

UNILEVER PLC

Double Materiality Intelligence

Financial materiality | Impact materiality
2025 reported financial and sustainability evidence

Independent evidence-based study, not affiliated with Unilever or CFI



From the CFI training case to a listed company

— Preserve the analytical method. Replace unsupported fictional figures.

CFI classroom illustration

Conscious Consumer Goods: hypothetical producer of plant-based food and cleaning products; water was the example material topic.

CFI teaches four stages: identify, assess business, engage stakeholders, finalise issues.

Unilever: evidence-led replacement

A listed CPG group with audited financial statements, food and household-products segments, published operating metrics, and its own ESRS double-materiality assessment.

All base-year facts now trace to public FY2025 disclosures.

The CFI source supplies the assessment sequence, not Unilever company results.

A financial base you can audit

2025 financial baseline · continuing operations · € billions unless stated

€50.5bn TURNOVER	€9.0bn OPERATING PROFIT	€5.9bn FREE CASH FLOW	17.9% OPERATING MARGIN
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What makes the financial evidence material?

The group has enough public information to examine revenue composition, profitability, liquidity, debt capacity and realistic sustainability-linked exposure pathways — without inventing company financial statements.

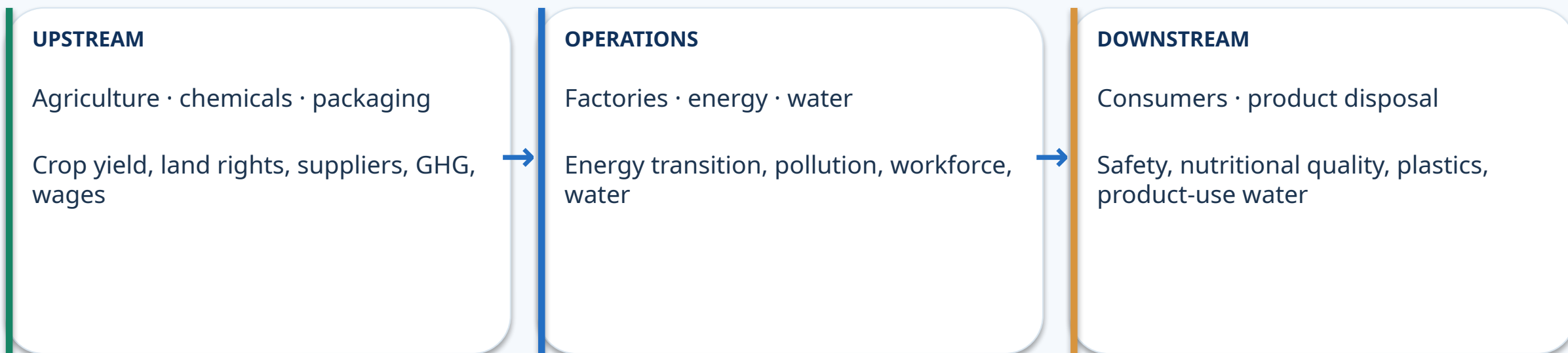
Critical boundary

2024 financial comparisons were restated following the December 2025 Ice Cream demerger. Not all historical ESG series are like-for-like.

Disclosure: these are company figures; forward-looking issue-level € effects are not publicly disclosed.

