Welcome to your CDP Water Security Questionnaire 2020

W0. Introduction

W0.1

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

BACKGROUND
Unilever makes & sells around 400 products in more than 190 countries which are used by some 2.5bn consumers worldwide every day. Brands include Lipton, Knorr, Dove, Rexona, Hellmann's & Omo. Our business is organised across 3 geographies: the Americas; Europe; & emerging markets. Total turnover in 2019 was €51.9bn, with 60% of growth in emerging markets.

OUR VISION
Unilever's purpose is to make sustainable living commonplace which we believe is the best way to deliver long-term sustainable growth. We put sustainable living at the heart of everything we do, including our brands & products, our standards of behaviour & our partnerships which drive transformational change across our value chain. We have 2 main reporting channels: The Annual Report & Accounts (ARA), & the online Sustainable Living Report (SLR).

DISCLOSURE
For a number of years, we have included environmental & social performance alongside financial performance in our ARA. The SLR is our means of reporting performance against the targets we set out in the Unilever Sustainable Living Plan (USLP). The USLP, launched in November 2010, sets out how we will achieve Our Vision. It covers our entire portfolio of brands & countries & has 3 time-bound Big Goals:

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

Underpinning these goals are 9 commitments & a series of time-bound targets spanning our social, economic & environmental performance across the value chain. Unilever's environmental focus is on GHG, water, waste & sustainable agricultural raw material sourcing (as many of the raw materials we use for our products come from agriculture & forestry). By combining our actions with advocacy on public policy & working with partners, we are seeking to create fundamental change to whole systems & not just incremental improvements. These areas are 1) Taking action on climate change & forests 2) Championing sustainable agriculture, focused land use & livelihoods 3) Improving health & wellbeing & 4) Improving livelihoods & empowering women. We also provide a progress summary annually on our website for

stakeholders to view. Further to that, we also communicate externally progress every year via local country websites.

In June 2020, we released new commitments to fight climate change and protect nature as part of our new integrated business strategy, the Compass which follows on from the USLP, coming to an end in 2020.
· Net zero emissions for all our products by 2039.
· A deforestation-free supply chain by 2023.
· Empowering a new generation of farmers and smallholders to protect and regenerate their environment.
· A new Regenerative Agriculture Code for all our suppliers.
· Water stewardship programmes to 100 locations in water-stressed areas by 2030.
· Investing €1 billion in a new Climate & Nature Fund, which will be used by Unilever's brands over the next ten years to take meaningful and decisive action.

ASSURANCE
PricewaterhouseCoopers LLP (PwC) scope for their assurance work on selected USLP & Environmental & Occupational Safety performance indicators can be found in the PwC Basis of Preparation 2019 document in the Independent Assurance & metrics section on our website, alongside their findings in the PwC Limited Assurance Statement for 2019 document.

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

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, 2018	September 30, 2019

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 & Beauty & 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, 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. Lack of water availability can translate into lack of supply & price volatility for us, resulting in the further revenue & increased costs. If consumers reduce frequency of use of products, we would also lose revenue from lower sales. Future importance: Water scarcity is already a material issue for Unilever however, if climate change continues to impact the frequency of extreme weather, availability of good quality freshwater will likely become more of a risk where it has a direct impact on our operations i.e. Parana

			Basin which is water stressed & we have 3 manufacturing sites. Whilst we are innovating to use less water ie Day2 which is made from 0.02% of the water used in a normal laundry load, we continue to use it as an input material and we still using it for cleaning. Given it is also a basic requirement for farming & for consumer use, it is unlikely it's importance to us will be downgraded in the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Direct primary use: Recycled, brackish & produced water are used in our manufacturing wherever possible. This is normally 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 who recently completed the 100% Re-Aqua programme to recycle all water at the site, reducing that 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 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 cocoa	Less than 10%	Sourced	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Other, please specify soy oils	10-20	Sourced	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Other, please specify Wheat	Less than 10%	Sourced	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Other, please specify tea	10-20	Both	The Water Footprint Network was used to identify the top 5 most water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).
Palm oil	41-60	Sourced	The Water Footprint Network was used to identify water intensive crops. This was calculated by multiplying volume by the water footprint values for each commodity (including processing).

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 3410. Data is collected via utility bills & onsite meters, in line with Unilever's 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 to drive improvements. For CDP, our volumes are in line with GRI however, there is disparity between total withdrawals & the Total Abstraction metric reported in our Sustainable Living Report as we report rainwater below the line & identify rainwater harvesting as a means of minimizing water abstraction & the impact of factories on shared water resources. In addition, Measurement, Monitoring & Targeting is now in 200+ factories (over 80% of our manufacturing footprint). Hourly information helps validate our data.
Water withdrawals – volumes by source	100%	Water withdrawals by source are reported in the global Environmental Performance Reporting (EPR) system for 100% of manufacturing operations. Water withdrawals by source is collected on a monthly basis by each factory. Within Unilever's central Environmental Performance Reporting (EPR) system we differentiate between water by source of abstraction, i.e. municipal, ground water, surface water etc for 100% of manufacturing sites. Data is collected using utility bills and onsite meters, in line with Unilever's Basis of Reporting. Where rainfall patterns suit, various sites have installed rainwater harvesting to minimize the amount of water that we abstract from municipal or ground water sources. Sites can monitor the use of

		collected rainwater through onsite flow meters and report via the EPR system. We currently have 25 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 stored at site level and not reported centrally. The frequency of water withdrawal quality testing is subject to local conditions, for example, in some locations where we have a new local water supply, we will perform microbial testing on a weekly or daily basis. Control systems & methodologies applied are based on hazard analysis and critical control points (HACCP) study.
Water discharges – total volumes	100%	Water discharge volumes are measured 100% of manufacturing operations, as part of meeting local effluent & surface water compliance requirements. Information relating to discharge volumes is managed locally by the site teams & used for compliance, managing costs & targeting efficiencies. The frequency of monitoring is determined locally 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 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 external party (ISAE 3410.) At site level, the parameters monitored and reported will vary based on production type, discharge destination and local regulation e.g. may include BOD, pH, temperature. The frequency of monitoring is determined locally in accordance with 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	51-75	63% of our manufacturing sites report discharge water temperature. Unlike other industries, the discharge of hot water into the environment is not a material issue for our manufacturing sites as ~60% of our sites have biological systems and tertiary treatment where discharge is ambient. To reinforce us it continues to be immaterial, we will conduct a review for 100% of Unilever's sites in 2020. Water discharge quality in terms of temperature is reported at a site level for all sites where it is required to meet local regulation. We do not require sites to report & monitor water discharge temperature data centrally. Frequency of measurement will determined by local compliance and monitoring regime, eg. approximately 63% of the sites monitoring temperature do so using continuous, or time / flow proportional composite sampling.
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.
Water recycled/reused	1-25	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 will introduce 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. Currently,

		where we have meters set up on recycle loops we measure water flows on a ~15 min basis (depending on flowrate & meters installed). Volumetric data used within this report are calculated based on a water model which estimates the water recycled/reused volumes created by technologies & processes. This uses annually reported data.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Within 100% of manufacturing operations we provide access to WASH services for workers and ensure that we are meeting good practices laid out in the WBCSD WASH in the Workplace Pledge. We conduct an annual review through the SHE Positive Assurance Review for 100% of manufacturing & non-manufacturing sites. This includes a set of pre-defined questions around safety, health & the environment and includes a question relating to the WBCSD WASH in the Workplace Pledge. Based on responses, sites with significant improvement areas will be provided with action plans. We engage in partnerships and external advocacy to create systems change on WASH issues. For example, we have been signatories of the UN CEO Water Mandate since its inception, active members of the WBCSD WASH Leadership Group and the WEF WASH Steering Group.

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	30,171	Lower	Comparison with previous year: Total water withdrawals have reduced by ~12% against the previous year. Explanation: The change in absolute total water withdrawals in 2018-19 vs 2017-18 has been dominated by the divestment of the Spreads business, a water intensive business. The manufacturing sites producing

			Spreads, due to their locations and processes, used over 50% of Unilever's total Non-Contact Cooling water. In addition, the water intensity of spreads products is higher than Unilever average. Underlying improvements have been principally driven through capital investment programme and cleaning matrix review. The impact of which is hidden in the increases associated with the agility programme and preservative change roll out which has increased cleaning demand. 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 2019, we had achieved 47%. Future total withdrawal: Short term projections on water use are varied, for instance, during 2019 Unilever rolled out an increased agility programme, it was anticipated that this would increase water use as sites changed over more. At the same time, a cleaning matrix review programme was rolled out to support sites in mitigating the effects. The early indicators from COVID are that a simplification of production combined with the benefits of the cleaning improvement programme have led to overall improved performance on water both absolute and intensity metrics. 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	17,920	Lower	Comparison with previous year: Total discharges calculated for 2019 have decreased by ~14%. Explanation: The significant improvement in performance has been driven by the divestment of the Spreads business which had higher than average water intensities, used in the production of the product. Across Unilever we currently have 49 factories which are zero liquid discharge sites. Future total discharges: It is anticipated that as Unilever continue to drive water efficiency within

			our operations, and water reuse & recycling overall discharges will continue to decline in line with withdrawals.
Total consumption	12,251	About the same	Calculated water consumption for 2019 has remained at a similar rate, despite the changes in product mix and a trend towards concentrated homecare products. Future water consumption: Water consumption will be largely influenced by changes in the Homecare and Foods & Refreshment categories. In Homecare 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) In more mature markets a move to concentrated laundry products will reduce the amount of water used as an ingredient. In F&R, influencing factors include new acquisitions, raw material sourcing e.g. milk composition (dry or liquid) and product SKU mix.

