

## Unilever PLC (ULVR:LN) – Climate Transition Analysis

Questions for investors and lenders to ask management of companies concerning their 2030 scenario

Recommended Questions	
<b>Q.1</b>	<p><b>Will the company disclose the link between potential emissions reductions and required invested capital?</b></p> <p><b>Background:</b> Without a direct link between the investment required and mitigation initiatives, investors cannot determine if the company is on the right path to align with a 1.5°C scenario by 2030 (see p.22 &amp; 24 of Planet Tracker's <a href="#">report</a>).</p>
<b>Q.2</b>	<p><b>Why is the company's potential financial impact as outlined in their scenarios analyses not viewed as a financial forecast?</b></p> <p><b>Background:</b> Unilever regards its scenarios assessment in regards to Climate Change and Transition risks as potential cost increases under specific circumstances and not forecasts. However, Planet Tracker does consider that any potential financial impact under reasonable assumptions should be regarded as an expected impact all things being equal (p.18-19).</p>
<b>Q.3</b>	<p><b>Is the company planning on disclosing additional investment to achieve its Scope 3 mitigation goals?</b></p> <p><b>Background:</b> With a Climate and Nature Fund, aiming to invest USD 1.2 billion in its Climate Transition objectives, Unilever lags behind peers like Nestlé with a total investment of USD 3.5 billion or Danone with USD 2.4 billion. However, this difference is justified in part by the company as it expects financial leverage from public, private and philanthropic partners (p.24).</p>

### Report's Key Takeaways

- Unilever's upstream Scope 3 emissions pose a significant challenge, as they are projected to be twice the recommended level by Science Based Targets (SBTs) by 2030.
- The company demonstrates commendable engagement with suppliers, customers, and policymakers, offering tools and solutions while supporting land-use policies and regulations.
- Unilever's Climate Transition Plan includes sensible initiatives to mitigate its environmental impact, but without the required investment, the company's trend is projected to surpass recommended SBTs levels by 45%, putting it on a trajectory aligned with 2°C by 2030.

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