

# Welcome to your CDP Water Security Questionnaire 2022

## W0. Introduction

### W0.1

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

#### **BACKGROUND**

Unilever makes and sells more than 400+ brands in over 190 countries which are used by some 3.4 billion consumers worldwide every day. Our brands include Knorr, Dove, Rexona, Lipton, Hellmann's, Omo, Lifebuoy and Ben & Jerry's – amongst many others. In 2021, our business was organised across three divisions: Beauty & Personal Care, Foods & Refreshment and Home Care. Our total turnover in 2021 was €52.4bn.

#### **OUR PURPOSE**

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

In June 2020, we released new commitments to fight climate change and protect nature as part of our new integrated business strategy, the Unilever Compass which builds on the Unilever Sustainable Living Plan, which came to an end in 2020. Some of our Unilever Compass commitments include:

- Net zero emissions for all our products by 2039.
- A deforestation-free supply chain by 2023.
- A new Regenerative Agriculture Code for all our suppliers.
- Water stewardship programmes to 100 locations in 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.

#### **OUR REPORTING AND DISCLOSURE**

Unilever's primary report is our

<https://assets.unilever.com/files/92ui5egz/production/ea1cbe44628b469752b28c4ab92520bc399dc6d3.pdf> Annual Report & Accounts (ARA) - <https://www.unilever.com/investors/annual-report-and-accounts/>.

In our ARA, we report progress against our Unilever Compass commitments as well as a range of other non-financial indicators. Our ARA also includes TCFD disclosures. We provide additional climate related disclosure and commentary in the Planet & Society Hub - <https://www.unilever.com/planet-and-society/> on Unilever.com.

## ASSURANCE

PricewaterhouseCoopers LLP (PwC) scope for their assurance work on selected Compass & Environmental & Occupational Safety performance indicators can be found in the PwC Basis of Preparation 2021 document in the Independent Assurance and metrics section on our website, alongside their findings in the PwC Limited Assurance Statement for 2021.

## 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, 2020	September 30, 2021

## W0.3

**(W0.3) Select the countries/areas in which you operate.**

- Algeria
- Argentina
- Australia
- Bangladesh

Bolivia (Plurinational State of)

Brazil

Bulgaria

Canada

Chile

China

Colombia

Costa Rica

Côte d'Ivoire

Cyprus

Denmark

Ecuador

Egypt

El Salvador

Ethiopia

Finland

France

Germany

Ghana

Greece

Hungary

India

Indonesia

Iran (Islamic Republic of)

Ireland

Israel

Italy

Japan

Kenya

Lithuania

Mexico

Morocco

Myanmar

Nepal

Netherlands

Nigeria

Pakistan

Philippines

Poland

Portugal

Romania

Russian Federation

Saudi Arabia

South Africa

Spain

Sri Lanka

Sweden

Switzerland  
 Taiwan, China  
 Thailand  
 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

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	GB00B10RZP78

## 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	<p>Direct primary use: Good quality water is a vital ingredient in many of our products and fundamental to product quality. It is also vital for heating, cooling &amp; cleaning processes in all 250 manufacturing sites and employee health. 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.</p> <p>Indirect primary use: Many of our agricultural suppliers need access to freshwater to grow the raw ingredients we rely on. Most of our products also need water to be used eg shampoo &amp; laundry detergent. Poor quality water or limited water availability constrains demand for our products as consumers reduce the frequency of use and/or inhibit the product performance. Lack of water availability can translate into lack of supply &amp; price volatility for us, resulting in the further revenue &amp; increased costs. If consumers reduce frequency of use of our products, we would also lose revenue from lower sales thus freshwater is rated vital for our operations.</p> <p>Future importance: Water scarcity is already a material issue for Unilever, as outlined in our materiality assessment however, if climate change continues to impact the frequency of extreme weather, availability of good quality freshwater will likely become more of a risk where it has a direct impact on our operations. Whilst we are innovating to create products that use less water, we continue to use freshwater as a primary input for products as well as for cleaning, heating &amp; cooling. The demand for our products and our customer base have increased over the last year. As it is also a basic requirement for farming &amp; for consumer use, we expect that freshwater will continue to be vital to our operations and value chain in the future.</p>

<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Important</p>	<p>Important</p>	<p>Direct primary use: This is important as recycled, brackish &amp; produced water is used in our manufacturing wherever possible. This is primarily used to run our utilities e.g. cooling towers. An example of water reuse &amp; recycling beyond our utilities is our Ceytea powdered tea Factory in Sri Lanka which completed the 100% Re-Aqua programme to recycle all water at the site, reducing the water that is abstracted. Today over 90% of their water demand is met by recycled water. Reuse &amp; recycling enables greater operational efficiency &amp; 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 &amp; environment, reduces costs of operations, needed to meet local regulation. Secondary benefits include energy &amp; chemical efficiency, product recovery &amp; cost reductions.</p> <p>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 &amp; 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 &amp; securing water for all.</p> <p>Future importance: With increasing stresses on water supplies through climate change, industrialization &amp; population growth, it is likely access to recycled, brackish &amp;/or produced water will become more important. We continually seek ways to reduce our impact and dependency. For indirect use, the amount of recycled, brackish &amp;/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 &amp; reuse will become an essential means of securing water for all.</p>
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## 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	<p>We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.</p> <p>The % of revenue dependent on each commodity is an approximation based on annual turnover for our Beauty &amp; Personal Care, Foods &amp; Refreshment and Home Care divisions. This is not based on actual product specific data and does not take into account the level of inclusion or whether or not it is substitutable/one of a number of sources.</p> <p>Each commodity is assessed based on revenue per division and an approximate calculation (%) of brands within that division that use it. Cocoa is used by our Ice Cream portfolio so the revenue is calculated as 6 - 10% of the total.</p>
Other, please specify Soy oils	Less than 10%	Sourced	<p>We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.</p> <p>The % of revenue dependent on each commodity is an approximation based on annual turnover for our Beauty &amp; Personal Care, Food &amp; Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources.</p> <p>Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use soy oils. Soy is only</p>

			used in only a small amount of our Foods & Refreshment portfolio, so the revenue is calculated as 6-10% of the total.
Palm oil	41-60	Sourced	<p>We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity. The % of revenue dependent on each commodity is an approximation based on annual turnover for our Beauty &amp; Personal Care, Food &amp; Refreshments and Home Care categories. This is not based on actual product specific data and does not take into account level of inclusion or whether or not is substitutable/one of a number of sources.</p> <p>Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use palm oil.</p> <p>Palm oil is used in Beauty &amp; Personal Care, Home Care and Food &amp; Refreshments. Based on this estimation, palm oil accounts for about 41-60% of revenue.</p>
Other, please specify Wheat	10-20	Sourced	<p>We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.</p> <p>Each commodity is assessed based on revenue per category and a rough calculation (%) of brands within that category that use wheat. Wheat is used in our Food &amp; Refreshments category. Based on this, we estimate wheat accounts for about 10-20% of revenue.</p>
Other, please specify Tea	Less than 10%	Both	<p>We identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.</p> <p>The % of revenue dependent on a commodity relates to its use in that particular Unilever category. Tea is a portfolio within our Foods and Refreshment category only. In 2021, the tea portfolio accounted for around 5% of our Group revenue.</p>



## 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). Data is measured via utility bills & onsite meters monthly and assured annually, in line with our Basis of Preparation. Water withdrawals - Total volumes = sum of withdrawals for all factories. Externally we report global performance but internally we report by site, region, category to drive improvements. For CDP, volumes are in line with GRI however, there is disparity between total withdrawals & the total abstraction metric reported in our online Planet & Society Hub as we identify rainwater harvesting as a means of minimizing water abstraction & the impact of factories on shared water resources. Our measurement, monitoring & target (MM&T) system is now in 200+ factories (over 80% of our manufacturing footprint). Hourly information helps validate our data & drive efficiency.
Water withdrawals – volumes by source	100%	Water withdrawals by source are reported in the global Environmental Performance Reporting (EPR) system for 100% of manufacturing operations. Water withdrawals by source is measured on a monthly basis by each factory. Within Unilever's central EPR system we differentiate between water by source of abstraction, i.e. municipal, ground water, surface water etc for 100% of manufacturing sites. Data is measured by using utility bills and onsite meters monthly and assured annually, in line with Unilever's Basis of Preparation. Where rainfall patterns suit, various sites have installed rainwater harvesting to minimize the amount of water that we abstract from municipal or ground water sources. Sites can monitor the use of collected rainwater through onsite flow meters and report via the EPR system. We currently

		have 28 sites reporting rainwater collection & use in our manufacturing operations.
Water withdrawals quality	100%	Water withdrawal quality is measured and reported for 100% of manufacturing operations, in line with the Unilever Safe Water Usage Guidance, part of the Unilever Good Manufacturing Practices (GMP). Information on water withdrawal quality is managed at site level and not reported centrally. The frequency of water withdrawal measurement and 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 at 100% of manufacturing operations, where needed to meet 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 measurement 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 combination of a water model which estimates wastewater volumes based on technologies & product type and direct reporting by sites.
Water discharges – volumes by destination	100%	Water discharge volumes are measured and reported at a site level for 100% of manufacturing operations where needed to meet local effluent and surface water compliance requirements. 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 inline flow meters reviewed daily. The volumetric data used within the CDP report is based on a combination of a a water model which estimates wastewater volumes based on

		technologies & product type and direct reporting from sites. The destination is based on the reported Chemical Oxygen Demand (COD) destinations, this information is reported on a monthly basis within our Environmental Performance Reporting Systems.
Water discharges – volumes by treatment method	100%	Water discharge volumes are measured & reported at a site level for 100% of manufacturing operations where needed to meet local compliance requirements. Sites are not required to report water discharges by treatment type on a monthly basis. Through our internal 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 is measured based on a combination of a water model which assumes the wastewater volumes based on technologies and products at sites and direct reporting by sites. When combined with the information in the technology inventory, we are able to measure and 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 measured and reported & for 100% of manufacturing operations. Centrally, using our global EPR system, we measure Chemical Oxygen Demand (COD) as a standard effluent parameter across all manufacturing operations. This is measured monthly and reported and assured by an external party (ISAE 3000) annually. At site level, the parameters monitored and reported vary based on production type, discharge destination and local regulation e.g. common parameters include BOD, pH, temperature. The frequency of monitoring is determined locally in accordance with regulatory requirements, for instance in some sites we use automatic composite sampling, whereas others use daily grab or spot sampling. Water treatment technologies vary by category, age & location (for instance, the effluent treatment for an ice cream factory will be different to a homecare factory).

Water discharge quality – temperature	100%	Discharge water quality parameters are reported & measured for 100% of manufacturing operations, where local regulations require. Testing protocols and frequency of measurement are subject to local permit requirements and are tracked and managed at site level in line with requirements for instance, approximately 1/3 of have installed automated continuous monitoring systems for temperature.
Water consumption – total volume	100%	Water consumption has been calculated using the definition recommended by CDP using information available for 100% of manufacturing operations. This is an annually calculated field using the measured data from above (water consumption=water withdrawal by volume – water discharge by volume). Water consumption as a metric is not used internally as an operational KPI, but the data used is within the calculation is, and is measured monthly. As an internal metric Unilever measure and report water used as an ingredient, allowing us to differentiate process water and track and target process improvements.
Water recycled/reused	100%	We reuse & recycle water in our operations as a way to reduce abstraction. Initiatives include optimisation such as increasing cycles of concentration in cooling towers, small loop recycling & reuse of cleaning waters or reuse of treated wastewater for utilities. Although our onsite metering provides much more granular oversight of water use, this is not in place at all sites. In 2020, we introduced a monthly measurement requirement for all sites for recycled final treated wastewater. This does not capture the many short-loop recycling initiatives but will give oversight of & encourage greater use of treated wastewater for uses such as utilities. Reporting and data accuracy on water recycling is being developed. Volumetric data used within this report are calculated based on a water model which estimates the water recycled/reused volumes created by technologies & processes.
The provision of fully-functioning, safely	100%	Within 100% of manufacturing operations, we provide access to WASH services for workers

<p>managed WASH services to all workers</p>		<p>and ensure that we are meeting good practices laid out in the WBCSD WASH in the Workplace Pledge. We measure this annually through an annual review through the SHE Positive Assurance Review for 100% of manufacturing &amp; non-manufacturing sites, including a question relating to the WBCSD WASH in the Workplace Pledge. Based on responses, sites with significant improvement areas will be provided with action plans. WASH services to all workers are also explored within the implementation of the Alliance for Water Stewardship standard being rolled out across water stressed sites. We engage in partnerships and external advocacy to create systems change on WASH issues. For example, we have been signatories of the UN CEO Water Mandate since its inception, active members of the WBCSD WASH Leadership Group and the WEF WASH Steering Group.</p>
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## 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
<p>Total withdrawals</p>	<p>30,087</p>	<p>About the same</p>	<p>Total water abstraction has increased by 1.5% vs. previous year. This is associated with growth in water intensive production related products, namely the Health Food Drink acquisition in South Asia which offset efficiencies delivered in homecare and personal care facilities in the year.</p> <p>During covid-19 pandemic Unilever, remained focused on efforts to protect our people, the communities we operate in and the continuity of our business. Restrictions to personnel and onsite presence of suppliers has meant the continuous improvement activities were limited, and implementation of capex for improvement projects slowed. However, simplification of production and growth in volumes of water efficient products in homecare for instance, has</p>

			<p>driven some underlying efficiencies.</p> <p>In addition, the roll out to the agility programme, which aims to reduce working stock levels and improve customer service are leading to increased cleaning demands and impacts on water use. To mitigate the impacts site teams are conducting cleaning matrix reviews and exploring opportunities for water reuse and recycling. Unilever had a 2008 to 2020 target to reduce water abstraction by 40% per tonne of production. 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 Q3 2021, we had achieved 48.8%.</p> <p>Future total withdrawal: Short term projections on water use are varied but overall expected to increase. For instance, the ongoing agility programme is anticipated to increase water use as sites changed over more. At the same time, continued focus on efficient cleaning, the ongoing Clean Tech programme and introduction of new internal targets on water efficiency are sought to counteract these.</p> <p>Longer term projections are that we will continue to drive water efficiency as part of an overall drive to improved sustainability and manufacturing excellence.</p>
Total discharges	14,772	Lower	<p>Total discharge data is from a combination of reported monthly data from central performance reporting system, and a calculated model for data quality and improvements. Reported water discharge volumes have reduced, in part as a result of improved data reporting. Therefore comparison with previous year does not reflect the operational efficiencies and programmes underway.</p> <p>Future total discharges: Short term projections on discharge volumes are varied but overall expected to increase with the ongoing agility programme.</p>

			In the medium to long term discharge volumes are expected to reduce significantly as sites increase the amount of wastewater recycling and reuse. Technology pricing is expected to reduce, know-how is expected to increase and regulation tightening as a result of public pressure and increasing national water security issues.
Total consumption	15,315	Higher	<p>Calculated water consumption for 2021 has increased vs previous years, this is largely a result of improved data reporting on water discharge volumes. Therefore comparison with previous year does not reflect the operational efficiencies and programmes underway.</p> <p>Future water consumption: Water consumption will be largely influenced by changes in the Homecare 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 and where direct to consumer purchasing there is a move to concentrated laundry products will reduce the amount of water used as an ingredient.</p>

## 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	<p>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.</p> <p>Tool Applied: An internal water stress rating uses a 1-5 scale.</p> <p>Volumes withdrawn from sites</p>

				<p>which scored a water stress rating of 4 and 5 are considered water stressed. Water abstracted from these water stressed sites are reported in our EPR reporting system. The performance is tracked and communicated separately within the business on a quarterly basis, and more ambitious targets applied to water stressed sites. Water stress ratings are updated on an ongoing basis off the back of direct engagement with sites, local authorities and media reviews. In 2021 we had 100 factories located in water stressed locations.</p> <p>Performance: The number of water stressed sites has remained consistent with 2019 and 2020. In 2021 38% of our water abstraction is from sites in water stressed locations vs.35% in 2020. Explanation: Performance in water stressed sites overall has been driven by production mix changes, and eco-efficiency initiatives in a number of sites including CuChi, Pondicherry and Manila. Positive impact was offset with the growth of water intensive production facilities in the Nutrition and Health Foods Drinks (HFD) category in South 2 of which are located in highly water stressed areas.</p>
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## 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	The proportion of this commodity sourced from	Please explain
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	with water stress is known	areas with water stress is known	
Other commodities from W-FB1.1a, please specify Cocoa	Not applicable	Yes	Unilever does not produce any cocoa. To identify the proportion of commodity sourced from areas with water stress we identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.
Other commodities from W-FB1.1a, please specify Soy oils	Not applicable	Yes	Unilever does not produce any soy. To identify the proportion of commodity sourced from areas with water stress we identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.
Other commodities from W-FB1.1a, please specify Wheat	Not applicable	Yes	Unilever does not produce any wheat. To identify the proportion of commodity sourced from areas with water stress we identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.
Other commodities from W-FB1.1a, please specify Tea	Yes	Yes	Unilever both sources and produces tea. To identify the proportion of commodity sourced and produced from areas with water stress we identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.
Palm oil	Not applicable	Yes	Unilever does not produce any palm oil. To identify the proportion of commodity sourced from areas with water stress we identified Unilever's biggest crops by purchased volume and compared them against the Water Footprint Network database of water intensity.

