

Unilever Nederland

Sector	Revenue	Emissions	Pledge	Transparency	Integrity
Consumer goods	€ 60.1 bn (PLC, 2022)	34.3 MtCO ₂ e (PLC, 2022) 0.014 MtCO ₂ e (S1+S2, NL 2021)	Net zero by 2039	Moderate	Moderate

1. Tracking & disclosure of emissions			Transparency & Integrity																
34.3 MtCO ₂ e (PLC, 2022)	●	Subsidiaries are covered																	
Major emissions sources	For Dutch subsidiary, only S1 and S2 emissions from CDP Disclosure. Unilever PLC's main sources of emissions in 2022 were raw and packaging materials (S3 upstream, 72%) and product use and disposal (S3 downstream, 26%).		<table border="1"> <caption>Bar Chart Data: Emissions (MtCO₂e)</caption> <thead> <tr> <th>Entity</th> <th>S1</th> <th>S2</th> <th>S3 upstream</th> <th>S3 downstream</th> </tr> </thead> <tbody> <tr> <td>Unilever PLC</td> <td>0,5</td> <td>0,002</td> <td>?</td> <td>?</td> </tr> <tr> <td>Unilever NL</td> <td>0,1</td> <td>0,011</td> <td>24,7</td> <td>9,0</td> </tr> </tbody> </table>		Entity	S1	S2	S3 upstream	S3 downstream	Unilever PLC	0,5	0,002	?	?	Unilever NL	0,1	0,011	24,7	9,0
Entity	S1	S2	S3 upstream	S3 downstream															
Unilever PLC	0,5	0,002	?	?															
Unilever NL	0,1	0,011	24,7	9,0															
Disclosure	For Unilever PLC, detailed reporting, but S3 emissions not broken down for all GHG Protocol categories. Unilever also claims an additional 58 MtCO ₂ e from indirect consumer use of its products.																		

2. Setting emission reduction targets			Transparency	Integrity
Headline target or pledge	Net zero by 2039 across S1, S2 & S3 emissions			
Short- & medium-term targets (up to 2030)	S1 and S2 GHG emissions: - 70% absolute reduction by 2025 (vs 2015) - 100% absolute reduction by 2030 (vs 2015) Value chain (S1, S2, S3, incl. indirect use-phase) emissions on a per-consumer basis: - 50% intensity reduction by 2030 (vs 2010)		High	Low
Scope coverage	1 2 3	Ambitious absolute reduction targets cover 2% of the total value chain emissions. Due to increased S3 emissions, expected 5% increase compared to 2019. Not aligned with 1.5°C. Intensity targets not quantifiable.		
Own emission reductions (compared to full value chain in 2019)	+5% by 2030			
Long-term vision (beyond 2030)	Net zero covering S1, S2 and S3 emissions (excl. indirect use phase) by 2039, "residual emissions balanced by carbon removals".		Low	?
Scope coverage	1 2 3	Unilever does not specify what share of its 2039 target will be achieved through own emissions reductions. No assessment possible.		
Own emission reductions (compared to full value chain in 2019)	? by 2039			

3. Reducing own emissions		Transparency	Integrity
Emissions reduction measures	Unilever PLC describes measures for all emission scopes, with S1 and S2 being the most detailed. Measures include renewable energy consumption and sustainable supplier engagement, but limited details for S3 impact.	Moderate	Moderate
Renewable electricity procurement	Over 96% of electricity consumption is renewable, with different procurement constructs broken down. CDP Disclosure provides further details on location and generation method.	High	High

4. Climate contributions & offsetting		Transparency	Integrity
Responsibility for unabated emissions	No information identified on how the company takes responsibility for unabated emissions.	Moderate	Low
Climate contributions	- Unilever PLC runs several landscape programmes, including forest restoration in Southeast Asia. Precise (basis for determining the) volume remains unclear. The company uses an internal carbon price of €70/tCO ₂ "to inform [its] decision-making", which is below a 1.5°C-compatible level.	Moderate	?
Offsetting claims today	- Currently, 0.01 MtCO ₂ e voluntary offsetting through agricultural projects. Unilever brands "may invest in compensation and neutralisation well ahead of 2039 through the € 1 bn Climate & Nature Fund".	Low	Low
Offsetting plans for the future	Net-zero 2039 target depends on residual emissions being offset "through either natural or technological carbon sequestration" (e.g. reforestation or CCS). No further scale or principles specified. New climate plan for 2024 announced.	Low	Low