The value chain creates two directions of materiality

— Agricultural inputs, consumer use and end-of-life all matter

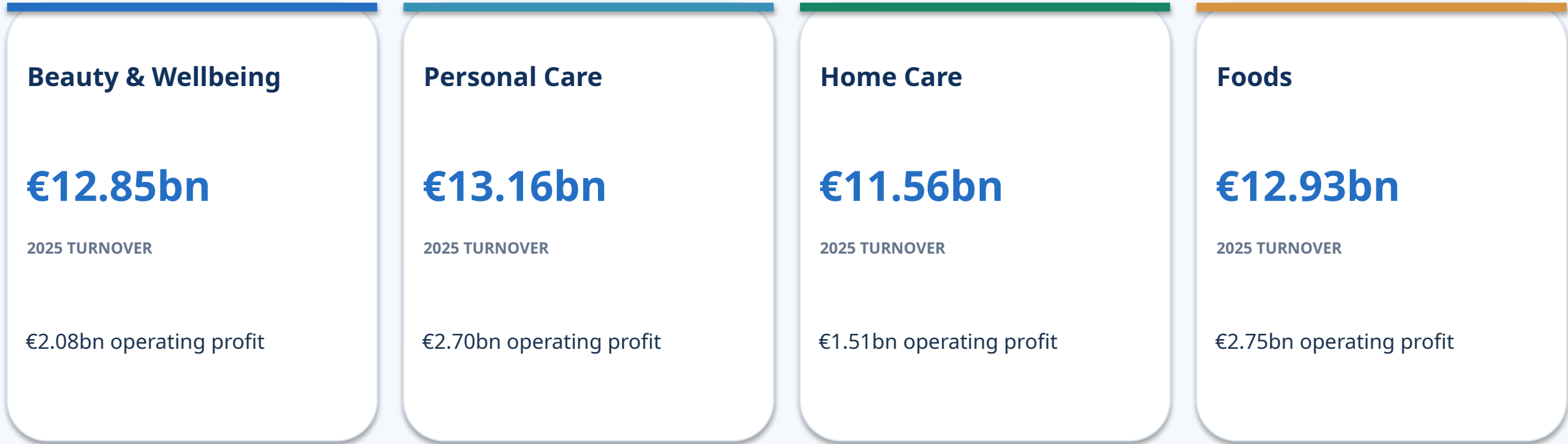


Outside-in ↔ inside-out

Financial risks/opportunities affect enterprise prospects; impacts affect people or the environment.

Four disclosed business groups, not a fictional revenue mix

— FY2025 segment turnover; all values are sourced from audited segment notes



Beauty & Wellbeing + Personal Care + Home Care + Foods = €50.503bn; Ice Cream excluded.

Board mandate: decide across two independent lenses

A topic qualifies if either its impact lens OR financial lens is material

FINANCIAL MATERIALITY

OUTSIDE → IN

Assess reasonably expected financial risks and opportunities affecting turnover, operating profit, costs, asset value, cash flow and access to finance.

Unilever uses magnitude and likelihood within ERM.

IMPACT MATERIALITY

INSIDE → OUT

Identify actual or potential positive and negative impacts on people and the environment.

Unilever uses scale, scope, remediable character and likelihood.

THE RULE

Financial OR impact: retained for disclosure/management consideration. No averaging.

CFI four-step method, applied to public evidence

The primary instructional structure remains intact

01 / CORE ISSUES

Shortlist CPG-specific E, S and G topics.

02 / BUSINESS LENS

Investigate exposure through operations and resources.

03 / STAKEHOLDERS

Use documented engagement and affected-person evidence.

04 / DECISION

Map reported impacts, financial risks and opportunities.

CFI screening grid is not itself a formal ESRS double materiality assessment.

Twelve mapped topics: retained and source-grounded

Aggregated from the 2025 sustainability statement · analyst taxonomy

Climate & carbon GHG emissions (negative impact); extreme weather/carbon pricing (risk)	Water stewardship Water shortages (negative impact); reducing product demand (risk)	Nature & biodiversity Ecosystem degradation (negative impact); yield declines/rights costs (risks)
Plastics & circularity Plastic pollution (negative impact); EPR/plastics tax exposure (risk)	Talent capability Talent (risk)	Human rights & living wages Forced labour, fair wages, discrimination (negative impacts); livelihoods (positiv
Community & land rights Land rights including Indigenous Peoples’ rights (negative impact)	Product safety Safe products (risk)	Nutrition & innovation Nutritional product quality (risk); product innovation (opportunity)
Business integrity Business integrity and anti-bribery/corruption (risks)	Supplier relationships Supplier payments and relationships (risk)	Air, soil & water pollution Pollution of air/soil/water excluding plastic (negative impact)

Issue groupings are analyst-created; IRO flags below follow company disclosures. Excludes some detailed subtopics.