## 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%	<p>How this metric is used within Unilever: The Maplecroft Water Stress Index and WRI Aqueduct are used to determine the proportion of commodity volume sourced from water stressed countries. Countries classified with high or extreme water stress were counted. Of the agricultural commodities in scope, Unilever only produces tea in plantations in Kenya and Tanzania. Neither of these countries are classified as water stressed which results in low sourcing risk to us when we assess the vulnerability of certain commodities/products in our portfolio.</p> <p>Anticipated future trends: The latest IPCC Report shows a prediction of no to little change in precipitation levels in these countries against the 1.5°C and the 2°C scenarios &amp; 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&amp;A activity and/or consumer trends (preference for fruit teas over standard). This was the case last year and there has been no change between reporting years.</p>

## W-FB1.2g

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

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Other sourced commodities from W-FB1.2e, please specify Cocoa	0%	<p>How metric is used within Unilever: 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 2021. 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</p>

		<p>not currently areas associated with water stress.</p> <p>Anticipated future trends: According to the latest IPCC Report however, there is evidence that West Africa could witness negative impacts in the future from climate change on crop yields and production against a 2°C or above scenario. It is expected that this demand will increase thus proportion reported will increase. 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.</p>
<p>Other sourced commodities from W-FB1.2e, please specify</p> <p>Soy oils</p>	<p>1-10</p>	<p>How metric is used within Unilever: The figure provided (2%) was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, &amp; the latest available Unilever volume data for 2021. The risk rating &amp; 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.</p> <p>Anticipated future trends: 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 through our annual scenario analysis, 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,</p>

		Proterra and the United States Sustainable Soy Assurance Program implemented by Unilever's suppliers.
Other sourced commodities from W-FB1.2e, please specify Wheat	11-25	<p>How metric is used within Unilever: 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 2021. We source the majority of our wheat from United States of America, Germany, Pakistan, South Africa, United Kingdom and Mexico. From these countries, Pakistan and Mexico are considered High water stress. Both United States and South Africa are considered Low to Moderate in water stress. However, wheat growing in areas of the United States, tend to be in states with high water stress, making water management an important pillar of good agricultural practices. Unilever worked to source 100% of our cereals volumes sustainably by the end of 2020 (67% of our agricultural raw materials were sustainably sourced by the end of 2020, including 59% as physical sustainable sources and 8% in the form of certificates for palm, soy and sugar). Despite missing our target to source all agricultural raw materials sustainably, for the 12 priority crop groups – of which cereals is one – that make up around two-thirds of our total volume of agricultural raw materials, 79% were sustainably sourced in 2021.</p> <p>Anticipated future trends: We are working to buy certified wheat that meets the requirements of certification standards like the Sustainable Agriculture Code and Farm Sustainability Assessment, which address water-related risks.</p>
Other sourced commodities from W-FB1.2e, please specify Tea	26-50	<p>How metric is used within Unilever: The figure was obtained using Water Footprint Network data on crop water intensity, the Maplecroft Water Stress Index, and the latest available Unilever volume data for 2021. The risk rating and percentage of commodity produced in water stressed countries has not changed since the previous reporting year. We source the majority of our tea from India, Kenya, Turkey Argentina and Indonesia. From these countries, India and Turkey are considered High water stress countries. Whilst the latest IPCC Report shows a prediction of no to little change in precipitation levels in the countries against the 1.5°C and the 2°C scenarios where we produce tea, we source around 38% of our tea from other countries in Africa and Asia which are more vulnerable to the extreme weather events linked to climate change.</p>

		<p>Anticipated future trends: 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.</p>
Palm oil	1-10	<p>How metric is used within Unilever: 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 2021. 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.</p> <p>Anticipated future trends: 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.</p>

## 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	2,050.3	Higher	Whilst surface water remains a relevant source of water, it only accounts for 7% of total water withdrawals. 67% of fresh surface water is used for non-contact cooling activities. This takes place in 4 water

				<p>abundant locations. Using water to transfer heat is cost effective &amp; minimises overall impact vs electrical cooling/refrigerants.</p> <p>Performance: Surface water has increased (+7%). Use of rainwater increased by 26% vs 2019. There are 22 sites across our network collecting and reusing rainwater.</p> <p>Rainwater makes up a small % of total use (&lt;0.5%) it is increasingly important, minimizing reliance on municipal supplies &amp; supporting downstream flood mitigation. Over the last year we have increased rainwater use in our operations by 15%. This is driven by sites like Dapada in India where rainwater makes up almost 40% of the sites total water use. We anticipate we will continue to drive reductions in surface water, focused in areas of water stress &amp; continue to promote rainwater harvesting.</p>
Brackish surface water/Seawater	Not relevant			<p>Brackish surface water / Seawater is no longer used within our operations following the spreads divestment where it had been used as a form of non-contact cooling. In the future, Seawater could become a more important source of water e.g. for ground source heat pumps, cooling or direct water abstraction with desalination.</p>
Groundwater – renewable	Relevant	8,255.2	About the same	<p>Ground water is used in manufacturing operations as both a process and as a raw ingredient. This makes up</p>

				<p>27% of the Unilever's total water withdrawal.</p> <p>Performance: Compared to the previous year, Groundwater has increased by 2%, this has been driven by recent growth in South Asia. 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.</p>
Groundwater – non-renewable	Not relevant			<p>Groundwater from non-renewable sources is not a water source that we withdraw from today. In the future, it is unlikely that this will become a source for abstraction given our increasing awareness of water resources, and the tightening regulatory environment.</p>
Produced/Entrained water	Not relevant			<p>Today, we do not use water from produced / entrained sources of water. The majority of our raw materials arrive to the site ready for production process e.g. dried vegetables for stock-cube production. In the future, as water becomes increasingly stressed, produced / entrained water may become more of an opportunity.</p>
Third party sources	Relevant	19,781.5	About the same	<p>Performance: Water provided by municipalities, water authorities, industrial parks or other represents 66% of Unilever's total water withdrawal. During 2021</p>

				<p>municipal water use increased by 1.5%. Impacts to municipal water consumption were a result of production growth in large personal care factory in the US and increased demand from ice cream production in Italy.</p> <p>Future trend: It is anticipated municipal water will continue to be a relevant source of water for Unilever. As part of our overall sustainability programme, we will continue to drive water efficiency and water recycling to reduce demand on 3rd Party sources. We expect treated wastewater from other organisations could offer opportunities to minimise demand from shared water resources &amp; minimise risks of over abstraction in the future. Likewise, finding secondary uses for our wastewater could represent a more significant opportunity going forward.</p>
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## 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	2,549	Higher	<p>Relevant: Calculated discharge to surface water accounts for approximately 17% of Unilever’s wastewater discharged. Where we are discharging directly to the environment. Performance: Overall reported water discharges have reduced by 68% vs previous year, this is largely a result of improved reporting capabilities,</p>



				<p>moving away from calculated wastewater volumes to reported. We are adopting a Circular Water philosophy in many sites where wastewater is treated &amp; reused. Water discharge volumes are estimated using a category level mass balance. Future: We expect volume of water discharged to surface water to reduce as recycling activities &amp; Circular Water programmes increase and local regulation increases. Efficiencies in production and treatment can lead to reduction in abstraction &amp; sludge &amp; cost savings, forming part of our continuous improvement strategy</p>
Brackish surface water/seawater	Not relevant			<p>Water discharged to brackish surface water is not relevant for our operations any longer. Previous reporting periods had reported volumes of water discharged from non-contact cooling activities associated with our spreads business which was divested previously, as reported in 2020 CDP Water Disclosure. Future: . It is unlikely that direct discharge of wastewater to oceans will increase into the future, as we seek to recover and reuse water within our operations. And whilst in the past non-Contact Cooling is a low cost, with (in most cases) low /negligible environmental impact we are increasingly using heat recovery systems which also support our decarbonisation and energy reduction agenda.</p>
Groundwater	Not relevant			<p>Water discharged to groundwater is not relevant for our operations. We do not discharge wastewater to groundwater. As regulated, and as part of our water stewardship agenda, we are recharging</p>

				<p>groundwater in some places either through direct recharge with collected rainwater or through nature based solutions in the wider community</p> <p>Future: Ground source heat pumps represent a low carbon opportunity to provide space cooling that could gain increased traction in the future. With increasing water insecurity, groundwater recharge with rainwater may increase, subject to local requirements and regulation. However, unlikely that this will be done with treated production wastewater. We therefore do not foresee discharge of treated wastewater to groundwater increasing in the future.</p>
Third-party destinations	Relevant	12,223	Lower	<p>Relevant: Many of our sites use municipal, public or private utilities for additional treatment of wastewater. This has remained much the same as the previous year, increasing by 0.2%. Due to improvements in reporting capabilities of wastewater volumes, 83% (vs 61% in previous year) of Unilever's wastewater is sent offsite for further treatment prior to release back to the environment or for subsequent uses. Future: Short term projections on water discharges expected are varied. The agility programme is anticipated to drive an increase in change overs, resulting in greater wastewater volumes. Longer term however, active mitigation programmes to increase water recycling and support a Circular Water Programme, will create greater value from wastewater minimising</p>

				discharges to municipal wastewater treatment plants.
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## W1.2j

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

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	4,592	Much lower	31-40	<p>Situation: Note that there have been improvements in central data reporting associated with wastewater volumes which provide a more accurate picture of the wastewater discharges by source. Therefore comparison with previous year does not reflect the operational efficiencies and programmes underway.</p> <p>Rationale: As part of our ongoing</p>

					<p>continuous improvement programme for water in our manufacturing sites we are increasing the amount of wastewater recycling for productive uses in our manufacturing sites. As such, increased water quality parameters are required, resulting in a greater amount of tertiary treatment.</p> <p>Alignment with standards: We are seeing an overall trend in regulation for water recycling on or off site e.g. in Egypt, and a growing concern about water access in places like Chile or Mexico. We comply with these</p>
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					<p>regulatory standards and they are driving the business case for increasing reuse.</p> <p>We anticipate that wastewater treated using tertiary treatment will increase as regulations become more stringent across our Supply Chain network. We also anticipate that in the future water recycling markets create secondary use opportunities - requiring specific water qualities and tertiary treatment.</p> <p>Information comes from central technology inventory detailing treatment methods and</p>
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					a combination of actual reported and calculated wastewater volume data based on a model. We aim to improve data quality on centrally reported wastewater volumes.
Secondary treatment	Relevant	4,364	Much lower	21-30	<p>Situation: Note that there have been improvements in central data reporting associated with wastewater volumes which provide a more accurate picture of the wastewater discharges by source. Therefore comparison with previous year does not reflect the operational efficiencies and programmes underway.</p> <p>Rationale: We have</p>

					<p>various types of secondary treatment of wastewater across our manufacturing operations, based on age of facility and the category of wastewater e.g. ice cream vs. homecare. Secondary treatment as highest level of treatment is mainly for those sites which discharge municipal / industrial wastewater treatment.</p> <p>Alignment with standards: Overall we anticipate that municipalities will place increased requirements on industries to reduce the load prior to central treatment, based on a trend of increased flows into shared</p>
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					<p>infrastructure and the increasing attention on water authorities' performance. Information comes from central technology inventory detailing treatment methods and a combination of actual reported and calculated wastewater volume data based on a model. We aim to improve data quality on centrally reported wastewater volumes.</p>
Primary treatment only	Relevant	4,095	Much lower	21-30	<p>Situation: Note that there have been improvements in central data reporting associated with wastewater volumes which provide a more accurate picture of the wastewater</p>



					<p>discharges by source. Therefore comparison with previous year does not reflect the operational efficiencies and programmes underway.</p> <p>Rationale: Primary treatment of wastewater is used to remove suspended solids and FOGs. Generally this consists of fat traps and dissolved air floatation. Primary treatment as highest level of treatment is mainly for those sites which discharge municipal / industrial wastewater treatment.</p> <p>Alignment with standards: Overall we anticipate that municipalities</p>
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					<p>will place increased requirements on industries to reduce the load prior to central treatment, based on a trend of increased flows into shared infrastructure. In addition, programmes and targets which incentivise water reuse and recycling would require more advanced treatment types.</p> <p>Information comes from central technology inventory detailing treatment methods and a combination of actual reported and calculated wastewater volume data based on a model. We aim to improve data quality on</p>
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					centrally reported wastewater volumes.
Discharge to the natural environment without treatment	Not relevant				We do not discharge wastewater to the nature environment without treatment.
Discharge to a third party without treatment	Relevant	1,722	Much lower	11-20	Rationale: There are 31 sites that discharge wastewater to a third party without prior treatment. These sites are generally low flow and relatively low water users e.g. Tea, savoury, deodorants and where we have an agreement with an offsite third party or municipality to treat the wastewater before release. It is expected that the volumes discharged without treatment will reduce into the future as we place increasing

					<p>focus on water reuse and recycling in our direct operations.</p> <p>Alignment with standards: we comply with local regulatory standards for these sites.</p> <p>Information comes from central technology inventory detailing treatment methods and a combination of actual reported and calculated wastewater volume data based on a model. We aim to improve data quality on centrally reported wastewater volumes</p>
Other	Not relevant				There are no other treatment types considered.

## W1.3

**(W1.3) Provide a figure for your organization's total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	52,440,000,000	30,087	1,742,945.4581713	Note that there is a difference between Unilever's externally reported Water withdrawal data and that disclosed in CDP Water. This is because Unilever's Water Abstraction metric excludes collected rainwater used for production related activities. It is excluded to incentivise rainwater collection which generally has longer paybacks. This is outlined in Unilever Basis of Preparation.

## W-FB1.3

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

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Other commodities from W-FB1.1a, please specify Cocoa	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by dividing the volumes purchased by the global average footprint (m <sup>3</sup> /ton) for water provided by the Water Footprint Network.
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 dividing the volumes purchased by the global average footprint (m <sup>3</sup> /ton) for water provided

			by the Water Footprint Network.
Other commodities from W-FB1.1a, please specify Soy oils	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by dividing the volumes purchased by the global average footprint (m <sup>3</sup> /ton) for water provided by the Water Footprint Network.
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 dividing the volumes purchased by the global average footprint (m <sup>3</sup> /ton) for water provided by the Water Footprint Network.
Palm oil	Not applicable	Yes	We do not collect actual water intensity data, but the 'theoretical' total water consumed has been calculated by dividing the volumes purchased by the global average footprint (m <sup>3</sup> /ton) for water provided by the Water Footprint Network.

### W-FB1.3a

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

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#### **Agricultural commodity**

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

Tea

#### **Water intensity value (m<sup>3</sup>)**

47.79

**Numerator: water aspect**

Total water consumption

**Denominator**

Tons

**Comparison with previous reporting year**

About the same

**Please explain**

Change from previous year: We have changed the methodology for how we calculate this information. Therefore, it is not comparable with previous years.

How metric is used internally: Water consumed (blue, green, grey) has been calculated using the WFN modelled data against volume consumed. 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.

Future trends: 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.

Strategy to reduce intensity: 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)**

2.55

**Numerator: Water aspect**

Total water consumption

**Denominator**

Tons

**Comparison with previous reporting year**

About the same

### Please explain

Change from previous year: We have changed the methodology for how we calculate this information. Therefore, it is not comparable with previous years.

How metric is used internally: The underlying theoretical water intensity conversion provided by the Water Footprint Network did not change between years. However, in previous years, we used the blue water conversion only as opposed to blue, green, grey. We have now used the combined conversion figure from WFN against volume purchased. This water use is rainfed, so there are no opportunities to reduce crop intensity.

Future trends: 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.

Strategy to reduce 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.

### Agricultural commodities

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

Soy oil

### Water intensity value (m3)

71.65

### Numerator: Water aspect

Total water consumption

### Denominator

Tons

### Comparison with previous reporting year

About the same

### Please explain

Change from previous year: We have changed the methodology for how we calculate this information. Therefore, it is not comparable with previous years.

How metric is used internally: The underlying theoretical water intensity conversion provided by the Water Footprint Network did not change between years. However, in previous years, we used the blue water conversion only as opposed to blue, green, grey. We have now used the combined conversion figure from WFN against volume purchased.



