



SAY ON CLIMATE assessment

UK



2024

Transparency rating

50%

alignment with FIR
recommendations



ACCELERATE
CLIMATE
TRANSITION

PERFORMANCE SCORING
11 / 20

NARRATIVE SCORING
A B C D E

TREND SCORING
+

Although Unilever has announced its **ambition to achieve carbon neutrality by 2039**, this does not include the indirect consumer-use phase emissions (47%). Nevertheless, the company has set itself **specific targets for 2030 and has drawn up a detailed plan** to achieve them by then. These targets, which are **currently being validated** by an external third party for scope 3, **do not include 1/3 of the scope** calculated on the basis of the ambition of carbon neutrality. In addition, the investments associated with the targets set seem insufficient to bring about a significant change in the business model. All these factors, combined with the reduction in the sustainability criteria taken into account in the long-term variable remuneration of senior executives, raise questions about the company's true commitment to decarbonising all its activities. We urge the company to persevere in its efforts and **to go further in its ambition**.

TABLE OF CONTENTS

- ▶ [Assessment according to the FIR analysis grid](#)
- ▶ [ACT's assessment](#)
- ▶ [FIR's recommendations grid](#)
- ▶ [ACT's assessment methodology](#)
- ▶ [ACT Generic methodology](#)

Since 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). In March 2023, the FIR signed again [an agreement with 48 French and European signatories](#), encouraging the development of SOCs. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces last year, **FIR and ADEME** are extending their partnership by joining forces this year with **Ethos and the World Benchmarking Alliance**, to analyze the climate plans of European companies submitted to a consultative shareholder vote at their annual general meetings in 2024.

In 2022, FIR had published [analysis reports](#) assessing the extent to which French companies' climate strategies were in line with its recommendations. In 2023, as part of the partnership with ADEME, these analysis reports has been enriched with the **ACT assessment tool**, to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

In 2024, the scope of our analysis has been extended to include European companies which have submitted a SOC. Assessments will be published progressively ahead of their annual general meetings.

As in 2022 and 2023, the FIR wishes to salute the efforts of companies that contribute to improving shareholder dialogue, and encourages them to reiterate the Say on Climate exercise annually.

In partnership with :



World
Benchmarking
Alliance



With the contribution of the European
Union LIFE program

UNILEVER

alignment with FIR recommendations

Ambition Net Zero 2050

Ambition of carbon neutrality for scopes 1, 2 and approximately half of scope 3 by 2039

- ▷ Absence of information on the level and nature of compensation for residual emissions
- ▷ Exclusion of 47% of scope 3 linked to the indirect consumer-use phase emissions : energy indirectly consumed during the lifetime of products (in particular emissions linked to customer freezers used to refrigerate ice cream).
- ▷ Except to point out that the GHG Protocol considers these emissions to be optional and that SBTi encourages their inclusion, the company has not provided any explanation as to why this part of scope 3 has been excluded from the scope of the ambition for 2039.

Reference scenario(s) used

Commitment to a trajectory limited to 1.5°C for Scopes 1 and 2 targets, validated by the SBTi up to 2030;

- ▷ The commitment on the part of scope 3 included in ambition 2039* is being validated by SBTi on a warming scenario limited to 1.5°C.

Current GHG emissions (2023 vs 2022)

SCOPE 1 : 0.62 MtCO₂eq (vs. 0.66)

SCOPE 2 : 0.11 MtCO₂eq (vs. 0.15)

SCOPE 3 : 99.2 MtCO₂eq

(vs. 110.4)

89% of Scope 3 :

Indirect consumer use: 47.07 MtCO₂eq (47% of Scope 3)

Purchase goods and services (FLAG, E&I, packaging materials, indirect procurement): 41.47 MtCO₂eq (41% of scope 3)

Short-term GHG emissions reduction target

70% reduction by 2025 compared with 2015, in absolute terms, for scopes 1 and 2

- ▷ Absence of communicated target for scope 3

Medium-term GHG emissions reduction target

- Reduction in all Scopes 1 and 2 emissions by 2030 vs. 2015 in absolute terms
- 39% absolute reduction in Scope 3 emissions by 2021 as part of the net zero* ambition, split into two objectives:

42% absolute reduction in Scope 3 emissions from energy and industry (E&I)** by 2021

30.3% absolute reduction in Scope 3 emissions from forests, land and agriculture (FLAG) by 2030 vs 2021

- ▷ About 1/3 of scope 3 of the net zero ambition* is not included in these targets (15 MtCO₂eq)

Excluding indirect procurement which represents 8MtCO₂eq (media and marketing suppliers emissions) as well as emissions from third-party contract manufacturers outside of India***- approximately 9MtCO₂eq

- ▷ The target for emissions from forests, land and agriculture (FLAG) includes offsetting

- ▷ Validation by SBTi is expressed in terms of intensity across all 3 scopes, no external third-party validation of scope 3 targets yet (in progress by SBTi).

Long-term GHG emission reduction target

Despite the ambition of carbon neutrality by 2039, no quantified reduction target beyond 2030

- ▷ What about the emissions excluded from the 2030 reduction targets yet included in the 2039 ambition****

- ▷ No information on the share of emissions reduction to 2039 vs. the share of offsetting

Action plan measures

Explanation of the contribution of its actions to the past reduction and clear main lines of the roadmap to 2030

- ▷ Quantified actions and contribution to reduction targets are not detailed

- ▷ No clear action plan for advertising and media-related emissions and emissions from third-party contract manufacturers outside India (around 15 MtCO₂eq)

- ▷ Time horizon for action plans ends in 2030

- ▷ No action plan for scope 3 emissions not included in ambition net zero 2039 (47 MtCO₂eq)*

CAPEX / OPEX investment alignment

Scope 3

140 million between now and 2030 for regenerative agriculture (one of the ten priorities of the action plan)

Other: €1 billion in the Unilever Climate and Nature fund between 2020 and 2030

- ▷ Lack of quantified information on CAPEX dedicated to scope 3 (no amount of CAPEX for 9 of the 10 axes of the 2030 action plan)

- ▷ 17.7% of CAPEX eligible for taxonomy (€404 million); 0% of CAPEX not aligned with taxonomy. The company justifies this due to a lack of detail in the taxonomy documentation

Scopes 1 & 2

In 2023, 42 million euros of sustainability-related investment in plants (for energy efficiency and renewable energy projects)

Target of €150 million over the next three years to decarbonise thermal and electrical energy, and increase the company's use of renewable energy.

Remuneration

CEO and CFO :

Long-term remuneration: 15% criterion (vs.25% in remuneration paid in 2023)

based on a sustainability progress index, including one criterion, among four others, which targets climate: an 80% reduction in emissions linked to the use of energy and refrigerants use in scope 1 and 2 in 2026 vs 2015

- ▷ criteria diluted

- ▷ no target for scope 3

The long-term variable (LTP), if approved, will also apply from 2024, members of the Unilever Leadership Executive (ULE) and senior managers (approximately 500 employees)

- ▷ Annual variable: no carbon-related criteria

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

No vote on strategy every three years

*The company's zero net ambition to 2039 does not take into account the indirect consumer-use phase emissions (47% of overall emissions).

**Scope 3 emissions related to energy and industrial GHG emissions from purchased goods and services (associated with ingredients, packaging), upstream transport and distribution, energy and fuel-related activities, direct emissions from use of sold products (associated with HFC propellants), end-of-life treatment of sold products and downstream leased assets (associated with ice cream retail cabinets).

****The company has started to engage its third-party contract manufacturers (CMs) in India as they represent 25% of the CM footprint. They are included in the scope of its 2030 objectives, unlike the other CMs.

***In its reduction targets for 2030, the company has not taken into account around 1/3 of scope 3 of the net zero ambition* (15 MtCO₂eq). For more details, see the box "Medium-term GHG emissions reduction target".



