

Unilever N.V and plc. (Unilever)

	GHG EMISSIONS	LAND-SYSTEM CHANGE
ACKNOWLEDGE	● ● ● ●	● ● ● ●
PRIORITISE	● ● ● ●	● ● ● ●
SET STRATEGY & GOALS	● ● ● ●	● ● ● ●
TRACK	● ● ● ●	● ● ● ●

Background on Unilever

Unilever is a British-Dutch multinational consumer goods company founded in 1930 and co-headquartered in Rotterdam, Netherlands and London, United Kingdom. It is the world's third largest consumer goods provider and produces and distributes food, beverages, cleaning agents, and personal care products in 190 countries. It employed 172,000 people world-wide and reported revenues of €53 billion in 2015. It is a publicly traded company listed as Unilever N.V on the Euronext Amsterdam stock exchange and listed as Unilever plc. on the London Stock Exchange.

How did Unilever come to start thinking about context?

In 2010, Paul Polman became Unilever's new CEO and quickly launched the [Sustainable Living Plan](#) that included a goal to halve the environmental impact of the company's products by 2020 while doubling its turnover¹. After a period of internal focus aimed at reducing its own operational impacts, Unilever turned its attention, using the Sustainable Living Plan, to the users of its products and launched [Project Sunlight](#)². The project aimed to make sustainable living not only desirable but also achievable by inspiring people to consider a world where everyone lives well and within the natural limits of the planet².

During 2014, Polman was quoted as saying that climate change could not be adequately addressed without a fundamental change in the way agriculture is practiced and that companies could not prosper in a world where climate change remained unaddressed^{3, 4}.

¹ The Telegraph (2013). Unilever plans to double its turnover while halving its environmental impact. Accessed at: <http://www.telegraph.co.uk/news/earth/environment/10188164/Unilever-plans-to-double-its-turnover-while-halving-its-environmental-impact.html>

² Unilever (2013). Press Release: Unilever launches Project Sunlight to inspire sustainable living. Accessed at: <https://www.unilever.com/news/press-releases/2013/13-11-20-Unilever-launches-Project-Sunlight-a-new-initiative-to-inspire-sustainable-living.html>

³ Business Insider (2014). Unilever CEO: We Need To Do More To Fight Climate Change. Accessed at: <http://www.businessinsider.com/unilever-ceo-speaks-on-climate-change-2014-12>

⁴ BusinessGreen (2014). Unilever boss reveals company already being impacted by climate change. Accessed at: <http://www.businessgreen.com/bg/news/2338830/unilever-boss-reveals-company-already-being-impacted-by-climate-change>

Later in 2014, Unilever committed to report on its climate change impacts through the [Climate Change Reporting Framework](#), an initiative that encourages companies to voluntarily make their climate change related information available to investors⁵.

In 2015, Unilever became a signatory on the [B Team's](#) call for net zero GHG emissions by 2050⁶. Unilever also became a member of the [RE100](#) initiative, where businesses pledge to use 100% renewable energy to run their operations⁶. Ahead of [COP21](#) in late 2015, to demonstrate to the attendees of COP21 that the business community supported decarbonising the economy, Unilever announced a goal to become “carbon positive” by 2030⁶. Accompanying the announcement of this goal was a commitment to eliminate fossil fuels from Unilever's own operations and shift towards more renewable energy sources⁶. Polman commented at the time that the business community has a responsibility to act now on climate change and to begin to turn aspirations into practical solutions⁷.

What does context look like at Unilever?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

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Unilever has been clear that the devastation caused by climate change matters both to the company and to its customers and that acting now will result in downstream benefits, including lower operational costs, greater resilience within its energy supply, and closer relationships with customers⁶. Unilever's strategy to act against climate change aims to tackle both GHG emissions and deforestation⁷. Within the strategy, Unilever has committed to drive transformational change through its value chain and to work with its value chain and the wider commodities and consumer good sectors, governments, and civil society to implement solutions at scale^{8, 9}.

⁵ Sustainable Brands (2014). H&M, Unilever Commit to Climate Change Disclosure as Matter of Fiduciary Duty. Accessed at: http://www.sustainablebrands.com/news_and_views/leadership/mike_hower/hm_unilever_commit_climate_change_disclosure_fiduciary_d

⁶ Unilever (2015). Press Release: Unilever to become 'carbon positive' by 2030. Accessed at: <https://www.unilever.ca/news/news-and-features/2015/Unilever-to-become-carbon-positive-by-2030.html>

⁷ Unilever (n.d.). Acting on climate change by eliminating deforestation. Accessed at: <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/greenhouse-gases/acting-on-climate-change-by-eliminating-deforestation/>

⁸ Unilever (n.d.). Greenhouse Gases. Accessed at: <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/greenhouse-gases/>

⁹ Unilever (n.d.). Unilever's Position On Eliminating Deforestation. Accessed at: https://www.unilever.com/Images/eliminating-deforestation-position-statement_tcm244-423148_en.pdf

GHG emissions: Polman is quoted as saying that “A target of net-zero emissions by 2050 is not only desirable but necessary. This is the time to redouble our efforts and further accelerate progress to decarbonise our economy¹⁰.” Unilever acknowledges that human activities - that generate GHG emissions - are responsible for climate change.

Land-system change: Unilever acknowledges that deforestation is a major contributor to land-system change and climate change, accounting for 15% of total global GHG emissions, and that eliminating deforestation will also have positive impacts on biodiversity, ecosystem services, and the people who depend on forests for their livelihoods⁹. While Unilever discusses the importance of this threshold, it has yet to articulate how it conceptualises this threshold.

