



**PRENTISS
SMITH & CO**

Sustainable Investment Report for:

UNILEVER PLC

London,
Ticker: UNA NA Equity
Website: www.unilever.com
Last Updated: 4-3-2024

I. Exclusionary Screening

Does UNILEVER PLC appear on any of the following lists? In our exclusionary screening, a single appearance disqualifies an investment.

Fossil Fuels & Precious Metals Mining

- BICS - Oil, Gas & Coal Industries¹
- BICS - Precious Metals Mining¹
- CDP/CAI Carbon Majors Database²

2

Defense & Retail Gun Sales

- BICS - Defense Primes¹
- SIPRI Arms Industry Database⁵
- NRA Industry Allies/Gun Retailers⁶

7

Plastics Production

- Top 100 Plastic Polymer Producers³

Private Prisons

- BICS - Security Services¹

Agrochemicals & Animal Cruelty

- BICS - Crop Chemicals & Fertilizers¹
- Cruelty Free Investing Worst Companies for Animals⁴

Pornography, Gambling & Tobacco

- BICS - Casinos¹
- BICS - Tobacco¹
- BICS - Pornography¹

¹ BICS = [Bloomberg Industry Classification Systems](#)

² [CDP/CAI Carbon Majors](#)

³ [Minderoo Foundation Top 100 Plastic Polymer Producers](#)

⁴ [Cruelty Free Investing 10 Worst Companies for Animals](#)

⁵ SIPRI = [Stockholm International Peace Research Institute](#)

⁶ NRA = [National Rifle Association Top 10 Industry Allies](#)

⁷ Prentiss Smith & Company Internal Research

II. Recognition & Data

What quantifiable environmental, social and governance data, policies or recognition does UNILEVER PLC exhibit? Positive factors may help support a decision to invest.*

General

Corporate Knights Top 100

76

Climate Change & Fossil Fuels

CDP Deforestation A-List

A

CDP Water A-List

A

100% Renewable Year (RE100)

2030

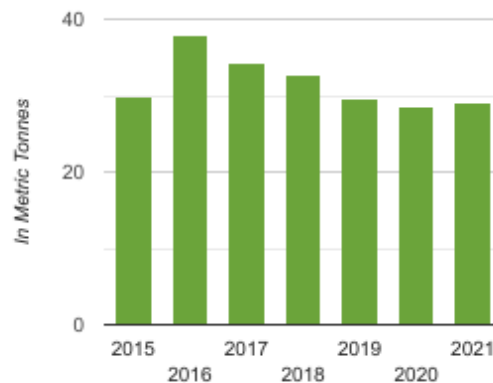
Electric Vehicles 100 Member

Yes

Scope 3 Inclusive °C Reduction Commitment (SBTi)

1.5°C

GHG Intensity per Sales



Environmental Stewardship

As You Sow Plastic Pollution Grade

C



Diversity, Equity, Inclusion and Justice

Equileap's Gender Equality Ranking (1-100)

80

CEO Action for Diversity Pledge

Signatory

HRC Equality Rating (100 points)

100

Forbes World's Best Large Employers (1-500)

175

* Data sources may include:

- Corporate SEC filings
- Company sustainability and other reporting.
- Bloomberg LP ESG Data (via Data License).
- [As You Sow Clean 200](#)
- [As You Sow Racial Justice 1000 Scorecard](#)
- [Banktrack Human Rights Benchmark](#)
- [Barron's 100 Most Sustainable US Companies](#)
- [CDP A-List](#)
- [CDP Responses](#)
- [CEO Action for Diversity & Inclusion Pledge](#)
- Climate Group [EP100 Members](#), [EV100 Members](#)
- [Corporate Knights 100 Most Sustainable Corporations](#)
- [CPA-Zicklin Index](#) for Political Accountability
- [Digital Rights Corporate Accountability Index](#)
- [Diversity Inc's Top 50 Companies for Diversity](#)
- [Dow Jones Sustainability Indices \(DJSI\)](#)
- [EPA's Green Power Partners](#)