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: Water stress rating use a 1-5 scale. Volumes withdrawn from sites which scored a water stress rating of 4 and 5 are considered water

					stressed. Water abstracted from these water stressed sites are reported in our EPR reporting system. The performance is tracked and communicated separately within the business on a quarterly basis, and more ambitious targets applied to water stressed sites. Water stress ratings are updated on an ongoing basis off the back of direct engagement with local authorities and media reviews. In 2019 we had 99 factories located in water stressed locations. Performance: The number of water stressed sites has reduced slightly from 108 in 2018 to 99 in 2019. In 2019 37% of our water abstraction is from sites in water stressed locations vs.35% in 2018. Absolute water abstraction by sites in water stressed location reduced by 8%. Explanation: Both the change in volume and change in performance from water stressed locations is dominated by the production volume reductions associated with the divestment of the Spreads business. In 2019, the average performance of factories in water stressed locations was 13% better than the average.

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 Cocoa	Not applicable	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Other commodities from W-FB1.1a, please specify Soy oil	Not applicable	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Other commodities from W-FB1.1a, please specify Wheat	Not applicable	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Other commodities from W-FB1.1a, please specify Tea	Yes	Yes	The Maplecroft Water Stress Index was used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.
Palm oil	Not applicable	Yes	The Maplecroft Water Stress Index was used to

			determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted.

W-FB1.2f

(W-FB1.2f) What proportion of the produced agricultural commodities reported in W-FB1.1a originate from 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%	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 in this % 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	Please explain

	areas with water stress	
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 2019. 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 oil	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 2019. 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	26-50	Wheat has replaced rapeseed in Unilever's top 5 commodities produced in water stressed areas. In 2018, we divested our Spreads business and subsequent to this the attributed rapeseed volumes have been removed from our volume tracking database. The figure provided (47%) was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2019. As this commodity is being reported on for the first time this year, we are unable to compare this percentile to a previously reported value. We source the majority of our wheat from Italy, Germany, South Africa, Turkey, and the United States. All of these countries (to a lesser extent Germany) experience moderate to high levels of water stress. In the United States, wheat growing areas tend occupy states with high water stress, making water management an important pillar of good agricultural practices. Unilever is working to source 100% of our cereals volumes sustainably by 2020 and as a result, is 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 (44%) was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2019. The risk rating and percentage of commodity produced in water stressed countries has not changed since the previous reporting year. 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 2019. 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	2,494	Lower	69% of fresh surface water at Unilever (UL) is for non-contact cooling activities. This takes place in 4 water abundant sites. Using water to transfer heat is cost effective & minimises impact vs electrical cooling/refrigerants. Vs 2018 withdrawals reduced by 30%,

				mainly driven by divestment of factories using once through non-contact cooling water. Use of rainwater increased by 12% vs 2018. UL does not account for rainwater within our Total Water Abstraction metric publicly reported. This creates an incentive for our sites to invest in rainwater collection & treatment. We anticipate fresh surface water usage will reduce into the future with divestment of water intensive activities. However, although rainwater makes up a small % of total use (<1%), 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 & rainfall patterns.
Brackish surface water/Seawater	Not relevant			With the recent divestment activities, Unilever now has no use of Brackish surface / seawater. Future Trend- Longer term brackish / seawater may still be relevant as technologies such as marine source heat pumps may represent a future opportunity and increasing water stress may require us to consider alternative sources.
Groundwater – renewable	Relevant	7,382	Lower	Relevant: Ground water is used in manufacturing operations as both a process and as a raw ingredient. This makes up 24% of the Unilever's

				total water withdrawal. Performance: Compared to the previous year, Groundwater has reduced by 7%, this is due to a variety of reasons including the reduced production volumes, less water intensive production, spreads divestment and a factory closure. 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			Fossil groundwater sources are not used within our operations. Future Trend: Non-renewable groundwater will remain of low relevance to Unilever.
Produced/Entrained water	Not relevant			Produced water is currently not used within our operations. Future trend: Produced water offers an opportunity to do more with less, in the future this is likely to become more relevant to the business. We continue to learn from our peers and suppliers in identifying new ways to minimize abstraction.
Third party sources	Relevant	20,295	Lower	Performance: Municipal water represents 67% of Unilever's total water use. During 2019 municipal water use reduced by 7%. This change was principally

				due to the divestment of our Spreads business in 2018/2019 which has a high water intensity compared the other product categories (1.3 m3/Tonne vs. 1.05m3/Tonne – based on 2019 data). Underlying water reductions contributed to a small % of the overall change. 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 reductions in municipal water, with greater emphasis on areas of water stress. We expect treated wastewater from other organisations could offer opportunities to minimise demand from shared water resources & minimise risks of over abstraction in the future. 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	3,070	Lower	Relevant: Almost 20% of Unilever's wastewater is discharged direct to fresh water. Where we are discharging directly (around 19% of sites) we have onsite wastewater treatment. Performance: 14% reduction vs

				2018, dominated by the divestment of our Spreads business which was a heavy user of non-consumptive water. Overall, wastewater production remained consistent however, we are adopting a Medium-Zero Liquid Discharge philosophy in many sites where wastewater is treated & reused. We have selected 'Lower' as the quantity of discharged water reported here & in W5.2 is estimated using a bespoke methodology (category level mass balance). This aligns with reductions in abstraction observed with the divestment of spreads. Future: We expect volume of water discharged to surface water to reduce as recycling activities & Medium-Zero Liquid Discharge sites 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			Not relevant: Our manufacturing facilities discharge no effluent direct to brackish / seawater. Performance: Remained the same against previous year. Future: It is expected that discharge to brackish surface / seawater will remain of low relevance in the future due to the location of factories and existing infrastructure.
Groundwater	Not relevant			Not relevant: Our manufacturing facilities discharge no effluent to Groundwater. Performance: Remained the same against previous year effluent is discharged to ground water Future: It is expected that

				discharge to groundwater will increase especially in South Asia where requirements are anticipated for aquifer reinjection.
Third-party destinations	Relevant	14,850	Lower	Relevant: Many of our sites use municipal, public or private utilities and other organisations to treat and dispose of wastewater. 81% of Unilever's wastewater is sent offsite for further treatment prior to release back to the environment. Performance: This has decreased by 14% on the previous years' performance with performance dominated by the divestment of the spreads business which has a high non-consumptive water use. We are adopting a Medium-Zero Liquid Discharge philosophy in many of our sites where wastewater is treated & reused back into processes. We estimate that this reuse is currently of the magnitude of 10% of total wastewater volumes from global manufacturing operations. Future: It is expected that the volume of water discharged to third party destinations will reduce as water recycling activities increase.

W-FB1.3

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

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Other commodities	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been

from W-FB1.1a, please specify Cocoa			calculated by multiplying the Water Footprint Network modelled data against tons of volume purchased. This is for blue water use only.
Other commodities from W-FB1.1a, please specify Soy oil	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against 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 tonnes of volume purchased This is for blue water use only and the same methodology is adopted for calculating the intensity of produced volumes. Since this is the first year of measurement, we have not yet used these

			figures internally.
Palm oil	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by multiplying the Water Footprint Network modelled data against tonnes of volume purchased. As palm oil is rain-fed, there is limited blue water use. Since this is the first year of measurement, we have not yet used these figures internally.

W-FB1.3a

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

Agricultural commodity

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

Tea

Water intensity value (m3)

21,139,272,004

Numerator: water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

About the same

Please explain

The number has increased due to a correction in volume allocation. The underlying theoretical water intensity value did not change vs 2018.
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)

907,941,632

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Lower

Please explain

This number decreased compared to 2018, since Unilever sourced slightly lower 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)

1,183,713,592

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Higher

Please explain

This number increased compared to 2018, 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)

285,456,959

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

This is our first year of measurement

Please explain

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. We anticipate we will sell more products in the future. If the intensity figure (from WFN) changes, as to will the crop intensity for wheat. We do not anticipate a change in the short to mid-term.

Agricultural commodities

Palm oil

Water intensity value (m3)

4,737,554,000

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Lower

Please explain

This number decreased compared to that reported in 2018, 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)

1,729,576,800

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

Lower

Please explain

The number has decreased due to a correction in volume allocation. The underlying theoretical water intensity value did not change between years. The percentage is not comparable with the previous reporting year due to a change in volume allocation. 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

76-100

% of total procurement spend

51-75

Rationale for this coverage

Unilever spends around €34b on goods & services annually from around 60,000 suppliers, giving us scale & impact to influence those we work with. Suppliers help us achieve our Unilever Sustainable Living Plan commitments such as reducing water use in agriculture. Through our Responsible Sourcing Policy (RSP), all suppliers (100%) must commit to the mandatory requirements under the 'fundamental principles'. One of these is ‘Business is conducted in a manner which embraces sustainability & reduces environment impact’. We provide implementation guidance to ensure compliance, as well as the RSP Audit Requirements, outlining how we undertake due diligence. We monitor compliance with the RSP through our supplier portal, Unilever Supplier Qualification System. We send suppliers tasks through the portal & our procurement managers alert suppliers on outstanding tasks jeopardising their compliance. Therefore, the incentive to the supplier to align with our commitments is the work itself with us. The RSP is a mandatory pre-requisite before proceeding work with us.

Impact of the engagement and measures of success

Our target that we have succeeded is set at 100% for procurement spend being met through suppliers meeting the mandatory requirements of the RSP. In 2019, we achieved 70% of procurement spend, up from 61% in 2018. Whilst we haven't met 100%, we are clearly progressing in the right direction to show that the process is working.
As part of principle 12, a systematic review of the supplier's sustainability practices and environmental management systems is undertaken regularly with support from experienced conservationists and with the involvement of local communities to determine whether appropriate policies and procedures (including transparency around environmental performance), are in place and are functioning to achieve the aims outlined in this topic.

In addition to the impact of this RSP requirement, Unilever engages its agricultural suppliers around our commitment to source 100% of our agricultural raw materials sustainably by 2020. We are able to count materials as sustainable when they are compliant with the Sustainable Agriculture Code or equivalent third-party standards. These standards set requirements for the management of water risks including those pertaining to the abstraction of water from water sources for irrigation and the pollution of water bodies by nutrient use and run-off. By end of 2019, 62% of all agricultural raw materials and 88% for key crops and commodities were sustainably sourced.