Stakeholder evidence exists; we do not claim new interviews

Publicly disclosed engagement is evidence, not a substitute for primary fieldwork

Our people

2025 UniVoice survey engaged about 73,000 office and factory employees.

Consumers / customers

Product-use, nutritional quality, safety, packaging and trust.

Suppliers / partners

Supplier standards, living wage, emissions and relationship practices.

Planet / society

Affected communities, biodiversity, water and land rights.

No interviews, focus groups or additional community consultations were carried out for this independent capstone.

Unilever's reported double-materiality process

2024 bottom-up assessment; reassessed and approved in October 2025

1. IDENTIFY

Stakeholder channels, prior assessments, internal sustainability interviews.

2. IMPACT TEST

Scale/scope/remediability and likelihood: 1–5 scoring and threshold.

3. FINANCIAL TEST

ERM magnitude of turnover / operating-profit effect, likelihood.

4. VALIDATE

Experts and management sponsors; Audit Committee approval.

Actual company scoring and numerical thresholds are not publicly reproduced; this study does not invent them.

2025 vs 2024: the real financial bridge

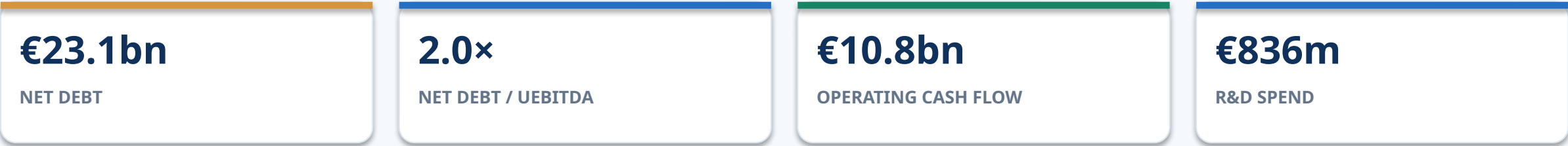
Continuing operations comparisons, with company-specific definitions

INDICATOR	2025	2024	CHANGE / INTERPRETATION
Turnover	€50.5bn	€52.5bn	–3.8% reported turnover
Operating margin	17.9%	16.8%	+1.1 percentage points
Underlying operating margin	20.0%	19.4%	+0.6 percentage points
Operating cash flow	€10.8bn	€10.9bn	–€0.1bn
Free cash flow	€5.9bn	€6.3bn	–€0.4bn
Underlying sales growth	3.5%	4.3%	Different from turnover growth

All 2024 comparative financial results re-presented for continuing operations after Ice Cream demerger.

The financial constraints on ESG action

Use actual capacity indicators, not invented ESG investment budgets



Capital allocation discipline

The public financial base supports sensitivity tests and investment screening. This capstone deliberately makes no claim that Unilever has approved an €X million sustainability programme or that a topic causes a quantified annual cash loss.

Future investment cases must document unit economics, asset geography, risk scenarios and project approval.

Net debt FY2024 €24.5bn is not re-presented; avoid treating it as a strictly like-for-like comparison.

Financial materiality: issues with reported financial IROs

Source classification, not pseudo-precise monetary forecasts

Climate & carbon

Physical disruption to commodities, infrastructure and costs; transition/carbon price exposure.

Water stewardship

Water scarcity could disrupt operations and reduce use of water-dependent products.

Nature & biodiversity

Crop-yield erosion and sourcing fragility where ecosystems fail.

Plastics & circularity

EPR fees, material cost, policy change and reputational pressure.

Talent capability

Inability to attract, retain and develop key capabilities.

Product safety

Quality failures, recall exposure, brand damage and legal risk.

Nutrition & innovation

Food-related consumer expectations and nutritional quality exposure.

Business integrity

Legal sanctions and trust erosion from integrity failures.

Supplier relationships

Supply reliability and supplier relationship fragility.

Unilever discloses IRO types and its test; company-specific topic-level € risk estimates are not available in the public summary.

Impact materiality: harm or benefit beyond the P&L

Positive and negative impacts are not netted against financial value

Climate & carbon

Operations and value chain greenhouse-gas emissions.

Nature & biodiversity

Land-use pressures and ecosystem degradation through agriculture.