Future trends: 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.

Strategy to reduce intensity: 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.

### **Agricultural commodities**

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

### **Water intensity value (m3)**

72.11

### **Numerator: Water aspect**

Total water consumption

### **Denominator**

Tons

### **Comparison with previous reporting year**

About the same

### **Please explain**

Change from previous year: We have changed the methodology for how we calculate this information. Therefore, it is not comparable with previous years. The underlying theoretical water intensity value did not change between years.

How metric is used internally: 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. Management requirements of these standards include having a water management plan and ensuring equitable distribution of water in the catchment.

Future trends: 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.

Strategy to reduce intensity: We do not currently have strategies to apply this knowledge to decision-making in wheat sourcing.

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**Agricultural commodities**

Palm oil

**Water intensity value (m3)**

181.54

**Numerator: Water aspect**

Total water consumption

**Denominator**

Tons

**Comparison with previous reporting year**

About the same

**Please explain**

Change from previous year: We have changed the methodology for how we calculate this information. Therefore, it is not comparable with previous years.

How metric is used internally: The underlying theoretical water intensity conversion provided by the Water Footprint Network did not change between years. However, in previous years, we used the blue water conversion only as opposed to blue, green, grey. We have now used the combined conversion figure from WFN against volume purchased. Palm oil is a rainfed crop, of which 96% of total water consumption is attributed to this source.

Future trends: 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.

Strategy to reduce intensity: 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.

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**Agricultural commodities**

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

Tea

**Water intensity value (m3)**

47.79

**Numerator: Water aspect**

Total water consumption

**Denominator**

Tons

## Comparison with previous reporting year

About the same

### Please explain

Change from previous year: We have changed the methodology for how we calculate this information. Therefore, it is not comparable with previous years.

How metric is used internally: In most countries, tea is a rainfed crop, which is why 82% of the modelled water intensity for tea is attributable to green water.

Future trends: We do not anticipate a change in the short to mid-term.

Strategy to reduce intensity: 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 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.

## 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

26-50

#### % of total procurement spend

26-50

#### Rationale for this coverage

Unilever spends around €34bn on goods & services annually from around 53,000 suppliers, giving us scale & impact to influence those we work with. Aligned with our strategy to sustainability source 100% of our key agricultural crops, we collect water use information from agricultural suppliers through the use of our Sustainable Agriculture Code (SAC) or equivalent scheme. These suppliers were chosen because they are key suppliers of the commodities we use in our operations.

These suppliers are incentivised to report as measuring progress is a mandatory requirement of our SAC where 'Unilever suppliers must provide the necessary data' for calculating their water intensity metrics and would risk being unfavorable if they did not. Of our total supplier spend, we spend 33% on raw materials. 45% of which comply with our sustainable sourcing requirements and who via this program are requested to report on water use, risks and/or management information. Since 2010 we have implemented our sustainable water practices on 70% of our supply chain of key agriculture materials and 56% of our total agricultural supply chain by volume. This corresponds to have engaged with 1085 suppliers (38% of all agriculture suppliers).

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

Unilever engages suppliers to improve the sustainability practices of their farmers using a team of specialized consultants. We count materials as sustainable when they are Sustainable Agriculture Code (SAC) compliant or certified against an equivalent 3rd-party standard. These standards set requirements for the management of water risks e.g. abstraction of water from water sources for irrigation. Suppliers are requested to report on water use, water risks and management practices. To monitor compliance with the code, a 3rd-party body conduct audits of suppliers implementing the SAC. This includes water management requirements and where deviations are found, corrective actions are taken to rectify.

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

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

### **Comment**

Coverage here is based on agricultural raw material suppliers as a proportion of total suppliers which is why it seems low. Our SAC has the expectations set out for our suppliers, including water management practices which are mandatory, expected & leading. See SAC sections 4.1 – Improving water use & efficiency, 4.2 – Irrigation for more information.

## **W1.4b**

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

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### **Type of engagement**

Innovation & collaboration

### **Details of engagement**

Encourage/incentivize innovation to reduce water impacts in products and services

Provide training and support on sustainable agriculture practices to improve water stewardship

Educate suppliers about water stewardship and collaboration

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

26-50

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

26-50

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

Coverage: Unilever spends around €34bn on goods & services annually from around 53,000 suppliers, giving us scale & impact to influence those we work with. Aligned with our strategy to sustainability source 100% of our key agricultural crops, we collect water use information from agricultural suppliers through the use of our Sustainable Agriculture Code (SAC) or equivalent scheme. These suppliers are chosen because they are key suppliers of the commodities we use in our operations. Coverage here is based on agricultural raw material suppliers as a proportion of total suppliers. Our SAC has the expectations set out for our suppliers, including water management practices which are mandatory, expected & leading.

These suppliers are incentivised to report as measuring progress is a mandatory requirement of our SAC where 'Unilever suppliers must provide the necessary data' for calculating their water intensity metrics and would risk being unfavorable if they did not. Of our total supplier spend, we spend 33% on raw materials. 45% of which comply with our sustainable sourcing requirements and who via this program are requested to report on water use, risks and/or management information. Since 2010 we have implemented our sustainable water practices on 70% of our supply chain of key agriculture materials and 56% of our total agricultural supply chain by volume. This corresponds to have engaged with 1085 suppliers (38% of all agriculture suppliers).

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

Beneficial outcomes: Unilever engages suppliers to improve the sustainability practices of their farmers using a team of specialized consultants. We count materials as sustainable when they are Sustainable Agriculture Code (SAC) compliant or certified against an equivalent 3rd-party standard. These standards set requirements for the management of water risks e.g. abstraction of water from water sources for irrigation. Suppliers therefore report on water use, water risks and management practices. To monitor compliance with the code, a 3rd-party body conduct audits of suppliers implementing the SAC. This includes water management requirements and where deviations are found, corrective actions are taken to rectify.

How success is measured: Our measure of success is the rate of compliance against the SAC. In 2021, only 1% of suppliers were non-compliant. In addition, we collect quantitative data related to the volume of irrigation water used per tonne of crop produced. The data collected is used to track suppliers' water use performance over time, test the impact of particular interventions and engage with suppliers on possible improvements.

### Comment

Coverage here is based on agricultural raw material suppliers as a proportion of total suppliers which is why it seems low. Our SAC has the expectations set out for our suppliers, including water management practices which are mandatory, expected & leading. See SAC sections 4.1 – Improving water use & efficiency, 4.2 – Irrigation for more information.

### Type of engagement

Innovation & collaboration

### Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship

### % of suppliers by number

Less than 1%

### % of total procurement spend

Less than 1%

### Rationale for the coverage of your engagement

Coverage: Only suppliers covered under one brand whose related crops are the most water-intensive have been selected for this engagement.

### Impact of the engagement and measures of success

Beneficial outcomes: Our brands are working to protect and preserve natural habitats in the places their ingredients are produced. Part of our Climate & Nature Fund, Knorr continues its work with farmers and growers through a new series of 50 projects aiming to establish regenerative agriculture sourcing for 80% of its key raw materials over five years. One project, for example, is using satellite data and digital sensors to help tomato farmers in the south of Spain optimise their water use and improve soil health through cover cropping. Farmers reported an increase in yield during the first harvest in October 2021. Another project the brand is working on is with its US rice supplier, Riviana, implementing a suite of farming practices that enable farmers to grow rice while preserving water and decreasing methane emissions. We're partnering with the University of Arkansas to engage the farmers in the programme and create and measure impacts of regenerative practices on water capture and emissions. We estimate that through these programmes, we can reduce water use and GHG emissions by around 30% while improving biodiversity, soil health and livelihoods.

How success is measured: Our supplier engagement success measurement varies depending on the project but some examples include metrics such as the % of key raw materials sourced from regenerative agriculture, through increased crop yield and reduced water use.

### Comment

Unilever will continue identifying key suppliers and farmers to engage via our Climate & Nature Fund.

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**Type of engagement**

Innovation & collaboration

**Details of engagement**

Encourage/incentivize innovation to reduce water impacts in products and services

**% of suppliers by number**

Less than 1%

**% of total procurement spend**

Less than 1%

**Rationale for the coverage of your engagement**

Coverage: Driving regenerative agriculture practices in support of improving Unilever's total water footprint will require disruptive business model changes for both our agricultural partners and our suppliers. A business-unusual vehicle like the Climate & Nature Fund is the best approach for driving this disruption.

As part of our Compass ambitions, Unilever committed to invest €1B in a Climate & Nature Fund that would drive delivery of our 'Climate Action' and 'Protect and Regenerate Nature' targets. The Climate & Nature Fund was established in July 2021 and by December 5 programs had already been approved worth €60M of investment; one of which is a program looking to pilot regenerative agriculture practices (including reduction of water footprint) through a series of lighthouse projects. Ambition is for these practices to scale and lead to established industry standard.

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

Beneficial outcomes: Our Knorr brand continues its work with farmers and growers through a new series of 50 projects aiming to establish regenerative agriculture sourcing for 80% of its key raw materials over five years. One project, for example, is using satellite data and digital sensors to help tomato farmers in the south of Spain optimise their water use and improve soil health through cover cropping. Farmers reported an increase in yield during the first harvest in October 2021. Another project the brand is working on is with its US rice supplier, Riviana, implementing a suite of farming practices that enable farmers to grow rice while preserving water and decreasing methane emissions. We're partnering with the University of Arkansas to engage the farmers in the programme and create and measure impacts of regenerative practices on water capture and emissions. We estimate that through these programmes, we can reduce water use and GHG emissions by around 30% while improving biodiversity, soil health and livelihoods.

How success is measured: The primary measure will be number of hectares on which regenerative practices are implemented. However, for each program we will also be

measuring progress against multiple indicators like water consumption, soil health and soil organic carbon.

### Comment

Unilever will continue identifying key suppliers and farmers to engage via our Climate & Nature Fund.

### Type of engagement

Innovation & collaboration

### Details of engagement

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

### % of suppliers by number

Less than 1%

### % of total procurement spend

Less than 1%

### Rationale for the coverage of your engagement

Coverage: In 2020, we set out our ambition to achieve net zero emissions across our value chain by 2039. This is a collective challenge, and an urgent one. Our suppliers bring critical climate action innovations to us.

### Impact of the engagement and measures of success

Beneficial outcomes: Through our partnership with Neste, we're exploring new sources of renewable and recycled carbon for our cleaning product formulations. In June 2021, we joined forces with Coca-Cola and Colgate-Palmolive in AB InBev's 100+ accelerator to push sustainable innovation in climate, water, packaging, and sustainable agriculture in supply chains. We began five pilots to test innovations in sustainable packaging, water and energy – for example, converting food waste into animal feed in East Africa and repurposing brewery grains for packaging materials in China.

How success is measured: The success of these pilots will be monitored and measured and ultimately will be defined as a reduction in our value chain emissions.

### Comment

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

## W1.4c

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



Partners engaged: For the sake of our CDP disclosure, we are talking about consumers as our customers, rather than our retailers. Over 85% of water use across our value chain occurs when consumers use our products, so our engagement activities focus on them to understand their needs and where we can support them in making our products water-smart, where they use less water in their homes.

Method & strategy of engagement: We engage with consumers using a number of different channels to gather insights, including 37 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. Water is essential for people to enjoy our products. It is our responsibility to help firstly, understand the consumer use impact of our products and secondly, to help consumers reduce the impact of our products. We are therefore focusing on making water-smart products that support our consumers to use less water in their homes. For example, our antibacterial Sunlight washing-up liquid that can be used without water and rinsing. 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.

## 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.**

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**Country/Area & River basin**

Egypt

Nile

**Type of impact driver & Primary impact driver**

Regulatory

Tighter regulatory standards

### Primary impact

Other, please specify

Mandatory water efficiency, conservation, recycling or process standards

### Description of impact

National commitments introduced through the Egypt Strategy 2030 in 2019 are being introduced by industrial zone authorities, changing their requirements to minimise water requirements and encourage water recycling within or outside of facility boundary. This regulatory impact is requiring sites in the area to implement advanced water recycling and reuse systems resulting in an increase in production costs of Unilever. To respond requirements, we are investing €4.5 million on advanced wastewater treatment. Individually, this is not deemed to be substantive.

### Primary response

Adopt water efficiency, water reuse, recycling and conservation practices

### Total financial impact

4,500,000

### Description of response

To respond to this Unilever are underway with wastewater treatment expansion plans to be completed by 2023, estimated costs of €4.5 million across 3 factories.

### Country/Area & River basin

India

Ganges - Brahmaputra

### Type of impact driver & Primary impact driver

Regulatory

Tighter regulatory standards

### Primary impact

Increased production costs

### Description of impact

In over-exploited ground water zones, The Central Ground Water Authority, Government of India has revised guidelines for groundwater use as part of ensuring sustainable groundwater management. This requires that existing industry in these areas to recharge groundwater at 200% of groundwater abstraction. There is also an additional requirement for all industries located in these zones to fully recycle and reuse the wastewater. The additional regulatory standards require additional capital investment into advanced wastewater recycling, rainwater harvesting onsite, and pond building and restoration offsite. Failure to meet regulatory requirements would affect our license to operate. This requirement affects 13 Unilever sites situated in Critical and Over-exploited zones within India.

**Primary response**

Adopt water efficiency, water reuse, recycling and conservation practices

**Total financial impact**

2,220,000

**Description of response**

To respond to these new requirements, in 2020-2021, Unilever has installed various water efficiency initiatives concentrating on reducing freshwater abstraction (e.g. expansion of rainwater harvesting, optimization of RO plants) at an estimated cost of €200K. Expansion plans for advanced wastewater treatment investment are in development, at one site this is estimated to cost over €2million. Community Water projects implemented as part of Prabhat program estimated cost €100K per site over a 2-year period.

**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?**

No

**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?**

**Product Design:** Each new product innovation is evaluated systematically and scientifically by our team in the Safety and Environmental Assurance Centre (SEAC). Our scientists consider any safety risks to the consumers who use our products, to the workers who make them, and to the environment to ensure all our products are safe to use. We use environmental safety assessments to determine any potential risk of adverse effects that could come from using and disposing of our products. Our assessments are exposure-driven: we use state-of-the-art computer modelling approaches to predict what happens to each of the ingredients once they are disposed of, and how much could end up in the environment. We consider factors influencing how much could enter the environment, such as whether the product will undergo wastewater treatment as well as whether the ingredient will biodegrade and, if so, how quickly.

**Operations:** Compliance with legal requirements and regulatory standards associated with discharge of water pollutants is part of our licence to operate, and a requirement for 100% of sites. This is done through a combination of onsite and offsite treatment of wastewaters. Monitoring programmes developed locally are in compliance with local regulatory standards and legislation and take into account the sensitivity of the water course into which the discharge is going into. There is currently no central Unilever standard for the quality of water discharges but all environmental aspects are managed under the Unilever Environmental Care Framework

– our internal environmental management system (which is aligned to ISO 14001). Chemical Oxygen Demands (COD) data are required to be entered on our monitoring system on a monthly basis whilst all other data are recorded and collected at site level. This is measured in line with the scope and assumptions detailed in our Basis of Preparation 2021 (independently assured in alignment with ISAE 3000) – available through our corporate website. COD represents the pollution potential of our wastewater leaving the site boundary and can vary significantly based on the level of onsite and offsite treatment. COD load is typically calculated using COD concentration data measured using a sampling technique and testing in either on or off site laboratories, or using real time in-line TOC sensors together with volumetric flow data from effluent flow meters on site. Exceedances of legal requirements or environmental incidents are reported and monitored via our recently updated centralised incident reporting and management platform.

**Supply chain:** Furthermore, for ingredient sourcing, risks are addressed through certification schemes such as the Unilever Sustainable Agriculture Code (SAC), 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.**

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### 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 Unilever Sustainable Agriculture Code (SAC) and other schemes, 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 affecting 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

Managing Impacts: 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. It's also a core focus in our Compass strategy, to achieve 100% sustainable sourcing of our key agricultural crops. Section 2 of our SAC focuses on pest, disease and weed management with requirements for the following: Pesticides with active ingredients classified by the World Health Organisation (WHO) as extremely hazardous (class 1a) are prohibited from use (amongst others), whilst highly hazardous (class 1b) ingredients must be phased out within 3 years of implementation of the code. Integrated pest management (IPM) – an approach of: (1) prevention through crop rotation, biological and physical controls, etc, (2) observation through monitoring and action thresholds, etc and lastly (3) intervention through ingredient selection, resistance avoidance, etc; is adopted by producers.

Measurement: Certification and verification audits are conducted which monitor compliance with the SAC and its requirements. The compliance rate is therefore a measure of success, whilst steps ensuring corrective actions are taken ensure that any non-conformances are rectified in a timely manner.