Comment

None required

W1.4b

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

Type of engagement

Onboarding & compliance

Details of engagement

Inclusion of water stewardship and risk management in supplier selection mechanism
Requirement to adhere to our code of conduct regarding water stewardship and management
Other, please specify
Unilever Sustainable Agriculture Code

% of suppliers by number

1-25

% of total procurement spend

26-50

Rationale for the coverage of your engagement

Unilever communicates its expectations to all agricultural raw material suppliers for them to comply with the Sustainable Agriculture Code (SAC) or an equivalent scheme, if we

are to count their material as sustainably sourced. Sourcing sustainably helps to ensure agriculture can continue to feed the planet while reducing risk & volatility in our raw material supply chains. It opens up opportunities for innovation and by meeting people's sustainable living needs & consumer preference, we build stronger brands. Sustainable farming methods can also improve the quality of our products, such as our sauces, soups, dressings and ice creams.

Coverage here is based on raw agricultural suppliers as a proportion of total suppliers which is why it seems low. Around 26

Impact of the engagement and measures of success

Our measure of success is the rate of compliance against the SAC. It was 89.58% in 2019 (up from 83.2% in 2018), with those farmers presenting non-compliance against requirements of the code, rectifying these within 6 weeks of the initial audit
In total, 62% of our agricultural raw materials were sustainably sourced by the end of 2019 (up from 56% in 2018). In response to being behind on our 2020 target, we are placing more emphasis on social issues as we roll out an update to our code, the SAC 2017. From the beginning of 2018 onwards we have focused our efforts on a number of priority crops and commodities where we can drive most impact within their agricultural sectors. To monitor compliance with the code, a 3rd-party body conduct audits of suppliers implementing the SAC. This includes water management requirements and where deviations are found, corrective actions are taken to rectify. 88% of our key crops were sourced sustainably by the end of 2019 which proves our engagement is working.

Comment

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

W1.4c

(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 99% of water use across our value chain occurs when consumers use our products so our engagement activities focus on them to understand their needs.
Method & strategy of engagement: We engage with consumers using a number of different channels to gather insights, including 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?

Yes

W2.1a

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

Country/Area & River basin

Brazil
Parana

Type of impact driver & Primary impact driver

Physical
Inadequate infrastructure

Primary impact

Increased operating costs

Description of impact

Within the reporting year, one Unilever operation in Brazil required supplementary tankers to meet water demands, with 93% of the sites water delivered via tankers. This resulted in increased operational costs as the cost of water is 30% more expensive than the municipal supply. This resulted in total increased costs of 93,000Euro over the year. Although this does not meet our definition of substantive risks (as defined in Question 4.1a), it is evidence of how climate and water risks as impacting our local business operations in the short term (less than 3 years). However, if this risk became a long-term

reality with a reoccurring frequency affecting wider operations in the local area, the financial risk to the business could in time become cumulatively substantive.

Primary response

Increase supplier diversification

Total financial impact

93,000

Description of response

The cost of the impact was calculated using the actual increase in water cost for the tankered supply (€18,000 for the year). We then added the cost for the increased metering (€50,000) and the cost of a water recycling programme (as explained below) at €25,000, and added the cost of pre-treatment for the volume supplied, totalling €93,000.
In the short term the site are meeting demand through tankering water from another water provider to overcome the infrastructure limitations.
To meet the additional supply of water for the site, the site are investing in the following:
1. Water efficiency programme: increased metering programme to better understand water use in the manufacturing operations (50k€ in 2019) and a water recycling programme to support water reuse in ancillary operations (25K€ delayed implementation to 2021).
2. Sourcing water from an alternative provider. The water quality of this provider is lower and requires additional onsite treatment to meeting our internal quality requirements. Factory investment in pre-treatment is approximately €18,000.
The financial impact has been calculated through a combination of actual costs for tankerering water and capital investment costs incurred by the site and an estimate on water treatment costs based on a similar sized site.

Country/Area & River basin

South Africa
Vaal

Type of impact driver & Primary impact driver

Physical
Increased water scarcity

Primary impact

Increased operating costs

Description of impact

Within the reporting year, one of Unilever's operations in South Africa faced operational restrictions due to shortages in water availability. This was caused by declining dam levels in the Vaal Dam which provides the water for the area and also used by Eskom power stations. Authorities increased price of water and established planned shutdowns on Sundays for businesses in the area. During this period of time, we incurred loss of production time of 40 hours. 150K euro is the combined costs to the site of increased

costs & loss of production (based on the 40 hours). Although this does not meet our definition of substantive financial risk (as defined in Question 4.1a), it is evidence of how climate and water risks as impacting our local business operations in the short-term. In the event that this became a more extended period of time, or occurred more frequently, it could become a substantive impact.

Primary response

Adopt water efficiency, water reuse, recycling and conservation practices

Total financial impact

150,000

Description of response

The financial impact to Unilever for this current risk is €150,000 in the year. This includes the increased cost of the water purchased and the loss of 40 hours operating time where we were effected by shortages.
Site are tracking the dam levels and using this to inform their site based sustainability strategy and water efficiency programme, to minimise the impact of the manufacturing activities on the local resources. For instance, in 2019 updated and reviewed their cleaning matrix and were able to minimise cleaning by 9 hours a week, increasing manufacturing capacity and minimising water used in cleaning.
The financial impact has been calculated by the site based on costs incurred without production. This is incorporated into the site cost reports.

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

W2.2a

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

Row 1

Total number of fines

3

Total value of fines

29,050

% of total facilities/operations associated

1.2

Number of fines compared to previous reporting year

Higher

Comment

Over the past year, a settlement of €15,090 was given to the Argentinian authorities for an incident that occurred at our Tortuguitas facility where foaming was seen downstream of our operations. A caution was given to one of our UK sites for the release of fatty materials in 2018 and included a penalty of €1360. A penalty of €12,600 was paid to the Ecuador Environmental Authorities in 2019 for incidents which occurred in 2018, related to wastewater parameters being exceeded.

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.
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

Environmental Care Framework Standard , Datamaran

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.

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

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

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

Comment

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

W3.3b

(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 261 manufacturing sites. Without access to freshwater we would not be able to produce products, resulting in loss of revenue. Explanation of the assessment: We incorporate water availability at a basin level in our manufacturing operations risk assessments by using the WRI Aqueduct tool, which includes datasets on water availability, and quality parameters from sources such as FAO, UNICEF and IWMI. The WRI Aqueduct tool allows for consideration of future

		projected change in water stress conditions, using climate scenarios developed by the IPCC 5th assessment report. In addition, water availability at a basin level is also addressed through conversations with the site teams throughout the year. Unilever's factory teams live and work in the area and are often most aware of the increasing water stresses. Basin level water risks are also included into the aspects register which is conducted at sites annually as part of the Unilever Environmental Care Framework and/or ISO14001 assessment. Environmental aspects are considered under three specific states (normal, abnormal and emergency) and at three times (past, present and future). If water access and source depletion are environmental aspects that are considered significant, it will be incorporated into the site-based risk assessment process. Site engagement with local authorities and environmental agencies is managed at a site level, this is one way that we anticipate future changes in the short to medium term availability of water. Tools used: WRI Aqueduct, Discussions with factory teams, Unilever Environmental Care Framework / ISO14001
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. 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. 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, External forums.

Implications of water on your key commodities/raw materials	Relevant, always included	Of the €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. 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. Explanation of assessment: 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 & 2019, 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 the University of Leeds to review existing climate crop models for 10 key crops, including changes in water availability. The review will enable us to apply models in our raw materials supply chain as part of our climate strategy & climate smart initiative. Tools used: Water Footprint Network tools, CSA, SAC, RSP & LCA.
Water-related regulatory frameworks	Relevant, always included	require 4 of our manufacturing sites located in ‘over-