Other thresholds: Unilever acknowledges the importance of other socio-ecological issues including health and hygiene, nutrition, water, waste, sustainable sourcing, fairness in the workplace, opportunities for women, and inclusive business but does not yet discuss their associated thresholds.

2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

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Unilever continues to use what we would describe as a “classic” materiality process, in which it considers the changing environment of its business, stakeholder feedback, and wider emerging global trends to identify and prioritise a set of key issues and then assesses the importance of these issues to its own business and to its stakeholders. In contrast, Unilever does not explain whether or how it factors key socio-ecological thresholds into how it selects its focus areas¹¹.

GHG emissions: Unilever determines its GHG emissions at every stage of its value chain and makes the results available on its website (example shown in Figure 1)¹². Unilever clearly demonstrates its understanding of how its business activities, and those of its value chain, impact this threshold, and outlines the actions that it is taking; however, it has yet to clearly outline why it made the decision to focus on this threshold as opposed to other socio-ecological thresholds.

¹⁰ B Team (2015). B Team Calls for Net-Zero Greenhouse-Gas Emissions by 2050. Accessed at: <http://bteam.org/the-b-team/business-leaders-call-for-net-zero-greenhouse-gas-emissions-by-2050/>

¹¹ Unilever (n.d.). Defining our material issues. Accessed at: <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/our-approach-to-reporting/defining-our-material-issues/>

¹² Unilever (n.d.). Our Greenhouse Gas Footprint. Accessed at: <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/greenhouse-gases/Our-greenhouse-gas-footprint/>



Figure 1: Unilever's GHG footprint (2014-2015) across its value chain¹².

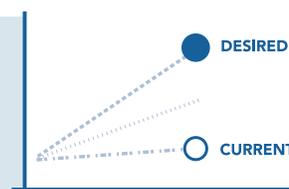
Land-system change: Half of the world's deforestation can be linked to land conversion to produce four raw materials: palm oil, beef, soy, and pulp and paper⁹. Unilever is the world's largest buyer of palm oil (3% of global supply) and is also a major buyer of soy (1% of global supply). This is the reason Unilever has prioritised the threshold of land-system change and linked it to climate change¹³. Unilever's strategy to act on deforestation has three core focus areas, namely (1) transforming its value chain to allow full traceability of its products, (2) encouraging other sectors to set and meet higher standards of sustainable sourcing and (3) working with governments and partners to embed no-deforestation pledges¹⁴.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

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GHG emissions: Unilever commits to halve the GHG emissions impacts of its products by 2030. Additionally, Unilever has committed to become "carbon positive" in its operations by 2030. To Unilever "carbon positive" means that 100% of its energy across all its operations will come from renewable sources. It also commits to work with partners to directly support the generation of more renewable energy than it needs for its own operations, making any surplus energy available to the markets or communities in which it operates⁶. Yet, despite committing to the B Team net zero 2050 initiative, Unilever has yet to set a truly contextual goal. While Unilever has begun to deepen its understanding of its GHG emission impacts, the current goal does not explicitly define a baseline year or quantify the reductions required. Unilever has not yet set goals with respect to influencing its value chain in adhering to this threshold.

¹³ Unilever (n.d.). Eliminating deforestation. Accessed at: <https://www.unilever.com/sustainable-living/transformational-change/eliminating-deforestation/>

¹⁴ World Resources Institute (2015). What Does it Really Mean When a Company Commits to "Zero Deforestation"? Accessed at: <http://www.wri.org/blog/2015/05/what-does-it-really-mean-when-company-commits-%E2%80%9Czero-deforestation%E2%80%9D>

Land-system change: Unilever aims to ensure that the business activities of its value chain conserve forest areas and has committed to achieving “zero deforestation” associated with four commodities – palm oil, soy, beef, and paper and pulp – no later than 2020^{9, 13}. However, Unilever has yet to explain how it defines “zero net deforestation” or explain why it believes that “zero deforestation” is a suitable threshold limit¹⁴.

Other thresholds: Unilever has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

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Unilever produces an annual sustainability report where it has historically disclosed performance data related to key social and environmental issues. However, Unilever has yet to set trajectory targets for its GHG emissions, or land-system change goals that could be used as a reference point to monitor progress towards achieving its goals. And, while Unilever provides performance updates against other socio-ecological issues including health and hygiene, nutrition, water, waste, sustainable sourcing, fairness in the workplace, opportunities for women, and inclusive business, it does not yet report its progress in relation to their associated thresholds.

What is the road ahead for context at Unilever?

Unilever concedes that one of the areas where it has made limited headway is the reduction of GHG emissions derived from the use of its products by its customers⁸. As a result, the company will be continuing to focus on introducing product innovations that reduce its products’ overall GHG emissions. For example, in the UK, Unilever has introduced refill packs across its laundry brands that collectively help to reduce the plastic usage by 70%, resulting in an associated reduction in GHG emissions¹⁵. In support of achieving its 100% renewable energy goal, Unilever has said that the first step will be to phase out the use of coal within its energy mix by 2020¹⁶. This will be accompanied by a steady reduction of other high polluting sources of energy and the introduction of more renewable energy sources that are a mix of both purchased and self-generated energy¹⁶.

¹⁵ Unilever (n.d.). Innovating solutions to reduce greenhouse gases. Accessed at: <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/greenhouse-gases/innovating-solutions-to-reduce-greenhouse-gases/>

¹⁶ Unilever (n.d.). Our carbon positive ambition. Accessed at: <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/greenhouse-gases/our-carbon-positive-ambition/>