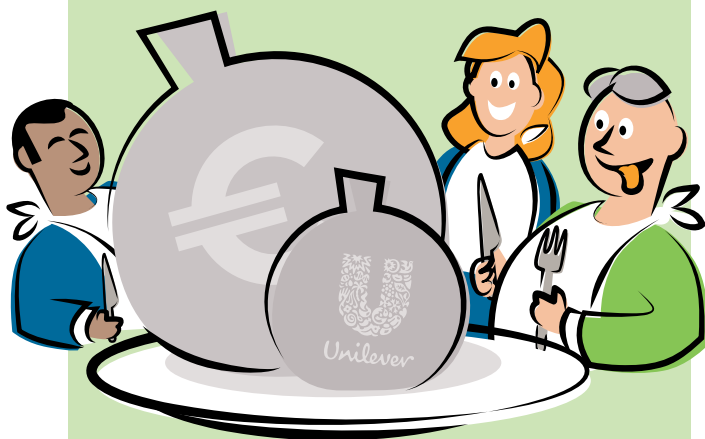


UNILEVER'S PROFITS, OUR DAMAGE

Unilever enriches its shareholders at the expense of dangerous climate change. Research by Profundo shows that Unilever is not complying with international climate agreements and is causing at least €268 billion of Climate Damage. While SOMO previously calculated that Unilever has diverted more than all of its €45.5 billion in profits to shareholders since the Paris Agreement, the Profundo study shows that Unilever's Climate Plan is leaking like a sieve.

Unilever 2016 – 2022:
**€45,8 BILLION
FOR SHAREHOLDERS**



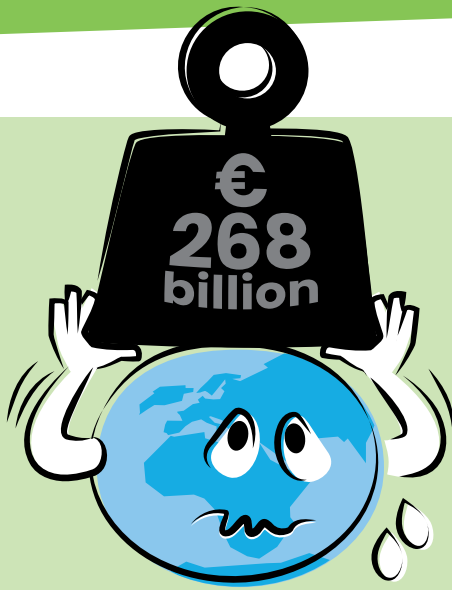
Billions in profits go to shareholders

Unilever continues to enrich its large shareholders. Since the Paris Agreement, profits were not invested in ambitious Climate Plans. On the contrary, more than 100% (€45.8 billion) of Unilever's net profits went to their shareholders. The independent research institute SOMO¹ delved into Unilever's profits and its distribution to shareholders since the Paris Agreement.

- Unilever made a total gross profit of €65.4 billion and a net profit of €45.5 billion from 2016 to 2022.
- Unilever paid €28.9 billion in dividends to shareholders from 2016 to 2022 and repurchased €16.9 billion of its own shares².
- Total shareholder remuneration amounted to €45.8 billion (101% of net profit). Thus, Unilever's shareholder remuneration was €455 million higher than the net profit they made in that same period.

- 1) SOMO (2024, march). *Insight into the financial data of 20 major polluters in the Netherlands* <https://www.somo.nl/nl/grote-vervuilers>
- 2) This is an alternative, tax-deferred way of returning money to shareholders.

UNILEVER'S PROFITS, OUR DAMAGE



Climate damage 2016–2050:
€ 268 BILLION

Climate Damage: society gets the bill

Unilever's huge profits are paired by severe damage to society. Based on Unilever's own Climate Plan, Profundo has calculated that between 2016–2050 Unilever will cause at least €268 billion worth of Climate Damage. This amount is only an estimation of investments needed to prevent Climate Damage.³

- Profundo has calculated the investments needed to prevent the Climate Damage Unilever causes from the Paris Agreement to 2050, the year in which the world should have reached net zero emissions in line with limiting global warming to 1.5 degrees. The

study shows that Unilever's own Climate Plan accounts for at least €268 billion in Climate Damage over the period 2016–2050. That is twice the amount of the company's current market value. The bill could even be as high as €326 billion, according to Profundo.

- In 2022 Unilever's emissions were as high as the emissions of 5.7 million Dutch households⁴ combined (111,15 million tonnes CO₂e). For that year Unilever's Climate Damage accounts for €16.6 billion. These are prevention costs, costs of investments needed to drastically reduce the emissions that cause actual Climate Damage. With its net profits of €45.5 billion (2016–2022), Unilever can easily pay for its necessary transition themselves.
- Based on methods that include not only prevention costs but also actual damage, the Climate Damage will be significantly higher.