Human rights & living wages

Working hours, fair wages, coercion and health across operations and suppliers.

Air, soil & water pollution

Pollution from own operations and suppliers.

Water stewardship

Withdrawals in stressed catchments can reduce water availability.

Plastics & circularity

Plastic waste and pollution across product lifecycle.

Community & land rights

Land acquisition, use and access can affect community rights.

Human rights, land rights, and environmental harms remain material even without a corresponding listed financial IRO.

The 2025 sustainability evidence register

Real metrics with units, baselines and reporting-boundary disclosures



Selected Scope 3 figures include Ice Cream; water 2025 excludes it. Metric scopes differ: see the supporting data register.

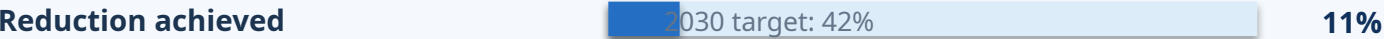
Climate: reductions are real, value-chain gap remains

Observed performance versus approved 2030 targets

Scope 1+2 vs 2015



Scope 3 energy / industrial



Scope 3 FLAG



IMPORTANT: Scope 3 E&I and FLAG measures retain Ice Cream for 2025; reduction percentages have different baselines.

Water: catchment-level materiality is measurable

— A material impact on water access and an enterprise-level product-use risk

14m m³

2025 water consumption

9m m³

in ESRS water-risk areas

2m m³

recycled / reused

29 / 100

stewardship locations / 2030 target



FY2024 water use reported with Ice Cream: do not present 17m→14m m³ as an apples-to-apples reduction.

Nature: the sourcing base depends on ecological systems

— Biodiversity effects and agricultural yield risks both appear in the DMA

Regenerative agriculture

254k ha
target 1m ha by 2030

Protected/restored ecosystems

0.66m ha
target 1m ha by 2030

Deforestation-free sourcing

97%
key commodities per company criteria

Verified sustainable crops

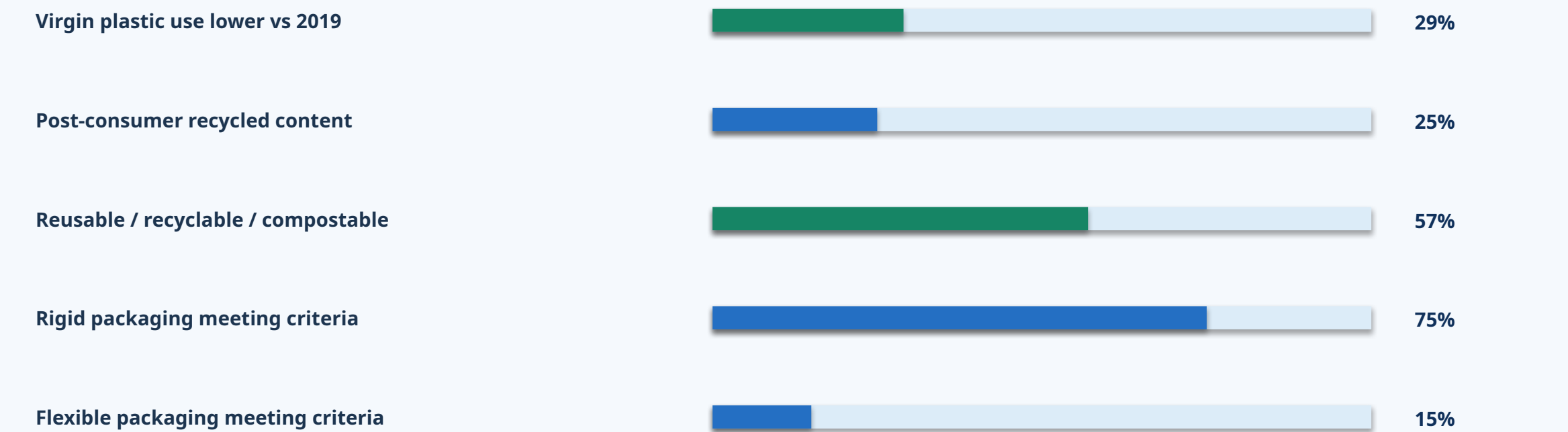
81%
target 95% by 2030



Area programme measures are cumulative and target-scoped; 97% is not a universal all-suppliers deforestation claim.