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### Potential water pollutant

Manure and slurries

### Activity/value chain stage

Agriculture – direct operations

Agriculture – supply chain

### Description of water pollutant and potential impacts

Unilever agricultural raw material suppliers implementing the Sustainable Agriculture Code and other schemes recognised in the Scheme Rules, comply with a series of requirements that address potential water pollutants derived from farming operations. Impacts: Farming practices may include the use of fertilisers (including manure), while livestock farms are also likely to use antibiotics and other veterinary medicines. All these are potential sources of water pollution and are from our supply chain. Within our manufacturing operations, we do not have manure or slurry pollutants. However, waste sludge is derived from our wastewater treatment plants. In some countries this is used as a soil improver with quality in line with local regulation.

Impacts include the pollution of watercourses and groundwater e.g. excess nutrient application may lead to eutrophication and the destabilising of aquatic ecosystems; the application of certain pesticides may cause damage to aquatic organisms, and both pesticides and nutrients can bring water below that required for potability in the local area of operation. Effluent treatment plant sludge represents around 25% of our annual waste disposed by sites.

### Management procedures

- Animal waste management
- Livestock management
- Waste water management
- Follow regulation standards

### Please explain

Managing Impacts: 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.**

---

### Value chain stage

Other stages of the value chain

### 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?

More than 6 years

### Type of tools and methods used

Tools on the market

### Tools and methods used

Other, please specify

Task Force on Climate-related Financial Disclosures

### Contextual issues considered

Water regulatory frameworks

Status of ecosystems and habitats

### Stakeholders considered

Customers

Employees

Investors

Local communities

### Comment

We publish our scenario analysis as part of our TCFD disclosure in our Annual Report, including methodology, assumptions and quantification of risks and opportunities. We have conducted several high-level scenario analyses on the potential impacts of climate change to help us consider and adapt our strategies and financial planning. In prior years, we have reported the potential financial impacts of climate change on our business in 2030 if average global temperatures were to rise by 2°C and 4°C above pre-industrial levels by 2100. In 2021, as new scientific evidence was released by the UN's Intergovernmental Panel on Climate Change (IPCC) and the global consensus around the need of governments to commit to a 1.5°C world strengthened, we extended our



scenario analyses to assess the impacts of a 1.5°C temperature increase above pre-industrial levels by 2100 on our business in 2030, 2039 and 2050.

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**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

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

**Frequency of assessment**

More than once a year

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

3 to 6 years

**Type of tools and methods used**

Tools on the market  
Enterprise risk management

**Tools and methods used**

WRI Aqueduct  
Other, please specify  
ISO 14001, Unilever Environmental care Framework Standard, Interviews, Media Reviews, Employee Engagement

**Contextual issues considered**

Water regulatory frameworks  
Status of ecosystems and habitats  
Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities

**Comment**

Water stress assessments for our manufacturing operations we use the WRI Aqueduct tool. This is reviewed on an ongoing basis in light of significant changes e.g. acquisitions or information from the factory network on emerging water insecurity. Ratings and media reviews are discussed with factory teams. At a site level we use Unilever's Environmental Care Framework Standard which takes into consideration local water conditions and the local environment, helping us prioritise according to the local risk and establish controls to mitigate risk them. Environmental Audits are conducted against the

Unilever's Environmental Care Framework Standard and / or ISO14001, as well as the audits conducted through Unilever Manufacturing System Environment Pillar and wherever it's a requirement of local compliance.

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**Value chain stage**

Supply chain

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an established 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

**Contextual issues considered**

Implications of water on your key commodities/raw materials  
Water regulatory frameworks  
Status of ecosystems and habitats

**Stakeholders considered**

Customers  
Suppliers

**Comment**

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

**Value chain stage**

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 and standards  
Databases  
Other

**Tools and methods used**

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

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Implications of water on your key commodities/raw materials

**Stakeholders considered**

Customers  
Local communities  
NGOs

**Comment**

We have considered water scarcity as the number of people experiencing physical water scarcity & lack access to sanitation/clean water. We calculate impact annually, (absolute & per consumer use) using data from products in our 5 water-using categories: Hair Care, Household Care, Laundry, Oral Care & Skin Cleansing & from 7 water-scarce countries. This helps us focus on water saving innovations where they are truly needed i.e. innovating fast-rinse products or moving towards water-smart products

requiring little or no water. As an example, our Rin detergent bar uses up to half the water needed for rinsing, making the washing process easier for consumers in water-scarce regions. We're also developing products that use no water at all, such as our hair care brand, 'the good stuff', which includes eight no-rinse conditioners.

## W3.3b

### **(W3.3b) 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.**

#### **Application of tools:**

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

At corporate level we use WRI Aqueduct to update the top-down assessment of water related risks in 100% of our manufacturing sites. For new acquisitions, we follow this with discussions with sites and a media review. WRI Aqueduct ratings are used to establish investment criteria for internal funding into water efficiency projects financed under the Low Carbon Fund. We use social media reviews & news sites (e.g. SIGWATCH) on an ongoing basis to identify emerging issues, changes in regulation & societal sentiment. Continuous contact with our sites teams identify emerging indicators of water stress for instance, abstraction restrictions. 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.

Our latest group-level materiality assessment highlighted new and emerging issues, and checked whether we are disclosing/being transparent in the right areas. To reflect the ever-changing sustainability landscape, we redesigned our materiality methodology. In our latest assessment, water (and the 14 underlying water topics) was identified as one of our most material issues across our value chain. 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.

In creating our 1.5°C scenario analysis, we took the two pathways and considered the five broad types of risks and opportunities using the TCFD risk framework: Regulatory, Market, Physical environment risks; Innovative products and services opportunities; and Resource efficiency, resilience, and market opportunities.

#### **Why specific contextual issues are considered:**

Within our risk assessment we consider water regulatory frameworks as it's important for us to be aligned to frameworks that vary across regions or are emerging to manage our water resources. We also consider the status of ecosystems and habitats in areas that we operate as this will have an impact on our supply chains and ability to resource raw materials for our products. Furthermore, we review the implications of water linked to our key products as this has the ability to impact consumer decision making. E.g. consumers in water-stressed locations require more of our water-smart products, needing less water to be used. It's important that all our employees have access to safely managed WASH services and so we consider this when reviewing manufacturing sites.

**Why specific stakeholders are considered:**

Our employees are central to our business and so we consider them in ensuring that any water related risks are mitigated. To keep our organisation future-fit and satisfy the needs of our consumers we need to understand the shifting nature of their decision making linked to water risks and the impact that this will have on purchasing our products and ultimately our revenue. Being a purpose led organisation we consider the impact that our operations have on local communities and the water risks associated. We also consider our investors in reviewing risks, in particular legal and regulatory frameworks as it's important that we are transparent and they are well informed.

**How the outcomes of the risk assessment are used to inform decision making:**

Output from these assessments are used in various ways e.g. risk scores for individual manufacturing sites are used within our Unilever Manufacturing System to stratify activities & establish priorities. This is revised on an annual basis, or where there is change at the facility. It also helps us to understand manufacturing sites that are located in areas classified as water-stressed and prioritise for action. These risk assessments have also informed our decision to implement water stewardship programmes in 100 of our most water stressed areas by 2030. Within our agricultural supply chain, we have contributed to the WFN's Water Footprint Assessment Tool and conducted a risk assessment of our agricultural supply chain at a crop-country level, based on scores assigned by Unilever's sustainable sourcing team and procurement colleagues. This has been used to inform discussions on where to prioritise initiatives with suppliers/partners. Risk assessment forms the basis of SAC 2017 and the equivalent certification schemes all of which address issues relating to water. In 2021, we introduced the Unilever Regenerative Agriculture Principles (RAPS) which addresses water principle. Through the certification process, risks are evaluated, and any major non-compliances are remediated before certificates are issued.

## 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 46-50 of our Annual Report and Accounts 2021) 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 €524m in 2021. 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

			<p>making different types of products.</p> <p>9 facilities which have production volumes &gt;1% of global production volume have been included in the analysis below. Where multiple smaller sites exist within the same basin, these have been included in the narrative below.</p>
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## 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

Brazil  
Parana

### Number of facilities exposed to water risk

2

### % company-wide facilities this represents

Less than 1%

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

1-10

### Comment

Although Global tools do not place the Parana basin as areas of water stress, consultation and experience from our sites teams in the area recognise that the depleting surface and groundwater levels and threats of regulatory responses and tariff changes could justify elevating the water stress rating for four of the factories in the basin. The Parana River basin includes the greater part of South Eastern Brazil, Paraguay, South Eastern Bolivia, and northern Argentina.

In July 2021, internal reviews found that the country was experiencing the worst water crisis in the last 91 years, which has impacts on hydro-energy generation and on other sectors that depend on water use. Reservoirs in the South East & Mid West subsystem were at ~28% of their capacity, much lower than previous year due to poor rainfalls and an increase in energy demand (electricity consumption in Brazil, which grew 7.6% in the first half compared to 2020).

Groundwater abstraction capacity constraints will place restrictions on site growth. Water crisis was covered widely by media agencies with some citing the risks associated with energy blackouts in 2022 and impact to the country's economic recovery.

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 and the site continue to drive continuous improvements in water efficiency and water recycling.

### 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 Penner 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. The Prabhat Water Stewardship programme is taking action to address water insecurity in the surrounding communities by taking action on pond renovations, rice intensification and micro-irrigation, as well as establishment of community water governance and local cadre. 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

1-25

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

1-10



### Comment

Through our company-wide risk assessment and engagement with the site team, the factories located in the Orange river basin are located in an area increasingly exposed to water stress. The production is dependent on continued access to water at a good quality. Although there were no water related impacts to operations, to remains an area of potential risk to the business.

Recent events in the river basin supporting Cape Town & surrounding area have increased attention on the risks to the business in the Orange basin. As part of the business' continuous improvement programme the site is taking action to minimise water use. In 2020-21 the site started the water stewardship programme, following the Alliance for Water Stewardship standard to better understand and respond to water risks. Key risks were associated with: 1) declining availability and quality associated from water authority potentially leading to increased competition for resources and / or costs of raw water & additional treatment needs, and 2) Climate related drought events resulting in business interruptions and potential introduction of new regulations.

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

Less than 1%

### % 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**

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, and already operates at best-in-class efficiency levels of 0.15m<sup>3</sup> per tonne of production. 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**

Indonesia  
Other, please specify  
Citarum

**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 and engagement with the site and other stakeholders, the Citarum river basin has been identified as an area exposed to water stress. The production is dependent on continued access to water at good quality. Within the reporting year our operations were not directly affected by water security issues, but it remains an area of potential risk to the business. As part of the business' continuous improvement programme the site is taking action to minimise water use and in 2020 started their water stewardship journey to address shared water risks. Key shared water risks in the catchment are due to poor water quality and deteriorating water supply infrastructure in the Jatiluhur reservoir and west Tarum canal, reduced flows in the Citarum river due to changes in land use pattern.

In January 2021, Unilever accompanied by Yayasan Konservasi Alam Nusantara , Yayasan Aliansi Wali Sumber Daya Air Indonesia, PT Coca-Cola Indonesia, Global Water Partnership Southeast Asia, PT L'Oréal Indonesia, PT Multi Bintang Indonesia, PT Nestlé Indonesia, PT. Tirta Investama (Danone Indonesia), and PT Unilever Indonesia joined the Indonesia Water Coalition, a multi stakeholder partnership of leading public, private and other actors with the common objective to actively support the civil society and government in achieving water security and sustainability of the water resources.

Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover. For short term issues Unilever has business continuity plans in place at a regional level to avoid drops in service by managing through the factory network.

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### Country/Area & River basin

Turkey  
 Other, please specify  
 Konya Closed Basin

### Number of facilities exposed to water risk

1

### % company-wide facilities this represents

1-25

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

1-10

### Comment

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

Key shared water risks identified are associated with 1) water availability and continued access to water supply and indirect impacts on raw material sourcing of dairy and sugar from suppliers located in the same basin. Groundwater wells are over-extracted (90% of groundwater is used for agricultural irrigation purposes). Unilever sites may experience water cuts or slower production due to groundwater unavailability. And 2) Climate related impacts, as increasing temperatures and changing hydro-metrological conditions represent increased risks associated with droughts and 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.

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#### Country/Area & River basin

China  
Yongding He

#### Number of facilities exposed to water risk

1

#### % company-wide facilities this represents

1-25

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

1-10

#### Comment

This site is located in a water stressed area and dominated by the baseline water stress and seasonal variability. This is projected to remain constant into the longer term future. As part of the business' continuous improvement programme the site is taking action to minimise water use, and already operates at best-in-class efficiency levels of 0.87m3 per tonne of production. 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.

## 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.**

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#### Country/Area & River basin

Brazil  
Parana

### **Type of risk & Primary risk driver**

Chronic physical  
Water stress

### **Primary potential impact**

Increased operating costs

### **Company-specific description**

Situation: Water stress in the São Paulo State and the Cantareira reservoir system. Potential impacts to our factories include access to water and energy. Factories are reliant on energy from the grid, where hydropower makes up 70-75% of national grid electricity.

In July 2021, Brazil experienced the worst water crisis in the last 91 years. Reservoirs in the South East & Mid West subsystem were at ~28% of their capacity, much lower than previous years and an increase in energy demand (electricity consumption in Brazil, which grew 7.6% in the first half compared to 2020).

Task: Unilever have operations in the Parana Basin which will be affected by future drought conditions. Our operations in the Parana Basin account for over 1% of global production (significant as production is used as a proxy for revenue to represent substantive impact). We will be required to reduce load, self-generate or face brown/black-outs. During the 2015 drought, our factories tankered water from other river basins to substitute the restricted water. We incurred increased water costs. The unit costs for tanker water were ~ 600x higher than the abstraction costs of groundwater. Primary impacts identified were increased operating costs. Secondary impacts were consumer use as citizens of major cities were restricted access to water for basic services like laundry and washing.

Action: Potential financial impact of €1.5m is based on our 2015 drought experience utilising tanker water. This takes into account the scale and production/operational requirements. The potential annual financial impact figure is 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.

Result: Two factories in this region are circular water factories, recycling treated wash water back into production. The sites to focus on water efficiency by addressing water losses. In 2021, we invested €9.2m into the sites located in the Parana Basin which include advanced tertiary treatment for water recycling, saving an expected 80,000m<sup>3</sup> per year. Water projects alone had an average payback of less than 2 years.

Unilever's water stewardship programme addresses water risks around sites to protect and preserve water resources. Key shared risks identified were: depleting groundwater levels, declining water quality from groundwater and municipal sources and increasing regulatory requirements to manage discharges.

### **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)**

1,500,000

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

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

**Explanation of financial impact**

Action: The potential financial impact of €1.5m assumes 4 of the sites in the Parana basin having to source 100% of their water supply for a 3-month period from another catchment, costs associated with delivered tanker water. is based on Unilever experience in 2021.

**Primary response to risk**

Other, please specify

Multiple activities, as described in our response

**Description of response**

The business is adopting a multi-pronged approach to address the water related risks in the region.

- Include in Business Continuity Plan: Contingency plans were put in place for both water & energy as energy is derived largely from hydropower.
- Water-related capital expenditure: The sites have accelerated their Sustainability roadmaps & increased investment in new technology, e.g. investing into fully circular water systems capable of recycling water for production.
- Improve alignment of our public policy influencing activity with our water stewardship commitments: In 2020 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action. Key shared risks identified were associated with depleting groundwater levels, declining water quality from both groundwater and municipal sources and associated increasing stringent regulatory requirements to manage discharges. In 2020 Unilever also became a member of the 2030 Water Resources Group, engaging in key strategic markets to address water insecurity. Brazil is one of our priority markets.

**Cost of response**

9,200,000

### Explanation of cost of response

Result: Infrastructure investment, two of the factories in this region are already a circular water factories, recycling treated wash water back into production. The sites continue to focus on water efficiency by addressing water losses. Infrastructure investment: In our Brazilian factories we support water efficiency projects through the central capital programme. In 2021, we invested €9.2m into the sites located in the Parana Basin which include advanced tertiary treatment for water recycling, saving an expected 80,000m<sup>3</sup> per year. Water projects alone had an average payback of less than 2 years. In 2020 and 2021 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action.

### Country/Area & River basin

India  
Penner River

### Type of risk & Primary risk driver

Chronic physical  
Water stress

### Primary potential impact

Increased operating costs

### Company-specific description

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

Task: Depleting quality & availability could impact Unilever's ability to operate in this area. Pre-treatment of incoming water will become intensive resulting in higher operating costs for energy, maintenance & testing. Regulatory changes addressing increasing water stress could raise opportunities & risks for our business. Greater regulation on quality & abstraction may result in better operating environments but also increased operating costs to invest in initiatives such as Zero Liquid Discharge & ground water replenish schemes. In 2019, a Unilever facility in the state of Himachal Pradesh, could no longer treat wastewater onsite & sends 100% to an industrial site treatment plant. It previously treated & recycled 100% of water onsite, reaching Zero Liquid Discharge. The new requirement is resulting in increased abstraction and Chemical Oxygen Demand (COD) leaving the site. Whereas other states, which are classified as having over-exploited groundwater, are establishing recharge requirements at the magnitude of 200% of abstraction volumes.