- [Equileap's Top 100 Companies for Gender Equality](#)
- Forbes [Best Large Employers](#), [Best Midsize Employers](#), [Best Employers for Diversity](#)
- Fortune [100 Best Employers](#), [Best Workplaces for Women](#), [Best Workplaces for Millennials](#)
- [Glassdoor Best Places to Work](#)
- Great Places to Work [World's Best Workplaces](#), [Best Workplaces for Parents](#)
- [HRC's Corporate Equality Index](#)
- [Institute for Clinical and Economic Review \(ICER\) Policy Leadership Forum Members](#)
- [JUST Capital Rankings](#)
- KnowTheChain [Food, Apparel and IT Benchmarks](#)
- [MSCI ESG Ratings](#)
- PEOPLE [Companies That Care](#)
- [Points of Light Civic 50 Honorees](#)
- [RE100 Member List](#)
- [Roundtable on Sustainable Palm Oil \(RSPO\) Supply Chain Certificate Holders](#)
- [S&P Global Sustainability Yearbook](#)
- [Science-Based Targets initiative \(SBTi\) Companies](#)
- [State Street Global Advisors' Gender Diversity Index](#)
- [Task Force on Climate-related Financial Disclosures \(TCFD\) Supporters](#)
- World Benchmarking Alliance [Corporate Human Rights Benchmark](#), [Social Transformation Benchmark](#), [Gender Benchmark](#), [Digital Inclusion Benchmark](#), [Food and Agriculture Benchmark](#), [Auto and Utilities Benchmark](#)

III. Further Research

What else has our research process told us about how UNILEVER PLC conducts business, in terms of its products and services, its environmental impact, and its approach to governance?

Summary

Unilever is a UK-based, global fast-moving consumer goods (FMCG) conglomerate that sells personal care, home care and nutrition products (the company recently decided to spin off its ice cream business, which includes brands such as Ben & Jerry's and Breyers). In 2010, Unilever launched a "Sustainable Living Plan" that it said was "our blueprint for a sustainable business model."¹ Goals included improving global health and wellbeing, ambitious environmental and supply chain targets. Since then, the company has continued to set ambitious targets in areas including reducing and eliminating waste, particularly from plastic, reducing and eliminating deforestation, and improving health and hygiene.

While Unilever's goals are rightly ambitious, the company has faced some recent criticism for falling short. For instance, while the company appears on track to meet its 2025 goal of using at least 25% recycled plastic in its packaging, it is likely to fall short in its goal to reduce its use of virgin plastic by 50% in the same timeframe. Watchdog organizations including Greenpeace, which initially cheered the company's aggressive goals, have also pointed to Unilever's continued sale of difficult-to-recycle, single-use plastic sachets in developing countries, as an example of misalignment between the company's environmental goals and its ongoing practices. That said, Unilever has continued to provide clear disclosure of its progress against this and other targets, which we read as a sign that the company's intentions are good and that these goals remain a core strategic focus for leadership.

¹ <https://www.unilever.com/our-company/our-history-and-archives/2010-2020/>

Products & Services

Background

- *Brief description of products/services:*
Unilever is a conglomerate that has subsidiaries in beauty & wellbeing, personal care, home care, nutrition, and ice cream.²
- *Founding date:*
Unilever was officially established on January 1, 1930.³
- *Key historical changes to company structure:*
Unilever implemented a new, category-focused, operating model organized around their five business groups: Beauty & Wellbeing, Personal Care, Home Care, Nutrition, and Ice Cream. Each business group is fully responsible for its strategy, growth, and profit delivery globally.⁴
- *Key historical changes to products:*
Unilever has many subsidiaries and those brands all have their own products that go through changes over the years.

Product Detail

- *Current products/services detail:*
Some brands that are subsidiaries of Unilever are Dove, Vaseline, Knorr, Hellmann's, Ben & Jerry's, Magnum, and Breyers.⁵
- *Significant recent developments or new plans for products/services (in the context of industry developments if applicable):*
In March 2024, Unilever announced it would spin off its ice cream business, which includes brands such as Ben & Jerry's and Breyers.⁶ In 2022, Unilever launched its most sustainable laundry capsule, Skip - Dirt is Good. It is specially designed for top performance in cold and short cycles, GHG emissions are reduced by 16%, and it comes in plastic-free cardboard packaging projected to prevent over 6000 tons of plastic per year entering the waste stream.⁷

² <https://www.unilever.com/files/92ui5eqz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 2