		exploited / notified' zones to take action to recharge aquifers by upto 200%. 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 are developed locally.
Status of ecosystems and habitats	Relevant, always included	Our sustainable agriculture (SA) programme is key to growing crops in ways which sustain soil, minimise water & fertiliser use & protect biodiversity. Without raw ingredients, we would not be able to make products. We concentrate efforts on priority crops crucial to us, & where we can have the most impact ie palm oil. 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 and sanitation facilities is limited. Providing facilities at work ensures they do - at the very least - have access during working hours. Additionally, a number of our sites have to adhere to high hygiene standards as we manufacture food and drinks – this extends to the hygiene of our employees. Unilever signed the World Business Council for Sustainable Development WASH Pledge to ensure access to WASH in all our factories, plantations and workplaces. All employees have access to fully-functioning WASH services. 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 (UL). 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 account for 85% of our overall water footprint. Customers need water to use many of our products – from cooking food, to washing their hair or doing laundry which poses a significant risk for our business given that more & more regions in the world are experiencing water scarcity, & many lack a reliable supply of clean water – potentially harming sales. Climate change is making this worse by disrupting weather patterns. 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/educate 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 €840 million 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 Domestos Flush Less which was a direct response to the water restrictions imposed on Cape Town – ensuring we met the specific need of our customers and their environment at that time.
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. Delivery of these targets requires 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). Action/Method of engagement: We directly engage employees in the importance of taking action to mitigate our risks related to water. Employees are provided training and are engaged in continuous improvement programmes in our factories. Marketers and research scientists are involved in consumer insight research and home visits. Employees are also provided access to our EcoDesign tool to evaluate the impact of product innovation on water use and whether or not it could contribute negatively. In addition, we have various internal communication methods and points of engagements with employees on water, e.g. internal and community outreach celebrations such as USLP family days, World Handwash Day, World Water Day and World Water Week 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 is a key component of the revised business environmental ambition (Climate and Nature goals) for 2020-2030 announced in June 2020.
Investors	Relevant, always included	Situation/why: Our shareholders 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. By better understanding and responding to our water risks across our value chain we are making our business fit for the future and in turn ultimately impact share price and decision making. Banks are now linking ESG performance with interest rates, offering preferable rates to companies actively identifying and managing risks i.e. manufacturing risks in water-scarce countries. Task: Anticipating and responding to water risks is part of our vision of accelerating growth while reducing our environmental footprint and increasing our positive social impact. This enables us to win trust from consumers and have a stronger business for shareholders with lower risks and consistent, competitive and profitable long-term growth. Action/Method of engagement: 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. We have also started to run events focused on key sustainability topics, starting with a palm oil podcast, then a larger sustainability event, both occurring in 2019. For the wider investment community, there are a series of events throughout the year including 1-to-1 meetings, analyst calls and results presentations where investor concerns relating to Unilever performance, including water and the wider USLP agenda are discussed. We also participate in indices such as CDP Water and DJSI that aim to inform investors of our water risk management activities. The ratings and rankings themselves usually reflect key metrics investors need for decision making purposes. Results: On 2019, we were one of a handful of companies who achieved a triple A rating in CDP. 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. Communities are often local to our operations. Water resources come under increasing pressure from industry, agriculture & growing population. Task: Anticipating conflicts with communities surrounding our operations helps us to take action early. For instance, we were preparing to sell a piece of unused land at one of our sites in India. Previously, the land included a water well used by the local community during times of water scarcity however, a new project was set up by the government to provide potable water through a mains connection. We engaged the local community through local municipal authorities to establish if the well would be needed in the future, or whether the new regional provision was sufficient. The local municipality confirmed that the water provided from the government would be sufficient, even in times of water scarcity. We communicated this to the local community. 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). These detail our commitment to water efficiency & management in agriculture & have been rolled out across our supply chain. As part of our SAC we expect all agricultural suppliers & farmers to explore how they can reduce water use. Results: We have helped implement 4,000+ water management plans with suppliers & growers through our sustainable sourcing programme & helped around 800,000 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 NGO's 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. Unilever have direct and long-standing partnerships with UNICEF, PSI, Wateraid, and WSUP to help deliver progress on our sanitation and hygiene targets and work closely with other NGOs such as WaterAid, WWF and WSUP to ensure our water agenda secures the best outcomes. We also work with locally relevant organizations in priority countries such as Unilever Centre for Environmental Water Quality (UCEWQ), at Rhodes University in South Africa. Response: UCEWQ have been analysing the potential risks and opportunities from using greywater in small-scale agriculture, for toilet flushing and other non-consumption uses. They have also developed materials to help people implement greywater recycling methods at home.
Other water users at a basin/catchment level	Relevant, always included	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. 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 the farmers to help manage the demand and supply of water that gets used in agricultural practices. 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 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. 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. Unilever South Africa for example has established the Unilever Centre for Environmental Water Quality and has been supporting it for the past 20 years. Its research guides national policy through the National Water Advisory Council. The National Water Advisory Council partners with industry, local and national government, water resource management forums, communities and other academic institutions, to increase knowledge about, and practical methods for the sustainable management of water resources in South Africa. In 2016 the

		Centre completed a risk analysis review of using greywater, illustrating how greywater can be reused in small-scale agriculture, toilet flushing and other non-consumptive uses. They have also developed materials that guide people through behaviour change as well how to successfully collaborate with water catchment agencies, NGOs, community-based organisations, and national and provincial government departments.
Suppliers	Relevant, always included	Situation/why: Suppliers are factored into water risk assessments because their business is integral to 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 including '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, so 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 2019, we conducted the following water related assessments across the business.

For our Supply Chain we use WRI Aqueduct and WWF-DEG Water Risk Filter to conduct a top down assessment of water related risks in 100% of our manufacturing sites, key consumer locations & key ingredients. We followed this with discussions with sites and a media review. We use social media 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.

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

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

Responding: The output from these assessments are used in various ways eg the risk scores for individual manufacturing sites are used within our World Class Manufacturing programme to stratify our operations & establish priority setting & determine annual water targets. They have also been used to establish investment criteria for internal funding into water efficiency projects financed under the Clean Tech programme where paybacks are extended for sites in water stressed locations.
At a site level, through the Environmental Care Framework Standard, environmental aspects which include water related risks are prioritised with action plans, timelines & responsibilities. This is revised on an annual basis, or where there is change at the facility.
At a corporate level in 2019 we have used DATAMARAN, an AI powered materiality 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 35-39 of our Annual Report and Accounts 2019) to identify scenarios which could force Unilever to cease being viable over a three-year period. Each year, we assess the cash flow impact a particular risk/mix of risks could have to the business based on the amount of cash held, our operating cash flows and the credit facilities available & their ability to affect the business operating & meeting its liabilities. Our time horizons are aligned with our forward-looking planning, set out in our three-year strategic plans and annual forecasts & our Boards assume overall accountability for the management of risk & reviewing the effectiveness of Unilever's risk management & internal control systems.
Threshold: In assessing viability, 'severe but plausible' scenarios based on our principal risks are considered and the definition we work with is 1% of our Group Turnover which was equal to €519m of turnover in 2019. We identify substantive financial impact in 2 ways:
1. assessing scenarios for each individual principal risk, for example the termination of our relationships with the three largest global customers; the loss of all material litigation cases; a major IT data breach or reputational damage from not progressing against our plastic packaging commitments, and the lost cost and growth opportunities from not keeping up with technological changes
2. assessing scenarios that involve more than one principal risk, for example a major global incident affecting one or more of Unilever's key locations resulting in an outage for a year in a key sourcing unit & significant water shortages in our key developing markets. 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	9	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. 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. The facility was subject to restricted operations within the reporting period, resulting 40 hours of lost production. It remains an area of potential risk to the business. Recent events in the river basin supporting Cape Town & surrounding area have increased attention on the risks to the business in the Orange basin. As part of the business' continuous improvement programme the site is taking action to minimise water use. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

Country/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 water levels and threats of regulatory responses and tariff changes could justify elevating the water stress rating for four of the factories in the basin. The Parana river basin includes the greater part of South Eastern Brazil, Paraguay, South Eastern Bolivia, and northern Argentina. Although water levels this year continue to increase and have recovered somewhat, the sites located in Parana basin are still deemed to be exposed to significant future water risks. 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

Italy
Other, please specify
Volturno

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 Seasonal variability is medium to high and the area is not projected to have a significant cnage in supply and demand into the future. 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. In 2017, nearby regions were affected by water shortages. 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. Large seasonal variability poses challenges around both water availability and flooding. Unilever have Household manufacturing operations in the Citarum basin, where 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. As indicated in W4.1c, 2.17% of our global total revenue would be at risk should we not manage this risk effectively. In reality, it would be much lower as we would likely switch production elsewhere. 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 2019 Unilever invested in capital infrastructure to the value of €200K for water efficiency measures across factories in the Citarum basin from the central sustainability capital budget. Projects funded included expansion of the metering programme, rainwater harvesting and reuse and optimisation of the cooling system. These projects are expected to reduce water abstraction by 127,000m3 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. 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 Unilever committed to engage in water stewardship activities 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 2019 Unilever invested in capital infrastructure to the value of €200K for water efficiency measures across factories in the Citarum basin from the central sustainability capital budget. Projects funded included expansion of the metering programme, rainwater harvesting and reuse and optimisation of the cooling system. These projects are expected to reduce water abstraction by 127,000m3 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. 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 Unilever committed to engage in water stewardship activities to address shared water risks around this site as part of our ongoing activities to protect and preserve water resources.

Cost of response

200,000

Explanation of cost of response

Infrastructure investment: During 2019, we invested nearly €200K in water efficiency through our sustainability capital programme into the sites located in the Citarum Basin. Projects funded included expansion of the metering programme, rainwater harvesting and reuse and optimisation of the cooling system. These projects are expected to reduce water abstraction by 127,000m3 The combined wider sustainability eco efficiency programme implementation in these sites was €2.5m in total, 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 1.9 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 2.7% 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 have been working with the NGOs BAIF and Sahjeevan 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.
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 and Sahjeevan. This is expected to deliver a combined saving of 9.5billion litres conserved and benefiting over 2000 farmers.

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

Increase investment in new technology

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 working with the NGOs BAIF and Sahjeevan 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.

Cost of response

160,000

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 with support from partners BAIF and Sahjeevan. This is expected to deliver a combined saving of 9.5billion litres conserved and benefiting over 2000 farmers.

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 Skin Cleansing facilities 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. 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 €360K. 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.

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 €360K through our sustainability capital programme into the sites located in the Mas Basin. Projects funded included production efficiencies, chiller refurbishment, hot water system upgrades. These projects will deliver on overall eco-efficiency with an average payback of 1.6 years.

Cost of response

360,000

Explanation of cost of response

Result: During the reporting year, the site investment into water savings initiatives was €360K. 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 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 2 manufacturing facilities located in the Upper Vaal management area. Industrial, agricultural and domestic growth and mining mean there is a gap between supply and demand that could pose issues related to access. Today, the Upper Vaal relies on water transfers from the other management areas to meet the demand. In the future this could result in water shortages or restricted access impacting the sites operating in the region. Declining water quality in the region could impact cost of water treatment. During the reporting year the site faced restricted access to water supplies resulting in 40 hours of lost production time. Unilever has Laundry facilities in this river basin which account for around 1.31% 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 2019, we invested €640K on eco-efficiency measures in factories in the Orange basin to minimize environmental impacts. Projects include pump efficiency and

heat recovery. The online metering system that was installed in previous years is delivering new insights, some of which require capital investment, but many address behaviour e.g. in 2019 one of the factories revisited their cleaning procedures, saving significant amounts of water and improving cleaning efficacy.
Result: In 2019, we invested €640K on eco-efficiency measures in factories the Orange basin to minimize environmental impacts including water. This figure is based on the capital requests from factories & 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 committed to engage in water stewardship activities to address shared water risks around this site as part of our ongoing activities to protect and preserve water resources.