Action: We support water efficiency projects through the central capital programme. Our India factories run process optimisation projects such as CIP optimisation through CIP

Matrix reviews. The site had previously achieved zero liquid discharge status through reuse of washwater, condensate recovery & reuse and recycling of treated water into the utilities.

Result: The annual investment in water conservation and efficiency is expected to be approximately €50K. Investment into projects in the local area through the Prabhat programme will be coupled with continuous water efficiency programme within the factory. The Prabhat Water Stewardship programme is taking action to address water insecurity in the surrounding communities by taking action on pond renovations, rice intensification and micro-irrigation, as well as establishment of community water governance and local cadre. 2020-2021 actions resulted in 7.23 billion litres in water savings, 4,456 days of employment (direct & indirect) and an increase in agricultural yield of 362.85 tonnes.

**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)**

2,200,000

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

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

**Explanation of financial impact**

The potential financial impact of €2.2m is based on our knowledge of the on-cost, where other locations within India have had to install additional tertiary treatment to reuse back into production and install rainwater capture and groundwater recharge infrastructure. In reality, the costs will be based on the wastewater flow rate and existing infrastructure. 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. In 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**

100,000

### **Explanation of cost of response**

Result: The annual investment in water conservation and efficiency is expected to be approximately €50K. Investment into projects in the local area through the Prabhat programme will be coupled with continuous water efficiency programme within the factory.

### **Country/Area & River basin**

South Africa  
Orange

### **Type of risk & Primary risk driver**

Chronic physical  
Water stress

### **Primary potential impact**

Constraint to growth

### **Company-specific description**

Situation: The Orange River Basin is medium high water stress and expected to increase over the coming 20 years. Medium-high seasonal variability, demand is expected to increase whilst water availability decreases.

Task: We have 3 manufacturing facilities located in the Upper Vaal management area of the basin. 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 other management areas to meet demand. In the future this could result in water shortages or restricted access impacting the sites operating in the region.

In 2021 the site started the water stewardship programme. Key risks include: 1) declining availability and quality associated from water authority potentially leading to increased competition for resources and / or costs of raw water & additional treatment needs, and 2) Climate related drought events resulting in business interruptions and potential introduction of new regulations.

Unilever has 2 Homecare manufacturing facilities and an ice cream facility in this river basin which in total account for around 2.3% of our global total production (used as a proxy for revenue and to determine substantive risk). 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 2021, we invested €67K on water-efficiency measures in factories in the basin to minimize environmental impacts.

Result: In 2020, we invested €67K on water-efficiency measures in factories the Orange basin to minimize environmental impacts. This figure is based on the capital requests from factories & was a one-off cost to optimise resources and manage the risk going forward. In addition, during 2021 and into 2022 one of the sites will transition from natural gas to a biomass solution to power the laundry tower, as part of our decarbonisation agenda. The biomass feedstock will originate from water thirsty invasive species. The site continue to explore opportunities to drive water efficiency through process improvements, water recycling and sourcing. In 2020-21 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action. The outcomes of which are informing engagement locally.

**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 potential financial impact is an estimate based on the fixed production costs incurred during 2019 when restricted access to water resulted in a loss of production time.

**Primary response to risk**

Increase investment in new technology

**Description of response**

Action: In 2021 investment into eco-efficiency in the region was €2.9m to support the implementation of the sustainability agenda in the Orange basin. €67K was invested on water-efficiency projects to tackle steam measurement and condensate recovery.

**Cost of response**

67,000

**Explanation of cost of response**

Result: In 2020 investment into eco-efficiency in the region was unrepresentatively low due to restrictions associated with Covid. As such we invested €67K to support the implementation of the sustainability agenda in the Orange basin. In 2020-1 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action as part of our Compass goal to protect and preserve water resources.

**Country/Area & River basin**

India

Other, please specify

Gulf of Kutch

**Type of risk & Primary risk driver**

Chronic physical

Water stress

**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. 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.

Task: Unilever makes Skin Cleansing products at this location, which account for approximately 1.2% of global production (used as a proxy for revenue to indicate substantive risk), which are supplied with municipal water, with increasingly supplemented tankered water. Competition for water resources between users could lead to community dissatisfaction and /or the reallocation of water by municipalities, resulting in restricted supply for our sites, reducing 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 we continue to seek new ways to continue to drive operational savings.

The Unilever Prabhat Water Stewardship programme is working with NGOs BAIF to address water insecurity in the surrounding communities by taking action on dam checks, farm ponds, farm bunding and establishment of community water users association and local cadre. 2020-2021 actions resulted in 3.8 billion litres in water

savings, 56,460 days of employment (direct & indirect) and an increase in agricultural yield of 714 tonnes. Whilst the water conservation values are highly dependent on the rainfall, in 2020-21 annual conservation effort was 28 times the abstraction of the manufacturing site.

In addition, to address issues beyond the factory boundary, to create infrastructure for water conservation, Water use efficiency in agriculture, Water governance by the local community and creating a local cadre to ensure sustainability of the initiatives.

Result: The cost of response figure includes the investment into community engagement initiatives such as construction and rehabilitation of check dams, farm ponds and farm bunding in the local area with support from partners BAIF. 2020-2021 actions resulted in 3.8 billion litres in water savings, 56,460 days of employment (direct & indirect) and an increase in agricultural yield of 714 tonnes.

**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)**

93,000

**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 tanker in 100% of water supply on an annual basis. Unit price of water was based on the upper end of 2021 production water tanker costs in South Asia region.

**Primary response to risk**

Engage with local communities

**Description of response**

Action: The operations in the Kutch basin are already one of the most water efficient within the Unilever Skin Cleansing network, however through water & energy audit programmes (last assessment occurred in June 2019), continue to seek new ways to drive operational savings. In addition, to address issues beyond the factory boundary, the factory team have been engaging with the local community and working with the

NGOs BAIF and Sahjeevan to create infrastructure for water conservation, Water use efficiency in agriculture, Water governance by the local community and creating a local cadre to ensure sustainability of the initiatives.

### **Cost of response**

50,000

### **Explanation of cost of response**

Result: The cost of response figure includes the annual 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 with BAIF .

### **Country/Area & River basin**

Brazil

Paraiba Do Sul

### **Type of risk & Primary risk driver**

Chronic physical

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 operations in this basin which account for approximately 1.0% of global production (used as a proxy for revenue to indicate substantive impact) (as indicated in W4.1c). Water stress could affect our manufacturing operations through volatility of supply, increased costs & restrictions on access, increased treatment requirements to manage declining quality, interrupted energy supply (hydro based) and potential reputational pressures caused by the poor access to water and sanitation by communities. The site sources water for production from groundwater supplies, and tankers a small volume for drinking water.

Action: The sites continue to drive their Sustainability roadmaps & invest into new technologies. In 2021 the site invest €275K to drive eco-efficiency measures through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund). Of this €28k was invested into water reuse and recycling project, anticipated annualised savings of 4,000 m3 and with simple payback under 5 years. (Note that Unilever investment criteria supports extended payback periods for water related projects in water stressed locations). However in 2021, there was no sustainability capital applied for by the site Previous years' projects have included condensate returns, metering expansion, boiler optimization.

Result: The site has not experienced any water related impacts during the reporting period.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

64,000

**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 €64K. This is based on the size of the operation and the production/operational requirements using the average tankered process water costs from 2021 in the region. This however, is not a feasible response and is used for illustrative purposes only.

In the event that water stressed sites that abstracted from groundwater globally had to meet 25% of their water needs via tanker, at similar unit costs, spend would exceed 7.5m Euro.

**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. In 2021 the site invest €275K to drive eco-efficiency measures through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund). Of this €28k was invested into water reuse and recycling project, anticipated annualised savings of 4,000 m<sup>3</sup> and with simple payback under 5 years. (Note that Unilever investment criteria supports extended payback periods for water related projects in water stressed locations).

**Cost of response**

28,000

**Explanation of cost of response**

Infrastructure investment: In 2021 the site invest €275K to drive eco-efficiency measures through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund). Of this €28k was invested into water reuse and recycling project, anticipated annualised savings of 4,000 m<sup>3</sup> and with simple payback under 5 years. (Note that Unilever investment criteria supports extended payback periods for water related projects in water stressed locations). The site continue to explore opportunities to drive water efficiency through process improvements and water recycling.

**Country/Area & River basin**

Indonesia  
Other, please specify  
Citarum

**Type of risk & Primary risk driver**

Chronic physical  
Declining water quality

**Primary potential impact**

Increased operating costs

**Company-specific description**

Situation: The Citarum river basin has high baseline water stress which is expected to worsen in the future. This is caused by increase in water demand and declining water quality due to industrial activities and saline intrusion. Large seasonal variability poses challenges around both water availability and flooding. Unilever have manufacturing operations in the Citarum basin, which account for over 1% of global production (used as a proxy for revenue). The main source of water comes from the municipal supplier/s and water quality remains a concern.

Task: Increased heavy metals from the industrial zones represents possible contamination issues where municipal treatment cannot remove pollutants resulting in reduced quality for our operations and additional expenditure on treatment. Localised flooding also represents concerns to the continued operations of the factories and further contamination of water supplies.

**Action:**

In 2021 Unilever invested €3.2m to drive eco-efficiency measures through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund). Of this 300k was allocated to water focusing on initiatives including cleaning optimisation, utility efficiency, rainwater collection and recycling initiatives. These projects are expected to reduce water abstraction by 81,900 m<sup>3</sup>/yr and deliver a combined average payback of 3.2 years.

In January 2021, Unilever accompanied by Yayasan Konservasi Alam Nusantara ,

Yayasan Aliansi Wali Sumber Daya Air Indonesia, PT Coca-Cola Indonesia, Global Water Partnership Southeast Asia, PT L'Oréal Indonesia, PT Multi Bintang Indonesia, PT Nestlé Indonesia, PT. Tirta Investama (Danone Indonesia), and PT Unilever Indonesia joined the the Indonesia Water Coalition, a multi stakeholder partnership of leading public, private and other actors with the common objective to actively support the civil society and government in achieving water security and sustainability of the water resources.

Response: The water efficiency investment are part of our ongoing water efficiency roadmap and a key response to mitigating water related risks In 2020-1 these sites began their water stewardship journey to drive collective action 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 2021 Unilever invested €3.2m to drive eco-efficiency measures through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund). Of this 300k Euro were allocated to water focussed initiatives which included cleaning optimisation, utility efficiency, rainwater collection and recycling initiatives. These projects form part of a long term site based glidepath.



Response: The water efficiency investment are part of our ongoing water efficiency roadmap and represent one response to mitigating water related risks. The site continue to explore opportunities to drive water efficiency through process improvements and water recycling. In 2020 and continuing into 2021 Unilever started a water stewardship programme to address shared water risks around this site as part of our ongoing activities to protect and preserve water resources. In January 2021 Unilever joined the Indonesian Water Coalition. The multi-party partnership for water stewardship and sustainable water resource management through collective action at the Watershed level. (More information available here: <https://www.unilever.co.id/news/press-releases/2021/koalisi-air-indonesia-ketahanan-air-untuk-masa-depan-indonesia.html>) In 2022 supported by Australian Water Partnership, Unilever further developed their water stewardship action plan. (More information available here: Stepping Up on Water Stewardship Action ([awsindonesia.org](http://awsindonesia.org))).

### Cost of response

300,000

### Explanation of cost of response

Infrastructure investment: In 2021 Unilever invested €3.2m to drive eco-efficiency measures through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund). Of this 300k Euro were allocated to water focussed initiatives which included cleaning optimisation, utility efficiency, rainwater collection and recycling initiatives. Many of these projects deliver on water savings, as well as carbon and waste.. This is part of a long term programme to reduce environmental impact in our sites.

### Country/Area & River basin

Turkey

Other, please specify

Konya Closed Basin

### Type of risk & Primary risk driver

Chronic physical

Water stress

### Primary potential impact

Reduction or disruption in production capacity

### Company-specific description

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

were not directly affected by water security issues but it remains an area of potential risk to the business.

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

**Action:** In 2020 Konya sites started their water stewardship programmes. Key shared risks key shared water risks identified are associated with 1) water availability and continued access to water supply and indirect impacts on raw material sourcing of dairy and sugar from suppliers located in the same basin. Groundwater wells are over-extracted (90% of groundwater is used for agricultural irrigation purposes). Unilever sites may experience water cuts or slower production due to groundwater unavailability. And 2) Climate related impacts, as increasing temperatures and changing hydro-metrological conditions represent increased risks associated with droughts and water shortages. To address gaps within the factory boundary identified through the water stewardship programme and in support of the the business' continuous improvement programme, the site has invested €35K into water efficiency technology and metering infrastructure (simple payback <1.5years) through the Low Carbon Fund (previously known as the Clean Technology Fund),with estimated saving of 35,000m<sup>3</sup>/yr.

**Result:** The site continue to progress with their water stewardship plan in an effort to increase resilience to poor water management and climate change.

**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)**

1,400,000

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

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

**Explanation of financial impact**

This is an estimate of additional costs associated with tankering water in to meet manufacturing demand over a quarter of the year, based on tankering costs experience in 2021 within the cluster.

### Primary response to risk

Increase investment in new technology

### Description of response

In 2021, the site invested €550K in environmental efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund), €200K was on continuous improvement efforts within the factory boundary identified as part of the water stewardship programme. To better understand the water related risks, routes of engagement and opportunities for direct action, Unilever have started their water stewardship journey.

### Cost of response

200,000

### Explanation of cost of response

The costs of response is the 2021 investment associated with water efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund).

### Country/Area & River basin

China

Yongding He

### Type of risk & Primary risk driver

Chronic physical

Declining water quality

### Primary potential impact

Increased production costs

### Company-specific description

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

In 2022 it is expected that South-to-North Water Diversion Project will commence, to transfer water to the country's dry north and improve its national water network. This is 9-year project is expected to cost 58-billion-yuan and increase annual capacity to roughly 11.5 billion cubic meters, benefiting the Tianjin region amongst others.

Within the reporting year our operations were not directly affected by water security issues but it remains an area of potential risk to the business. Production tonnage has been used as a proxy for turnover, a loss in volume due to water stress will result in a drop in turnover.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Low

**Likelihood**

Very likely

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

75,000

**Potential financial impact figure - minimum (currency)****Potential financial impact figure - maximum (currency)****Explanation of financial impact**

This cost estimate, is associated with potential water pricing increases targeted at industrial users to recover infrastructure costs.

**Primary response to risk**

Increase investment in new technology

**Description of response**

As part of the business' continuous improvement programme the site is taking action to minimise water use, and already operates at best-in-class efficiency levels of 0.87m<sup>3</sup> per tonne of production. This is one way to mitigate impacts of potential rising water costs. In 2021, the site invested €162K in environmental efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund) to deliver energy, carbon, waste and water efficiencies as part of their overall site sustainability roadmap. €45K was spent on leading water projects, which included CIP sprayball upgrades and cooling water reuse system for the homogeniser saving 2,500 m<sup>3</sup> of water with a payback of 2.7years.

**Cost of response**

45,000

**Explanation of cost of response**

In 2021, the site invested €162K in environmental efficiencies through the Low Carbon Fund (previously known as the Clean Technology Fund) to deliver energy, carbon, waste and water efficiencies as part of their overall site sustainability roadmap. €45K

was spent on leading water projects, which included CIP spray-ball upgrades and cooling water reuse system for the homogeniser saving 2,500 m<sup>3</sup> of water with a payback of 2.7years.

## W4.2a

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

---

### Country/Area & River basin

India  
Tapti River

### Stage of value chain

Use phase

### Type of risk & Primary risk driver

Reputation & markets  
Inadequate access to water, sanitation, and hygiene services

### Primary potential impact

Constraint to growth

### Company-specific description

Situation: Rapid urbanisation means many low-income people in India live without easy access to clean water, a flushing toilet & other basic services. More than half of Mumbai's 12.5 million inhabitants don't have their own toilet. The urban poor may pay up to 50x more for a litre of water than their richer neighbours, as they often have to buy water from private vendors. The Tapti basin extends over states of Madhya Pradesh, Maharashtra & Gujarat, & includes rural & urban areas of water scarcity.

