 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/Area & River basin

South Africa
Orange

Type of risk & Primary risk driver

Physical
Increased water stress

Primary potential impact

Constraint to growth

Company-specific description

Situation: The Orange River Basin is medium high water stress and expected to increase over the coming 20 years. 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.

Task: We have 3 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. During the reporting year the site did not face any restricted access to water supplies.

Unilever has 2 Homecare manufacturing facilities and an ice cream facility in this river basin which in total account for around 2.3% of our global total production (used as a proxy for revenue) (as indicated in W4.1c). In the event that production was significantly disrupted, Unilever has the potential to use the wider regional network to meet market demands but this would likely result in increased logistics costs.

Action: In 2020, we invested €44K on eco-efficiency measures in factories in the basin to minimize environmental impacts. Covid had a significant impact on the ability to manage and implement more investment.

Result: In 2020, we invested €44K on eco-efficiency measures in factories the Orange basin to minimize environmental impacts. This figure is based on the capital requests from factories & was a one-off cost to manage the risk going forward. The site continue to explore opportunities to drive water efficiency through process improvements and water recycling. In 2020 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action.

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)

150,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The financial impact is an estimate based on the costs incurred during 2019 when restricted access to water resulted in a loss of 40-hours of production time.

Primary response to risk

Increase investment in new technology

Description of response

Action: In 2020 investment into eco-efficiency in the region was €44K to support the implementation of the sustainability agenda in the Orange basin. Project included a pump and motor replacement programme.

Cost of response

44,000

Explanation of cost of response

Result: In 2020 investment into eco-efficiency in the region was unrepresentatively low due to restrictions associated with Covid. As such we invested €44K to support the implementation of the sustainability agenda in the Orange basin. The previous year's investment had been over €600K for eco-efficiency measures in these factories . Project included a pump and motor replacement programme. In 2020 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action as part of our Compass goal to protect and preserve water resources.

Country/Area & River basin

Brazil
Paraiba Do Sul

Type of risk & Primary risk driver

Physical
Increased water stress

Primary potential impact

Increased operating costs

Company-specific description

Situation: 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.

Task: Unilever have Homecare operations in this basin which account for approximately

1.06% of global production (used as a proxy for revenue) (as indicated in W4.1c). In reality, the potential impact would be much lower as we would likely switch production elsewhere. Water stress 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 site sources water for production from groundwater supplies, and tankers a small volume for drinking water.

Action: The sites continue to drive their Sustainability roadmaps & invest into new technologies. However in 2020, there was no sustainability capital applied for by the site through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund). Previous years' projects have included condensate returns, metering expansion, boiler optimization.

Result: In our factories located across Brazil, we support water efficiency projects through the central capital programme ton continue to reduce water demand. 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)

170,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

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 is based on the size of the operation and the production/operational requirements. 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

Result: In our factories located across Brazil, we support water efficiency projects through the central capital programme. During 2020, there was no application so for capital investment through the Low Carbon Fund (previously known as the Clean Technology Fund). Operational restrictions due to Covid limited site access and local resourcing. In previous years (2019), we invested over 120K Euro through our sustainability capital programme, projects have included condensate returns, metering expansion, boiler optimization.

Cost of response

120,000

Explanation of cost of response

Infrastructure investment: During 2020, there was no application so for capital investment through the Low Carbon Fund (previously known as the Clean Technology Fund). Operational restrictions due to Covid limited site access and local resourcing. In previous years (2019), we invested over 120K Euro through our sustainability capital programme, projects have included condensate returns, metering expansion, boiler optimization. The site continue to explore opportunities to drive water efficiency through process improvements and water recycling.

Country/Area & River basin

Brazil
Parana

Type of risk & Primary risk driver

Physical
Increased water stress

Primary potential impact

Increased operating costs

Company-specific description

Situation: 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.

Task: Unilever have operations in the Parana Basin which can be adversely affected if drought conditions continue into the future. Our operations in the Parana Basin account for over 1% of global production (used as a proxy for revenue). We currently anticipate we will we required 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 the restricted water; this resulted in increased water costs, but also

represented a potential reputational risk for the facility. The unit costs for tankered water were ~ 600x higher than the abstraction costs of groundwater. Increased operating costs have been identified as the primary impact but in reality there are likely to be multiple. However, the more significant impact for the business was associated with consumer use, as citizens of major cities were restricted access to water for basic services like laundry and washing.

Action: The potential financial impact of €1.6m is based on an experience Unilever has already seen. This takes into account the scale and production/operational requirements. In 2015, a drought in Brazil meant some of our factories in Sao Paolo 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.

Result: Infrastructure investment: In our Brazilian factories we support water efficiency projects through the central capital programme. In 2020, we invested €460K into the sites located in the Parana Basin which include cooling tower optimisation, steam condensate and biomass. Water projects alone had an average payback of 1.2years.

In 2020 Unilever started a water stewardship programme to address shared water risks around this site as part of our ongoing activities to protect and preserve water resources.

Timeframe

Current up to one 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)

1,600,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Action: The potential financial impact of €1.6m assumes 3 of the sites in the Parana basin having to source 100% of their annual water supply from another catchment,

delivered by tanker.is based on an experience Unilever has already seen.

Primary response to risk

Other, please specify

Multiple activities, as described in our response

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 Sustainability roadmaps & increased investment in new technology, e.g. investing into fully circular water systems capable of recycling water for production.

● 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. In 2020 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action. In 2020 Unilever also became a member of the 2030 Water Resources Group, engaging in key strategic markets to address water insecurity. Brazil is one of our priority markets.

Cost of response

460,000

Explanation of cost of response

Result: Infrastructure investment: In our Brazilian factories we support water efficiency projects through the central capital programme. In 2020, we invested over €460K into the sites located in the Parana Basin which include cooling tower optimisation, steam condensate and biomass.

In 2020 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action.

Country/Area & River basin

India

Penner River

Type of risk & Primary risk driver

Physical

Declining water quality

Primary potential impact

Increased operating costs

Company-specific description

Situation: The sites in the Pennar river basin have a high baseline water stress with extremely high seasonal variability and account for over 1% of global production (used as a proxy for revenue). Water demand is expected to increase due to increased population growth & industrialization, broadening the gap in supply/demand. Water quality is expected to decline as a result of uncontrolled growth & poor regulation.

Task: Depleting quality & availability could impact Unilever's ability to operate in this area, as pre-treatment of incoming water will become more intensive & complex, ultimately resulting in higher operating costs in the form of energy, maintenance & testing for direct operations. Regulatory changes to address the increasing water stress could represent both opportunities & risks for our business. Greater regulation on quality & abstraction could lead to a better operating environment but may result in increased investment into initiatives such as Zero Liquid Discharge & ground water replenish schemes–increasing operating costs. We have already been impacted by regulation introduced in the state of Himachal Pradesh where local Unilever factories can no longer treat wastewater onsite & must send 100% to an industrial site treatment plant - previously our factory treated & recycled 100% of water onsite, reaching Zero Liquid Discharge. The new requirement is resulting in increased abstraction and Chemical Oxygen Demand (COD) leaving the site.