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 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 2019, we invested €640K on eco-efficiency measures in factories in the Orange basin to minimize environmental impacts. Projects include pump efficiency and heat recovery. The online metering system that was installed in previous years is delivering new insights, some of which require capital investment, but many address behaviour e.g. in 2019 one of the factories revisited their cleaning procedures, saving significant amounts of water and improving cleaning efficacy.

Cost of response

640,000

Explanation of cost of response

Result: In 2019, we invested €640K on eco-efficiency measures in factories the Orange basin to minimize environmental impacts including water. This figure is based on the capital requests from factories & 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 committed to engage in water stewardship activities to address shared water risks around this site as part of our ongoing activities 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 Laundry 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.

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

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

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 2018, we invested over 300K Euro through our sustainability capital programme into strengthening the online metering programme for utilities. This in turn will drive new insights into water efficiency measures which should deliver increased water efficiencies through behaviour and further investment into technology improvements.

Cost of response

300,000

Explanation of cost of response

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

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 2019, we invested over €500K into the sites located in the Parana Basin which include improved metering, water recycling and vacuum pump replacements, water & wastewater treatment plant improvements, rainwater harvesting, extension of the metering programme, cooling tower optimization, delivering an average payback of <3years providing water, waste and energy savings. In 2020 Unilever committed to engage in water stewardship activities 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 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.

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 USLP roadmaps & increased investment in new technology, e.g. in 2019, invested €511k which included project like improved metering, water recycling and vacuum pump replacements.

● 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.

Cost of response

500,000

Explanation of cost of response

Result: Infrastructure investment: In our Brazilian factories we support water efficiency projects through the central capital programme. In 2019, we invested over €500K into the sites located in the Parana Basin which include improved metering, water recycling and vacuum pump replacements, water & wastewater treatment plant improvements, rainwater harvesting, extension of the metering programme, cooling tower optimization, delivering an average payback of <3years providing water, waste and energy savings. In 2020 Unilever committed to engage in water stewardship activities to address shared water risks around this site as part of our ongoing activities to protect and preserve water resources.

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. Water demand is expected to increase due to increased population growth & industrialisation, 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. Regulatory is a close secondary risk. 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 & 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. The site had previously achieved zero liquid discharge status through 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.
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).

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

250,000

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

Italy

Other, please specify

Volturno

Type of risk & Primary risk driver

Physical

Increased water stress

Primary potential impact

Reduced revenues from lower sales/output

Company-specific description

Situation: This site is located in a water stressed area, and dominated by the baseline water stress Seasonal variability is medium to high and the area is not projected to have a significant change in supply and demand into the future.

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, invest in water recycling or meet market demands from elsewhere in the Unilever network resulting in increased logistical costs.

As part of the business' continuous improvement programme the site is taking action to minimise water use.

Action: During 2019 the site continued to drive their water reduction programme focussing on the cleaning regime, pump leak reduction and implementation of a water recovery programme.

Result: The 2019 project implementation at site was with minimal capital expense, and conducted predominantly via changed in production scheduling.

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 way that water stress will impact our manufacturing operations in the Volturno basin is yet to materialise. The €200K financial impact estimate is based on experience in other countries, we expect that this will entail pricing increase (up to 50% increase) and/or potential caps to abstraction license, resulting in the need to tanker water from other catchments (estimated cost increase of x3), this has been applied for the full annual water consumption.

Primary response to risk

Increase investment in new technology

Description of response

Action: During 2019 the site continued to drive their water reduction programme focussing on the cleaning regime, pump leak reduction and implementation of a water recovery programme.

Cost of response

0

Explanation of cost of response

Result: The 2019 project implementation at site was with minimal capital expense, and conducted predominantly via changed in production scheduling.

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). By helping to tackle water scarcity we can change people's lives, build our brands & contribute towards SDG Goal 6 –ensure access to water & sanitation for all.
Action: Unilever are investing in new projects & business models that can 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: Unilever have opened 3 Suvidha Centres in Mumbai since 2016, with 2 in 2019 in partnership with HSBC India. Suvidha (which means 'facility' in Hindi) was built with our partners, the Municipal Corporation of Greater Mumbai & Pratha Samajik Sanstha, a non-profit community organisation. It provides flushing toilets, handwashing facilities with soap, clean showers, safe drinking water & laundry operations at an affordable cost for 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 & 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, which are 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 2019.

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: Unilever have opened 3 pioneering Suvidha Centres in Mumbai since 2016, with 2 in 2019 in partnership with HSBC India. Suvidha (which means 'facility' in Hindi) was built with our partners, the Municipal Corporation of Greater Mumbai and Pratha Samajik Sanstha, a non-profit community organisation. It provides flushing toilets, handwashing facilities with soap, clean showers, safe drinking water and state-of-the-art laundry operations at an affordable cost for low-income households. Located in the heart of Azad Nagar, one of Mumbai's many slums, the 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

100,000

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 ~ €100k 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. So we are concentrating on product categories which require most water to use including laundry, household cleaning, skin cleansing, oral and hair care. We are investing in water-smart products, which are particularly suited to the needs of people living in water-stressed areas but can also help encourage a wider shift to more sustainable consumption of water. For example, our Day2 dry wash spray that prolongs the time between washes. Each bottle saves approximately 60 litres of water and is made with 0.02% of the water used in a normal laundry load. Another example is our SmartFoam technology, which is a patented anti-foam molecule reducing the number of rinses by breaking down soap suds more quickly. This saves significant amounts of water. It was first launched in South Africa in 2016 in our Sunlight 2-in-1 Handwashing Laundry Powder and in India in our Rin soap bars. In India, our market research shows that people who use a liquid detergent rather than a bar use 1/3 less water when washing dishes. We continue to drive market conversion towards liquids across key water-scarce countries.
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 categories, Unilever estimates this could yield around €2-3 billion incremental sales in 2025.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

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 categories, Unilever estimates this could yield around €2-3 billion incremental sales in 2025.

Type of opportunity

Products and services

Primary water-related opportunity

New R&D opportunities

Company-specific description & strategy to realize opportunity

Situation: Despite our planet being over 71% water, half the global population is expected to live in water-stressed areas by 2025. Task: Providing safe drinking water is part of our Health & hygiene pillar commitment in our Unilever Sustainable Living Plan (USLP) which is our ambition for sustainable growth through purpose-led brands. We developed a simple, affordable solution to help people get safe drinking water, directly contributing to SDG Goal 6 Many people simply cannot afford clean and safe drinking water, or live in places that don't have clean and safe mains water supplies. We set out to overcome this by inventing a way to purify water which would be affordable for those who need it most. In 2008 we introduced Pureit, which uses our unique GermKill Kit™ to remove harmful viruses, bacteria, parasites and other impurities from water – in line with strict international standards – without boiling. Over a decade after it was launched, Pureit is still the world's most advanced and most widely available home water purification system. The most affordable model is less than €40. In addition, we acquired Qinyuan (now Truliva), a leading Chinese water purification business which enhanced our reach in the water purification market.

Action: Unilever's strategy is to grow our revenues by developing the market for in-home water purifiers. Result: Based on detailed business case studies estimating the potential financial impact of new products and services relating to water purification, Unilever estimates that our water purification business could represent an incremental-turnover opportunity of €200m over the next 10 years based on 2015 data and incremental turnover predictions up to 2025. This figure is based on device/additive sales and the assumption that Unilever continues to have competitive technology to realise the opportunity.Action: Unilever's strategy is to grow our revenues by developing the market for in-home water purifiers. Result: Based on detailed business case studies estimating

the potential financial impact of new products and services relating to water purification, Unilever estimates that our water purification business could represent an incremental-turnover opportunity of €200m over the next 5 years. This figure is based on device/additive sales and the assumption that Unilever continues to have competitive technology to realise the opportunity. It includes incremental turnover projections based on 2015 to 2025.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

200,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Action: Unilever's strategy is to grow our revenues by developing the market for in-home water purifiers. Result: Based on detailed business case studies estimating the potential financial impact of new products and services relating to water purification in our Home Care categories, Unilever estimates that our water purification business could represent an incremental-turnover opportunity of €200m over the next 10 years (based on 2015 projections and data).

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

Situation: Increasing resilience to the impacts of climate change in our operations helps us future proof our business & protect growth opportunities ie ensuring water quantity for increased production volume. Unilever(UL)'s growth target is 3-5% & we will unlikely meet this if we do not have sustainable access to water (quantity & quality) as it is used as an ingredient & to run our heating/cooling systems & clean manufacturing facilities.
Task: To build resilience we continue investing in water efficiency through a ring fenced fund aimed at manufacturing operations.
Action: In 2019 we invested 2.2m into projects in water stressed locations this

accounted for ~40% of the total investment into water savings projects through the central fund. Results: It is expected that these projects will save approximately 439,000 m3 of water, about 68% of the total water savings from the central fund.
Result: Since 2008, we have reduced total water abstraction by 47% per tonne of production. World Class Manufacturing (WCM) continuous improvement tools support sites to address & manage dependencies. Given that 37% of total water withdrawals in 2019 were from operations in water-scarce areas, we anticipate the need to build greater resilience against climate change and increasing water stress. Our factory water efficiency programme, doing more with less, will help to increase resilience & adapt to the future climate with less water available for industrial activities. At the same time, it will also reduce our contribution to climate change & allow us to grow our business in a sustainable way. Since 2008, our water-efficiency improvements have resulted in direct avoided costs of around €122 million with greater savings predicted in the future as more projects are implemented based on key learnings from others. The average payback of water capital projects is less than 2 years. We track costs associated with utility savings centrally and report within our ARA and USLP externally.