Plastics: scale the transition beyond easy rigid packaging

Measured progress; 2025 packaging targets cover 26 markets (~82% sales)



ANALYST INSIGHT • Flexible packaging is the main circularity redesign challenge (15% meeting criteria).

Plastic collected/processed equivalent to 111% sold is not proof that 111% of every product was physically recovered.

People: reported progress does not close rights exposure

Rightsholder impacts are separate from investor and enterprise-risk priorities

43%

procurement spend · suppliers signed Living Wage Promise

170,000

smallholder farmers · with programme access

2.12m

small retailers / SMEs · assisted in growth programme



Promise signature is not evidence of living wages paid; farmer programme access is not demonstrated income growth.

Consumer integrity: safety and nutrition affect enterprise value

Unilever reports safe products and nutritional quality as material risks

PRODUCT SAFETY

Potential recalls, quality failures and legal/reputation consequences.

NUTRITIONAL QUALITY

Food-related composition, consumer demand and product standards.

PRODUCT INNOVATION

Disclosed opportunity from adapting products to changing demand.



Foods 2025 revenue €12.929bn is segment turnover, not “revenue at risk” from nutrition or quality issues.

Governance: integrity and supplier relationships are material

An effective ESG response requires safeguards and transparent escalation

BUSINESS INTEGRITY

Unilever reports business integrity and ethical conduct as financial risks.

ANTI-BRIBERY & CORRUPTION

Principal compliance risk requiring due diligence and speak-up controls.

SUPPLIER PAYMENTS & RELATIONSHIPS

Reported risk to manage across the value chain.