Action: In our factories located across India, we support water efficiency projects through the central capital programme, the factory teams also run process optimisation projects such as CIP optimisation through CIP Matrix reviews. The site had previously achieved zero liquid discharge status through reuse of washwater, condensate recovery & reuse and recycling of treated water into the utilities.

Result: The annual investment in water conservation and efficiency is expected to be approximately 50K Euro. Investment into projects in the local area through the Prabhat programme will be coupled with continuous water efficiency programme within the factory. It is estimated that 2020 actions resulted in 10.64 billion litres in water savings and an increase in agricultural yield of 1,384 tonnes (2020 data).

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)

200,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

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

Action: In our factories located across India, we support water efficiency projects through the central capital programme, the factory teams also run process optimisation projects such as CIP optimisation. 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, the site team have worked with local NGOs to restore village ponds to support water conservation and support farmers with rice intensification and micro irrigation schemes to support water use efficiency in the agricultural practices.

Cost of response

50,000

Explanation of cost of response

Result: The annual investment in water conservation and efficiency is expected to be approximately 50K Euro. Investment into projects in the local area through the Prabhat programme will be coupled with continuous water efficiency programme within the factory. It is estimated that this has resulted in 1.7billion litres of water conservation and an increase in agricultural yield of 217 tonnes (December 2019 data).

Country/Area & River basin

Turkey

Other, please specify

Konya Closed Basin

Type of risk & Primary risk driver

Physical

Increased water stress

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Situation: This site is located in a water stressed area, and dominated by the baseline water stress with 2030 projections worsening as a result of increased demand, reducing supply and underlying seasons variability. Our operations at this site contribute to over 1% of global production (used as a proxy for revenue). Significant growth in agriculture and industrial activity in the area is impacting on declining groundwater levels. Water is provided by industrial park operator, originating from groundwater source. Agricultural irrigation is the predominant user in the area. 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.

Task: The production is dependent on continued access to water. Interruptions or restrictions in water supply would impact on our ability to supply the market and would incur financial impact to the business as sites would need to procure water from elsewhere or meet market demands from elsewhere in the Unilever network resulting in increased logistical costs.

Action: As part of the business' continuous improvement programme the site has advanced water monitoring capabilities and is taking action to minimise water use. In 2020, the site invested €770K in environmental efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund). In 2020 started their water stewardship journey to address shared water risks.

Result: The Water Stewardship programme which started in 2020 has identified multiple opportunities to address shared risks. Site will begin design & execution in 2021.

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)

110,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

This is an estimate of the cost to move annual production volume from this facility to the nearest similar production facility.

Primary response to risk

Increase investment in new technology

Description of response

In 2020, the site invested €770K in environmental efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund). Projects included a sulphonation heat recovery, expected to reduce heat demand with secondary benefits to water use. In 2020 started their water stewardship journey to address shared water risks. Site will begin design & execution in 2021, a key component will be about engagement with communities, industrial park, and authorities to raise awareness.

Cost of response

770,000

Explanation of cost of response

The costs of response is the 2020 investment associated with environmental efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund).

Country/Area & River basin

China
Yongding He

Type of risk & Primary risk driver

Physical
Declining water quality

Primary potential impact

Increased production costs

Company-specific description

This site is located in a water stressed area, and dominated by the baseline water stress and seasonal variability and accounts for over 1% of global production (used as a proxy for revenue) . This is projected to remain constant into the longer term future. Declining water quality is associated with poorly treated wastewater and reducing flows affecting ability to dilute and assimilate pollutants. Water for production is provided by local water authority / municipality. Average water prices per m3 have increased by 10% in the past 2 years.

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.

Timeframe

Current up to one year

Magnitude of potential impact

Low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

12,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

This cost estimate relates to the avoided costs associated with water purchase price increases. These costs have been largely mitigated at site through the water efficiency programme, reducing water abstraction by 12% over the same period.

Primary response to risk

Increase investment in new technology

Description of response

In 2020, the site invested €187K in environmental efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund) to deliver energy, carbon, waste and water efficiencies as part of their overall site sustainability roadmap. Projects included optimised sludge management system which saved 4500m3 of water, a winter chiller system using ambient air temperatures and improved steam system totalling €187,000 investment.

Cost of response

187,000

Explanation of cost of response

Projects included optimised sludge management system which saved 4500m3 of water, a winter chiller system using ambient air temperatures and improved steam system totalling €187,000 investment.

W4.2a

(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/Area & River basin

India

Tapti River

Stage of value chain

Use phase

Type of risk & Primary risk driver

Reputation & markets

Inadequate access to water, sanitation, and hygiene services

Primary potential impact

Constraint to growth

Company-specific description

Situation: Rapid urbanisation means many low-income people in India live without easy access to clean water, a flushing toilet & 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 50x more for a litre of water than their richer neighbours, as they often have to buy water from private vendors. The Tapti basin extends over states of Madhya Pradesh, Maharashtra & Gujarat, & includes rural & urban areas of water scarcity.

Task: Unilever studies observing & 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 our products such as those in our Beauty & Personal Care portfolio (shampoo) or Home Care (laundry detergent), impacting sales. India is a key growth market for our business as part of our Compass Strategy and water insecurity can restrict growth, aswell as represent an opportunity to address tackle water scarcity, improve people's lives, build our brands & contribute towards SDG Goal 6.

Action: We are investing in new projects & business models that increase access to water, including the creation of community hygiene & water centres. By doing so, we are providing entire communities with infrastructure that enables them to use our products locally, delivering social benefits whilst increasing growth.

Result: In partnership with HSBC India, Unilever has opened 5 Suvidha Centres in Mumbai since 2016. Suvidha offers affordable drinking water, clean flushing toilet facilities for women, men and children, accessible toilets for people with disabilities, facilities for feminine hygiene needs and state-of-the-art laundry services for urban low-income households. Located in the heart of Azad Nagar, one of Mumbai's many slums, the first Centre helps 1,500 gain access to clean water & facilities, meeting almost 80% of people's basic water needs for laundry, showers, toilets & handwashing. The services are provided on a pay-per-use basis below market rates. Saving water is a priority for the Centre & circular economy principles have been integrated into its design. Fresh water is first used for bathing, handwashing & laundry. The wastewater from these activities is used to flush 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.

Timeframe

Current up to one year

Magnitude of potential 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)

225,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Based on detailed business case studies estimating the potential financial opportunities of innovative new products using future water-smart technologies to address demand in areas of water scarcity. This work predominantly focused on portfolio shifts towards low-water or waterless formats in our Home Care and Beauty & Personal Care categories, using 2015 information on incremental turnover, net product value and projected growth.

Unilever estimated that designing products that can work well with less water or low-quality water could represent an equivalent of net present value opportunity of €225m over the next 5 years. The original work was based on a 10-year period so we have annualised this to reflect the figures as at YE 2020.

Primary response to risk

Downstream

Increase/review infrastructure investment

Description of response

Action: Unilever 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.
Result: In partnership with HSBC India, Unilever have opened 5 Suvidha Centres in Mumbai since 2016. Suvidha (which means ‘facility’ in Hindi) offers affordable drinking water, clean flushing toilet facilities for women, men and children, accessible toilets for people with disabilities, facilities for feminine hygiene needs and state-of-the-art laundry services for urban low-income households.