³ <https://www.unilever.com/our-company/our-history-and-archives/1900-1950/>

⁴ <https://www.unilever.com/files/7b3b1c9e-78ae-48e6-bb97-000c9855e01a/unilever-business-group-restatements.pdf>

⁵ <https://www.unilever.com/files/7b3b1c9e-78ae-48e6-bb97-000c9855e01a/unilever-business-group-restatements.pdf>

⁶ <https://www.reuters.com/markets/deals/unilever-spin-off-ben-jerrys-unit-launches-cost-savings-plan-2024-03-19/>

⁷ <https://www.unilever.com/news/press-and-media/press-releases/2022/unilever-launches-its-most-powerful-and-sustainable-laundry-capsules-yet/>

Landscape

- *Company size:*
128,000 people are employed by Unilever.⁸
- *Business segments and revenue:*
Beauty and Wellbeing €12.5 billion, Personal Care €13.8 billion, Home Care €12.2 billion, Nutrition €13.2 billion, and Ice Cream €7.9 billion in revenue.⁹
- *Industry position/market share:*
As a large global conglomerate with diverse lines of business, Unilever's market share as a whole is difficult to establish.

Impact

- *Detail on additional social/environmental impacts of products:*
Unilever's brands are taking strides towards improvements for their environmental impacts and examples are explained below in this report.

Environment

Goals & Disclosure

- Environmental Commitments
 - *CDP reporting and score:*
Unilever has a 2023 CDP rating of A in Forest, A in Water, and A- in Climate.¹⁰
 - *Emissions target(s)? 1.5-degree SBTi target?*
GHG emissions has a net zero goal by 2030 for Scope 1 & 2 which is 1.5 aligned, and to halve the full value chain emissions on a per consumer use basis by 2030.¹¹
 - *Scope 3 targets?*
Reduce absolute Scope 3 Forest, Land, and Agricultural GHG emissions from purchased goods and services by 30.3% by 2030 from a 2021 baseline year. This goal has been validated by SBTi.¹²
 - *Water/waste/deforestation goals?*
Goal of 25% recycled plastics by 2025, currently at 22% in 2023. Goal of 100% sustainable sourcing for key agricultural crops, currently at 79% in 2023. Goal of a

⁸ <https://www.unilever.com/files/92ui5eqz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf>

⁹ <https://www.unilever.com/files/92ui5eqz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 2

¹⁰ <https://www.unilever.com/files/92ui5eqz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf>

¹¹ <https://www.unilever.com/files/92ui5eqz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 46

¹² <https://www.unilever.com/files/92ui5eqz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 46

deforestation-free supply chain in palm oil, paper and board, tea, soy, and cocoa by 2023.¹³

- Environmental Disclosures and Progress

- *Emissions:*

0.73 million tons CO₂e Scope 1 & 2 GHG emissions in 2023. 52.13 million tons CO₂e Scope 3 GHG emissions.¹⁴

- *Water:*

Unilever has the goal to implement water stewardship programs in 100 locations in water-stressed areas by 2030, they have implemented 13 in 2023.¹⁵

- *Waste, including use of recyclable materials:*

Unilever has reduced the amount of virgin plastic in their packaging by 18% since 2019. They are trying to find new packaging solutions to increase their use of recycled plastic such as switching their ice cream wrappers to 50% food grade certified recycled plastic. In 2023, they collected and processed 61% of their global plastic packaging footprint.¹⁶

- *Deforestation:*

Unilever has a goal of having a deforestation-free supply chain by 2023, they reached 97.5% deforestation free.¹⁷

Product & Supply Chain Impacts

- *Further environmental benefits to using products:*

Brands such as Hellmann's, Dove, and Sunlight are transitioning to recycled plastic. Creating paper-based Noodle pots in the UK will save an estimated 4000 tons of virgin plastic per year once fully launched. New designs of roll-on deodorants use approximately one third less plastic than previous designs. The new packaging efforts that use more recycled plastics and less packaging overall lowers the transportation emissions because of lightweight packaging.¹⁸

- *Significant environmental commitments in supply chain:*

Their 100% deforestation-free supply chain goal is a significant environmental commitment.

- *Do products help customers reduce emissions? By how much?*

Unilever's full value chain Scope 1, 2, and 3 GHG emissions have reduced by 3% on a per consumer use basis compared to 2022 and by 21% against a 2010 baseline.¹⁹

¹³ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 46

¹⁴ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 47

¹⁵ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 46

¹⁶ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 41

¹⁷ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg.40

¹⁸ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 41

¹⁹ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 43

- *Intermediate scope 3 milestones and targets:*
Unilever's Scope 3 goals are to reduce absolute energy and industrial Scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transport and distribution, direction emissions from use of sold products, end of life treatment of sold products, and downstream leased assets by 42% from a 2021 baseline year. Another goal is to reduce absolute Scope 3 Forest, Land and Agriculture GHG emissions from purchased goods and services by 30.3% by 2030 from a 2021 baseline year.²⁰
- *Significant environmental fines, remediation or controversy:*
Nothing significant was found recently.

Operational Initiatives

- *Are scope 1 and 2 commitments 1.5-aligned?*
Unilever's operational target is 1.5 degree aligned and their full value chain target is aligned with 2 degree celsius from 2010 before the 1.5 degree was introduced. They intend to set a new 1.5 degree target in 2024.²¹
- *Intermediate scope 1/2 initiatives, milestones and targets:*
The interim goal of reducing scope 1 & 2 GHG emissions by 70% by 2025 was beaten in 2023, hitting 74% reduction.²²
- *Specific initiatives that could help achieve scope 1/2 targets, or lower emissions if no targets:*
Targets have been set and progress continues to be made.
- *Other specific, internal initiatives in service of water conservation, waste management, etc:*
Unilever has a water goal to roll out water stewardship programs. In 2023, they implemented 13 programs in water stressed areas.²³

Management Integrity and Ethics

Leadership & Diversity

- *Brief profile of CEO and any other notable leaders:*
Hein Schumacher, CEO - In 2023 Hein was appointed CEO of Unilever. Before this, he was a non-executive director and a member of Unilever's audit committee. Before Unilever, he

²⁰ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 46

²¹ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 46

²² <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg.43

²³ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 41

held roles as both CFO and CEO of Royal FrieslandCampina from 2015-2018 and 2018-2023, respectively. In 2003-2014, Hein was in various senior management and executive positions at Kraft Heinz Foods Company. He received his Master's degree in Political Science and International Relations from the University of Amsterdam.²⁴

- Leadership Composition
 - *Executive team:*
2 (15%) of leadership executives are female, 11 (85%) of leadership executives are male.²⁵
 - *Board:*
5 (42%) of board members are female, 7 (58%) of board members are male.²⁶
- Employee/Management Composition and Pay Equity
 - *Employees:*
47,633 (37%) total workforce employees are female, 80,718 (63%) total workplace employees are male, and 26 (0.02%) are unspecified.²⁷
 - *Management:*
9,468 (55%) of management are female, 7,885 (45%) of management are male. 29 (36%) of senior management are female, 52 (64%) of senior management are male.²⁸
 - *Pay equity:*
Unilever does have a framework for Fair Compensation, outlining equal pay for equal work.²⁹

Human & Labor Rights

- *Are clear policies in place on forced labor and supply chain monitoring?*
Unilever does have a policy in place for forced labor and supply chain monitoring, reported in their Modern Slavery Statement.³⁰
- *What % of the supply chain is covered?*
Their forced labor policies are across Unilever's entire supply chain.³¹
- *Supply chain enforcement mechanisms:*
Unilever has an action plan covering detection, prevention, and remediation. They have different human rights impact assessments, identify priority and high-risk countries, hold virtual trainings, and partner with Diginex technology to help transparency within the supply chain.³²

²⁴ <https://www.unilever.com/our-company/our-leadership/hein-schumacher/>

²⁵ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 67

²⁶ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 67

²⁷ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 67

²⁸ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 67

²⁹ <https://www.unilever.com/files/13a07f81-480d-461a-81c7-cc5943295f97/unilever-framework-for-fair-compensation-2022.pdf>

³⁰ <https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

³¹ <https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf> pg. 8

³² <https://www.unilever.com/files/92ui5egz/production/b59f64aa7a1bf49ad292839865d3bde96fcaa6d3.pdf>

- *Employee safety metrics:*
Total Recordable Frequency Rate improved by 13% from 2022 to 0.58 accidents per million hours worked.³³
- *Labor relations disputes or successful agreements:*
“In July 2020, a group of Kenyan tea plantation workers filed a complaint with the UN against Unilever, stating that the company violated international human rights standards by failing employees who were attacked after ethnic violence broke out following an election in 2007.”³⁴
- *Employee satisfaction metrics:*
Statistics from Comparably show that 76% of Unilever employees are happy at work. 55% of employees feel they are paid fairly and 72% are satisfied with their benefits.³⁵
- *Programs requiring diverse hiring practices, professional training in underserved communities, or other equity-focused initiatives:*
Unilever has a disabilities Inclusion Program to work towards having 5% of their workforce to be made up of people with disabilities by 2025.³⁶ There is an #unstereotype program to help leaders skills for psychological safety, confront bias, and advocate for equity. Each of their individual brands also have their own hiring diversity programs as well.³⁷

Political & Charitable Activity

- *Does the company have a policy not to spend anything on lobbying or political contributions?*
“At the 2023 AGM, shareholders passed a resolution to authorize the Company and its subsidiaries to make political donations to political parties or independent election candidates, to other political organizations, or to incur political expenditure (in each case as defined in the Companies Act 2006). It is the policy of the Company not to make such political donations or to incur political expenditure (within the ordinary meaning of those words) and the Directors have no intention of changing that policy.”³⁸
- *Federal lobbying expenditures and political donations:*
Unilever spent a total of \$620k on lobbying expenditures in 2023, \$90k from Unilever and \$530k from subsidiaries.³⁹
- *Is lobbying data voluntarily disclosed, including state and local contributions, trade association memberships, and PACs?*
Nothing found.

³³ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg.37

³⁴ <https://www.ethicalconsumer.org/food-drink/unilever-still-failing-respect-its-workers-rights>

³⁵ <https://www.comparably.com/companies/unilever/happiness>

³⁶ <https://www.unilever.com/planet-and-society/equity-diversity-and-inclusion/strategy-and-goals/>

³⁷ <https://www.unilever.com/files/92ui5egz/production/7389005665eb8d074779b226bb4a8c4117786a2f.pdf>

³⁸ <https://www.unilever.com/files/92ui5egz/production/b09c3510ee7cec58440d5f044f02bdefe85aa186.pdf> pg. 99

³⁹ <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2023&id=D000030608>

- *How much is spent annually on charitable contributions?*
Nothing specific was found.
- *How much volunteer time do employees give annually?*
Nothing specific was found.
- *Major charitable or volunteer projects with meaningful long-term impact:*
In 2023, Unilever partnered with Tesco and In Kind Direct to launch an ongoing partnership to help families struggling with hygiene poverty in the UK.⁴⁰

Legal

- *Outstanding legal disputes with significant reputational and/or financial stakes (including shareholder lawsuits):*
In July 2023 there was a lawsuit against Unilever for using a cancer charity's slogan "Not Done Yet" to market Degree deodorant and other products. The lawsuit was because of consumer confusion and hurting the charity's fundraising efforts. The lawsuit was settled in October 2023.⁴¹
- *Significant fines paid or in dispute:*
In 2021, Turkey's Competition Authority imposed a \$60.5 million fine on a Unilever subsidiary over abuse of a dominant position in the ice cream sector.⁴²
- *Current or recent headline controversies involving the company:*
In December 2022, litigation between Unilever and the independent board of Ben & Jerry's over the sale of its Israeli ice cream business was resolved. Unilever sold its Ben & Jerry's ice cream business in Israel and the West Bank to its local licensee and then Ben & Jerry's filed a lawsuit against a Unilever subsidiary to try to block the sale because they didn't want to sell their products in the occupied West Bank since it was inconsistent with its values.⁴³

⁴⁰<https://www.unilever.co.uk/news/press-releases/2023/unilever-tesco-and-in-kind-direct-extend-charity-partnership/#:~:text=Following%20the%20success%20of%20their,essential%20hygiene%20products%20this%20year.>

⁴¹ <https://www.reuters.com/legal/litigation/unilever-settles-charitys-trademark-lawsuit-over-not-done-yet-slogan-2023-10-23/>

⁴² https://www.pymnts.com/cpi_posts/turkeys-antitrust-regulator-fines-unilever-over-abuse-of-power/

⁴³ <https://www.reuters.com/business/retail-consumer/unilever-says-litigation-with-ben-jerrys-board-has-been-resolved-2022-12-15/>

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