In June 2020 as part of Unilever's new Compass strategy, Unilever committed to Water stewardship programmes to 100 locations in water-stressed areas by 2030. This will take meaningful action in the locations around our manufacturing sites to further address shared water security issues and increase resilience to water risks.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

122,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Since 2008, our water-efficiency improvements have resulted in direct avoided costs of around €122 million with greater savings predicted in the future as more projects are implemented based on key learnings from others. The average payback of water capital projects is less than 2 years. We track costs associated with utility savings centrally and report within our ARA and USLP externally.

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 1

Facility name (optional)

Country/Area & River basin
Indonesia
Other, please specify
Citarum

Latitude
6.233333

Longitude
106.98

Located in area with water stress
Yes

Total water withdrawals at this facility (megaliters/year)
404

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

404

Total water discharges at this facility (megaliters/year)

191

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

191

Total water consumption at this facility (megaliters/year)

213

Comparison of total consumption with previous reporting year

About the same

Please explain

Situation: The absolute water abstraction is about the same as the previous year <1%, with water intensity reduced by 1% inline with production. 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. Wastewater is treated onsite using primary & secondary treatment before being discharged to the municipal sewer for further treatment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.
Task: As part of the continuous improvement programme the Cikarang factory hub continued to drive action on water efficiency.
Action: Key improvements in the Cikarang factory hub include: Rainwater harvesting, water recycling in the cooling system and improved water metering.
Result: In 2019 the Cikarang factory hub invested nearly €200k to deliver 4 water efficiency programmes. Projects funded included expansion of the metering programme, rainwater harvesting and reuse and optimisation of the cooling system. These projects are expected to reduce water abstraction by 127,000m3 and deliver a payback of 2 years.

Facility reference number
Facility 2

Facility name (optional)

Country/Area & River basin
India
Other, please specify
Gulf of Kutch

Latitude
23.25

Longitude
69.66

Located in area with water stress
Yes

Total water withdrawals at this facility (megaliters/year)
125

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0.4

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
124.6

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)

125

Comparison of total consumption with previous reporting year

About the same

Please explain

Situation: Production volume and water abstraction have remained at similar levels compared to the previous year. This is a zero liquid discharge factory, with all wastewater treated and reused on site. Wastewater data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a the water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.
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.
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 Sahjeevan 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)
469.2

Comparison of total withdrawals with previous reporting year
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
469.2

Total water discharges at this facility (megaliters/year)
268.1

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
268.1

Total water consumption at this facility (megaliters/year)

201

Comparison of total consumption with previous reporting year

Much higher

Please explain

Situation: This increase in water abstraction at the site has been driven by a recent global change in preservatives and changes to run strategies & product mix. The water consumption and discharge also reflect these changes. Wastewater is treated onsite using primary & secondary treatment before being discharged to the municipal sewer for further treatment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.
Task: As part of the continuous improvement programme the factory continues to drive action on water efficiency.
Action: In 2019 the site received over €350K in capital to deliver sustainability projects which includes chiller refurbishment, Variable speed drives and sensoring system.
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

-26.246

Longitude

28.367

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

44.9

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

44.9

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)

44.9

Comparison of total consumption with previous reporting year

About the same

Please explain

Result: Overall the site has increased water abstraction on an absolute basis and intensity. This is likely to be associated with the divestment of the spreads business which shared a factory site and had some shared utilities & services.
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.
COD volumes are reported monthly by site through a central reporting system &

externally assured as part of our total waste metric.
Situation: In 2020 Unilever committed to engage in water stewardship activities to address shared water risks 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

-23.183

Longitude

-51.833

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

36.3

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

36.1

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.2

Total water discharges at this facility (megaliters/year)

23.7

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

23.7

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

12.6

Comparison of total consumption with previous reporting year

About the same

Please explain

Result: Despite growth in production (+14%) the site have continued to deliver savings in absolute (-1%) and water intensity (-14%). Task: New insights derived from the installation of the online metering system continue to drive improvements. Total discharged is based on assumptions from a site water model. The method for calculating water consumption is in line with updated CDP guidance.
Action: Wastewater (principally from sanitation) is treated onsite using primary and secondary treatment before being discharged via infiltration trenches. Situation: 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.

Facility reference number

Facility 6

Facility name (optional)

Country/Area & River basin

Brazil
Parana

Latitude

-23.08

Longitude

-47.216

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

205.4

Comparison of total withdrawals with previous reporting year

Much higher

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

189.3

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

16.1

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)

205.4

Comparison of total consumption with previous reporting year

Much higher

Please explain

Situation: Changes to product compaction have meant that volumetric production growth has changed very little, 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 optimisation of their water recycling system, already a zero liquid discharge factory. Result: The rainwater harvesting programme implemented in 2018 has increased the volume of rainwater by over 5,000m3 per year. This reduces the demand on freshwater and slows the flow of rainwater to river systems – this is an area which experiences consecutive droughts, but also extreme rain events with downstream flooding and landslides.
Action: This is a zero liquid discharge factory, all water is reused within the factory boundary. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a the water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric

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Facility reference number

Facility 7

Facility name (optional)

Country/Area & River basin

Brazil
Parana

Latitude

-23.245

Longitude

-46.971

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

419.4

Comparison of total withdrawals with previous reporting year

About the same

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

0.9

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

377.2

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

41.3

Total water discharges at this facility (megaliters/year)

258.4

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

258.4

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)

161

Comparison of total consumption with previous reporting year

About the same

Please explain

Situation: Despite a small decline in production, absolute and water intensity metrics have increased slightly, this is driven by a recent global change in preservatives and changes to run strategies & product mix. The water consumption and discharge also reflect these changes.

Task: The site continues to drive water efficiency through it's continuous improvement programme.

Action: In 2019 the site were awarded the "Quality Making Sustainable Living Happen" award for their wash matrix review to drive sustainable change overs and supporting the recycling of water in the homecare operations.

Results: The activities required minimal investment and are expected to delivery a 33% reduction in wastewater as well as product savings. The full impact of the project will

materialise in 2020/2021 performance data.
Wastewater is treated onsite using primary, secondary & tertiary treatment before being recycled back into process water for the homecare operations or discharged to the environment. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a site water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.

Facility reference number
Facility 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)
187.3

Comparison of total withdrawals with previous reporting year
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
187.3

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)

187.3

Comparison of total consumption with previous reporting year

Higher

Please explain

Situation: Production at the site has increased by 10% , water abstraction has also increased slightly but not at the same rate (6%), with water intensity reducing compared to the previous year (-4%). This is a zero liquid discharge factory. 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. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.
Task: The site continue to drive water savings through the world class manufacturing programme, projects implemented under the programme include water recycling for utilities, CIP optimization and condensate recovery
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 efficncy in the agricultural practices.
Results: 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).

Facility reference number

Facility 9

Facility name (optional)

Country/Area & River basin

Italy

Other, please specify

Volturno

Latitude

41.6

Longitude

14.23

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

358.8

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

358.8

Total water discharges at this facility (megaliters/year)

170

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

170

Total water consumption at this facility (megaliters/year)

188.8

Comparison of total consumption with previous reporting year

Lower

Please explain

Situation: Since 2018, production at the site has reduced by 5%, with both absolute and water intensity reducing by 9% and 4% respectively. Wastewater is treated onsite and sent for further treatment at the offsite industrial treatment works. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a the water balance model. COD volumes are reported monthly by site through a central reporting system & externally assured as part of our total waste metric.
Task: The site continue to drive improvements in the water use through the world class manufacturing programme.
Action: During 2019 the site have been implementing wastewater reduction programme ahead of the wastewater treatment plant upgrade reducing improving the water quality leaving the site.
Results: Key activities include improved metering to support wash optimisation and water recovery. The impact of these is expected to be around 30m3/day.

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 including water for 7 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 3410 & they apply the Institute of Chartered Accountants in England & Wales (ICAEW) Code of Ethics. PWC assurance statement is attached.

Water withdrawals – volume by source

% verified

Not verified

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 3410 including Chemical Oxygen Demand for 7 years. PWC assurance statement is available here: https://www.unilever.com/Images/pwcs-limited-assurance-report-2019_tcm244-549687_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	Rationale:To enable us to deliver our strategy, we take a holistic approach to water which is why our Unilever Sustainable Living Plan (USLP) stretches our value chain. We use our annual water footprint assessment to help guide our USLP water commitments & strategy. Water use is a pillar commitment in our USLP, with targets aligned & contributing to the UN SDGs - 6, 12, 13 & 17. Our alignment is complimented by our commitments to other international initiatives & standards such as the CEO Water Mandate & the WHO standards for drinking water quality. Our USLP is supported by our Group Environmental Policy which embeds performance standards for factories , particularly in water-scarce areas. Standards for supplier best practice are found in our Responsible Sourcing Policy (RSP) which is integral to our Enhancing Livelihoods Big Goal of the USLP. This goes beyond regulatory compliance, extending to suppliers. The policy embeds water efficiency & risk management into their agricultural practices. Stakeholder awareness & education is further driven by our USLP commitments on consumer education which aim to drive behaviour change. We have set public goals to help consumers with products & services which meet their water scarcity & quality needs. We also have innovated to meet these needs i.e. Domestos Flush less

		Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	in SA. Innovation is core to our strategy. We communicate the linkages/tradeoffs with GHG for example through our USLP reporting (SLR) & our Annual Report & Accounts. Our SLR includes communication water-related innovation & progress, company-wide targets related to our value chain, & water action through transformational change –inc water stewardship & policy influence. Through our USLP, we also acknowledge the impact access to water & sanitation can have on communities. Lifebuoy, Pureit & Domestos can make a difference in these areas & are targeted to do so. Progress on these KPIs are reported annually as part of the SLR.