PERFORMANCE SCORING

11 / 20

NARRATIVE SCORING

A B **C** D E

TREND SCORING



Module	Score	%	Assessment's elements
Targets	17/20	15%	<ul style="list-style-type: none"> The company has near-term and long-term targets covering all its scope 1, 2 and 3 relevant and mandatory emissions that are validated by the SBTi and considered aligned with a 1.5°C benchmark according to the ACT tool. However, the company excludes the indirect consumer use emissions from its targets. The company is considered on track to achieve its current targets. The company's operational scope 1 and 2 historical and future estimates are aligned with a 1.5°C benchmark according to the ACT tool. However, the company does not allocate a significant share of its CAPEX to low-carbon technologies. Past trend of scope 3 emissions is estimated to be aligned with a 1.5°C benchmark according to the ACT tool. The company reports some specific product interventions, such as product reformulations for ice creams or chemicals used in soaps and laundry products, but current interventions only involve a marginal share of all products sold. The CEO, and member of the board of directors, is responsible for the oversight and implementation of the Climate Transition Action Plan (CTAP), but no specific climate change expertise has been found. The CTAP and climate scenario testing are considered low-carbon aligned according to the ACT methodology. The executive management incentives are only partly aligned with the CTAP's targets as KPIs only take scope 1 and 2 targets into account. The company has a Supplier Climate Programme, which does not cover the majority of its suppliers in terms of emissions and still lack a requirement to report their GHG emissions and to commit to GHG reductions (Unilever will require it by 2030). The company has not taken actions with its distributors and do not try to change the behavior of end consumers when using its products. The company has a clear positioning regarding trade associations and climate policies within its CTAP but it does not disclose a transparent and comprehensive review of its involvements and collaborations. Revenue from low-carbon products are not significant but the company is developing some new or existing low-carbon business models such as plant-based nutrition.
Material investment	10/20	5%	
Sold product performance	11/20	30%	
Management	12/20	10%	
Supplier engagement	14/20	12%	
Client engagement	2/20	8%	
Policy engagement	11/20	5%	
Business model	8/20	15%	

Consistency of the plan:

Unilever has clear objectives and a detailed transition plan to achieve them. Unilever has identified the levers and quantified the actions to achieve its objectives by 2030 but not beyond. Specifically, the company describes some interventions on its current products as well as some changes to its business models.

Identified areas for improvement:

Unilever should consider its relevant scope 3 downstream emissions from indirect product use in its climate strategy. Unilever should also plan significant business model and product changes to meet its targets and reinforce its expectations for emissions reductions from suppliers and engagement with customers. In addition, Unilever will still need to identify actions that will enable it to achieve its medium-term objectives beyond 2030.

SAY ON CLIMATE 2023 evaluation grid

based on follow-up to FIR recommendations

	●	●	●
Ambition net zero 2050	If the ambition of contributing to carbon neutrality by 2050 is declared and clear explanations are given on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is declared and the explanations on how to achieve this neutrality are clear. The level of negative emissions is high	A declared ambition, but very little clarity on how the company intends to achieve carbon neutrality (no long-term reduction targets, targets set are not very credible, heavy reliance on offsetting, etc.) or no declared ambition to be carbon neutral by 2050
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario for all scopes	The company uses a reference scenario limiting warming to between 2°C and 1.5°C, or 1.5°C for only part of its scope.	No reference scenario explicitly mentioned or scenario(s) not used to define the strategy
Current GHG emissions	Disclosure of greenhouse gas emissions in absolute terms; breakdown by scope	Insufficiently detailed publication	No public data
Short-term GHG emissions reduction target	If the quantified emission reduction targets before 2030, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the short term, or targets that are not very ambitious in the short term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets for 2030, expressed at least in absolute terms, cover the 3 scopes and respect the alignment with a 1.5°C scenario. This trajectory has been scientifically validated	If the quantified emissions reduction targets for 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the medium term, or targets that are not very ambitious in the medium term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets in 2050 or earlier, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the long term, or targets that are not very ambitious in the long term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, to enable the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but insufficient detail to assess the level of alignment with the objectives set (lack of quantified measures in particular)	Measures with little or no detail
Investment alignment (OPEX / CAPEX)	Details the proportion of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term targets, and explains how these investments enable the targets to be met	The information provided on the contribution of investments to the achievement of objectives does not allow an understanding of how the company achieves the objectives set	No investments contributing to the achievement of explicit objectives
Remuneration	All variable parts of the remuneration of corporate officers include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The % of remuneration determined by this criterion is published; it represents a significant proportion (10% or more)	At least part of the variable part of the remuneration of corporate officers is covered by a non-diluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company	The criterion included in the remuneration of corporate officers relating to the reduction in greenhouse gas emissions is diluted, or does not follow the reduction trajectory defined by the company. or No criteria relating to the reduction of greenhouse gas emissions are included in executive remuneration
Annual consultation on implementation	The company undertakes to consult shareholders annually on the implementation of its climate change strategy	The company is committed to consult shareholders on the implementation of its climate strategy over the coming years	The company does not undertake to consult shareholders on the implementation of its climate strategy
Consultation on strategy every three years	The company undertakes to consult shareholders on its climate strategy at least every three years	The company undertakes to consult shareholders on its climate strategy over the coming years	The company makes no commitment to consult shareholders on its climate strategy

→ IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

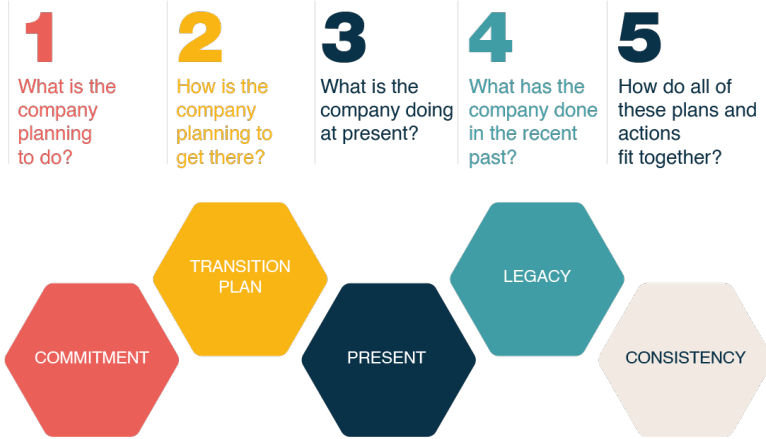
WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

FRAMEWORK



1
What is the company planning to do?

2
How is the company planning to get there?

3
What is the company doing at present?

4
What has the company done in the recent past?

5
How do all of these plans and actions fit together?

INNOVATIVE : ACT is an integrated, long-term approach.

QUANTITATIVE : it measures past, present and future performance

TARGETED: on the main sources of emissions in the value chain

SECTORAL: addressing issues specific to the transition of each sector

TRANSPARENT: through third-party evaluation

ACT ASSESSMENT

For what purpose?

Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

For whom?

Companies with science-based objectives and/or a transition plan ready for assessment



PERFORMANCE SCORE
Transition alignment metrics
1 - 20



NARRATIVE SCORE
Analysis of overall consistency
A - E



TREND SCORE
Forecast of future changes
+ = -

ACT Methodology Generic

The full ACT methodology for the Generic sector can be found on our website. The detailed assessment is summarized in a score based on three criteria : performance, overall consistency and trend. It takes the following form:

- **Performance** : number between 1 and 20
- **Evaluation (consistency)** : letter between A and E
- **Trend** : + (improvement), - (deterioration), = (stable)

Module	Indicator
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Alignment of upstream scope 3 emissions reduction targets
	1.3 Alignment of downstream scope 3 emissions reduction targets
	1.4 Time horizon of targets
	1.5 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity from material investment
	2.2 Trend in future emissions intensity from material investment
	2.3 Share of Low Carbon CAPEX
4. Sold product performance	4.1 Product-specific interventions
	4.2 Trend in past product / service specific performance
5. Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low-carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate change scenario testing
6. Supplier engagement	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client engagement	7.1 Strategy to influence client behaviour to reduce their GHG emissions
	7.2 Activities to influence customer behaviour to reduce their ghg emissions
8. Policy engagement	8.1 Company policy on engagement with associations, alliances, coalitions or thinktanks
	8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
	8.4 Collaboration with local public authorities and local actors
9. Business model	9.1 Revenue from low-carbon products and/or services
	9.2 Changes to business models

Narrative scoring

1. Business model and strategy
2. Consistency and credibility
3. Reputation
4. Risks

Trend scoring

1. Probability of emissions' evolution
2. Evolution of business model and strategy