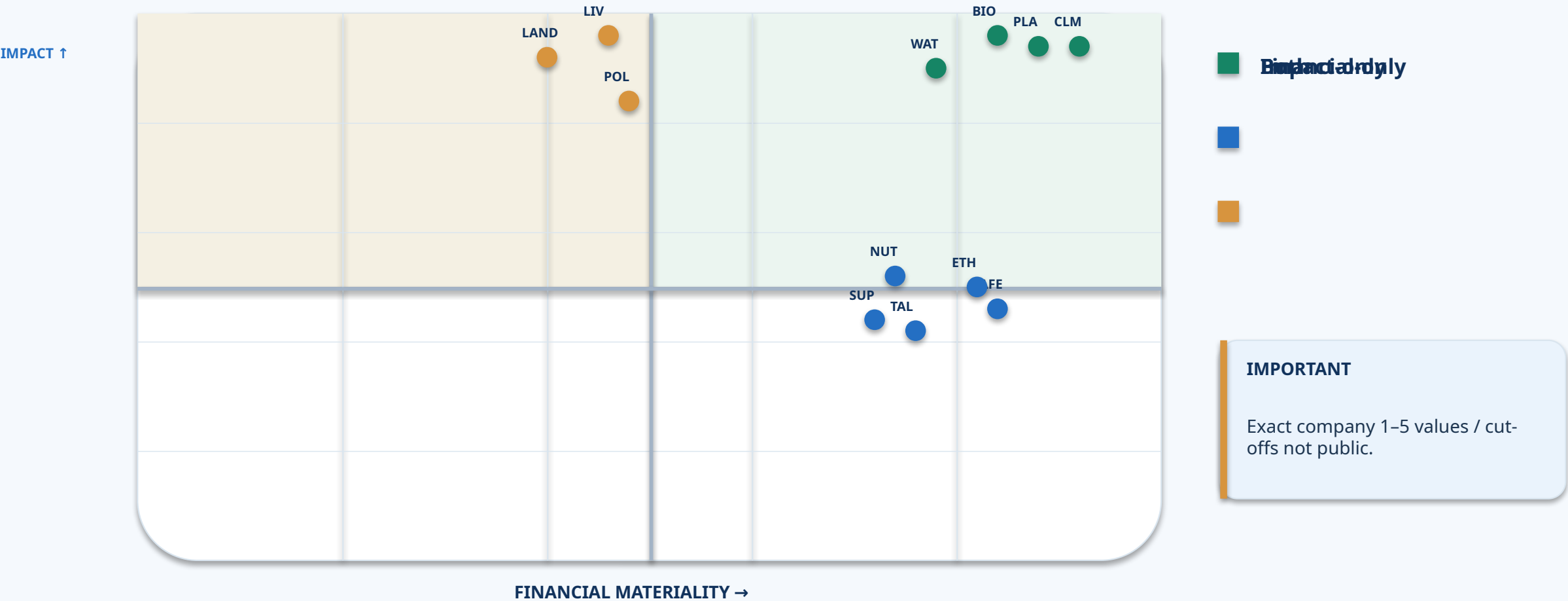
OVERSIGHT

Board Audit Committee approved the 2025 DMA output in October 2025.

Analyst action items are recommendations; not claims that control failures have occurred.

A double-materiality matrix with honest labels

Positions below are analyst schematic, NOT unpublished Unilever risk scores



2025 material topics: binary source-backed classification

Analyst topic aggregation based on Unilever's published IRO table

BOTH FINANCIAL + IMPACT

04

- Climate & carbon
- Water stewardship
- Nature & biodiversity
- Plastics & circularity

FINANCIAL ONLY

05

- Talent capability
- Product safety
- Nutrition & innovation
- Business integrity
- Supplier relationships

IMPACT ONLY

03

- Human rights & living wages
- Community & land rights
- Air, soil & water pollution

"Only" refers to 2025 IRO type in the disclosed summary, not the absence of other possible impacts or risks.

Translate material issues into risk–opportunity controls

Illustrative management response, grounded in company-reported pathways

PRIORITY	RISK / IMPACT SIGNAL	MANAGEMENT OPPORTUNITY
CLIMATE	Extreme weather, carbon and ingredient-cost exposure	Supplier engagement / lower-impact inputs
WATER	Catchment scarcity; lower consumer product use	Water-smart formats and basin partnerships
PLASTICS	EPR costs and pollution	Alternatives and recycled content
NATURE	Crop yield loss and biodiversity degradation	Regenerative agriculture / sourcing due diligence
HUMAN RIGHTS	Forced labour / fair wage concerns	Remediation, grievance channels, livelihoods

Controls and priorities are analyst recommendations, not authorised corporate plans or audited opportunity values.

Stress-testing a known revenue base

— Illustrative revenue-at-risk; NOT a forecast or a reported materiality threshold

HYPOTHETICAL SHOCK

0.25% of turnover

€126.3m

revenue sensitivity

€22.6m × 17.9% margin

HYPOTHETICAL SHOCK

0.50% of turnover

€252.5m

revenue sensitivity

€45.2m × 17.9% margin

HYPOTHETICAL SHOCK

1.00% of turnover

€505.0m

revenue sensitivity

€90.4m × 17.9% margin

CALCULATION

€50.503bn FY2025 turnover × illustrative revenue shock; × 17.9% reported operating margin for a simple benchmark only.

CAUTION: operating margin is not necessarily the incremental contribution margin; cost offsets and timing are excluded.

Recommended programme architecture

— Action proposals tied to reported gaps; no invented budget or approvals

DECARBONISE

Supplier footprints, energy transition, time-bound traceability.

RESTORE NATURE

Regenerative sourcing, forests and community land safeguards.

PROTECT WATER

Target sites in high-risk basins and encourage water-smart products.

REDESIGN PACKAGING

Address flexible-plastic recyclability gap and EPR exposure.

ADVANCE LIVELIHOODS

Measure living wage outcomes and grievance remediation, not just promises.

STRENGTHEN ASSURANCE

Control definitions, document boundary differences and validate claims.

Recommendations are independent and not endorsed or costed by Unilever.