Located in the heart of Azad Nagar, one of Mumbai's many slums, the first Centre now helps 1,500 gain access to clean water and facilities, meeting 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

160,000

Explanation of cost of response

The cost of response is for the maintenance and further rollout of Suvidha centres in India. This includes the role of 1 full time employee to manage the facility ~ €160k in India p.a.

W4.3

(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

(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

Situation: 2.8 billion people around the world are experiencing poor access to water. And this number is estimated to increase significantly, with the Water Resources Group estimating that 40% of the total water demand in 2030 will not be met.

Task: Our biggest water use - over 85% of our end to end water footprint - occurs when consumers use our products. Helping consumers to do more with less with water-smart products represents a commercial opportunity. 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 Robijn Dry Wash Spray that freshens up clothes in 15 minutes. Each bottle saves 60 litres of water and prevents 400g of CO2 being emitted or 'the good stuff', a brand which offers a leave-in conditioner made to nourish hair without weighing it down. 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.

In the 2020 Unilever Compass launch of our new environmental goals, we established new commitments around biodegradable ingredients and formulations to protect the aquatic environment in emerging and developed markets alike. Water quality is increasingly a concern for our consumers and we anticipate biodegradable formulations to be a market differentiator. Today, more than 90% of our ingredients in our Home Care and Beauty & Personal Care portfolio are biodegradable. One example is our partnership with speciality chemicals company Clariant to develop more nature-based ingredients in laundry liquids such as Omo. Clariant have helped us develop 'soil release' polymers, which are more biodegradable and renewable than previous ingredients while still giving great cleaning.

Action: Our strategy is to develop innovative products which help people adapt to water insecurity, expanding usage occasions whilst eliminating any negative impacts on aquatic environments from wash-off.

Estimated timeframe for realization

4 to 6 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)

Potential financial impact figure – minimum (currency)

2,000,000,000

Potential financial impact figure – maximum (currency)

3,000,000,000

Explanation of financial impact

Action: Our strategy is to develop innovative products which help people adapt to water scarcity, expanding usage occasions. Result: 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 Divisions, Unilever estimates this could yield around €2-3 billion incremental sales in 2025 based market analysis study conducted in 2015.

W5. Facility-level water accounting

W5.1

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

Facility reference number

Facility 2

Facility name (optional)

Country/Area & River basin

India

Other, please specify

Gulf of Kutch

Latitude

23.25

Longitude

69.67

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

118

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

118

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

118

Comparison of total consumption with previous reporting year

Lower

Please explain

Situation: Production volume has increased by 7% whilst total water abstraction has reduced by 5% creating water intensity efficiencies of 11% vs previous year. This is a zero liquid discharge factory, with all wastewater treated and reused on site. Wastewater data is managed on site & used for compliance, managing costs & targeting efficiencies.

Task: As part of the continuous improvement programme the factory continued to drive action on water efficiency.

Action: 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. In 2020, site in mainly energy improvement projects (3 projects at €256K) delivering over 3000m3 of water savings.

Result: Key water projects identified were associated with further improving the water recycling opportunities with impact expected to be realized by 2021. In addition, to

address issues beyond the factory boundary, the factory team have been working with the NGOs BAIF and creating infrastructure for water conservation, Water use efficiency in agriculture, Water governance by the local community and creating a local cadre to ensure sustainability of the initiatives.

Facility reference number

Facility 3

Facility name (optional)

Country/Area & River basin

Indonesia

Other, please specify

Mas

Latitude

-7.25

Longitude

112.75

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

297.2

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

289

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

8.2

Total water discharges at this facility (megaliters/year)

25.8

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

25.8

Total water consumption at this facility (megaliters/year)

271.4

Comparison of total consumption with previous reporting year

Much lower

Please explain

Situation: There has been a significant reduction in total water and water intensity of the production by 38% vs previous year. The change is a combination of €350K eco-efficiency investment in 2019 delivering impacts sustainability projects namely 1) Condensate return at process and glycerine plant, 2) Water leakage focused improvement programme and 3) RO optimation programme to minimise backwashing.

Task: As part of the continuous improvement programme the factory continues to drive action on water efficiency.

Action: In 2020, the site accessed €487K for investment into eco-efficiency initiatives. Key water initiatives included a pressure reduction, condensate recovery, and water metering expansion delivering anticipated savings of 22,000 m3/yr and a 1.7 year simple payback.

Result: The impact of the programme will be seen in 2020/21 annual data.

Facility reference number

Facility 4

Facility name (optional)

Country/Area & River basin

South Africa
Orange

Latitude

-26.25

Longitude

28.37

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

52

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

52

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

52

Comparison of total consumption with previous reporting year

Much higher

Please explain

Result: Overall the site has increased water abstraction on an absolute basis (+15%) and intensity (+7%). This is associated with the increased production (+8%) and an increase in change overs associated with agility programme.

Task/Action: The site continues to drive water efficiency as part of its continuous improvement programme. Due to the nature of the production: spray dry towers for homecare powders plant – this is predominantly driven around energy efficiency e.g. project such as spray drying heat recovery. The site is a zero liquid site with water recycled into the utilities and processing. The total discharge is an assumption based on a site water balance model.

Situation: In 2020 Unilever started the Water Stewardship programme in this site and neighbouring site to address shared water risks inside and around this site as part of our ongoing activities to protect and preserve water resources.

Facility reference number

Facility 5

Facility name (optional)

Country/Area & River basin

Brazil

Paraiba Do Sul

Latitude

-23.18

Longitude

-51.83

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

30.5

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2.6

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

27.9

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

30.5

Comparison of total consumption with previous reporting year

Much lower

Please explain

Situation: The site is a laundry site, using spray dry towers to manufacture homecare laundry powders. The site is a zero liquid discharge site with water recycled into the

utilities and processing. Wastewater (from sanitation) is treated onsite using primary and secondary treatment before being discharged via infiltration trenches, and excluded from this data.

Task: The site continue to drive aggressive water reduction programme in the factory. Significant water reductions were delivered from insights derived from the installation of the online metering system continue to drive improvements, and used to drive a focussed improvement programme which included leakage detection and overconsumption from the evaporative cooling towers and boiler blowdown. These improvements were only possible through the new insights gained from the Strata digital platform.

Result: Despite growth in production (+2%) the site have continued to deliver savings in absolute (-16%) and water intensity (-18%).

Facility reference number

Facility 6

Facility name (optional)

Country/Area & River basin

Brazil
Parana

Latitude

-23.08

Longitude

-47.22

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

208

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

179.9

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

27.6

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.5

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

208

Comparison of total consumption with previous reporting year

About the same

Please explain

Situation: Changes to product compaction continue to impact volumetric production (-7%) however water intensity has increased. This is coupled with increased production of laundry liquids vs powders as market demands shift.

Task: The site has been focusing on the optimization of their water recycling system, already a zero liquid discharge factory.

Action: In 2020 the site invested in cooling tower optimization and steam condensate recovery programme saving an estimated 36,000m3 of water.