Task: Unilever studies observing & interviewing consumers in their homes showed that when water is scarce, or supplies are unreliable, people limit how frequently they wash or do the laundry. This reduces the demand for our products such as those in our Beauty & Personal Care portfolio (shampoo) or Home Care (laundry detergent), impacting sales. India is a key growth market for our business as part of our Compass Strategy and water insecurity can restrict growth, as well as represent an opportunity to address tackle water scarcity, improve people's lives, build our brands & contribute towards SDG Goal 6.

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

### 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 2021.

**Primary response to risk**

Downstream  
Increase/review infrastructure investment

**Description of response**

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

Result: In partnership with HSBC India and the Brihanmumbai Municipal Corporation, in 2022 Unilever opened its 7th Suidha Centres in Mumbai since 2016. The centre is located at Dharavi, which is known as one of the most densely populated areas in the world, with over 2,00,000 people inhabiting per square km. With 111 toilets, the new Dharavi Suidha Centre will be one of India's biggest community toilet blocks, catering to over 50,000 users every year.

Additionally, to ensure maximum impact, HUL will undertake behaviour change

programmes on water, sanitation, nutrition, health & hygiene in the communities around the centre. Keeping sustainability at its core, the centre will be powered by solar panels and treat and reuse greywater from handwashing stations, and laundromat to be used for flushing in the toilets. The centre is designed to save over 6.5 million litres of freshwater every year by reusing treated wastewater and rainwater harvesting. These Suidha Centres will provide access to safe sanitation to nearly 400,000 people every year and will cumulatively save 800 million litres of water over the next decade.

### Cost of response

160,000

### Explanation of cost of response

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

### Country/Area & River basin

United States of America

Other, please specify

Multiple- California, Iowa, Arkansas

### Stage of value chain

Supply chain

### Type of risk & Primary risk driver

Acute physical

Drought

### Primary potential impact

Increased operating costs

### Company-specific description

Water scarcity could lead to increased droughts while limited resources to irrigate soils could reduce crop outputs. Water shortages could also impact a number of our 250 manufacturing sites and our ability to supply water-based products, such as those in our Home care, Beauty & Personal care and Foods and Refreshment categories. Our consumers could also face water shortages in their everyday activities in certain regions, creating a need for water-smart or waterless products or services.

Our 2021 scenario analysis considered five broad types of risks and opportunities using the TCFD risk framework. Using a 1.5 degree scenario, we looked at the financial impact on Unilever in 2030, 2039 and 2050, using our key sourcing areas that are most exposed to droughts. We quantified how increased water-stressed areas and prolonged droughts would reduce crop outputs due to water scarcity in agricultural regions, decreasing crop viability, and impacting raw material prices.

### Timeframe

More than 6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

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

Yes, an estimated range

**Potential financial impact figure (currency)**

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

200,000,000

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

1,700,000,000

**Explanation of financial impact**

We quantified how increased water-stressed areas and prolonged droughts would reduce crop outputs due to water scarcity in agricultural regions, decreasing crop viability, and impacting raw material prices. The potential financial impact figure reflects impact on profit in the year 2050 if no actions to mitigate risks are taken

Key assumptions were:

By 2050, in a proactive scenario, water scarcity would increase prices by:

- Palm: ~10%
- Commodities and food ingredients: ~11%

By 2050, in a reactive scenario, water scarcity would increase prices by:

- Palm: ~14%
- Commodities and food ingredients: ~16%

The assessment considered 67% of Unilever's raw materials suppliers based in regions most exposed to drought events).

**Primary response to risk**

Supplier engagement

Promote greater due diligence among suppliers

**Description of response**

The Unilever Sustainable Agriculture Code (SAC) and the Unilever Regenerative Agriculture Principles (RAPs) launched in 2021, provide the basis for our sustainable sourcing, an integrated programme which includes requirements for water management. These policies apply to all suppliers and include mandatory and best practices associated with water management. We use our RAPs to set up best practice pilots with suppliers to support improvements in soil health, biodiversity, water quality and climate resilience.

Our brands are working to protect and preserve natural habitats in the places their



ingredients are produced. Knorr continues its work with farmers and growers through a new series of 50 projects. Part of our Climate & Nature Fund, it aims to establish regenerative agriculture sourcing for 80% of its key raw materials over five years. One project, for example, is using satellite data and digital sensors to help tomato farmers in the south of Spain optimise their water use and improve soil health through cover cropping.

### **Cost of response**

1,000,000,000

### **Explanation of cost of response**

As part of our Compass strategy, we committed to invest 1 billion in a new Climate & Nature Fund for our brands to use over the next 10 years. The Fund will be used on projects such as landscape restoration, reforestation, carbon sequestration, wildlife protection and water preservation. As we are still in the implementation phase of a lot of our projects, we have provided 0 in the cost of response field.

## **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.**

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#### **Type of opportunity**

Products and services

#### **Primary water-related opportunity**

Sales of new products/services

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

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

Task: Our biggest water use - over 85% of our end to end water footprint - occurs when consumers use our products. Helping consumers to do more with less with water-smart products represents a commercial opportunity. We are investing in water-smart products, which are particularly suited to the needs of people living in water-stressed areas but can also help encourage a wider shift to more sustainable consumption of water. For example, our Robijn Dry Wash Spray that freshens up clothes in 15 minutes. Each bottle saves 60 litres of water and prevents 400g of CO<sub>2</sub> being emitted or 'the good stuff', a brand which offers a leave-in conditioner made to nourish hair without

weighing it down. Another example is our SmartFoam technology, which is a patented anti-foam molecule reducing the number of rinses by breaking down soap suds more quickly. This saves significant amounts of water. It was first launched in South Africa in 2016 in our Sunlight 2-in-1 Handwashing Laundry Powder and in India in our Rin soap bars. In India, our market research shows that people who use a liquid detergent rather than a bar use 1/3 less water when washing dishes. We continue to drive market conversion towards liquids across key water-scarce countries.

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

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

**Estimated timeframe for realization**

4 to 6 years

**Magnitude of potential financial impact**

Medium-high

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

Yes, an estimated range

**Potential financial impact figure (currency)**

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

2,000,000,000

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

3,000,000,000

**Explanation of financial impact**

Action: Our strategy is to develop innovative products which help people adapt to water scarcity, expanding usage occasions. Result: Based on detailed business case studies estimating the potential financial impact of new products using future water-smart technologies and portfolio shifts towards low-water or waterless formats in our Home Care and Beauty & Personal Care Divisions, Unilever estimates this could yield around €2-3 billion incremental sales in 2025 based market analysis study conducted in 2015.

## W5. Facility-level water accounting

### W5.1

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

---

**Facility reference number**

Facility 1

**Facility name (optional)**

**Country/Area & River basin**

Brazil  
Parana

**Latitude**

-23.08

**Longitude**

-47.22

**Located in area with water stress**

Yes

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

176.8

**Comparison of total withdrawals with previous reporting year**

Lower

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

166.6

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

10.2

**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**

Much lower

**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)**

176.8

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Situation: Small volume reductions, together with increased efficiencies have reduced water abstraction by 15% and intensity by 12% vs previous year. In 2020 the site had invested in cooling tower optimization and steam condensate recovery programme saving an estimated 36,000m<sup>3</sup> of water, the benefits of which are apparent in the performance. The site continue to recycle 100% of washwater back into production and as part of the continuous improvement programme remain vigilant to opportunities to drive further savings. Task: The site has been focusing on the optimization of their water recycling system, already a zero liquid discharge factory.

Action: In 2021 this site focussed on efforts on their decarbonisation agenda, a significant project to transition the spray drying towers away from natural gas.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

**Country/Area & River basin**

Brazil

Parana

**Latitude**

-23.25

**Longitude**

46.97

**Located in area with water stress**

Yes

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

465.9

**Comparison of total withdrawals with previous reporting year**

Much higher

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

7.1

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

358

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

100.8

**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)**

465.9

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Situation: Increased growth (4%) and production volume split between category types e.g. Personal care and homecare liquids production have led to an increase in total water abstraction at the site. Driven by water scarcity and increasing regulation on wastewater discharge the site have been progressing on their Circular Water programme, recycling and reusing back into production. In 2021 the site further invested in advance wastewater treatment to address accumulating salts in the system supporting advanced recovery.

Task: In 2020 and 2021 Unilever began the Water Stewardship programme, using the Alliance for Water Stewardship standard to identify shared water risks and design a roadmap for action in the basin.

Result: During the year, Unilever invested a further €734K into advanced tertiary treatment for water recycling, saving an expected 80,000m<sup>3</sup> per year. Water projects alone had an average payback of less than 2years.

---

**Facility reference number**

Facility 3

**Facility name (optional)****Country/Area & River basin**

India

Penner River

**Latitude**

11.92

**Longitude**

79.83

**Located in area with water stress**

Yes

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

194.1

**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**

193.7

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0.45

**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)**

194.14

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Situation: Production at the site has increased by 2%, with a proportionate increase in water abstraction. and 0.5% improvement on water intensity. This is a zero liquid discharge factory, with all wastewater treated and reused on site. Discharge data is managed on site & used for compliance, managing costs & targeting efficiencies. The total discharge is an assumption based on a the water balance model.

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

programme.

Action: The Prabhat Water Stewardship programme is taking action to address water insecurity in the surrounding communities by taking action on pond renovations, rice intensification and micro-irrigation, as well as establishment of community water governance and local cadre.

Results: 2020-2021 actions resulted in 7.23 billion litres in water savings, 4,456 days of employment (direct & indirect) and an increase in agricultural yield of 362.85 tonnes.

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**Facility reference number**

Facility 4

**Facility name (optional)**

**Country/Area & River basin**

South Africa  
Orange

**Latitude**

-26.25

**Longitude**

28.37

**Located in area with water stress**

Yes

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

53.7

**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**

53.7

**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)**

53.7

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Result: Overall the water abstraction at the site remains consistent with previous years.  
Task/Action: The site continues to drive water efficiency as part of its continuous improvement programme. The site is a zero liquid site with water recycled into the utilities and processing. Situation: In 2020-21 the site started the water stewardship programme, following the Alliance for Water Stewardship standard to better understand and respond to water risks. Key risks were associated with: 1) declining availability and quality associated from water authority potentially leading to increased competition for resources and / or costs of raw water & additional treatment needs, and 2) Climate related drought events resulting in business interruptions and potential introduction of new regulations. Catchment level activities are at Design Stage. As part of this programme, a number of internal efficiencies were also identified with requests for capex submitted in 2022 including several water reuse and recycling initiatives.

---

**Facility reference number**

Facility 5

**Facility name (optional)**

**Country/Area & River basin**

India

Other, please specify

Gulf of Kutch

**Latitude**

23.25

**Longitude**

69.67

**Located in area with water stress**

Yes

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

134.9

**Comparison of total withdrawals with previous reporting year**

Much higher

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

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

134.9

**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)**

134.9

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Situation: Production volume has increased by 9% whilst total water abstraction has increased relatively by 14% increasing intensive by 4% (measured as m3 per tonne of production). This has been largely driven by an internal agility agenda across key SKUs. This is a zero liquid discharge factory, with all wastewater treated and reused on site. Wastewater data is managed on site & used for compliance, managing costs & targeting efficiencies. Task: As part of the continuous improvement programme the factory continued to drive action on water efficiency and have benefited from a series of water efficiency projects implemented in 2020 delivering over 3000m3 of water savings. Result: Key water projects identified were associated with further improving the water recycling opportunities with impact expected to be realized by 2021. In addition, the Unilever Prabhat Water Stewardship programme working with the NGOs BAIF to address water insecurity in the surrounding communities by taking action on check dams, farm ponds, farm bunding as well as establishment of community water users association and local cadre. 2020-2021 actions resulted in 3.8 billion litres in water savings, 56,460 days of employment (direct & indirect) and an increase in agricultural yield of 714 tonnes. Whilst the water conservation values are highly dependent on the rainfall, in 2020-21 annual conservation effort was 28 times the abstraction of the manufacturing site.

**Facility reference number**

Facility 6

**Facility name (optional)****Country/Area & River basin**

Brazil

Paraiba Do Sul

**Latitude**

-23.18

**Longitude**

-51.83

**Located in area with water stress**

Yes

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

29.6

**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**

29.3

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0.3

**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)**

29.6

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Situation: The site is a laundry site, using spray dry towers to manufacture homecare laundry powders. The site is a zero liquid discharge site with water recycled into the utilities and processing. Wastewater (from sanitation) is treated onsite using primary and secondary treatment before being discharged via infiltration trenches, and excluded from this data. Task: The site continue to drive aggressive water reduction programme in the factory. Result: During 2021, Unilever invested a €28k a HVAC related water reclamation and recovery system expected to save 4,000m3 per year

---

**Facility reference number**

Facility 7

**Facility name (optional)****Country/Area & River basin**

Indonesia

Other, please specify

Citarum

**Latitude**

-6.25

**Longitude**

107.15

**Located in area with water stress**

Yes

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

1,298

**Comparison of total withdrawals with previous reporting year**

About the same

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

98.2

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

1,200

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

613.6

**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**

613.6

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

684.4

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Situation: Absolute water abstraction is similar to the previous year a 3% increase. Water intensity increased by 8%. This was due to production changes: reduction in beverage production which has a low water intensity, and an increase in volumes of ice cream which has a relatively larger water intensity. Total discharge is based on assumptions from a site water model where improvements in data collection on wastewater are incorporated in global monthly reporting systems. Wastewater is treated onsite using primary, secondary and tertiary treatment before being discharged to the industrial park treatment facility for further treatment.

Task: In January 2021, Unilever accompanied by Yayasan Konservasi Alam Nusantara, Yayasan Aliansi Wali Sumber Daya Air Indonesia, PT Coca-Cola Indonesia, Global Water Partnership Southeast Asia, PT L'Oréal Indonesia, PT Multi Bintang Indonesia, PT Nestlé Indonesia, PT. Tirta Investama (Danone Indonesia), and PT Unilever Indonesia joined the the Indonesia Water Coalition. The common objective is to support civil society and government in achieving water security and sustainability of the water resources.

Action: Key improvements to the site factory hub in 2021: closed loop cooling tower improvements, rainwater harvesting, condensate recovery and CIP optimisation. Result: In 2021 the site factory hub invested nearly €317k to deliver 5 water-efficiency initiatives which are expected to reduce annual water abstraction by over 80,000m<sup>3</sup>.

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**Facility reference number**

Facility 8

**Facility name (optional)**

**Country/Area & River basin**

Turkey

Other, please specify

Konya Closed Basin

**Latitude**

37.89

**Longitude**

32.48

**Located in area with water stress**

Yes

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

594.3

**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**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

594.3

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

197.4

**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**

197.4

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

396.9

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Situation: Production at site has increased by 6% and total water abstraction has increased by 4% vs the previous year. This is a homecare and personal care site, producing laundry liquids, detergents and shampoos, conditioners and body & handwash. During 2021 the changes were dominated by a change in production volumes across the categories, growth in Homecare liquids with a slightly higher water intensity and reduction from the sulphonation plant which produces raw unfinished goods and has a lower water intensity. Task: In 2020-21 Unilever started the Water Stewardship programme in this site and neighbouring site to address shared water risks. The site identified several improvement projects and received €200k funding through the centrally managed Low Carbon Fund to support expected water savings of 35,000m<sup>3</sup>.

Key shared water risks identified are associated with 1) water availability and continued access to water supply and indirect impacts on raw material sourcing of dairy and sugar from suppliers located in the same basin. Groundwater wells are over-extracted (90% of groundwater is used for agricultural irrigation purposes). Unilever sites may experience water cuts or slower production due to groundwater unavailability. And 2) Climate related impacts, as increasing temperatures and changing hydro-metrological conditions represent increased risks associated with droughts and water shortages.

Action: Catchment level activities are at Design Stage.

**Facility reference number**

Facility 9

**Facility name (optional)**



**Country/Area & River basin**

China  
Yongding He

**Latitude**

39.13

**Longitude**

117.2

**Located in area with water stress**

Yes

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

183.2

**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**

183.2

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

49.7

**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**

49.7

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

133.5

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Situation: Production at the site has increased by 19% vs previous year, total water abstraction increased by 8% and water intensity reduced by 9%. During 2020 Chinese manufacturing was significantly affected by Covid. This is a dual site making laundry and savoury products. Task/ Action: The site continue to drive water savings through the world class manufacturing programme. During 2021 the site secured funding through the centrally managed Low Carbon Fund (previously known as the Clean Technology Fund) for improvements to sludge management, cooling water recirculation and CIP spray ball upgrades steam and chiller systems, expected to deliver over 6,000 m3.