An executable, evidence-first roadmap

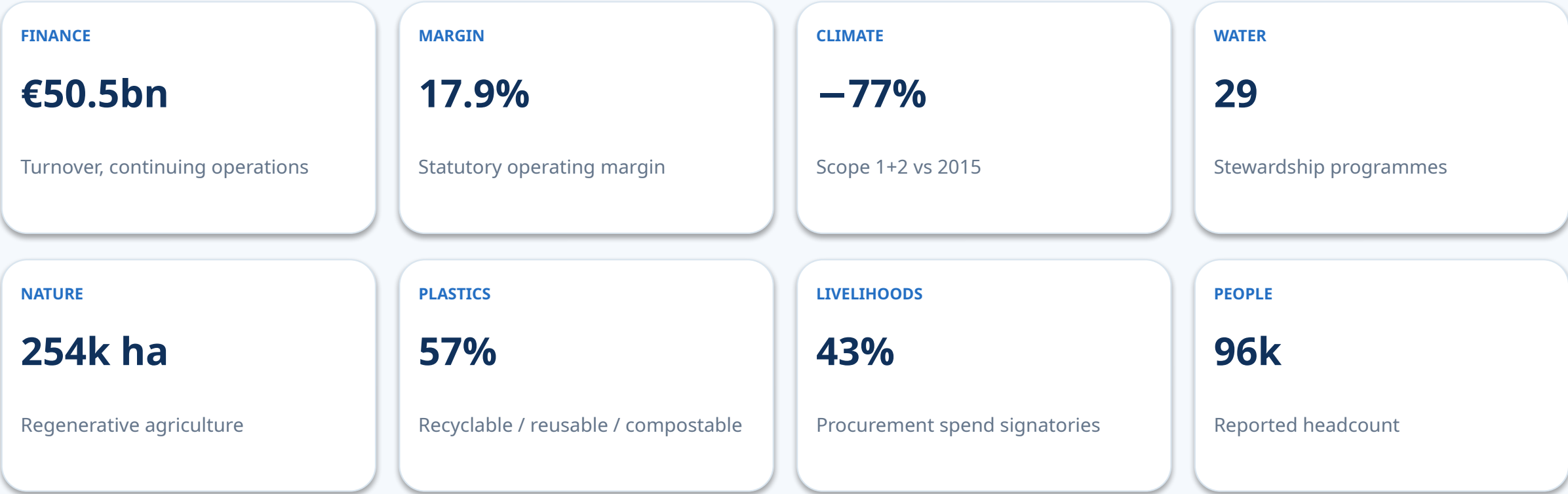
Phases are advisory proposals rather than published corporate commitments



No capital allocations, contracted programmes or forecast savings are invented.

Board dashboard: a balanced FY2025 cockpit

Measured performance and materiality decisions side by side



Every figure retains its underlying definitions; see data register and companion dashboard for source links.

Professional assurance: what this analysis does NOT claim

A credible investment case needs exclusions as much as measurements

REPORTED

Public 2025 financial results, IRO types, ESG KPIs, methodology and published targets.

ANALYST-CODED

Selected topic clusters and non-official matrix positions to visualise source-reported IRO types.

HYPOTHETICAL

Turnover shock sensitivities are scenario tools only; no company topic-level forecasts.

NOT PERFORMED

No original stakeholder interviews, assurance, independent audit or investment underwriting.

BOUNDARY WATCH

Ice Cream demerger means selected 2024 and 2025 sustainability populations differ.

This is independent academic/professional work; no claim of certification, Unilever affiliation or CFI endorsement.

Primary sources, data room & authorship

Primary CFI teaching content; audited corporate report supplies company evidence

PRIMARY TRAINING

CFI — Conducting a Materiality Assessment (supplied 39-page course PDF)
Guides presentation, initial screening, four steps and risk/opportunity discussion.

PRIMARY COMPANY

Unilever Annual Report & Accounts 2025, pp.12–14, 30, 136–137, 216–271
<https://www.unilever.com/files/unilever-annual-report-and-accounts-2025.pdf>

ADDITIONAL COMPANY

Unilever Sustainability Statement, 2025; 2025 climate and plastics webpages
<https://www.unilever.com/investors/annual-report-and-accounts/>

PROJECT OUTPUTS

Editable PowerPoint; print-ready PDF; 22-scene interactive dashboard;
public-source JSON/CSV data register; reproducible assumptions note.