Climate cheat

Unilever can use its net profits to limit Climate Damage and halve its emissions by 2030, in line with the Paris Agreement, but chooses not to. Research institute Profundo shows that Unilever produced a rickety Climate Plan. The climate ambition is too weak and also turns out to be leaking like a sieve.

- Unilever's Climate Plan claims to reduce emissions in its value chain (scope 3) by 39% by 2030 (compared to 2021). Profundo, however, calculates that emissions will only decrease by 29% in 2030 (compared to 2021). 1/3 (27%) of their scope 3 emissions are not included in the 2030 target while Unilever acknowledges that these emissions fall within the scope of their net zero ambition.

3) Profundo has applied a CO₂e price of €149 per tonne in the underlying research. This price is based on the ex-ternal cost approach of 'Planbureau voor de Leef-omgeving' (PBL), which is considered a very conservative method of calculating Climate Damage. PBL uses the concept of prevention costs: the costs of efforts needed to phase out GHG emissions. It gives us therefore a broad indication of the investments needed to drastically reduce emissions, not on the cost of the actual damage from those emissions. Other models that also include the actual damage use a much higher CO₂e price for calculating Climate Damage, which can even reach \$3000 per tonne of CO₂e. See also: <https://milieudefensie.nl/actueel/rapport-hunwinstonsverlies>

4) [www.milieucentraal.nl/media/tqojovzu/factsheet-CO₂-voetafdruk-huishoudens.pdf](http://www.milieucentraal.nl/media/tqojovzu/factsheet-CO2-voetafdruk-huishoudens.pdf)

UNILEVER'S PROFITS, OUR DAMAGE

- In addition, for 22% (8,8 million tonnes CO₂e) of its emissions that are covered by the 2030 target, Unilever has no plans as to how to reduce them.
- Profundo also calculated that Unilever's main suppliers for its household, personal and beauty products – accounting for an estimated 80% of Unilever's total emissions and 65% of sales – have even lower climate ambitions than Unilever itself. This, too, makes it highly questionable whether Unilever's already meagre ambition is achievable.
- In 2023, Unilever reports 47.1 million tonnes of CO₂e (47.1%) of its total emissions being caused by the use of its products (indirect consumer use). For example, the energy a washing machine uses while washing with Unilever's laundry detergents. However, there is no reduction target for this major part of Unilever's emissions at all.

Unilever's fairytale forest

More than half of Unilever's revenue depends on palm oil. Unilever also uses other raw materials with a high deforestation risk. Unilever promised a deforestation-free supply chain of its key forest-risk commodities by the end of 2023. However, Profundo's research shows that Unilever has not adequately fulfilled its due diligence for deforestation risk in these supply chains.

- Profundo shows that in 2022, an estimated 160,000 hectares linked to Unilever's commodity supply chain was not covered by adequate due diligence for deforestation risk. That is roughly an area the size of the city of London.
- Total CO₂e emissions related to forest-risk commodities and animal proteins are significant, comprising 9.5 million tonnes of CO₂e in 2022 alone. That is as much as 6% of The Netherlands' CO₂e emissions in 2022.⁵
- Research shows that Unilever's palm oil supplier Astra Agro Lestari has plantations

in protected forest areas without proper permits. At least 1,100 hectares are involved, equivalent to the area of 1,570 football fields. Also, according to Indonesian legislation, this forest should never have disappeared for plantations. Companies like Nestlé and FrieslandCampina no longer do business with subsidiaries of Astra Agro Lestari because of the many conflicts and violations.

- Unilever itself also acknowledges that it is far from being deforestation-free: 26% of palm oil, an estimated 202,000 tonnes, has not yet been verified by Unilever as 'deforestation-free' in 2022.

Linkages to human rights violations

Profundo shows that Unilever continues to do business with companies linked to serious human rights violations. Unilever claims it wants to take responsibility, but here too, Unilever does not practice what it preaches.

- Unilever says it supports human rights defenders and has zero tolerance for intimidation and threats. Yet it continues to do business with Astra Agro Lestari, whose subsidiary ensured that in June 2022,
- 2 farmers were wrongfully sentenced to 2.5 years in prison for 'stealing' palm oil fruits from land owned by their families for years.
- Despite extensively documented environmental and human rights violations in the supply of soy in Brazil, Unilever buys Brazilian soy from soy giant Cargill. In 2022 Cargill sourced soy from the Takuara area of Brazil where its supplier deploys armed men against the female Kaiowá population who predominantly lead the resistance. They are deliberately and systematically assaulted and raped.

5) RIVM (2024, April 15), "Greenhouse gas emissions in the Netherlands 1990–2022. National inventory report", online: www.rivm.nl/publicaties/greenhouse-gas-emissions-in-netherlands-1990-2022