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.
Overall Average of sections 1-4 ■High ■Reasonable ■Moderate ■Low ■Very Low;
Sections 1-4 Average of criteria in each section ■■■■■; **Rating criteria** See methodology for rating criteria ■■■■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from Unilever PLC/Nederland

Unilever Nederland

Unilever Nederland N.V. is a Dutch subsidiary of the UK-headquartered multinational consumer goods company Unilever PLC, which produces a wide array of products, including food, home care and personal care products. Unilever PLC commits itself to achieving "net-zero" emissions across the entire value chain by 2039 by executing its Climate Transition Action Plan. The target is not specified in terms of absolute emission reductions. Unilever Nederland is covered by the climate targets and strategy of its parent company. Its largest emission sources are from purchasing raw and packaging materials as well as the use and disposal of Unilever's products. The company's over-reporting of S3 emissions, by including indirect use-phase emissions, may distract from taking climate action.

About the tracking and disclosure of GHG emissions of Unilever

Virtually all of Unilever PLC's GHG emissions are from S3, i.e. 98 percent of the total of 34 MtCO_{2e}. The company over-reports its S3 emissions by presenting indirect consumer use-phase emissions over which it has no control. Unilever's operational emissions form only a small portion of all greenhouse gases emitted: 0.50 and 0.12 MtCO_{2e} for S1 and S2, respectively (Unilever PLC, 2023a, pp. 42-43). While Unilever (2023a, pp. 42-43; 2022a, C6.3) only reports its market-based S2 estimate in its annual reports, its CDP Disclosure reveals that the location-based estimate is in fact higher. The remaining S3 emissions are mostly from purchasing raw materials and packaging as well as retail ice cream freezers and the end-of-life treatment of sold products. While its net-zero pledges only cover the emission categories from the GHG Protocol, Unilever PLC (2023a, pp. 42-43; 2021, pp. 7-8) also discloses the indirect use-phase emissions associated with its products (58 MtCO_{2e} in 2022), such as the energy consumption of washing machines using Unilever's detergents. While it is commendable to try to lower these emissions, overreporting may also "lead to distraction from the company's mandatory emission scope, or targets can be disingenuous" as noted in NCI's (2023b, Section 1.1.1) Methodology. Emissions for Unilever Nederland are not reported, except in Unilever's CDP Disclosure. In 2022, its emissions amounted to 0.002 and 0.011 MtCO_{2e} across S1 and S2, respectively (Unilever PLC, 2022a, C7.2, C7.5). Since 2019, these emissions have decreased by 27 percent. S3 emissions are not broken down by country, but should be the major emitting factor.

About the targets of Unilever

Unilever PLC's interim ambitions for 2025 and 2030 mostly focus on its operational emissions, while full value chain emissions associated with its products are covered by untransparent intensity targets. For its S1 and S2 emissions – representing only 2 percent of the full value chain emissions – Unilever aims to achieve absolute reductions of 70 and 100 percent by 2025 and 2030, respectively, against a 2015 baseline. Furthermore, Unilever (2021, pp. 7-8) sets an intensity target aiming to reduce the full value chain emissions (including indirect use-phase emissions) "on a per consumer use basis" by 50 percent by 2030 (versus 2010 levels). Unilever (2023a, p. 44) reports emissions "per consumer use" of 41.4 gCO₂, a decrease of 19 percent compared to its 2010 baseline.¹ Unilever PLC (2021, p. 8) itself notes that "decarbonising the energy grid is likely to get results faster than attempts to change consumer preferences". As such, reporting and targeting indirect use-phase emissions could be contentious. The reason is that stakeholders now might believe that the company is achieving reductions, while it has limited influence on these emissions. Overall, the medium-term targets are currently on a path that leads to an *increase* of emissions by