**W5.1a**

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

**Water withdrawals – total volumes****% verified**

76-100

**Verification standard used**

PricewaterhouseCoopers (PwC) has been providing independent limited assurance on selected Unilever Sustainable Living Plan performance indicators for 10 years and water for nine years. Prior to this Deloitte carried out independent assurance on our environmental manufacturing performance indicators, including water. PwC's assurance engagement is in accordance with ISAE 3000 & they apply the Institute of Chartered Accountants in England & Wales (ICAEW) Code of Ethics. PwC assurance statement is attached. 2020 Assurance statement available here:

[https://www.unilever.com/Images/pwc-independent-limited-assurance-report-2020\\_tcm244-559815\\_en.pdf](https://www.unilever.com/Images/pwc-independent-limited-assurance-report-2020_tcm244-559815_en.pdf)

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

Not verified

**Please explain**

Water abstraction by source are not specified under the independent limited assurance, however the sum of water abstraction by source is used to calculate the Total Water which is third party verified.

### Water withdrawals – quality by standard water quality parameters

---

**% verified**

Not verified

**Please explain**

Water abstraction quality parameters are not third party verified as part of central water accounting data. Water quality metrics are managed locally by site teams as part of the site Quality protocols.

### Water discharges – total volumes

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**% verified**

Not verified

**Please explain**

Currently water discharges by total volumes are not third party verified as part of central water accounting data. Water discharge volumes and qualities are managed locally by site teams as part of meeting local regulations.

### Water discharges – volume by destination

---

**% verified**

Not verified

**Please explain**

Currently water discharges by destination are not third party verified as part of central water accounting data. Water discharge destinations use data from COD measurements, as part of central waste accounting, the sum of which is third party verified.

### Water discharges – volume by final treatment level

---

**% verified**

Not verified

**Please explain**

Currently water discharges by final treatment level are not third party verified as part of central water accounting data. Water treatment levels are tracked internally as part of a central asset inventory.

### Water discharges – quality by standard water quality parameters

---

**% verified**

76-100

### Verification standard 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 Compass performance measures in accordance with ISAE 3000 for 11 years and Chemical Oxygen Demand for 10 years. PwC assurance statement is available here:  
<https://www.unilever.com/files/53bbb496-e4dd-4ee5-8f44-fbc6af305351/pwc-independent-limited-assurance-report-2021.pdf>

### Water consumption – total volume

#### % verified

Not verified

#### Please explain

Water consumption data is not third party verified as part of central water accounting data. It is not anticipated that this will be verified in the future.

## 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-	Our water policy is embedded in our Unilever Compass Strategy. We take a holistic approach to water as it's essential for our business – from growing crops to manufacturing, to how people use our products. Our water goals extend right across our value chain, including in the sustainable sourcing of our agricultural commodities, manufacturing and product innovation.  We use our annual water footprint assessment to understand our business impacts and dependencies on water and help guide our commitments and strategy. We also consider how these impacts and

		<p>recognized water initiatives</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>dependencies might change due to the impacts of climate change.</p> <p>Our strategy is supported by:</p> <ol style="list-style-type: none"> <li>1) our Group Environmental Policy which embeds performance standards for factories.</li> <li>2) The Unilever Sustainable Agriculture Code (SAC) and the Unilever Regenerative Agriculture Principles (RAPs) launched in 2021, and provide the basis for our sustainable sourcing, including requirements for water management. These policies apply to all suppliers and include mandatory and best practices associated with water management. We use our RAPs to set up best practice pilots with suppliers to support improvements in soil health, biodiversity, water quality and climate resilience.</li> <li>3) Our Unilever Environmental Care Framework, which is based on the requirements of ISO 140001. All environmental aspects, including water are included in this management framework.</li> <li>4) Product innovation strategies, innovating for people and planet; for our consumers, for superior performance, for value for money and for sustainability. For instance the Unilever Compass strategy includes commitments to transition all formulations to be 100% biodegradable by 2030, minimizing pollutants on the aquatic environment.</li> </ol> <p>We communicate progress on water-related innovation and performance on company-wide targets related to our value chain in our Annual Report and Accounts (ARA). In Unilever's 2021 ARA, climate was included as one of our key business risks (including water related risks that may disrupt our production and/or reduce consumer demand for our products).</p> <p>We recognize the human right to water, and through our brands, operations and supply chain, we're committed to respecting people's rights to water, and to acting as water stewards. We have also signed the Glasgow Declaration for Fair Water Footprints to</p>
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			transform how the global economy interacts with the water environment.
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## 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)	<p>The Unilever Board delegates the running of Unilever Group to the CEO, with the exception of some strategic matters (i.e. approval of dividends). Whilst the Board takes accountability, the CEO is ultimately responsible for the oversight of our environmental agenda, including management of water related risks and opportunities, including our commitments to tackle water security.</p> <p>The CEO can delegate responsibilities to the Unilever Leadership Executive (ULE). The ULE is comprised of the CEO, CFO and other senior executives. All ULE members report to the CEO but are not part of the Board’s decision-making process, which is reserved for the CEO and CFO as the only two executive Board members.</p> <p>In 2020, our CEO approved Unilever’s new set of sustainability commitments under the Unilever Compass, which succeed the Unilever Sustainable Living Plan (USLP). These included commitments on implementing water stewardship programmes in 100 locations in water-stressed areas by 2030 and ensuring 100% of our ingredients are biodegradable by 2030. These commitments were further supported by the CEO’s approval of Unilever’s dedicated €1bn Climate &amp; Nature Fund, a commitment that will see our brands taking meaningful action on projects including landscape restoration, reforestation, carbon sequestration, wildlife protection and water preservation.</p>

### 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

<p>Row 1</p>	<p>Scheduled - some meetings</p>	<p>Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&amp;D priorities Setting performance objectives</p>	<p>Unilever’s Board has ultimate responsibility for reviewing, monitoring and guiding the strategy for the Unilever Group, as well as its conduct. The Board has overall accountability for the management and guidance of risks and opportunities, including those associated with climate change, water security and water stewardship.</p> <p>The Unilever Leadership Executive (ULE) and the Board delegated Corporate Responsibility Committee (CRC) support the Board’s management of water-related issues. In 2021, the Board held 6 planned meetings and 3 additional meetings.</p> <p>The Board’s delegated CRC oversees Unilever’s conduct as a responsible global business. Core to this remit is its governance of progress on Unilever’s sustainability agenda, as set out in the company’s integrated business strategy, the Unilever Compass, and reviewing sustainability-related risks, developments and opportunities.</p> <p>Within the Unilever Compass, there are water-related targets including those for manufacturing, agriculture and consumer use, which the CRC oversees. The CRC report their findings to the Board regularly so that they can fulfil their oversight responsibilities.</p> <p>The CRC’s responsibilities are complemented by those of the Audit Committee. During 2021 the Audit Committee continued to review the sustainability assurance provided by PwC (including Environmental &amp; Occupational Safety which includes metrics such as water use in manufacturing) and plan for the assurance on non-financial Compass metrics going forward.</p> <p>For the fifth year, we applied the recommendations of the TCFD, including in our Annual Report and Accounts (ARA), which in 2021 included disclosures on water related risks to our business. Unilever has adopted TCFD recommendations since their establishment. In Unilever’s 2021 ARA, climate was included as one of our key business risks (including water related risks that may disrupt our production</p>
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			and/or reduce consumer demand for our products). As part of the Board sign-off process, the Board and the Audit Committee are required to approve the ARA, which includes our TCFD statement. These risks are reviewed by the Board on an annual basis.
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## W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	<p>Our Board-delegated Corporate Responsibility Committee meet every quarter to oversee Unilever’s conduct as a responsible global business. Core to this remit is its governance of progress on our Protect and regenerate nature commitments which are a key part of Unilever’s strategy, the Compass. Within our Protect and regenerate nature commitments is our regenerative agriculture commitment focused on water and soil health, our water stewardship commitment and our biodegradability commitment.</p> <p>It’s comprised of three non-executive Board directors, each with broad sustainability experience, based on their external appointments (i.e. Global Center of Adaptation) and previous industry/cross-industry experience.</p>

## W6.3

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

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

Chief Executive Officer (CEO)

**Responsibility**

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

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

Quarterly

**Please explain**

Our CEO is one of two Executive Directors on our Board and is a member of the Unilever Leadership Executive (ULE). The Board delegate responsibility for the day-to-



day leadership of the business including strategy, monitoring of performance and policy, to the CEO. A key responsibility is assessing and reporting progress on sustainability targets, including those on water. Unilever Compass is on the ULE agenda and therefore, water-related topics reported to the board include our commitment to implement water stewardship programmes in 100 locations in water-stressed areas by 2030 and 100% of ingredients biodegradable by 2030. The ULE meet quarterly to discuss sustainability progress, including risks and opportunities relating to water. The CEO is responsible for reporting back to the Board. He is also responsible for external engagements and was part of the Global Leadership Council (GLC), a group of leaders advocating for universal water, sanitation and hygiene.

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

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

**Responsibility**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

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

Quarterly

**Please explain**

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

## W6.4

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

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Outlined in 6.4a.

## 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	<p>One element of our Remuneration Policy is the long-term Performance Share Plan (PSP), linked to financial and sustainability performance, guided by our Sustainability Progress Index (SPI), it accounts for 25% of the total PSP award for the CEO, other C-Suite officers and senior executive leadership. The PSP replaced the Management Co-Investment Plan (MCIP) in 2021.</p> <p>Performance is determined through the SPI, an assessment made jointly by the Board-delegated Corporate Responsibility and Compensation Committees (CC). The Committees determine a rating from 0% to 200% each year based on 7 key performance indicators.</p> <p>SPI in 2021 was based on a selection of key performance indicators (KPIs) from our USLP which ran until 2020, reflected in the PSP up to and including the 2021 award. In 2021, the SPI included external recognition and performance such as achieving Leader or A ratings in CDP Water.</p> <p>MCIP performance is assessed annually and then tallied as an average index for each 4 year MCIP performance period, enabling the CC to determine the level of matched shares. The level of monetary reward is dependent on the average score between 0 to 200% over the 4 years.</p> <p>The performance indicators have all been chosen as indicators to measure performance as they feed into our Compass commitments which our UEL is accountable for. We have updated the SPI incentive performance measure to reflect the Compass from the 2022 PSP award onwards.</p>
Non-monetary reward	Other, please specify Employees	Improvements in efficiency - direct operations	Unilever Compass Awards are an internal recognition program aimed at recognizing teams/individuals who are pioneering new ways of doing business. Every team (functional or project team) can apply and winners will

		<p>Improvements in efficiency - supply chain</p> <p>Improvements in efficiency - product-use</p> <p>Implementation of employee awareness campaign or training program</p> <p>Increased access to workplace WASH</p> <p>Other, please specify</p> <p>Behavioural change</p>	<p>be selected by the Board Panel.</p> <p>Projects must align with one of the three pillars of the Unilever Compass – Improve the health of the planet; Improve people’s health, confidence and wellbeing; Contribute to fairer, more socially inclusive world. Unilever sees giving recognition for great work as an important way of motivating employees to feel empowered, help them collaborate and use an owner’s mindset for planning. It also helps share best practice across the business and drive efficiencies.</p> <p>Measures of success: Winners are chosen based on their alignment with the Unilever Compass goals – one of which relates to climate and environmental targets and includes water targets. This could include, for example, water-smart innovations which reduce product water intensity (e.g fast-rinsing laundry detergent or non-rinse hair conditioner), working with suppliers and farmers to reduce water in agriculture or behaviour change programs to use less domestic water or WASH programs on drinking water, handwashing with soap or sanitation. Both are aligned with the Improve the health of the planet pillar of the Unilever Compass.</p>
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## 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 process: our materiality assessment confirms the issues important to us and our stakeholders are consistent with our approach to engagement. We use stakeholder research and consider alignment with our Vision & Purpose; potential value chain impacts; and the degree we can affect change. We take a multi-stakeholder approach to avoid over focus on a handful of topics and update our assessment annually to make sure it reflects business


changes and the external environment. Our 2021 assessment confirmed water continue to be material and is addressed in our Unilever Compass strategy. Policy and advocacy in support of these ambitious climate and nature goals is an explicit part of the strategy and a responsibility of the Global Sustainability Team in partnership with Corporate Affairs. As an example, we're active members of the UN CEO Water Mandate, WEF Global Water Initiative.

Action taken if inconsistency discovered: as described above, our materiality assessment and stakeholder research enable engagement aligned with our Vision & Purpose. Through the process described above, if we recognise a gap in our engagement or the need to strengthen our position, for example in certain geographies or business areas then we actively seek to promote advocacy within this area. For example, as global water security is a key issue addressed in our policy and commitments, we joined forces with the 2030 Water Resources Group to provide emergency WASH support in response to Covid-19.

## 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)

 annual-report-and-accounts-2021.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	16-20	<p>Our purpose is to make sustainable living commonplace. We deliver this is through our strategy, the Unilever Compass. It contains long-term goals to tackle the intertwined issues of climate, water &amp; nature to combat water insecurity:</p> <ul style="list-style-type: none"> <li>• Implement water stewardship programmes in 100 locations in water-stressed areas</li> <li>• 100% of our ingredients will be biodegradable</li> <li>• Help protect and regenerate 1.5 million hectares of land, forests and oceans</li> </ul>

			<p>To assess long-term viability of our company and objectives, our Directors annually carry out an assessment of principal risks/issues, including those that threaten the business model, future performance, solvency or liquidity. Climate change is a Principal risk which incorporates physical issues, e.g. water scarcity and its impacts on crop sourcing, our manufacturing sites and consumer water use, constraining long-term growth (16-20 years). Portfolio management is another considering long-term growth/profitability of divisions, geographies where we operate/channels that we operate through. Both issues are aligned with our scenario analysis, further guiding our response through the UC to protect water: investing in new products/formulations that work with less, poorer quality or no water, and the management of localised water scarcity through our water stewardship programme.</p> <p>As we assess risks we will continue to integrate outcomes with long-term business planning.</p>
<p>Strategy for achieving long-term objectives</p>	<p>Yes, water-related issues are integrated</p>	<p>16-20</p>	<p>Learnings from our USLP (2010-2020), scenario and annual risk analysis are incorporated into our strategy for achieving our long-term water-related goals in our new integrated business strategy, the Unilever Compass (UC).</p> <p>Action plans include innovations in key portfolio segments &amp; more R&amp;D &amp; consumer research. Our water-smart products include: SmartFoam Rin laundry detergent bar which cuts rinsing by half; &amp; our Love Beauty &amp; Planet hair care range uses fast-rinse technology in its conditioners. Home Care's Clean Future strategy is creating a new generation of cleaning &amp; laundry products to achieve our 100% biodegradability by 2030 target eg Seventh Generation 100% biodegradable liquid laundry formulas &amp; Sunlight (Quix) dishwashing liquid now contains rhamnolipids, a renewable &amp; biodegradable surfactant.</p> <p>Our Sustainable Agriculture Code &amp; new Unilever Regenerative Agriculture Principles provide guidance on improving water quality and climate resilience.</p> <p>We're building on what we've learnt from our Prabhat programme in India, which works with communities to tackle water quality &amp; supply risks, adopting the Alliance</p>

			for Water Stewardship Standard, & sharing best practice with our peers'. To address water insecurity for our consumers in key markets we joined the 2030 Water Resources Group, working collectively through Multi-Stakeholder Platforms.
Financial planning	Yes, water-related issues are integrated	16-20	<p>Our scenario analysis quantified how increased water-stressed areas/prolonged droughts could reduce crop outputs and increase raw material prices in 2030, 2039 + 2050. Previous analyses estimated how turnover could be at risk in the shorter-term due to water scarcity affecting frequency of use of products if we did not reshape our product innovation strategy + portfolio.</p> <p>Financial planning to mitigate these risks include investing in new products/formulations that work with less, poor quality or no water. We're also expanding our water stewardship programme to 100 locations in water-stressed areas. To ensure that the scale of action is appropriate for the opportunity/risk, we set internal business targets on water. These measure business contribution (sales + profits) of 'water-smart' products - for use in water-stressed situations. Targets range in time horizon (5-10+ years) however, as they're internal targets relating to sales/profits, we do not share externally.</p> <p>Achieving our Compass goals is financially supported by our €1 billion Climate &amp; Nature fund.</p> <p>To report on the long-term viability of our company and objectives, our Directors annually review the overall funding capacity and headroom to withstand severe events and carry out a robust assessment of principal risks (issues), including those that would threaten its business model, future performance, solvency or liquidity. This is aligned with the time horizons underpinning e.g. principal risk reporting.</p>

## 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)**

40

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

5

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

31

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

7

**Please explain**

Increase in CAPEX: CAPEX spend is calculated using Low Carbon Fund data in 2021. During 2021 €21.1m was spent on to water related savings projects with an estimated combined payback of 2.2 years. The increase was driven by an emergence from COVID-19, renewed focus on resource efficiency and improvement identified during the water stewardship Compass programmes. CAPEX spend included projects such as water recycling and reuse, steam recovery and improved metering.