Result: Overall 4 eco-efficiency projects were installed to the value of €460K investment, delivering an average payback of 3.6 years. Funding was delivered via the Low Carbon

Fund (previously known as the Clean Technology Fund).

Facility reference number

Facility 7

Facility name (optional)

Country/Area & River basin

Brazil

Parana

Latitude

-23.25

Longitude

-46.97

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

394.3

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

357.88

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

36.4

Total water discharges at this facility (megaliters/year)

13

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

13

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

381.3

Comparison of total consumption with previous reporting year

Lower

Please explain

Situation: Responding to demands for homecare and personal care (skin care) products, production facilities have simplified production complexities, this has created some improvements in sustainability metrics. Groundwater level decline during dry periods mean that some water is required to be tankered to site.

Task/ Action: In preparation for increased production agility following covid, site team have been engaging in Cleaning-In-Place and planning optimizations - much of which achieved without investment requirements. Run strategies and simplification in product mixes due to Covid have also created some optimization in water abstraction. During the reporting year the site experienced some challenges associated with their previously implemented Circular Water solution. As such wastewater discharge volumes increased. Following trials, additional treatment for removal of minerals will be implemented in 2021 and the Circular Water activities resumed.

Results: Despite an increase in production (2%), absolute (-6%) and water intensity (-8%) metrics have reduced. Challenges with the Circular Water system during the reporting year meant that wastewater volumes increased and consumption as a percentage of total abstraction reduce.

Facility reference number

Facility 8

Facility name (optional)

Country/Area & River basin

India
Penner River

Latitude

11.93

Longitude

79.88

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

190.4

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

188.3

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

2.1

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

190.4

Comparison of total consumption with previous reporting year

About the same

Please explain

Situation: Production at the site has increased by 2% , water abstraction has remained the same, 0% increase on the previous year, with a -2% water intensity. This is a zero liquid discharge factory, with all wastewater treated and reused on site. 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.

Task: The site continue to drive water savings through the world class manufacturing programme.

Action: Through our Prabhat factory scheme, the site team have worked with local NGOs to restore village ponds to support water conservation and support farmers with rice intensification and micro irrigation schemes to support water use efficiency in the agricultural practices.

Results: It is estimated that this has resulted in 10.64 billion litres of water conservation and an increase in agricultural yield of 1,384 tonnes (2020 data).

Facility reference number

Facility 9

Facility name (optional)

Country/Area & River basin

Turkey

Other, please specify

Konya Closed Basin

Latitude

37.89

Longitude

32.48

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

570

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

570

Total water discharges at this facility (megaliters/year)

142

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

142

Total water consumption at this facility (megaliters/year)

428

Comparison of total consumption with previous reporting year

Much higher

Please explain

Situation: Production at the site has increased by 11% , total water abstraction has also increased by 15% , with water intensity increasing by 3% vs the previous year.

This is a homecare and personal care site, producing laundry liquids, detergents and shampoos, conditioners and body & handwash. During Covid, production volumes have risen to meeting increasing demands, with changes to product mix in more water intensive products. Water savings from the 2019 eco-efficiency initiatives (Digital CIP improvement programme and rainwater improvement programme - expected to deliver 70,000m3 / yr) are also hidden from the performance metrics.

Task: The site continue to drive water savings through the world class manufacturing programme. During 2020 the site secured funding through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund) for improvements to irrigation system, solar based sludge drying system and a sulphonation heat recovery improvements, expected to deliver a further10,000 m3 in water savings. The total discharge is an assumption based on 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.

Action: In 2020 Unilever started the Water Stewardship programme in this site and neighbouring site to address shared water risks inside and around this site as part of our ongoing activities to protect and preserve water resources.

Facility reference number

Facility 10

Facility name (optional)

Country/Area & River basin

China
Yongding He

Latitude

39.13

Longitude

117.2

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

169.1

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

169.1

Total water discharges at this facility (megaliters/year)

43.1

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

43.1

Total water consumption at this facility (megaliters/year)

169.1

Comparison of total consumption with previous reporting year

Much higher

Please explain

Situation: Production at the site has reduced by 6% , whilst total water abstraction has also reduced by 8% with water intensity reducing by 2% vs the previous year.

This is a dual site making laundry and savoury products. During the Covid pandemic, volumes of savoury products reduced significantly, as out of home sales reduced

significantly. Whilst homecare volumes remained consistent water abstraction reduced, drive by eco-efficiency programme and simplified run strategies.

Task/ Action: The site continue to drive water savings through the world class manufacturing programme. During 2020 the site secured funding through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund) for improvements to steam and chiller systems. The total discharge is an assumption based on 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 1

Facility name (optional)

Country/Area & River basin

Indonesia

Other, please specify

Citarum

Latitude

6.25

Longitude

106.98

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

1,165

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

1,165

Total water discharges at this facility (megaliters/year)

797

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

797

Total water consumption at this facility (megaliters/year)

368

Comparison of total consumption with previous reporting year

Higher

Please explain

Situation: The absolute water abstraction is about the same as the previous year >1%, but water intensity decreased by 10%. This was mainly the result of production changes, with an increase in Skin Care category and reduction in the production of Ice Cream which is more water intensive.

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 and information on ingredients. 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.

Task: As part of the continuous improvement programme the site factory hub continued to drive action on water efficiency. During 2020 the site team initiated their Water Stewardship programme and in 2021 were a founding member of the Indonesia Water Coalition.

Action: Key improvements in the site factory hub include: Chiller optimization and water reuse initiatives

Result: In 2020 the site factory hub invested nearly €563k to deliver 12 eco-efficiency projects, including 2 water-led initiatives which are expected to reduce annual water abstraction by 2700m3.

W5.1a

(W5.1a) 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 for 10 years and water for nine 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. 2020 Assurance statement available here: https://www.unilever.com/Images/pwc-independent-limited-assurance-report-2020_tcm244-559815_en.pdf

Water withdrawals – volume by source

% verified

Not verified

Water withdrawals – quality

% verified

Not verified

Water discharges – total volumes

% verified

Not verified

Water discharges – volume by destination

% verified

Not verified

Water discharges – volume by treatment method

% verified

Not verified

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 for 10 years and Chemical Oxygen Demand for nine years. PwC assurance statement is available here: https://www.unilever.com/Images/pwc-independent-limited-assurance-report-2020_tcm244-559815_en.pdf

Water discharge quality – temperature

% verified

Not verified

Water consumption – total volume

% verified

Not verified

Water recycled/reused

% verified

Not verified

W6. Governance

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.