W6.2

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

Yes

W6.2a

(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 Boards have delegated the operational running of the Unilever Group to the CEO, with the exception of some strategic matters (i.e. approval of dividends). He is the responsible individual for the oversight of our climate change agenda which includes water. Our Boards (NV & PLC) take overall accountability for the management of all risks & opportunities, including climate change & associated water risks as outlined in our TCFD response. The CEO can delegate any of his powers & discretions, & he does so delegate to members of the Unilever Leadership Executive (ULE). The ULE is composed of the CEO, CFO & other C-Suite & senior executives who assist him in the discharge of the powers delegated by the Boards. All members of the ULE report to the CEO but are not a part of the Boards' decision-making process. This is reserved only for the CEO & CFO who are the 2 executive Board members. In 2019, our Unilever Sustainable Living Plan (USLP) Steering Team was fully integrated into the main ULE agenda to reflect the integration of sustainability into our business strategy – this includes the water-related targets we have in place. During 2019, there were a number of Board agenda items on topics related to water scarcity. Most notably were the discussions around the progress against the current climate and water commitments of our Unilever Sustainable Living Plan and how we continue our efforts in light of our new Compass strategy. Discussions regarding the new strategy were focused around the scope of the new goals and multi-year priority commitments which will form a part of the 'Improve the health of the planet' arm

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		Unilever (UL) has a dual headed structure. The Boards of UL NV & PLC have ultimate responsibility for reviewing, monitoring & guiding the strategy for the UL Group, as well as its conduct. The Boards are one-tier boards with the same people on both, comprising of the same Executive Directors (CEO & CFO only) & Non-Executive Directors. The Boards take overall accountability for the management & guidance of risks & opportunities, including climate change & climate-related water risk, with support from the Unilever Leadership Executive (ULE) & the Board-delegated Corporate Responsibility Committee (CRC). In 2019, the Unilever Sustainable Living Plan (USLP) Steering Team was integrated into the ULE agenda to align with the new business strategy, the Compass. The Board's delegated Corporate Responsibility Committee (CRC) tracks the progress & potential risks associated with the USLP & feed into the Board for key decisions on major plans of action to be made. Within the USLP, there are water related targets including those for manufacturing, agriculture & consumer use. The CRC report their findings to the Boards regularly so that they can fulfil their oversight responsibilities. The Boards are responsible for the reviewing, monitoring & guiding the strategy (including major plans of action & overseeing M&A decisions) for the Group, as well its corporate responsibility & conduct. The monitoring of performance & progress against water targets is fed into the Boards by the CRC, with performance & water scarcity incorporated into the

			sustainability capital fund with impact overseen by the Board. For the 3rd year, we applied recommendations by the TCFD & CRC members were briefed on the plans to grow the business whilst meeting the UN's goal of staying below a 2 degree rise in temperature which could impact weather patterns & water availability. The CRC's responsibilities are complemented by those of the Audit Committee, a Board delegated committee, responsible for reviewing the assurance of the USLP. It again ensures the Board's ability to fulfil its oversight responsibilities. During 2019 the Committee continued its oversight of the assurance work that is performed on Environment & Occupational Safety (EOS) & selected USLP metrics e.g. water use in manufacturing & COD. In Unilever's 2019 Annual Report of Accounts, Water (Water shortages may disrupt our production and/or reduce consumer demand for our products) was included as one of the business's 30 key risks. 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)

Other committee, please specify

Unilever Leadership Executive (ULE)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The ULE are our highest operational leadership group. It's led by our CEO, with each ULE member reporting directly to him. The ULE agenda now incorporates the agenda of our former USLP Steering Team (which comprised 11 members of our 12-member ULE plus representatives from our global Sustainability & Finance teams). The ULE meet monthly & attend Board meetings where relevant. In 2019, there were a number of items discussed relating to our water-related climate goals. The Chief Supply Chain Officer (CSCO) is a member of the ULE & was part of the USLP Steering Team, feeding in on

key water-related matters so the CEO & Board can fulfil their oversight responsibilities. Examples include: driving reduction in absolute water abstraction & water intensity metrics for manufacturing &
oversight of the sustainable sourcing of agricultural ingredients. We collect monthly data on water performance which is communicated to wider stakeholders such as the CSCO & Category VPs on a quarterly basis.

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

President

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

In 2016, we established a Water Board, meeting quarterly and chaired by the Category President for Home Care in 2019 (the most water-intensive category) with key other members from the Unilever Leadership Executive (ULE) e.g. Chief R&D Officer. The Water Board included the Heads of the key water-dependent product categories (Skin Cleansing, Household Care, etc) along with senior R&D representatives of key water stressed markets (South Asia, South East Asia & Africa). The Water Board focuses on domestic water & ways to accelerate Water-smart product innovations. Key achievements include: Unilever Water Strategy on category innovation plans.
The Home Care President is a member of the ULE, feeding directly into the CEO and Boards to fulfil their oversight responsibilities.

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	Incentives apply to all C-Suite officers (our Unilever Leadership Executive (ULE)). One element of our Remuneration Policy is a share matching scheme based on company performance (the Management Co-Investment Plan ((MCIP)). ULE must invest bonuses in UL shares through MCIP to maintain levels of pay. 25% of MCIP is assessed through the Sustainability Progress Index, based on 5 KPIs, such as reducing our environmental impact. It also takes into account progress on ESG ratings/rankings (inc CDP Water) together with our USLP targets to determine a rating from 0%-200%. Annual ratings are then tallied as an average for each 4-year MCIP performance period,

		enabling our Compensation Committee to determine matched shares. Our C-suite execs play a significant role in reviewing our key ratings/rankings annually, including our CDP Water & DJSI responses. Employees from Work Level 2 (first rung of management) to ULE are eligible for MCIP.

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 Executive (ULE)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - product-use	One element of our Remuneration Policy is a share matching scheme based on company performance called the Management Co-Investment Plan (MCIP). 25% of the total MCIP award is assessed on sustainability considerations through the Sustainability Progress Index (SPI), a joint assessment made by the Board-delegated Corporate Responsibility & Compensation Committees. Taking into account Unilever's progress on select sustainability targets and indicators publicly reported in our USLP e.g. reducing our environmental impact. The Committees determine a rating from 0% to 200% each year. For MCIP, annual ratings are then tallied as an average index for each four-year MCIP performance period, enabling the Compensation Committee to determine the level of matched shares. The CEO leads the Unilever Leadership Executive who all play a significant role in driving progress towards our USLP targets, including our climate ambitions. Employees from Work Level 2 (the first rung of management) to ULE level are eligible to join MCIP. From 2018, Executive Directors (CEO & CFO) were required to invest at least 33% of their annual bonus in MCIP.
Non-monetary reward	Other, please specify Employees	Improvements in efficiency - direct operations Improvements in efficiency - supply chain	Compass Awards are an internal recognition programme aimed at recognising teams/individuals who are pioneering new ways of doing business. Every team (functional or project team) team) can apply & winners will be selected by the Board Panel. Threshold: One of the categories for entries is 'Sustainable Business Development' with the measurement being 'Impact of the campaign on

		Improvements in efficiency - product-use Implementation of employee awareness campaign or training program Increased access to workplace WASH Other, please specify Behavioural change	environment/community, demonstrating the Unilever Sustainable Living Plan (USLP).' Projects must align with one of the 3 pillars of the USLP – Enhancing livelihoods, Reducing environmental impact, Improving health & well-being. Rationale: Unilever sees giving recognition for great work as an important way of motivating employees to feel empowered, help them collaborate & use an owners mindset for planning. It also helps share best practice across the business & drive efficiencies. Measures of success: Winners are chosen based on their alignment with the USLP 3 goals – one of which is Reducing environmental impact & includes the Water use pillar & underlying 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 & farmers to reduce water in agriculture or behaviour change programmes to use less domestic water or WASH programmes on drinking water, handwashing with soap or sanitation. Both are aligned with the Reducing environmental impact big goal of the USLP.

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 & our stakeholders are consistent with our approach to engagement. We use stakeholder research & also consider alignment with our Vision & Purpose; potential value chain impacts; & the degree we can affect change. We take a multi-stakeholder approach to avoid over focus on a handful of topics & update our assessment annually to make sure it reflects business changes & the external environment. Our 2019 assessment confirmed climate change & water continue to be material & will both continue to be addressed in our new Compass strategy, launching end of 2020.

As a company, Unilever (UL) committed to support the Paris Agreement & have continued advocating for policies that advance it's goals ever since. In 2019, our CEO sent an open letter to our trade associations & business groups, asking them to consider if their ambitions around climate policy were truly consistent with the cuts implicit in the Paris Agreement. At the Group level, we're active members of the UN CEO Water Mandate, WEF Global Water Initiative & the WBCSD Water Group (where we engage on climate-smart agriculture) & 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. We also engage the World Economic Forum, UN Global Compact & the Consumer Goods Forum to overcome major challenges including water.