Decrease in OPEX : OPEX spend is calculated using reported raw water costs by site. Reductions have been driven by unit price reductions in South East Asia countering increases seen in North Asia and Europe. Water is generally under valued, however we anticipate in the future water costs will increase above inflation.

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

	<b>Use of scenario analysis</b>	<b>Comment</b>
Row 1	Yes	To understand the impact that climate change could have on Unilever's 2030 business we have looked at the impact of 2°C and 4°C global warming by 2100 assuming we have the same business activities in 2030 as we do today. In the 2°C scenario, we assumed that in the period to 2030 society acts rapidly to limit greenhouse gas emissions and puts in place measures to restrain deforestation and discourage emissions (eg. implementing carbon pricing at \$75-\$100 per tonne, taken from the IEA's 450 scenario). We have assumed that there will be no significant impact to our business from the physical ramifications of climate change by 2030 – i.e. from greater scarcity of water or increased impact of severe weather events. The scenario assesses the impact on our business from regulatory changes. In the 4°C scenario, we assumed climate policy is less ambitious and emissions remain high so the physical manifestations of climate change are increasingly apparent by 2030.



## W7.3a

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>Parameters:</p> <p>Assumptions: In assessing material risks/opportunities in a world focused on achieving 1.5°C we reviewed in detail 'proactive' and 'reactive' pathways (assessed as more likely than other more extreme pathways). Proactive: ▪ Aggressive and persistent regulation from today ▪ Dramatic changes to lifestyle from today, towards minimising climate impact and social inequality ▪ Reliance on available and proven technologies ▪ Lower reliance on carbon removal technologies Reactive: ▪ Gradual regulation by 2030, very aggressive post-2030 ▪ Continuation of historical societal trends until 2030, then rapid pivot ▪ Major reliance on technologies that are not yet proven to scale ▪ Higher reliance on carbon removal technologies</p> <p>Analytical choices:</p> <p>Models used: IEA WEO 2016 &amp; 2020; RCP 1.9. For the two transition pathways, we used S1 &amp; S2 (based on Shared Socio Economic</p>	<p>Potential company-specific water-related risks assessed in the 1.5°C scenario analysis included:</p> <p>Water scarcity would lead to increased droughts while limited resources to irrigate soils could reduce crop outputs of some commodities used in Unilever's Food &amp; Refreshment, Home &amp; Beauty &amp; Personal Care products. Water shortages could also impact a number of our 250 manufacturing sites and our ability to supply products. Our consumers could also face water shortages in their everyday activities in certain regions, restricting their showering and laundry habits and creating a need for water-smart or waterless products such as those in our 'the good stuff' brand.</p> <p>Extreme weather events could significantly disrupt our entire value chain. Sustained high temperatures could lead to reduced crop outputs due</p>	<p>We are taking action to address our water-related climate change risks in line with the output from the scenario analysis. All scenarios highlighted risks in our supply chain. We're mitigating physical environment risks by investing in new products and formulations that work with less water, poor quality water or no water. For example, many of our hair care products now have fast-rinse technology as standard, using less water. We're expanding our water stewardship programme to 100 locations in water-stressed areas by 2030.</p> <p>In terms of timescales, our larger goals such as our water stewardship programmes in 100 water-stressed areas and 100% of ingredients to be biodegradable are over a 10-year period (2020-2030).</p> <p>We monitor changing weather patterns on a short-term basis and</p>



	<p>Pathways - SSPs), from IPCC reports.</p> <p>Data Sources: internal environmental, operational, and financial data and external science-based data and assumptions from reputable and broadly used sources such as the IPCC or the International Energy Agency.</p> <p>Time Horizons: impact on the business in 2030, 2039 and 2050 of limiting global warming to 1.5°C.</p>	<p>to reduction in soil productivity which could translate into higher raw material prices. In 2021, we witnessed spikes in soybean oil prices of +90% and palm oil costs of +130% vs early 2020. Weather events such as hurricanes or floods, which would become increasingly common and intense, could cause plant outages or disrupt our distribution infrastructure. Additionally, macroeconomic negative shocks among affected communities could reduce or destroy consumer demand and purchasing power.</p>	<p>integrate weather system modelling into our forecasting process. To mitigate negative effects from extreme weather we have contingency plans to secure alternative key material supplies at short notice or transfer or share production between manufacturing sites. We manage commodity price risks through forward-buying of traded commodities and other hedging mechanisms. Our Regenerative Agriculture Principles and Sustainable Agriculture Code encourage our agricultural raw material suppliers to adopt practices which increase their productivity and resilience to extreme weather.</p>
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## W7.4

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

#### Row 1

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

No, but we are currently exploring water valuation practices

#### Please explain

The low purchase price of water and the perception of low purchase price continues to represent a challenge to driving water efficiency whilst meeting internal investment criteria. Much of the water we use on site is treated, heated, cooled &/or has chemicals added to it, the cost of this can be up to 40x more expensive than the per m3 unit price. In January 2022, we launched an internal calculator for supporting sites in articulating the True Cost of Water, suitable for use in financial business cases and to drive operational efficiency. We continue to support sites with access to funding through the centrally managed Low Carbon Fund, and support with calculating the True Cost of Water. On top of this Unilever’s Low Carbon Fund allows for extended payback periods

of up to 5 years for water stressed site investments. We continue to explore water valuation processes that address future water risks & means of embedding into business cases & operational decision making.

## W7.5

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	<p>We define low water impact products as those that have lower detrimental impact on water resources, water quality and ecosystems than the market average.</p> <p>We evaluate this on a brand and product division level.</p>	<p>We are creating many water-smart products to make it easier for consumers to use less water in their homes.</p> <p>Example of some low water impact products: Our Rin detergent bar uses up to half the water needed for rinsing, making the washing process easier for consumers in water-scarce regions.</p> <p>We're also developing products that use no water at all, such as our hair care brand, 'the good stuff', which includes eight no-rinse conditioners and our roll out of antibacterial Sunlight washing-up liquid that can be used without water and rinsing.</p>

## 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	Targets are monitored at the corporate level	Our approach and motivation: Our 1.5C scenario analysis highlighted water scarcity as a risk to Unilever that would lead to increased droughts while limited resources to irrigate soils could reduce crop outputs. Whilst water could impact our sourcing, shortages could also impact our manufacturing sites and our ability to supply water-based

<p>Site/facility specific targets and/or goals</p> <p>Brand/product specific targets and/or goals</p>	<p>Goals are monitored at the corporate level</p>	<p>products, not to mention our consumers ability to use our products. Over 85% of our water use occurs when consumers use our products. Poor accessibility of water by consumer therefore impacts demand &amp; sales. Our scenario analysis also helps reinforce our investment strategy in new products and formulations that work with less, poorer quality or no water to mitigate this. Unilever has been carrying out this type of analysis since 2017. Our global water strategy aims to both safeguard our ability to operate &amp; help contribute to SDG 6. Our target and goal setting around water are guided by our business strategy to win with our brands as a force for good, powered by purpose and innovation, that improve the health of the planet.</p> <p>Operations: Today, around 40% of Unilever’s manufacturing sites are located in areas classified as water-stressed. Therefore, we are placing more focus on these sites, setting more ambitious targets and supporting the sites in taking action. Having made good progress with the water reduction goals and targets in our own factories, we expanded to water stewardship beyond our factory walls in order to mitigate water risks. One of our Unilever Compass goals is to implement water stewardship programmes in 100 of our most water-stressed areas by 2030.</p> <p>Supply chain: water is essential to our supply chain, for example the growth of crops to develop our products. Therefore, our Compass commitment is to empower farmers and smallholders to protect and regenerate farm environments, supported by our Regenerative Agriculture Principles aimed at increasing water efficiency and improving water quality.</p> <p>Product innovation: These targets come on top of our continued commitments to develop water smart products through our Clean Futures strategy, and 100% of our product formulations to be biodegradable by 2030.</p> <p>Advocacy: Whilst we are managing water risk through our operations, innovations and supply chain, we are also collaborating with wider stakeholders and we set ourselves an advocacy target to join the 2030 Water Resources Group, hosted by the World Bank, to contribute to transformative change and building resilience</p>
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			<p>in water management in key water-stressed markets.</p> <p>Governance: We report against our targets annually via our ARA. The Unilever Leadership Executive (ULE), chaired by the CEO, meet on a quarterly basis to monitor our sustainability progress against the new Unilever Compass goals, including those targets related to water. This represents a significant step towards integrating water considerations into our core business operations.</p>
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## 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, Sanitation and Hygiene (WASH) services in the workplace

### Level

Other, please specify

Handwashing and behaviour change

### Primary motivation

Other, please specify

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

### Description of target

Our Compass commitment to take action through our brands to improve health and wellbeing and advance equity and inclusion, reaching 1 billion people per year by 2030 is supported by brand commitments. For example, Lifebuoy has committed to reach 500 million people every year until 2030 with communications to help improve hand hygiene behaviour and help advance health access initiatives.

For more than a century, our Lifebuoy soap brand has been on a mission to change handwashing behaviours. Through Lifebuoy's Social Mission programmes and communications, we've helped over a billion people develop better handwashing habits, improving hygiene, protecting against illness and helping to prevent childhood deaths. Its H for Handwashing education campaign has been teaching children about the importance of handwashing since its launch. And the Hygiene & Behaviour Change Coalition created by Lifebuoy, Domestos, the UK government and others has equipped many more to practise better hygiene.

### Quantitative metric

Other, please specify

Number of people reached through brand communications

**Baseline year**

2020

**Start year**

2020

**Target year**

2030

**% of target achieved**

7

**Please explain**

In 2021, we reached 686 million people through our health and wellbeing commitment and started our €30 million initiative to encourage more children to adopt handwashing habits for life.

## W8.1b

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

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**Goal**

Other, please specify

Catchment level action

**Level**

Company-wide

**Motivation**

Reduced environmental impact

**Description of goal**

Why the goal is important: around 40% of our manufacturing sites are located in areas classified as water-stressed. With water being central to our business development from growing crops to manufacturing, we are placing more emphasis on these sites to support them in taking action. Therefore, our goal is to implement water stewardship programmes in 100 of our most water-stressed areas by 2030 and working with others to address shared water challenges.

How the goal is being implemented company-wide: we've made good progress in reducing water usage within our own factories and through our direct operations. Our

water stewardship goal expands beyond our direct operations to our supply chain and beyond.

**Baseline year**

2020

**Start year**

2020

**End year**

2030

**Progress**

8% progress. Indicators that are used to assess progress: we are aligning with the Alliance for Water Stewardship (AWS) standard to define a successful water stewardship programme. We also monitor water indicators within these programmes such as water demand and water consumption. In Konya, Turkey, for example, much of the water used by our ice cream factory comes from groundwater via the Industrial Park provider – a shared aquifer used by other industry and agriculture organisations. Unregulated irrigation in the region is resulting in declining ground levels. Today, the factory is implementing water recycling and reuse practices. And by applying the Alliance for Water Stewardship standard, the site has been broadening water security engagement with other stakeholders in the region

The threshold and how we have progressed: our goal is to implement water stewardship programmes in 100 of our most water-stressed locations by 2030. We have established programmes in 8 sites in India, and in 2021 were underway with programmes in 12 of our manufacturing sites across in Indonesia, Brazil, South Africa and Turkey.

**Goal**

Reduce environmental impact of product in use phase

**Level**

Brand/product

**Motivation**

Reduced environmental impact

**Description of goal**

Why the goal is important: today, most of our ingredients in our Home Care, Beauty & Wellbeing and Personal Care portfolios are biodegradable. We're focusing on the ingredients that aren't yet biodegradable and looking for alternatives that break down easily and quickly after use without compromising our products' performance. We're aiming to make our product formulations biodegradable by 2030, to protect water resources. We're focusing on the products that are generally washed off after use in people's homes. These include laundry, household cleaning, skin cleansing, oral care and hair care products.

Company-wide implementation: the goal is part of our company-wide Compass strategy that is governed by our board. Our Clean Future strategy is creating a new generation of cleaning and laundry products that biodegrade in the environment and are derived from renewable and recycled carbon sources. We're innovating with new types of polymers and other slowly degradable ingredients that leave no trace behind. I.e. Seventh Generation has pioneered 100% biodegradable liquid laundry formulas across its range which are better for aquatic systems as the product rapidly and safely degrades. Some ingredients that we currently use have no viable biodegradable alternatives. Our scientists are collaborating with suppliers, partners and academia to find solutions.

**Baseline year**

2020

**Start year**

2020

**End year**

2030

**Progress**

Indicators that are used to assess progress: The brand has extended its biodegradable formulas for new body washes and deodorants. In many cases, we'll replace our use of non-biodegradable ingredients with biodegradable alternatives. Some ingredients that we currently use have no viable biodegradable alternatives, an indicator to progress against this goal would be when alternatives so become available achieved through research, collaboration and innovation. Ultimately, our progress against this goal will be assessed by our review against our target of 100% ingredients biodegradable by 2030.

The threshold and how we have progressed: Whilst we have made progress against this target, we have put 0% against % of target achieved as we have not reported on the progress made corporately in year one.

## 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?**

Disclo sure	Data verified	Verific ation	Please explain
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module		standard	
W8 Targets	Water abstracted in m3 per tonne of production in 2020 (1 October 2019 to 30 September 2020); <ul style="list-style-type: none"> <li>Change in the volume of water in m3 abstracted in 2020</li> <li>Percentage change in the water abstracted per tonne of production</li> <li>Emissions of chemical oxygen demand (COD) in kg per tonne of producti</li> </ul>	ISAE 3000	<p>In 2021, PricewaterhouseCoopers LLP (PwC) assured our water abstraction metric. PwC's assurance engagement is in accordance with ISAE 3000 and they apply the Institute of Chartered Accountants in England &amp; Wales (ICAEW) Code of Ethics. The Unilever Board's Audit Committee oversees the Compass assurance programme. External independent assurance supports our internal controls. Risk management is integrated into every stage of our activities, processes and systems to ensure we mitigate accuracy and reliability risks. Our Corporate Audit function provides us with an objective and independent review of the effectiveness of risk management and internal control systems throughout Unilever. The Reporting Criteria "Unilever's Basis of Preparation 2021"</p> <p><a href="https://www.unilever.com/files/92ui5egz/production/10ed7b549025e1612bed4a0b2b2b5380a76c527e.pdf">https://www.unilever.com/files/92ui5egz/production/10ed7b549025e1612bed4a0b2b2b5380a76c527e.pdf</a> has been used to prepare and report the Selected Information and Selected Statements.</p> <p>PwC Assurance statement available:  <a href="https://www.unilever.com/files/53bbb496-e4dd-4ee5-8f44-fbc6af305351/pwc-independent-limited-assurance-report-2021.pdf">https://www.unilever.com/files/53bbb496-e4dd-4ee5-8f44-fbc6af305351/pwc-independent-limited-assurance-report-2021.pdf</a></p>



	on in 2021		
W8 Target	Metric: The number of people reached on a cumulative basis by an intervention through our programmes on handwashing, self-esteem, sanitation, oral health, skin healing and safe drinking water by the end of 2021.	ISAE 3000	<p>PricewaterhouseCoopers LLP (PwC) assure our sanitation metric every other year. They independently assured our Health and Hygiene pillar commitments in 2021. The Unilever Board's Audit Committee oversees the Compass assurance programme. External independent assurance supports our internal controls. Risk management is integrated into every stage of our activities, processes and systems to ensure we mitigate accuracy and reliability risks. Our Corporate Audit function provides us with an objective and independent review of the effectiveness of risk management and internal control systems throughout Unilever. The Reporting Criteria "Unilever's Basis of Preparation 2021" <a href="https://www.unilever.com/files/92ui5egz/production/10ed7b549025e1612bed4a0b2b2b5380a76c527e.pdf">https://www.unilever.com/files/92ui5egz/production/10ed7b549025e1612bed4a0b2b2b5380a76c527e.pdf</a> has been used to prepare and report the Selected Information and Selected Statements.</p> <p>PwC Assurance statement available <a href="https://www.unilever.com/files/53bbb496-e4dd-4ee5-8f44-fbc6af305351/pwc-independent-limited-assurance-report-2021.pdf">https://www.unilever.com/files/53bbb496-e4dd-4ee5-8f44-fbc6af305351/pwc-independent-limited-assurance-report-2021.pdf</a></p>

## 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	Other C-Suite Officer

## 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	52,440,000,000

### SW1.1

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

This is confidential

### SW1.2

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

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

### SW2.1

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

## SW2.2

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

No

## SW3.1

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

## Submit your response

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

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

	<b>I understand that my response will be shared with all requesting stakeholders</b>	<b>Response permission</b>
Please select your submission options		Public

**Please confirm below**