	Scope	Content	Please explain
Row 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 Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Acknowledgement of the human right to water and sanitation Recognition of environmental linkages,	Our water policy is embedded in our Unilever Compass Strategy, which was announced in 2020. We take a holistic approach to water which is why our water goals under the Unilever Sustainable Living Plan (USLP) (2010-2020), and under the Unilever Compass (2020-2030), extend right across our value chain, including in the sustainable sourcing of our agricultural commodities, manufacturing and product innovation. We use our annual water footprint assessment to understand our impact and dependencies on water and help guide our commitments and strategy. Our strategy is supported by: 1) our Group Environmental Policy which embeds performance standards for factories. In 2020, as part of our Unilever Compass goals, we committed to implementing water stewardship programs in and 100 of our most water stressed manufacturing sites. 2) The Unilever Sustainable Agriculture Code (SAC) and the Unilever Regenerative Agriculture Principles (RAPs) launched in 2021, and provide the basis for our sustainable sourcing, including requirements for water management. These policies apply to all suppliers and include mandatory and best practices associated with water management. We use our RAPs to set up best practice pilots with suppliers to support improvements in soil health, biodiversity, water quality and climate resilience. The Unilever Compass strategy includes commitments to transition all formulations to be fully biodegradable, minimizing pollutants on the aquatic environment. Product innovation plays a key role e.g. creating products such as Domestos Flush less in South Africa or the partnership with specialty chemicals company Clariant to develop more nature-based ingredients in our laundry liquids products, such as Omo. Innovation

		for example, due to climate change	is core to our water stewardship strategy. We communicate progress on water-related innovation and performance on company-wide targets related to our value chain in our Annual Report and Accounts (ARA). Our TCFD aligned disclosures include water related risks, and are included in our ARA and updated annually. We recognize the human right to water, and through our brands, operations and supply chain, we're committed to respecting people's rights to water, and to acting as water stewards. We have also signed the World Business Council for Sustainable Development's (WBCSD) WASH Pledge to provide access to Water, Sanitation and Hygiene (WASH) in all our factories, plantations and workplaces.

W6.2

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

Yes

W6.2a

(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)	The Unilever Board delegates the running of Unilever Group to the CEO, with the exception of some strategic matters (i.e. approval of dividends). Whilst the Board takes accountability, the CEO is ultimately responsible for the oversight of our environmental agenda, including management of water related risks and opportunities, including our commitments to tackle water security. The CEO can delegate responsibilities to the Unilever Leadership Executive (ULE). The ULE is comprised of the CEO, CFO and other senior executives. All ULE members report to the CEO but are not part of the Board's decision-making process, which is reserved for the CEO and CFO as the only two executive Board members. In 2020, our CEO approved Unilever's new set of sustainability commitments under the Unilever Compass, which will succeed the Unilever Sustainable Living Plan (USLP). These included commitments on implementing water stewardship programmes in 100 locations in water-stressed areas by 2030. These commitments were further supported by the CEO's approval of Unilever's dedicated €1bn Climate & Nature Fund, a commitment that will see our brands taking meaningful action on

	projects including landscape restoration, reforestation, carbon sequestration, wildlife protection and water preservation.

W6.2b

(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	Unilever's Board has ultimate responsibility for reviewing, monitoring and guiding the strategy for the Unilever Group, as well as its conduct. The Board has overall accountability for the management and guidance of risks and opportunities, including those associated with climate change, water security and water stewardship. The Unilever Leadership Executive (ULE) and the Board delegated Corporate Responsibility Committee (CRC) support the Board's management of water-related issues. In 2020, the Board held 6 planned meetings and 7 ad-hoc meetings. The Board's delegated CRC tracks the progress and potential risks associated with the USLP, which came to an end in 2020, and the new Unilever Compass, which was launched in 2020. The CRC feeds into the Board for key decisions on major plans of action to be made. Within the USLP and Unilever Compass, there are water-related targets including those for manufacturing, agriculture and consumer use, which the CRC oversees, which the CRC oversees. The CRC report their findings to the Board regularly so that they can fulfil their oversight responsibilities. The CRC's responsibilities are complemented by those of the Audit Committee, which is responsible for reviewing the assurance of Unilever Sustainable Living Plan (USLP) targets (2020 was the final year for USLP targets assurance) and signing off our Annual Report & Accounts (ARA). During 2020 the Audit Committee continued its oversight of the independent assurance work that is performed on

			Environment & Occupational Safety which includes USLP metrics such as goals to reduce water use in manufacturing. For the fourth year, we applied the recommendations of the TCFD, including in our Annual Report and Accounts (ARA), which in 2020 included disclosures on water related risks to our business. Unilever has adopted TCFD recommendations since their establishment. In Unilever's 2020 ARA, water (water shortages may disrupt our production and/or reduce consumer demand for our products) was included as one of our key business risks. As part of the Board sign-off process, the Board and the Audit Committee are required to approve the ARA, which includes our TCFD statement. These risks are reviewed by the Board on an annual basis.

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)

Chief Executive Officer (CEO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Our CEO is one of two Executive Directors on our Board, and is a member of the Unilever Leadership Executive (ULE), our highest operational leadership group. The Board delegate responsibility for the day-to-day operational leadership of the business including strategy, monitoring of performance and policy, to the CEO. A key responsibility is assessing and reporting progress on sustainability targets, including those on water. In 2020, the new Unilever Compass was added to the ULE agenda reflecting the integration of sustainability into our strategy. This includes reducing water use in manufacturing and commitments to implement water stewardship programmes in 100 locations in water-stressed areas by 2030. The ULE meet quarterly to discuss sustainability progress, including risks and opportunities relating to water. The CEO is responsible for reporting back to the Board. This can vary from verbal updates, presentations, or written reports, with feedback documented in Board minutes.

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

Other C-Suite Officer, please specify

Chief Supply Chain Officer

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Chief Supply Chain Officer (CSCO) is a member of the Unilever Leadership Executive (ULE) and leads on key water-related matters so the CEO and Board can fulfil their oversight responsibilities e.g. driving reduction in absolute water abstraction and water intensity metrics for manufacturing, and the sustainable sourcing of agricultural ingredients. The ULE is the highest operational leadership group. The CSCO directly reports to the CEO. We have a dedicated internal water steering group, led by the operational lead for our water targets and reporting into the CSCO. This group takes a full value chain approach to its water oversight, including supply chain, R&D and advocacy.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Please see W6.4a for more information

W6.4a

(W6.4a) 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)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Financial Officer (CFO) Other C-suite Officer All Unilever Leadership	Reduction of water withdrawals Reduction in consumption volumes	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 for the CEO and other C-Suite officers is assessed on progress against the targets in the Unilever Sustainable Living Plan (USLP). Performance is determined through the

	Executive (ULE)	Improvements in efficiency - product-use	Sustainability Progress Index (SPI), a qualitative and quantitative assessment made jointly by the Board-delegated Corporate Responsibility and Compensation Committees. The Committees determine a rating from 0% to 200% each year based on 7 key performance indicators. This includes external recognition and performance such as achieving Leader or A ratings in CDP Water, as well as other CDP responses and DJSI. In 2020 we overachieved on our target. MCIP performance is assessed annually and 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 level of monetary reward is dependent on the average score between 0 to 200% over the four years, and is rewarded every four years. The CEO leads the Unilever Leadership Executive who all play a significant role in driving progress towards our USLP targets, including our wider sustainable sourcing ones. Employees from Work Level 2 (the first rung of management) to ULE level are eligible to join MCIP. Executive Directors (CEO & CFO) are required to invest at least 33% of their annual bonus in MCIP
Non-monetary reward	Other, please specify Employees	Improvements in efficiency - direct operations Improvements in efficiency - supply chain Improvements in efficiency - product-use Implementation of employee awareness campaign or training program Increased access to workplace WASH	Unilever Compass Awards are an internal recognition program aimed at recognizing teams/individuals who are pioneering new ways of doing business. Every team (functional or project team) team) can apply and winners will be selected by the Board Panel. Projects must align with one of the three pillars of the Unilever Compass – Improve the health of the planet; Improve people's health, confidence and wellbeing; Contribute to fairer, more socially inclusive world. Unilever sees giving recognition for great work as an important way of motivating employees to feel empowered, help them collaborate and use an owner's mindset for planning. It also helps share best practice across the business and drive efficiencies. Measures of success: Winners are chosen based on their