¹ Presumably using a 2010 baseline of 50.5 gCO₂, as Unilever's (2022a, C4.1b) CDP disclosure reports 0.0000505 "metric tons CO_{2e}" per consumer use. Consumer use is defined as the "single use, portion or serving of a product" based on "either consumer habits studies or on-pack recommendations" or "internal expert opinion".

approximately 5 percent, as 98 percent of emissions (S3) are not targeted and have in fact increased since 2019. Other sustainability targets by Unilever (2021) are, for example, "ending deforestation" linked to key commodity crops by 2023 and transitioning to 100 percent renewable heat and 100 percent EVs and hybrid cars by 2030.

While the Climate Transition Action Plan of Unilever (2021, pp. 16-17; 2023a, p. 41) claims that the company fully sources its worldwide electricity grid from renewable sources, its annual reports show that its electricity use was 93 percent renewable in 2022, with 1.4 percent of all consumption being self-generated. Unilever (2023a, p. 36) reports electricity only as renewable "when the accompanying Renewable Energy Certificates (RECs), originate in the same market in which we are operating". An additional 3.3 percent of unbundled RECs is bought from adjacent markets. The main source of electricity is unbundled RECs bought in a market where Unilever is operating. The 27 GWh of electricity consumed in the Netherlands is fully renewable (Unilever, 2022a, C8.2).

Unilever PLC wants to be net zero by 2039, but it is unclear to what extent it relies on neutralisation.

Unilever PLC (2021, p. 7) wants to be net zero across its full value chain (S1, S2 and S3) by 2039. However, neither the holding company nor its Dutch subsidiary specifies to what extent it intends to rely on offsetting measures to bring these scopes to net zero by the target year. Currently, Unilever PLC has "not committed to a defined compensation pathway" (Unilever, 2021, p. 13). This makes it impossible to determine the exact percentage of the reduction in own emissions. Still, while its Climate Transition Action Plan does not count 'compensation' as a means of reducing net emissions, it makes it seem like the company plans to potentially compensate all of its current and future gross emissions (Unilever, 2021, p. 13). Whilst Unilever is currently not offsetting, its own brands make use of offsets towards their carbon-neutral and climate-positive claims, mainly through the 1 billion-euro *Climate & Nature Fund*, which includes forest protection and regeneration (Unilever, 2021, pp. 11-12).

Unilever PLC outlines a wide array of policies to reduce emissions.

Little information is provided on emission reduction measures that focus on the Netherlands specifically. In its Climate Transition Action Plan, Unilever PLC provides information on the emission reduction measures that it is implementing for all of its emission scopes. Measures include improving energy efficiency, procurement of renewable energy, reducing the use of plastics, and reducing emissions from logistics vehicles (Unilever, 2021, pp. 16-29). Specifically for its operations, the measures include "the transition to renewable heat sources, increasing energy efficiency, and reducing refrigeration emissions" (Unilever, 2021, p. 16). Moreover, given that raw materials and packaging are a major emissions source of Unilever (2021, p. 20), they are the company's "primary focus". Measures include engagement with suppliers as well as strategic sourcing and product optimisation. For example, in 2022 Unilever PLC (2023b) carried out a pilot study with 35 suppliers to help "build their climate capabilities and accelerate their climate journey".

Sources:

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Unilever Nederland

Low

Integrity assessment for short- and medium-term target(s) towards 2030

What do the short- and medium-term targets actually mean?

What are the targets for the short to medium term?

Unilever Nederland is covered by Unilever PLC's company-wide interim targets.

S1 and S2 GHG emissions:

- 70 percent absolute reduction by 2025 (2015 baseline)
- 100 percent absolute reduction by 2030 (2015 baseline)

Product value chain GHG emissions on a per consumer basis, "includes indirect use-phase emissions":

- 50 percent intensity reduction by 2030 (2010 baseline)

Additionally:

- "end any deforestation" linked to palm oil, paper/board, soy, cacao and tea by 2023 (Unilever, 2021, p. 22);
- 1.5 million hectares of land, forests and oceans protected/regenerated by 2030 (Unilever, 2021, p. 35);
- 20 percent of ice cream products being non-dairy by 2030 (Unilever, 2021, p. 33);
- 100 percent EVs or hybrids in car fleet by 2030 (Unilever, 2021, p. 26);
- 50 percent reduction in food waste in own operations by 2025 (Unilever, 2021, p. 16);
- 100 percent renewable heat by 2030 (Unilever, 2021, p. 16).