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)

Unilever Annual Report and Accounts 2019.pdf

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 long-term Vision is to be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry. Our Unilever Sustainable Living Plan (USLP) set clear commitments (our 3 big goals) to Improve health & wellbeing, Reduce environmental impact, & Enhance livelihoods by 2020 (10 year plan). Underpinning these were targets in areas such as hygiene, nutrition, sustainable sourcing, fairness in the workplace, opportunities for women & inclusive business as well as GHGs, waste & water. On Water, in addition to the water we rely on for our manufacturing & for growing ingredients, we know consumers facing water scarcity is a commercial risk as many of our products require water, ie soap or laundry detergent. In 2015, during the drought in Sao Paulo

			consumers stopped washing on occasion to cope with lack of water. We reshaped our long-term product innovation strategy to invest in products which help people adapt to a water scarce world–including the development of low & no rinse laundry, sanitation & hair products for water stressed countries. In 2020 we are refreshing our long-term business strategy, which includes building on our current water targets in agriculture (water management), manufacturing (reduced abstraction) & consumer use (halve water in consumer use). This is closely aligned with the SDGs & an extended timeframe of 2030.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Consumers facing water scarcity is a significant commercial risk for us as many of our products require consumers to use water, such as soap or laundry detergent. In order to address this risk, we have started to re-shape the product portfolio of our Home and Personal Care Divisions. To achieve this, we have done a water study which gave us many consumer insights on what are the 'pain points' that people face in different geographies on both water quality and quantity. Based on this study, each Division shaped step-up plans which include new innovations tailored to key segments, as well as plans for additional consumer and R&D research. We have already successfully launched several water-smart products, such as our SmartFoam laundry detergent which cuts rinsing by half, launched in South Africa under our Sunlight brand and expanded into the Rin detergent bar in India. Comfort One Rinse fabric conditioner, self-foaming hand & body wash which reduces water use by 1/3 and dry shampoo are other examples.
Financial planning	Yes, water-related issues are integrated	5-10	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 and Personal Care turnover could be at risk by 2025 due to water scarcity affecting frequency of use of our products if we continued with business as usual and did not reshape our product innovation strategy and product portfolio. As a result, our Home and Personal Care categories are re-shaping their portfolios to adapt to the water-stressed world. In order to ensure that the scale of our action is appropriate for the scale of the opportunity and risk, we have set ourselves some internal business targets on water. These targets measure the business contribution (sales and profits) of

			our products which are designed for use in a water-stressed situations. They range in time horizon (averaging 5-10+ years) however, as these are internal targets relating to sales and profits, we do not share these externally

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

-27

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

0

Water-related OPEX (+/- % change)

0

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

-75

Please explain

CAPEX: 2019 was the 7th yr of the ring-fenced water fund with a final spend of €5.4m on projects delivering water savings of 650,000m3. 2019 projects included rainwater harvesting expansion to increase capacity by 5,500m3, optimisation of vacuum pumps systems saving 38,000m3, expansion of metering & the installation of solar water heating systems, saving 1,500m3. Average payback of projects was 1.1yrs, delivering expected savings of 650,000 m3 pa. We will continue allocating the central fund in the future.

OPEX: We deliver deep dive projects via internal engineers, supported by key partners, over 2-3 days & focused on sustainability savings. Audits are delivered internally & estimated equivalent operational spend was approx €800k in 2019. Due to Covid-19, physical site audits have been on hold & we expect the OPEX value to decrease.

W7.3

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

	Use of climate related	Comment

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 and models applied	Description of possible water related outcomes	Company response to possible water related outcomes
Row 1	2DS Greenpeace Other, please specify IPCC AR5 RCP8.5		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

		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.	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).

W7.4

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

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

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

W8. Targets

W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals Brand/product specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Situation: Water systems are hugely complex & interconnected. For example, what impacts suppliers can impact the availability of raw materials to our business & ultimately, impact our consumers. Water is essential for people to use our products. With limited water, consumers struggle to wash their hands, clothes, care for their homes or make a cup of tea. This is reflected in our water footprint; over 99% of our water use occurs when consumers use our products, particularly when doing laundry, washing hair, showering or bathing. Task: That is why our approached has been to focus our attention on our water-intensive product categories such as Home Care & Beauty & Personal Care – this is where we can 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. 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 and Accounts and Unilever Sustainable Living Plan Report (SLR). 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 report on progress annually. We're also working with our suppliers to reduce the water used to grow our crops, & we're reducing water use in our own factories across the world. Our public target is to: develop comprehensive plans with our suppliers & partners to reduce the water used to grow our crops in

			water-scarce countries. We report on progress annually. The actions of one user in a watershed can determine the water supply for everyone else. If the water system in which we operate depletes in quality or quantity, our business is at risk. Because of this, in areas where there are higher water risks, or we own agricultural sites, we're building our efficiency efforts through engaging local communities & other contributors to ensure better water security for all.

W8.1a

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

Target reference number

Target 1

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Risk mitigation

Description of target

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. 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 22.5 million fewer cubic metres in 2018 than in 2008 (a reduction of 44% per tonne of production) meaning we reached our target ahead 2 years early. In 2019, we had achieved a further reduction of 3%, taking us to -47% per tonne of production compared to 2008. 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. 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.

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 99% – 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 9 years of the USLP and we're refining our strategy. 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

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

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

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 25m people gain improved access to a toilet by promoting the benefits of using clean toilets & by making toilets accessible.

We added this target to the Unilever Sustainable Living Plan in 2014,becoming the 1st company to make a commitment to improving sanitation on this scale.
Since 2014, we've helped 28 million people gain improved access to a toilet through our Domestos brand. Our target is to help 25 million by 2020 so we have met this a year ahead of schedule. We support government efforts to build more toilets and have helped build over 220,000 toilets so far. In India, there's a big push from the government on toilet construction. We ran the Domestos Toilet Academies (DTA) programme under the local brand name Domex. The Academies trained local entrepreneurs to sell, install and maintain clean and safe toilets.

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

Through our global partnership with UNICEF we roll-out sanitation initiatives in schools. We've found that by educating children about the importance of good hygiene habits, they in turn influence their families. Through this target, we are contributing to SDG 6, specifically target 6.2 & tackling water security through reducing open defecation & therefore its impact on the freshwater ecosystem.
Whilst we have achieved this target, the long-term commitments in respect of our new Compass strategy are currently being worked through. Towards the end of 2020, we will be launching our new long-term commitments publicly.

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 by our Pureit brand, we aim to provide 150 bn litres of safe drinking water by 2020. Pureit uses our unique GermKill Kit™ to remove harmful viruses, bacteria, parasites & other impurities. There's no need for gas, electricity or for continuous water supply. Our purifiers provide safe drinking water in 13 countries, which combined represent half of the world's population: Bangladesh, Brazil, China, Ghana, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, the Philippines, Sri Lanka & Vietnam. Between 2005-2019, we provided 114 bn litres of safe drinking water. O 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

77

Please explain

Our most affordable model costs less than €40. Using one Pureit model, a litre of safe drinking water costs just 50 Indian paise (INR). And for the equivalent of just over one euro cent, someone can have 3.2 litres of drinking water. This is lower than the cost of boiling water & much less than bottled water and more sustainable.

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. 60% of 2019 UL turnover came from developing markets, which tend to be susceptible to water scarcity.
Importance:
Task: Sufficient amounts of good quality freshwater is vital for UL throughout the value chain: i) As an ingredient in Foods & Refreshment and Home, Beauty & Personal Care products. It's also used for heating, cooling & cleaning processes in all 261 manufacturing sites; ii) Many agricultural suppliers need access to freshwater to grow product ingredients we rely; iii) Most of our products need water for use eg shampoo. Poor quality or limited availability constrains demand for products as consumers reduce frequency of use, impacting demand for products, restricting future growth.
Action: Our water goal considers 2 phases 1) the ingredients phase & 2) the consumer-use phase of around 1,000 products. Performance in these phases is calculated at a corporate level 'per consumer use' to give a performance measure of a representative cluster of products. The assessment is then extrapolated at category & country level to account for un-clustered products in 7 water-scarce countries. Knowing product intensity provides insight to R&D for the development of new/reformulation of existing products.
Result: We continue to struggle with the water impact of our products across their lifecycle. In 2019, this had increased by 2% since 2010. The acquisition of some skin cleansing and hair care brands which have a water impact per consumer use, remains the main reason for this.

Baseline year

2010

Start year

2010

End year

2030

Progress

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 is to grow our business whilst decoupling our environmental impact from our growth. Our 'Environmental Big Goal' is designed to help deliver our vision. We measure progress against our Big Goal through a series of targets which aim to reduce by 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 2019 and our Sustainable Living Report 2019. We continue to struggle with the water impact of our products across their lifecycle. In 2019, this had increased by 2% since 2010. The acquisition of some skin cleansing and hair care brands which have a water impact per consumer use, remains the main reason for this.

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	Metric: By 2020, water abstraction by our global factory network will be at or below 2008 levels, despite significantly higher volumes.	Other, please specify ISAE 3410	In 2019, PricewaterhouseCoopers LLP (PwC) assured our water abstraction metric. PwC's assurance engagement is in accordance with ISAE 3410 and they apply the Institute of Chartered Accountants in England & Wales (ICAEW) Code of Ethics. The Unilever Board's Audit Committee oversees the USLP assurance programme. External independent assurance supports our internal controls. Risk management is integrated into every stage of our activities, processes and systems to ensure we mitigate accuracy and reliability risks. Our Corporate Audit function provides us with an objective and independent review of the effectiveness of risk management and internal control systems throughout Unilever.
W8 Targets	Metric: The number of people reached through our programmes on handwashing, sanitation, oral health, self-esteem and safe	Other, please specify ISAE 3410	PricewaterhouseCoopers LLP (PwC) assure our sanitation metric every other year. They independently assured our Health and Hygiene pillar commitments in 2018. The Unilever Board's Audit Committee oversees the USLP assurance programme. External independent assurance supports our internal controls. Risk management is integrated into every stage of

	drinking water by end 2018		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.

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.

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 is a C-Suite member of the Unilever Leadership Executive (ULE) - our highest operational group 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	51,980,000,000

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?

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		

SW2.1

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

SW2.2

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

SW3.1

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

Product name

RIN Laundry Powder with SmartFoam

Water intensity value

Numerator: Water aspect

Water consumed

Denominator

Litres per wash

Comment

Unilever's RIN washing powder with SmartFoam technology enables consumers to use less water while rinsing. In many developing and emerging countries, clothes are still washed by hand. This time-consuming task uses up to 40% of a household's domestic water consumption. Rinsing uses around 70% of this water and our research shows that people continue to rinse until there are no visible soap suds left.

The SmartFoam technology is a patented anti-foam molecule, which breaks down soap suds more quickly. Available in India, this product reduces the water used in rinsing by 40%.

Submit your response

In which language are you submitting your response?

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non Public Submission
I am submitting my response		Public

Please confirm below