		Other, please specify Behavioural change	alignment with the Unilever Compass goals – one of which relates to climate and environmental targets and includes water targets. This could include, for example, water-smart innovations which reduce product water intensity (e.g fast-rinsing laundry detergent or non-rinse hair conditioner), working with suppliers and farmers to reduce water in agriculture or behaviour change programs to use less domestic water or WASH programs on drinking water, handwashing with soap or sanitation. Both are aligned with the Improve the health of the planet pillar of the Unilever Compass.

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?

Our materiality assessment confirms the issues important to us and our stakeholders are consistent with our approach to engagement. We use stakeholder research and consider alignment with our Vision & Purpose; potential value chain impacts; and the degree we can affect change. We take a multi-stakeholder approach to avoid over focus on a handful of topics and update our assessment annually to make sure it reflects business changes and the external environment. Our 2020 assessment confirmed climate change and water continue to be material, and will continue to be addressed in our new Unilever Compass strategy, launched in 2020. Policy and advocacy in support of these ambitious climate and nature goals (which include water commitments) is an explicit part of the Unilever Compass strategy and a responsibility of the Global Sustainability Team in partnership with Corporate Affairs.

As a company, Unilever committed to support the Paris Agreement and we have continued advocating for policies that advance its goals ever since. At the Group level, we're active members of the UN CEO Water Mandate, WEF Global Water Initiative, the WBCSD Water Group and in 2020 as part of the Unilever Compass announcement joined 2030 Water Resources Group and the Alliance for Water Stewardship. We work closely with these organizations to help ensure business contributes to progress on

WASH and water issues, and to mobilize greater cross-industry engagement to mitigate water risk

W6.6

(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

W7.1

(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	5-10	Our Vision is to be the global leader in sustainable business by demonstrating how purpose-led, future-fit business model drives superior performance. Our Unilever Sustainable Living Plan (2010-2020) set targets that spanned 9 pillars, including GHG, Water Use, Waste & Sustainable Sourcing. In 2021, we launched the Unilever Compass (UC), our new long-term business strategy with sustainability at its core. The UC contains long-term 2030 goals to tackle the intertwined issues of climate, water & nature to combat water insecurity: • Implement water stewardship programmes in 100 locations in water stressed areas • 100% of our ingredients will be biodegradable • Help protect and regenerate 1.5 million hectares of land, forests and oceans Protecting water for our manufacturing & for growing ingredients is crucial. So too is responding to water insecurity faced by our consumers who may choose / be forced to reduce use of our products as many of them require water (eg laundry detergent), as we saw during the 2015 Sao Paulo drought. In 2020 we joined the 2030 Water Resources Group working through multi-stakeholder platforms to address water insecurity in key water stressed markets. We reshaped our long-term product innovation strategy to invest in water-smart

			products & formulations which help people adapt to a water-scarce world, e.g. development of low & no rinse laundry products, hair & skin-cleansing products for water-stressed countries; & making our ingredients biodegradable.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Through the USLP (2010-2020) we gained insights on the water quality & quantity 'pain points' consumers face in different geographies. These learnings have been incorporated into our strategy for achieving our long-term water-related goals in our new integrated business strategy, the Unilever Compass (UC). Action plans include innovations in key portfolio segments & more R&D & consumer research. Our water-smart products include: SmartFoam Rin laundry detergent bar which cuts rinsing by half; & our Love Beauty & Planet hair care range uses fast-rinse technology in its conditioners. Home Care's Clean Future strategy is creating a new generation of cleaning & laundry products that biodegrade in the environment eg Seventh Generation 100% biodegradable liquid laundry formulas & Sunlight (Quix) dishwashing liquid now contains rhamnolipids, a renewable & biodegradable surfactant. Our Sustainable Agriculture Code & new Unilever Regenerative Agriculture Principles provide guidance on improving water quality and climate resilience. We're building on what we've learnt from our Prabhat programme in India, which works with communities to tackle water quality & supply risks, adopting the Alliance for Water Stewardship Standard, & sharing best practice with our peers'. To address water insecurity for our consumers in key markets we joined the 2030 Water Resources Group, working collectively through Multi-Stakeholder Platforms .
Financial planning	Yes, water-related issues are integrated	5-10	Within the USLP (2010-2020), we have conducted an extensive analysis to model the potential impact of increasing water scarcity and quality issues on our business. We estimate Unilever's Home Care 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. In 2020, we launched our new Climate & Nature goals which includes stretching multi-year goals across the value chain, integrated into the business and recognising the interdependence of people and planet.

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)

-89

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

89

Water-related OPEX (+/- % change)

52

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

5

Please explain

During 2020 €22m was invested into eco-efficiency capital projects in our manufacturing operations with a projected 416,000m3 water saving. €1.5m was allocated to water-led projects with an average payback of 2.8 years.
In 2019, a total of €37.4m was invested into eco-efficiency capital projects in our manufacturing operations with water related projects accounting for €13.5m. The significant reduction in spend is a result of limited site access and resource constraints as teams manage operations under Covid restrictions. We anticipate that in subsequent years, implementation of continuous improvement programmes and investment will resume.

Across global operations we have seen an increase in prices associated with water costs. This has been driven by municipal water costs which account for the majority of our water used in our manufacturing sites. Water is generally under valued, we anticipate that water costs will continue to increase above inflation.

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 – 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.

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 scenarios	Description of possible water-related outcomes	Company response to possible water-related outcomes

	and models applied		
Row 1	2DS Greenpeace Other, please specify IPCC AR5 RCP8.5	Our analysis shows that, without action, both 2°C and 4°C scenarios will probably 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. (No change - MH complete 2021)	We are taking action to address our water-related climate change risks in line with the output from the scenario analysis. Both 2 & 4°C scenarios highlighted risks in our supply chain. While the overall impact of water stress on our sales - from both policy and physical impacts - was not found to be significant in our scenario analysis at a global level within the 2030 time horizon evaluated, the impacts we see in the short term tend to be more local, where access to quantity and/or quality water can inhibit use of products. We are therefore adapting our portfolios to future proof our growth. We are investing in new products and formulations that work just as well with less water, poor quality water or no water, with a particular focus on household cleaning, skin cleansing, oral and hair care. These investments are currently being realised, with many Unilever Beauty & Personal Care and Home Care products such as ‘the good stuff’ and Love Beauty and Planet now having fast-rinse technology as standard, using less water or low temperature washing. We have also developed dry shampoos (e.g. TRESemmé) and ‘leave in’ conditioners (e.g. Dove). In 2020, we announced our 2020-2030 Compass strategy. Our new integrated business strategy includes new goals to achieve net zero carbon emissions from all our products, from sourcing to point of sale, to eliminate deforestation from our supply chain by 2023 and new commitments to address water security in strategic water stressed markets.