How do these targets equate to emission reductions across the value chain (compared to a 2019 baseline)?

We estimate Unilever's PLC's emissions reduction across the entire value chain to translate to an emission *increase* of 5 percent by 2030 compared to 2019 levels. While operational emissions across S1 and S2 reach zero by 2030, the S3 emissions have increased between 2019 and 2022 and are not covered by any absolute medium-term targets. The company's operational targets cover 2 percent of the complete emissions footprint. The reduction target for S3 is not quantifiable as it is an intensity target, which could result in higher overall emissions if the production volumes increase in the meantime. A 50 percent reduction would imply a reduction from 50.5 gCO₂e "per consumer use" in 2010 to an intensity of 25.3 tCO₂e by 2030 (Unilever, 2022a, C4.1b; 2023a, p. 44).

Do these targets cover both the short term (within 5 years) and medium term (up to 2030)?

The company has set short-term targets for 2025 and medium-term emission reduction targets for 2030. These targets only cover S1 and S2, and exclude S3.

Do these emission reduction commitments align with a 1.5°C trajectory for the sector according to available literature?

Global benchmarks: The IPCC's Sixth Assessment Report stresses that global CO₂ emissions must be reduced by net 48 percent by 2030, compared to 2019 levels, to stand a reasonable chance of limiting global warming to 1.5°C (IPCC, 2022). During the same period, global GHG emissions must decrease by 43 percent. Given that Unilever PLC has excluded S3 emissions from its short- and medium-term targets, it is highly unlikely that Unilever will reach these global benchmarks by 2030.

Sector-level benchmarks: Existing literature provides no specific milestones for the consumer goods industry, making an independent analysis of 1.5°C trajectory alignment difficult. There are some benchmarks for food producers, which for example require the emission intensity of agricultural output to decrease by 52 percent by 2030 (compared to 2020) to be 1.5°C compatible (Dietz et al., 2022, p. 14). The inclusion of indirect use-phase emissions in Unilever's intensity target makes it difficult to benchmark even its targeted intensity reduction as the company has little control over the decarbonisation of the electricity grid, for instance. Teske (2022, p. 328) notes that S1 and S2 emissions in the agricultural and food sector should be reduced by 32 percent by 2025 and by 62 percent by 2030. Therefore, Unilever's short- and medium-targets for operational emissions are aligned with a 1.5°C trajectory. However, as already noted, major S3 emissions are excluded from its absolute targets. Teske (2022, p. 328) finds that full value chain emissions in the

agricultural and food sector should be reduced by 23 percent by 2025 and by 39 percent by 2030. SBTi has verified and rated Unilever's medium-term targets for 2030 as aligned with the 1.5°C trajectory, as checked on 9 May 2023.



Integrity assessment for long-term target(s) (post-2030)

What do the long-term targets actually mean?

What are the targets for the long term beyond 2030?

Unilever Nederland is covered by Unilever PLC's company-wide long-term pledges.

S1, S2 and S3 GHG emissions, excluding indirect consumer use:

- "net-zero" emissions by 2039 ("reduced towards zero as far as possible, with residual emissions balanced by carbon removals")

How do these targets equate to emission reductions across the value chain (compared to a 2019 baseline)?

Neither the subsidiary nor the holding company specifies a deep emissions reduction target alongside its net-zero commitment by 2039. Presumably, S1 and S2 in absolute terms should be reduced by 100 percent by 2030 already, i.e. zero operational emissions in the long term as well.

Do these emission reduction commitments align with a 1.5°C trajectory for the sector according to available literature?

No assessment possible as the company has not set absolute emission reduction targets. Unilever plans to publish a new climate plan in 2024.
