



Unilever

Unilever is a multinational consumer goods company, created in 1929 by the merger of the Dutch margarine producer Margarine Unie and the British soap maker Lever Brothers. Today, it is one of the world's largest and oldest consumer goods businesses, producing personal care, home care, food and refreshment products, with a portfolio of over 400 brands available in 190 countries. Products are manufactured in Unilever's 300 factories and by 700 third-party manufacturers, with an estimated 2.5 billion people globally using Unilever's products and brands. Recently, the company opened a new global Foods Innovation Centre on the campus of Wageningen University in the Netherlands.

Summary

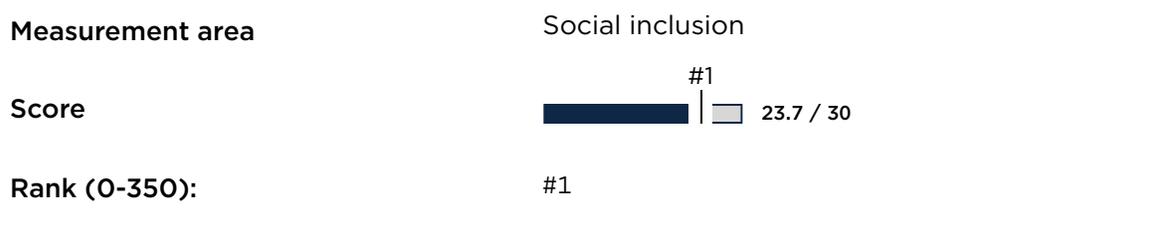
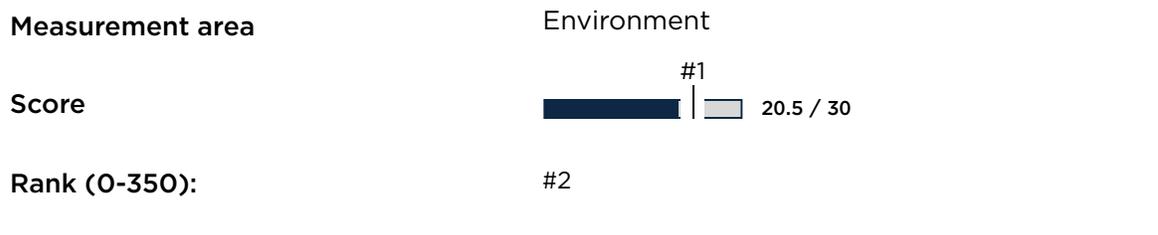
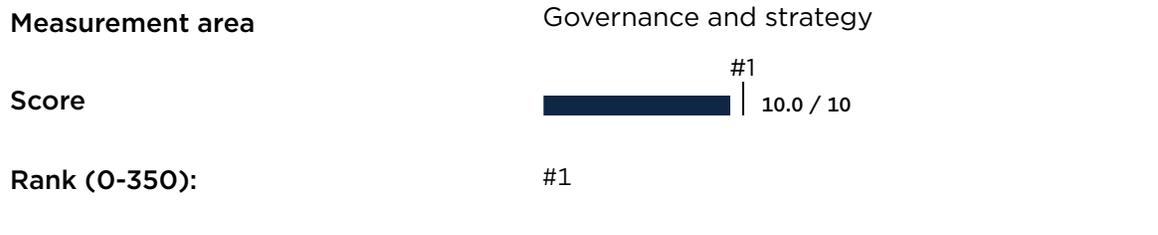
Unilever tops the first Food and Agriculture Benchmark. It demonstrates leading practices and best performance across all measurement areas and addresses key sustainability topics through its Compass Strategy, the successor to its 2010-2020 Sustainable Living Plan. It also demonstrates leadership in governance and strategy by linking executive remuneration to topics across all three benchmark measurement areas. Furthermore, the company leads the benchmark in social inclusion and ranks second in the nutrition measurement area. In the former it combines commitments and policies with leading activities related to paying a living wage and the health and safety of vulnerable groups. In the latter it reports extensively on ambitious targets for increasing the availability of healthy foods, and clear and intuitive product labelling. The company also ranks second on the environment, addressing all relevant topics but with room for improvement when it comes to target setting in areas such as soil health and agrobiodiversity and optimising the use of fertilisers and pesticides.

RANKING POSITION

#1_{/350}

TOTAL SCORE

71.7_{/100}



Segment	Food and beverage manufacturers/processors
Rank	#1

Segment ranking summary

As with the overall ranking, Unilever outperforms all companies in the food and beverage processing segment of the value chain, the only segment in which it is present, demonstrating leadership across the three dimensions of environment, nutrition and social inclusion. The company's high levels of transparency and disclosure result in a consistent performance and recognition of its responsibilities across all benchmark measurement areas.

Leading practices

Governance and strategy

Sustainable development strategy

Unilever's Compass Strategy includes time-bound targets for all the company's material issues, which cover the three benchmark dimensions of environment, nutrition and social inclusion. This builds on Unilever's 2010-2020 Sustainable Living Plan, with the company regularly reporting its progress against targets, in addition to outlining a detailed materiality process through which it identifies and prioritises key sustainability issues.

Governance and accountability for sustainable development

Unilever's board of directors has ultimate responsibility for the oversight and implementation of its sustainability strategy. Furthermore, the company's remuneration policy contains key performance indicators which address topics across all three benchmark dimensions, demonstrating the company's appreciation of its holistic responsibility to address food systems transformation.

Stakeholder engagement

Unilever undertakes significant stakeholder engagement activities, outlining the groups of stakeholders with which it engages and key issues raised as part of its materiality process. The company also discloses its main strategic as well as operational outcomes of its engagement process, which cover matters relevant to all of the benchmark's dimensions of environment, nutrition and social inclusion.

Environment

Scope 1, 2 and 3 greenhouse gas emissions

Unilever discloses time-bound targets to reduce its scope 1 and 2 greenhouse gas (GHG) emissions by 100% by 2030, alongside a group-wide target to achieve net-zero emissions by 2039. The company reports quantitative reductions for its scope 1, 2 and 3 GHG emissions in the period between 2010-2020, and further demonstrates leadership by aligning its targets with the Science Based Targets initiative's 1.5-degree warming trajectory.

Protection of natural terrestrial habitats

Unilever has a time-bound target to achieve a deforestation-free supply chain by 2023, including for its high-risk commodities soya, palm oil and cocoa. The company

demonstrates strong progress across all commodities; for instance, its soy supply chain where, by the end of 2020, over 90% of soybean oil originated in places with a low risk of deforestation, such as the United States, or from supply chains that are deforestation-free as verified by recognised industry standards with a segregated chain of custody.

Protein diversification

The company demonstrates a leading commitment to diversifying proteins in its product portfolio through a target to achieve EUR 1 billion in annual sales from plant-based meat and dairy alternatives between 2025-2027. Unilever could further strengthen its position by reporting regularly against this target or quantifying its plant-based sales target as a percentage of its overall product portfolio.

Nutrition

Availability of healthy foods

The company demonstrates leadership in its commitment to increasing the availability of healthy foods, disclosing time-bound targets as part of both its 2010-2020 Sustainable Living Plan and newly established Compass Strategy. Its latest targets commit the company to ensuring 70% of products meet its highest nutritional standard by 2022 and to doubling the sales of products that deliver positive nutrition by 2025. In addition, Unilever discloses supporting targets and quantitative data on its efforts to reduce sugar, salt and calories across various product lines.

Clear and transparent labelling

Unilever demonstrates transparency on the nutritional composition of its product portfolio, committing to regulations regarding back-of-pack labelling in addition to intuitive front-of-pack labelling. The company provides information regarding energy per portion, eight key nutrients and percentage of guideline daily amounts (GDA), reporting that this information was available on 99.7% of its products by the end of 2020.

Social inclusion

Living wage

The company has a time-bound target to ensure that everyone who directly provides goods and services to the company earns at least a living wage or income by 2030. Unilever works with the Fair Wage Network to develop its understanding of living wages and has developed a Framework for Fair Compensation that sits alongside this. The company reports that it has already achieved its commitment to provide a living wage to its direct employees.

Health and safety of vulnerable groups

Unilever recognises the specific health and safety risks to vulnerable groups, citing examples of migrants working as transporters in its supply chain and female workers on its tea estates in Kenya. In addition to recognising and assessing these risks, the company also provides evidence of collaborative support activities to address and mitigate these risks.

Risks and opportunities

Environment

Food loss and waste

The company has a time-bound target to halve food waste in its direct operations by 2025 from 2019 levels, as part of the World Resources Institute's Champions 12.3 initiative. It also discloses goals to help tackle this issue in its value chain. However, the company has not yet reported against this target, with its next food waste report due to be published in September 2021, making it unclear whether any progress has been made in this area.

Water use

Unilever disclosed a time-bound target to reduce water withdrawals in its own operations to at or below 2008 levels by 2020, reporting a 49% reduction over the reporting period. The company has also set a new target to implement water stewardship programmes in 100 of its water-stressed locations by 2030 and discloses current proportions withdrawn from these locations. The company could further improve its performance by disclosing where and how it is identifying and prioritising water-stressed regions in its supply chain as well as its own operations.

Soil health and agrobiodiversity and fertiliser and pesticide use

Unilever demonstrates a longstanding commitment to promoting soil health and agrobiodiversity and optimising the use of fertilisers and pesticides through its 2017 Sustainable Agriculture Code and recently published Regenerative Agriculture Principles. Unilever reports that for its 12 priority crop groups that make up around two-thirds of the total volume of agricultural raw materials sourced by the company, 92% were sustainably sourced in 2020. However, it could further strengthen its commitment by introducing time-bound targets for the implementation of these principles among its global suppliers and regularly reporting progress against these targets.

Nutrition

Accessibility and affordability of healthy foods

The company discloses several commercial activities designed to increase the accessibility and affordability of healthy foods. These include the Shakti programme in India, through which Unilever has trained 131,000 women in low-income rural communities to act as sales agents in their local villages, and nationwide nutrition initiatives in the Philippines, South Africa and Italy through its Knorr consumer brand. The company could further strengthen its commitment to addressing this issue by devising a holistic, group-wide target, particularly in relation to vulnerable groups, and reporting progress against it.

Responsible marketing

The company discloses responsible marketing strategies and policies, including a specific policy for marketing to children, and supports these with various commercial activities. Unilever could improve its performance further by disclosing its marketing budgets and the proportion of these that are spent on promoting healthy food options.

Workforce nutrition

Unilever's Lamplighter programme, which supports more than 76,000 employees across 75 countries, aims to protect employee health through initiatives focusing on diet and alcohol consumption, among others. However, the company does not disclose further information on workforce nutrition initiatives, including the foods it offers to employees across its operations.

Social inclusion**Child and forced labour**

The company indicates that it will not use child and forced labour and codifies the same expectation for its suppliers. It also outlines extensive monitoring processes for its supply chain, utilising both internal and third-party auditing systems, and identifies specific high-risk supply chains and geographies. However, the company lacks similar disclosure on how it monitors these issues within its operations.

Farmer productivity and resilience

Unilever offers a wide range of programmes that aim to improve farmer productivity and resilience, particularly among smallholders, and reports having trained 834,000 farmers on improved agriculture practices since 2010. The company focuses on several priority crops, including cocoa, palm oil, coconut and tea. However, while reporting on the impact of some of these programmes is extensive, such as the Malawi Tea initiative, the company could improve its performance by reporting holistically and in depth on the impact of all of its support activities.

Land rights

The company is committed to the principle of free, prior and informed consent and codifies a similar expectation for its suppliers within its responsible sourcing policy. In addition, the company has a grievance mechanism that is accessible to external stakeholders and provides case studies of where it has implemented its approach in Rwanda, Côte d'Ivoire and Indonesia. Unilever could improve its performance by disclosing further details on its remediation process.

Core social indicators

The core social indicators are part of the social inclusion measurement area. These indicators assess societal expectations of business conduct that companies should meet if they aspire to be part of a system transformation that leaves no one behind.

Respect human rights

Thanks to its publicly available policies and commitments across all key topics, Unilever demonstrates a benchmark-leading recognition of its responsibility regarding human rights. The company commits to respecting human rights and the ILO core labour rights, discloses the identification and assessment process for its salient human rights risks and the actions it takes to address them. It also has grievance mechanisms in place for its operations and supply chain.

Provide and promote decent work

Unilever demonstrates support for collective bargaining. It also meets living wage fundamentals by paying a living wage across its operations and setting a 2030 target for its suppliers to pay a living wage. The company recognises its responsibility in relation to health and safety, working hours, workforce diversity and gender equality but could strengthen its performance with more disclosure on these key topics.

Act ethically

By disclosing policies and information on personal data protection, tax, and bribery and corruption, Unilever demonstrates a holistic commitment to ethical business conduct.

More about the company

Headquarters

London, United Kingdom

Food and agriculture revenue USD

21,917,045,500

Group revenue USD

59,068,181,900

Ownership structure

Publicly listed

Number of employees

153,000

Website

<https://www.unilever.com>



This company is part of the SDG2000, the 2.000 most influential companies