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 and the perception of low purchase price continues to represent a challenge to driving water efficiency whilst meeting internal investment criteria. 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. Through awareness raising with our manufacturing network, and improved access to data from the MMT programme is helping sites to calculate their site specific true costs of water. We continue to support sites with access to funding through the centrally managed Low Carbon Fund (previously the Clean Technology Fund), and support with calculating the true cost of water. 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	Situation: Water systems are hugely complex & interconnected; what water risks affecting suppliers can impact the availability of raw materials to our business & ultimately, impact our consumers. Likewise, water is essential for consumers to use our products. With limited water, consumers struggle to wash their hands, clothes & care for their homes. This is reflected in our water footprint; over 85% of our water use occurs when consumers use our products, particularly when doing laundry, showering or bathing. Poor accessibility of water by consumer therefore impacts demand & sales. Task: In the USLP (2010-2020) we focused our approach on minimising the impact of water-using activities in our water-intensive product categories (e.g. Hair Care) where

			we could make the biggest impact. Action: Our global water strategy aims to both safeguard our ability to operate & help contribute to SDG 6. Our public target to reduce consumer water use is to halve the water associated with the consumer use of our products by 2020. In addition, we have developed specific and stretching targets for the different parts of the value chain which support the delivery of the company-wide ambition. We report on progress annually via our Annual Report & Accounts, which is supported by disclosure & communications through our online Planet & Society Hub. Response: 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 exceeded this, reaching over 59 million households worldwide. We reported 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. In June 2020, we announced our new Unilever Compass Climate & Nature goals which include 3 water-related commitments: 1) make our product formulations biodegradable by 2030, to minimise their impact on water and the aquatic ecosystems 2) implement water stewardship programmes in 100 water stressed sites 3) join the 2030 Water Resources Group, hosted by the World Bank, to contribute to transformative change and building resilience in water management in key water-stressed markets.

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

Target: By 2020, water abstraction by our global factory network will be at or below 2008 levels, despite significantly higher volumes.
Whilst we have achieved this target early, we are not resting on our laurels and continue to drive water efficiency. In June 2020, we announced a range of ambitious new commitments and actions to fight climate change, protect and regenerate nature, and preserve resources for future generations – part of which is a commitment to protect and preserve water. We will implement water stewardship programmes to 100 locations in water-stressed areas by 2030 and join the 2030 Water Resources Group partnership to scale water resilience programmes.

Unilever's brands will collectively invest €1 billion in a new Climate & Nature Fund, which will be used over the next ten years to take meaningful and decisive action.

Quantitative metric

Absolute reduction in total water withdrawals

Baseline year

2008

Start year

2010

Target year

2020

% of target achieved

100

Please explain

Total water abstracted 27.1 million fewer cubic metres in 2020 than in 2008 (a reduction of 48% absolute water reduction and 49% per tonne of production). We reached our target of 40% 2 years early. The data has been independently assured annually. Benefits to our business include risk mitigation, costs savings and promoting best practice across our factory network.

Whilst we have achieved this target early, we are not resting on our laurels and continue to drive performance. We have also expanded the scope of the water programme and targets, in June 2020, we announced a range of ambitious new commitments and actions to fight climate change, protect and regenerate nature, and preserve resources for future generations – part of which is a commitment to protect and preserve water. We will implement water stewardship programmes to 100 sites in water-stressed areas by 2030 and join the 2030 Water Resources Group partnership to scale water resilience programmes.

Target reference number

Target 2

Category of target

Water use efficiency

Level

Brand/product

Primary motivation

Climate change adaptation and mitigation strategiess

Description of target

Target: to halve the water associated with the consumer use of our products by 2020.

Our biggest water impact – over 85% – occurs when consumers shower, bathe and wash clothes with our products.
Whilst we have struggled to meet this target, we are taking what we have learned during the 10 years of the USLP. We recognise the need to address domestic water security in key markets, in addition to product efficiency. In June 2020, we announced a range of ambitious new commitments and actions to fight climate change, protect and regenerate nature, and preserve resources for future generations – part of which is a commitment to protect and preserve water. To take action to address consumer water security we have joined the 2030 Water Resources Group and engaging in strategic water stressed markets. Unilever's brands will collectively invest €1 billion in a new Climate & Nature Fund, used over the next ten years to take meaningful and decisive action.

Quantitative metric

Other, please specify

% reduction per use (dose) of a product

Baseline year

2010

Start year

2010

Target year

2020

% of target achieved

0

Please explain

Access to safe water is a basic human right. It's become even more critical this year, with the importance of good hygiene in protecting against Covid-19. We fell some way short of our 2020 targets for consumer water use of our products. We continue to produce and promote products that use less water, e.g. Rin and Sunlight smart-foam fast-rinse laundry detergents available in India and South Africa respectively, and Love Beauty and Planet range, which uses fast-rinse technology in conditioners to help people use less water. 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). And to protect aquatic ecosystems, we are developing more biodegradable products, aiming to make our product formulations biodegradable by 2030.

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)

Description of target

TARGET: By 2020 we will help 25 million people gain improved access to a toilet by promoting the benefits of using clean toilets and by making toilets accessible.

Two in three people in the world are at risk of sickness and disease because they don't have access to a clean, safe toilet. And one in three schools around the world don't have a usable toilet, meaning many children are reluctant to use toilets because they aren't clean.
Sanitation is one of the most complex areas of development, so we're working with partners to roll out quality sanitation programmes. We've learned we need to change how people think and feel about having a toilet, or access to one, as well as teach them how to keep it clean so they feel comfortable using it. We became the first company to make a commitment to improve sanitation at scale.

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

% of target achieved

100

Please explain

By 2020, Domestos had helped over 29 million people gain improved access to a toilet. We rolled out our Cleaner Toilets, Brighter Futures programme in schools in 2018. We're working with janitors, teachers and children so that once toilets are clean and usable, they can be kept that way. And we're teaching children how handwashing and using appropriate toilet manners go together. Between 2018 and 2020 the programme helped schools serving more than 213,000 children. We've worked in partnership UNICEF on sanitation issues since 2012. When people buy a specially marked bottle of Domestos, they're supporting UNICEF's work to help every child have access to a cleaner, safer toilet.

In 2020 Unilever launched the new Compass strategy which includes a new commitment to take action through our brands to improve health and wellbeing and advance equity and inclusion, reaching 1 billion people per year by 2030, including initiatives associated with hand hygiene, sanitation.

Target reference number

Target 4

Category of target

Other, please specify

Provide safe-drinking water

Level

Brand/product

Primary motivation

Other, please specify

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

Description of target

Through our range of water purifiers, we aim to provide 150 billion litres of safe drinking water by 2020.

Pureit is the world's most advanced home water purification system, producing water that's as safe as boiled water. Without the need for boiling, it uses our unique GermKill Kit™ to remove harmful viruses, bacteria, parasites and other impurities from water, in line with strict international standards. It's available in 12 countries including India, China, Indonesia, Ghana, Kenya and Brazil. Between 2005 and 2020, we provided more than 121 billion litres of safe drinking water through our Pureit water purifiers.

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

% of target achieved

81

Please explain

Between 2005 and 2020 Pureit provided over 121 billion litres of safe drinking water by 2020. This is short of our 150 billion target, in part due to the fact that in some markets, rapid scale-up proved challenging so we adapted our strategy to focus on more sustainable business growth. We're continuing to reach low-income households through partnerships with micro-finance institutions in several Indian states and remain

committed to providing safe drinking water through Pureit and our Truliva water purification brand which is available in China

Target reference number

Target 5

Category of target

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

Level

Other, please specify

Handwashing and behaviour change

Primary motivation

Other, please specify

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

Description of target

By 2020 our Lifebuoy brand aims to change the hygiene behaviour of 1 billion consumers across Asia, Africa and Latin America by promoting the benefits of handwashing with soap at key times.

For more than a century, our Lifebuoy soap brand has been on a mission to change handwashing behaviours. Through Lifebuoy's Social Mission programmes and communications, we've helped over a billion people develop better handwashing habits, improving hygiene, protecting against illness and helping to prevent childhood deaths. We're proud to have reached our milestone two years early.

Quantitative metric

% increase in the proportion of local population using safely managed sanitation services, including a hand-washing facility with soap and water around our facilities and operations

Baseline year

2010

Start year

2010

Target year

2020

% of target achieved

100

Please explain

By 2019, Lifebuoy brand reached 1.07 billion people across Asia, Africa & Latin America. The events of 2020 reaffirmed our commitment to working with education experts to make handwashing a lifelong habit. Covid-19 significantly disrupted our usual activities and data collection and we made significant changes to our on-ground programmes. This meant we could not measure our reach according to our Basis of Preparation and so we did not formally count any on-ground reach for 2020. The 2020 results above are therefore the same as we reported in 2019. In 2020 Unilever launched the new Compass strategy which includes a new commitment to take action through our brands to improve health and wellbeing and advance equity and inclusion, reaching 1 billion people per year by 2030, includes initiatives associated with hand hygiene, sanitation. In 2021, we'll kick-start our €30 million initiative to encourage more children to adopt handwashing habits for life.

W8.1b

(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.

Level

Company-wide

Motivation

Increased revenue

Description of goal

Situation: We operate in many regions which are water-stressed - in developed and emerging economies alike.
Importance: Task: Sufficient amounts of good quality freshwater is vital for UL throughout the value chain: i) As an ingredient in Foods & Refreshment & Home Care, Beauty & Personal Care products. It's also used for heating, cooling & cleaning processes in all 264 manufacturing sites; ii) Many agricultural suppliers need access to freshwater to grow product ingredients - whether rainfed or irrigated; 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.
Action: Our water goal considers 2 phases 1) the ingredients phase & 2) the consumer-use phase. Performance in these phases is calculated '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 intensity provides insight to R&D for the development of

new/reformulation of existing products.
Result: While we fell some way short of our 2020 targets for water connected to the consumer use of our products, we made good progress in reducing the water used in manufacturing, cutting this by 49% since 2008 and hitting our 2020 target two years early.

Baseline year

2010

Start year

2010

End year

2030

Progress

Action: We're investing in new products and formulations that work with less water, poor quality water or no water, with a particular focus on household cleaning, skin cleansing, oral and hair care. Many of our Beauty & Personal Care and Home Care products now have fast-rinse technology as standard, using less water or low-temperature washing.

Result: % 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 (2010-2020) was to grow our business whilst decoupling our environmental impact from our growth. Our USLP 'Environmental Big Goal' was designed to help deliver our Vision. We measured progress against our Big Goal through a series of targets which aim to reduce by halving 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 2020 and our Unilever Sustainable Living Plan Summary of Progress PDF (2010-2020). While we fell some way short of our 2020 targets for water connected to the consumer use of our products, we made good progress in reducing the water used in manufacturing, cutting this by 49% since 2008 and hitting our 2020 target two years early.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) 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	Water abstracted in m3 per tonne of production in 2020 (1 October 2019 to 30 September 2020); • Change in the volume of water in m3 abstr	ISAE 3000	In 2020, 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. The Reporting Criteria "Unilever's Basis of Preparation 2020" http://www.unilever.com/investor-relations/annual-report-and-accounts has been used to prepare and report the Selected Information and Selected Statements. PwC Assurance statement available: https://assets.unilever.com/files/92ui5egz/production/85f570eede33413aad718a549b654584a6f92b1a.pdf/Unilever%20Sustainability_SLR%20Assurance%20Report_%209%20March%202021%20.pdf

	acted in 2020 • Percentage change in the water abstracted per tonne of production • Emissions of chemical oxygen demand (COD) in kg per tonne of production in 2020		
W8 Targets	Metric: The number	ISAE 3000	PricewaterhouseCoopers LLP (PwC) assure our sanitation metric every other year. They independently assured our Health and Hygiene pillar commitments in 2020. 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

	of people reached on a cumulative basis by an intervention through our programmes on handwashing, selfesteem, sanitation, oral health, skin healing and safe drinking water by the end of		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. The Reporting Criteria "Unilever's Basis of Preparation 2020" http://www.unilever.com/investor-relations/annual-report-and-accounts has been used to prepare and report the Selected Information and Selected Statements. PwC Assurance statement available https://assets.unilever.com/files/92ui5egz/production/85f570eede33413aad718a549b654584a6f92b1a.pdf/Unilever%20Sustainability_SLR%20Assurance%20Report_%209%20March%202021%20.pdf

	2020.		

W10. 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.

No additional comments

W10.1

(W10.1) 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 Our CSCO is a member of our Unilever Leadership Executive (ULE) - the highest operational Board within Unilever.	Board/Executive board

W10.2

(W10.2) 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

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	50,724,000,000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

This is confidential

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

Arcos Dorados

Category of project

Promote river basin collective action

Type of project

Invite customer to collaborate with other users in their river basins to reduce impact

Motivation

Water security requires engagement from multiple stakeholders from across the river basins to increase resilience to climate related risks on water as well as underlying vulnerabilities relating to WASH. There is an opportunity for Arcos Dorados to support mobilization of wider supply chain to connect with initiatives in key basins. With a direct consumer connection, Arcos Dorados can play a key role in communicating with consumers on issues of water insecurity.

Estimated timeframe for achieving project

4 to 5 years

Details of project

To address consumer water insecurity, we have joined 2030 Water Resources Group and the Alliance for Water Stewardship. Greater engagement in these initiatives would support with increasing resilience for supply chains and consumer access to sustainable and safe water supplies. We have recently started the Alliance for Water Stewardship programme in Brazil, and engaging with the Sao Paolo 2030 Water Resources Group city-level initiative.

Projected outcome

Greater engagement between the two companies, and as part of a wider multi-stakeholder approach, outcomes could include stronger local water policy, increased funding for action, increased awareness, data and transparency.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms