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Committee Secretary
Parliamentary Joint Committee on Corporations
and Financial Services
Department of the Senate
Parliament House
Canberra ACT 2600
Australia

corporations.joint@aph.gov.au

28 September 2005

Dear Sir/Madam,

Thank you for the opportunity to provide a submission to your inquiry into Corporate Social Responsibility and Triple Bottom Line reporting.

I attach here Unilever's submission, and I would be happy to discuss with the Committee any of the information presented here. If you require any clarification or further information, please don't hesitate to contact me.

Kind regards,

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Parliamentary Joint Committee Inquiry into Corporate Social Responsibility

Submission from Unilever Australasia

Executive Summary

Corporate Social Responsibility is increasingly the focus of many conferences, round tables, publications and networking exercises, as businesses start to recognise the implications of sustainability and socially responsible behaviour on their markets, their employees, their communities and the environments in which they operate. Companies that may once have had no reason to collaborate, or who may even have been competitors, are now seeking to work together and discover ways in which they can support social change. CSR is the vehicle through which these businesses to work together for common good.

Corporate Social Responsibility is a natural attractor for creativity and innovation, as it requires a different way of viewing the business model. The imposition of regulations on this area of business will serve only to stifle this natural innovation and energy, and shift the focus of CSR from its essential role of ensuring the future of the community and environment, to one of obligation and bureaucracy.

CSR is developing rapidly and energetically as a philosophy and a business movement in its own right. Unilever's position is that the sensible way forward is to look for ways to support its expansion and mainstream acceptance without hobbling it with unnecessary regulations.

About Unilever

Unilever Australasia is an operating company of Unilever PLC, an Anglo-Dutch FMCG (fast-moving consumer goods) multinational that operates in around 100 countries, employing 227,000 people. In 2004, Unilever's worldwide turnover was €40,366 million. Every day, around 150 million people choose Unilever's brands to feed their families and to clean themselves and their homes.

Unilever's leading Food brands include Flora, Lipton, Bertolli and Streets. Leading Home and Personal Care brands include Omo, Surf, Jif, Dove, Lux, Sunsilk, Lynx and Rexona. In 2004, Unilever spent more than €65 million on a wide range of community projects, equivalent to 1.5% of pre-tax profits. Worldwide, Unilever has 114 manufacturing sites certified to the international environmental management standard, ISO 14001.

Unilever's Corporate Mission

"Unilever's mission is to add vitality to life. We meet everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life."

The corporate mission shows how clearly the business understands 21st century-consumers and their lives. But the spirit of this mission forms a thread that runs throughout the company's history, leading back to the late 19th century.

Unilever's History

In the 1890s, William Hesketh Lever, founder of Lever Bros, stated his mission: "To make cleanliness commonplace; to lessen work for women; to foster health and contribute to personal attractiveness, that life may be more enjoyable and rewarding for the people who use our products".

Balancing profit with responsible corporate behaviour

In the late 19th century, the businesses that would later become Unilever were among the most philanthropic of their time. They set up projects to improve the lot of their workers and created products with a positive social impact, making hygiene and personal care commonplace and improving nutrition through adding vitamins to foods that were already daily staples.

Today, Unilever still believes that success means acting with the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live. Over the years Unilever has launched or participated in an ever-growing range of initiatives to source sustainable supplies of raw materials, protect environments, support local communities and much more.

External Opinion

- Food Industry Category Leader in the Dow Jones Sustainability Index for the sixth year running.
- Top Environmental Reporter in the UNEP/Standard & Poor's Sustainability 6th Benchmark Survey of corporate non-financial reporting.
- Ranked joint 32nd in the Top 100 Companies that Count in the UK's Business in the Community Corporate Responsibility Index 2004.

Culture

Unilever has a long history of acting as a custodian in the many communities in which the business operates. The culture and philosophy of community focus is leadership-driven, borne out in even the most senior managers within the business, as is evidenced in the story in Appendix B.

Unilever prides itself on its role as a socially responsible business. Unilever believes that communities give companies a licence to operate, and it is the company's responsibility to earn that licence through exemplary behaviour towards their employees, their communities and the environment. Unilever seeks to take a leadership role in Corporate Social Responsibility. Globally, this is evidenced by involvement in the Marine Stewardship Council (through working with WWF), sustainable agriculture and water.

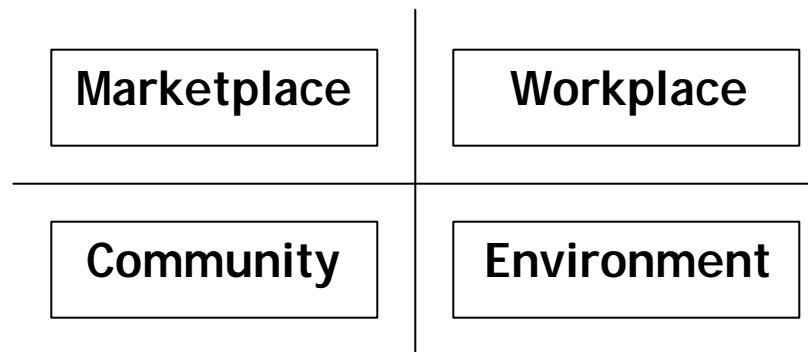
Unilever Australasia

Unilever Australasia operates at eight major sites across Australia and New Zealand, employing more than 2000 people. In Australia, Unilever operates the Streets ice cream factory at Minto in south western Sydney and makes a range of home and personal care products at the North Rocks factory in Sydney's north west. Unilever's Brand Development, Finance, HR and Customer Development teams are based in Epping, Sydney. In Victoria, the Customer Development team is based in Camberwell, and there are two Continental Foods factories, one in Knoxfield in the outer suburbs of Melbourne, and one in Tatura in the Goulburn Valley. There are also sales offices in all states.

Like the global operation, Unilever Australasia takes seriously its role as a custodian of the communities and environment in which it operates.

The Business in the Community Model

Unilever Australasia uses the same four-pronged approach to Corporate Social Responsibility as the UK's Business in the Community Model.



1) Marketplace

Marketplace covers Unilever's products – product safety, product information, competition, supply chain and sourcing options, governance issues, ethics, legal, etc.

Product Safety

Unilever's Code of Business Principles states: "Unilever is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use."

"In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society. We will work on the basis of sound science applying rigorous standards of product safety."

In addition, Unilever Australasia has a [Quality & Consumer Safety Policy](#), as well as a [Framework of Standards for Consumer Safety Management](#). To obtain copies of these policies, contact Sarah Clarry on (02) 9869 6321 or via email at sarah.clarry@unilever.com

Product Information

Unilever's Code of Business Principles states: "Products and services will be accurately and properly labelled, advertised and communicated."

Unilever Australasia's Home and Personal Care business has operated the consumerlink web site since 2000. (www.consumerlink.com.au) The purpose of the site is to provide a place where consumers can have all their questions about Unilever's Home and Personal Care products, and other related issues, answered. The site provides information on skin sensitivity, hygiene and environmental issues, as well as stains and stain removal, optimal wash performance, marketing and pack design, product safety and resources for students.

Unilever's Nutrition Enhancement Program

Unilever is implementing a nutrition enhancement program across its entire food and beverage portfolio. This is a global process to assess and enhance the nutrition composition of its portfolio. It drives further reductions in trans fat, saturated fat, sodium and sugar levels, and enhances communication, information and education about the dietary roles of Unilever food products.

This voluntary program builds on work done in the light of current scientific and nutritional advice. It is global, and is being implemented across every

product using benchmarks based on dietary recommendations established by national dietary guidelines and the World Health Organisation.

Competition

Unilever's Code of Business Principles states: "Unilever believes in fair yet rigorous competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations."

Business Partner Code

To meet the expectations consumers have of Unilever brands as high-quality, reliable products, Unilever forms close working relationships – many of them long-term – with its business partners. In support of this approach, Unilever has developed a Business Partner Code that is compatible with its Code of Business Principles. The Code makes clear the standards to which Unilever expects its business partners to adhere. It contains 10 principles covering business integrity and responsibilities relating to employees, consumers and the environment.

Unilever started to introduce the Code in 2004 by writing to all those suppliers with whom there was a direct relationship ('first-tier suppliers'). In keeping with Unilever's partnership approach, they work together with their partners, first to establish how compatible their standards are and then, where necessary, to agree on measures and time scales to achieve the desired performance levels.

The Business Partner Code is as follows:

- There shall be compliance with all applicable laws and regulations of the country where operations are undertaken.
- There shall be respect for human rights, and no employee shall suffer harassment, physical or mental punishment, or other form of abuse.
- Wages and working hours will, as a minimum, comply with all applicable wage and hour laws, and rules and regulations, including minimum wage, overtime and maximum hours in the country concerned.
- There shall be no use of forced or compulsory labour, and employees shall be free to leave employment after reasonable notice.
- There shall be no use of child labour, and specifically there will be compliance with relevant ILO standards.
- There shall be respect for the right of employees to freedom of association.
- Safe and healthy working conditions will be provided for all employees.

- Operations will be carried out with care for the environment and will include compliance with all relevant legislation in the country concerned.
- All products and services will be delivered to meet the quality and safety criteria specified in relevant contract elements, and will be safe for their intended use.
- There shall be no improper advantage sought, including the payment of bribes, to secure delivery of goods or services to Unilever companies.

Supply Chain and Sourcing

Unilever globally has launched a project on Corporate Social Responsibility across all regions. The purpose of this initiative is to confirm Unilever's first-tier material suppliers and third party contract fillers and packers follow business principles consistent with Unilever's own. Supply Chain and Buying resources in each country's operating company will participate alongside regional teams to obtain supplier assurances. Suppliers that are deemed high-risk (from the risk assessment exercise) will be subjected to Supplier Self-Assessment, after which time they will be audited, with the audit specific to the area of concern. Any shortcomings identified during the audit will be documented and time-bound corrective action plan drawn up and implemented.

Compliance – Monitoring – Reporting

Unilever's Code of Business Principles states: "Compliance with these principles is an essential element in our business success. The Unilever Board is responsible for ensuring these principles are communicated to, and understood and observed by, all employees."

"Day to day responsibility is delegated to the senior management of the regions and operating companies. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs. Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by the Audit Committee of the Board and the Corporate Risk Committee."

"Any breaches of the Code must be reported in accordance with the procedures specified by the Joint Secretaries. The Board of Unilever will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies and instructions."

"The Board of Unilever expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so."

2) Workplace

Diversity

Unilever's Code of Business Principles states: "Unilever is committed to diversity in a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of our company."

Performance Development Planning (PDP)

Unilever's Code of Business Principles states: "We are committed to working with employees to develop and enhance each individual's skills and capabilities."

PDP is a process whereby employees and their managers agree targets and assess ongoing work performance. PDP provides transparency and fairness because the employee has a signed document that outlines what they need to do and how their performance will be assessed. The process gives employees the opportunity to obtain clarification and feedback through regular work-in-progress meetings with their manager about their progress towards the achievement of their goals. It also provides the employee with a forum in which they can identify opportunities to develop their skills, competencies and experience.

Attracting and Retaining Talent (Future Leaders Plan)

The Future Leaders Plan (FLP) is Unilever's strategy for attracting, selecting, developing and retaining high-calibre talent. The FLP is designed to develop talented graduates and early career recruits who have the potential to lead the business in the future.

Unilever works with universities to attract the most promising graduates, and follow a careful selection process. However, candidates do not enter the Future Leaders Plan until they have demonstrated a track record of outstanding performance within Unilever.

Once accepted into the Future Leaders Plan, candidates will be provided with a specialised training and development program. Candidates receive the tools to develop leadership capability, to increase their understanding of Unilever's core business operations and to develop fundamental management skills.

OH&S

Unilever's Code of Business Principles states: "We are committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory or child labour."

In addition, Unilever has an [Australasian OH&S Policy](#). To obtain a copy of these policies, contact Sarah Clarry on (02) 9869 6321 or via email at sarah.clarry@unilever.com

SEAC

Unilever's dedicated 'Safety & Environmental Assurance Centre' (SEAC) plays a central role in providing independent assurance and support for their products and processes. Safety decisions are made independently of commercial considerations.

The centre is responsible for carrying out the assessment and approval of product and supply chain technology design, considering consumer safety, occupational safety and the environment. The centre employs experts in chemistry, environmental science, mathematics, statistics, modelling, medicine, microbiology, occupational and process safety, physical hazards and toxicology.

Multidisciplinary project teams tackle complex issues, and highly challenging projects, working in partnership with R&D colleagues from the initial stages of product development and scientific research to approve new ingredients, technologies and processes, applications and uses and novel delivery routes.

Unilever believes safety is about making decisions on what risks are acceptable and what are not. Risk Assessment is the core process used to identify hazard, quantify exposure and thereby determine potential risk. Based on Risk Assessment, a risk management decision can be made including any control measures necessary for the safe use of ingredients and processes for new and existing Unilever products. Unilever's team has gained a world-class reputation and plays a key role in developing international methods and approaches in this area.

The scientists interact with policy makers, regulators and other authorities, contributing to the development of safety legislation. They also work with a variety of organisations, companies and trade associations, using up to date scientific knowledge to promote and improve standards in consumer safety, occupational safety, and the environment.

Unilever's aim is to assure the safety of consumers, customers, employees and the environment everywhere they operate.

In addition, Unilever has an [Australasian Environment Policy](#). To obtain a copy of these policies, contact Sarah Clarry on (02) 9869 6321 or via email at sarah.clarry@unilever.com

Funding/Leave for Community Projects

Unilever encourages employees to identify community projects where they can make a difference. The Unilever Foundation will cover the costs of materials required for the project (up to \$2000). In addition, each employee is entitled to one day's leave (over and above other leave entitlements) for Foundation-supported community projects.

Employee Assistance Program

Unilever offers the Employee Assistance Program (EAP) to employees who experience personal or work related problems including, but not limited to, stress, alcohol and drug dependency, relationship difficulties, financial concerns, depression, personal trauma, health problems. The program is available to all permanent (including long-term casual) employees and their immediate family (as defined in other company policies). EAP is a voluntary, confidential and impartial counselling and advice service provided by a third party. Employees and their immediate family will be given up to a maximum of six sessions at no cost.

The decision to seek or accept assistance through the EAP will not adversely affect an employee's job security or possible advancement opportunities.

3) Community

Unilever's Code of Business Principles states: "Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfill our responsibilities to the societies and communities in which we operate."

Unilever Australasia Foundation

The Unilever Australasia Foundation was established in 2002 to harness the many individual community and environment initiatives that were going on around the business under one umbrella so they could be better coordinated and supported. The second aim of the Foundation was to establish some Enterprise-wide programs, large-scale programs that employees could participate in on all sites.

Unilever contracted Positive Outcomes to run a series of employee focus groups. Positive Outcomes is a business that matches corporates with suitable not-for-profit partners, and assists these partnerships in developing effective CSR strategies and programs. The employee focus groups were held on all Unilever Australasia sites and helped the business to determine which issues employees felt were important and that they would like to see the business supporting. Three consistent themes emerged: Health, with a focus on nutrition; education, with a focus on youth, and environment, with a focus on water. From there, Unilever developed several enterprise-wide and grass roots programs. Following is more detail on what these involve.

Enterprise-wide Programs

Enterprise-wide programs are programs that are designed to be able to run on all sites. Approximately one third of the annual one million dollar Foundation budget goes towards supporting enterprise-wide programs. They are programs that address one of the three key areas identified by Unilever employees as being important to them: health, education and the environment. Unilever has three major Enterprise-wide programs: Reading for Life; World of Work and Environment 2006.

Reading for Life

Literacy was an issue raised by Unilever employees consistently during the initial focus groups. With this information, Unilever developed Reading for Life, a program whereby employees volunteer one hour per week for around fourteen weeks to go into a local school and read with children who have been identified as having learning difficulties. Unilever's partner organisation for this program is Learning Links, an Australian charity and non-profit organisation

assisting children who have difficulty learning. Learning Links work with families to provide a complete service for children in need. They use teachers, psychologists, speech pathologists, occupational therapists and family counsellors. They developed the packs that Unilever volunteers use in reading with the children, and these packs were approved by the Department of Education.

In early 2005, Unilever Chairman Peter Slator made Reading for Life one of the eight key goals of the business's 2010 vision, and set an ambitious benchmark to put 10,000 children through the program by 2010. To do so, Unilever has obtained the support of other businesses, as well as schools, community groups and universities. Reading for Life runs on all Unilever's major sites, and at the Camberwell Sales office in Victoria. The results for the children have been very encouraging. Average gains in reading age, fluency and comprehension are around seven to eight months following participation in the 14-week program.

For more information on Reading for Life, go to:

www.readingforlife.net.au

World of Work

Unemployment was another issue of concern for Unilever Australasia employees. While offering permanent jobs was not an option, employees felt they could offer much in the way of skills training, job readiness, work histories and self-esteem.

The World of Work program brings long-term young unemployed people into the business for a period of 13 weeks, and placing them with a full-time mentor and trainer. The role of the trainer and mentor is to teach the participant transferable job skills, organise mock interviews to give them practice at answering questions and bolstering their self-confidence, show them how to look for work and how to sell themselves at interview. The roles the participants take on are varied, from forklift driving and warehouse management, to materials and production planning, in HR and Consumer Relations.

Participants are paid a real wage, and are expected to work the same hours and follow the same rules and guidelines as regular employees. Unilever partners with various Job Network Providers (usually not-for-profit) to deliver the program, including WorkVentures, Workways and Mission Australia.

The program is now in its third year and has had a success rate of more than 80 per cent. Unilever is justifiably proud of these results, as most of the participants had either been out of work for many years or had never worked at all.

The Continental Foods site in Tatura, Victoria, is now seeking to expand the World of Work program into an apprenticeship scheme. Unilever is seeking to collaborate with other major employers in the Goulburn Valley region to offer apprenticeships to participants graduating from the World of Work program.

The Tatura site is also planning to expand its criteria from long-term unemployed to encompass highly disadvantaged unemployed as well. Unilever employees at the Tatura site are keen to tackle some more difficult social issues, by bringing in participants who may be recovering from substance addiction, recently released from jail, or at risk of homelessness.

There is a video available about the World of Work program. To obtain a copy, contact Sarah Clarry on (02) 9869 6321 or via email at sarah.clarry@unilever.com

Unilever Australasia's Tsunami Response

At the beginning of 2005, after the Boxing Day tsunamis, Unilever set aside \$200,000 to put towards some project to help out with tsunami relief. At the same time, a 'Donate a Day's Pay' program was introduced for employees, which the Unilever Foundation matched. This contributed around another \$20,000 to the total tsunami response. The business surveyed its employees about how they wished Unilever to spend this money, and the decision was overwhelmingly in favour of infrastructure rebuilding.

Unilever Thailand assisted Unilever Australasia in finding a suitable project and partner with whom they could spend this money. Thailand recommended an organisation – the Association for the Promotion of the Status of Women – who planned to develop a youth centre in the affected area of Bang Muang. This organisation is focussed on identifying healthy choices and outcomes for both young women and young men who have been affected by the tsunami, as research has shown that it is adolescents and young adults who have been most profoundly affected by this disaster. They aim to steer vulnerable young women away from poor choices like the sex industry, and educate young men about respecting women, while offering both healthier options towards rebuilding their lives.

Over all capacity building effort will centre on the following: providing educational information and raising awareness on issues that are important for teens, e.g. healthy teen relationships, sexual and reproductive health, human rights and gender equality; strengthening life skills; leadership training, group facilitating and presentation skills; providing vocational training; and strengthening conflict resolution skills.

Longer term aims include: youth are equipped with knowledge skills and abilities in such areas as teen relationships, healthy lifestyle, non-violent approach to conflict resolution, human rights, gender equality and community service mindedness; youth are well equipped with teamwork approach, with capacities to carry out action planning and implementation; teams of youth with leaders established in schools and communities and activities launched for youth members in respective areas; support has been gained from local authorities, parents and teachers.

The scope of Unilever Australasia's funding of the program will run from March 2005 to September 2007, during which time they will work towards assisting the centre in becoming self-sustaining beyond 2007.

Unilever Foundation's Grass Roots Programs

The idea of the Foundation's Grass Roots programs is to provide support for the many initiatives our employees are engaged with at a site level. These site-specific community activities are usually relevant to the local community, or are a particular passion of a group of employees on one particular site. Here, I will run through the ways that the Foundation supports individuals in their community efforts, as well as talk through just a couple of the great initiatives taking place on some of our sites in Australia and NZ.

Supporting Employees in their CSR Activities

Payroll Giving

The Unilever Payroll Giving program was introduced in Aug/Sept 2004. Employees have the opportunity to support the charities of their choice, and for Australian employees this is a pre-tax contribution.

Charities Aid Foundation (CAF) manages the payroll giving system. CAF is a not-for-profit organisation that provides knowledge, infrastructure, back-office administration and ongoing management of services such as payroll giving, match giving, foundation accounts and consultancy.

To date, Unilever employees have donated more than \$18,000 through regular payroll deductions, which is then matched by the Foundation. This sum of \$18,000 does not include the \$20,000+ given in one-off donations during the tsunami appeal earlier in the year. Unilever is seeking to encourage employees to sponsor a student in the Reading for Life program through Learning Links. The cost of putting a child through the Reading for Life program is around \$250 or approximately \$21 per month. Therefore for as little as \$10.50 per month, an employee could make a significant impact on the literacy and future outcomes for a child who is struggling to read. The Foundation would match this donation to bring it up to the required \$21.

\$ for \$ matching

The Foundation supports employees (individuals or teams in their fundraising efforts) by matching dollar for dollar money raised for their community causes or chosen charities. If employees or teams raise over \$100, they can apply to the Foundation to match their donation up to \$500 for an individual or \$1000 for a team.

Existing Volunteering

If an employee is already involved in volunteer work within their community, the Foundation will support their work. If they have contributed more than 80 hours per annum to a voluntary service or registered charity, they can apply to the Foundation and they will donate \$500 to that group or charity.

Donating Time, Skills and Resources

Unilever encourages employees to identify community projects where they can make a difference. The team can apply to the Foundation for up to \$2000 to cover the cost of paint, plants, garden equipment or other materials to help complete their projects. In addition, employees are entitled to one day's leave, over and above other leave entitlements, for Foundation-supported community projects.

Product Donations

The Foundation also supports existing product donation relationships between Unilever and selected charities, the main one of these being Foodbank.

Foodbank

Foodbank Australia is a non-denominational not-for-profit company that seeks and facilitates donations of food and grocery products for distribution to welfare agencies via its State Foodbanks. Foodbank encourages manufacturers in the food, beverage and grocery industries to donate their products to those in need. Manufacturers deliver their donated products to our Foodbanks in NSW, Victoria, Queensland, Western Australia and South Australia. The food is sorted, stored and made available to accredited welfare agencies throughout Australia. The food is used in the preparation of meals or distributed as food parcels to needy Australian families.

Foodbank helps to feed more than 20,000 people each day, or 7 million meals per year. It supplies food to more than 1500 accredited welfare agencies around Australia.

Recently, Unilever collaborated with a number of other corporates, including SPC Ardmona, Visy, Manildra Sugar, ANZ and Toll Distribution to manufacture 224 pallets of baked beans, which equates to half Foodbank's yearly requirement of one of their three most important food products. This time around, Unilever donated the tomato paste, and Factory Manager Daryl Warren is now looking to do more for the next initiative in six month's time, including manufacturing the goods at the Tatura factory.

Redfern/Waterloo Indigenous Leadership Program

A small group of Unilever employees from Epping have, for the past 18 months, been running a nutrition program with a Redfern-based Indigenous Youth Group. The program started as an extension of an existing community program being run by the 'Redfern/ Waterloo Small Group Youth Development Program' which was established to work with socio-economically disadvantaged youth and equip them with practical life skills. The Redfern co-ordination team recognised that the health and nutrition component of their program was the least developed, despite this being an area of significant need.

The program initially focussed on learning to prepare interesting and exciting meals that were both healthy and affordable. The meal preparation process is supported with recipe, cost and nutrition facts, and to round out the experience, each ethnic theme (e.g. Italian, Vietnamese, etc.) was enhanced with interesting props e.g. relevant music, room decorations, special ingredient information, etc. This made the whole experience more fun and more 'engaging' for the participants.

It is also clear that with a bit of training, some of the participants themselves and/or the Redfern support team could learn to run these modules independently and in so doing, take on more leadership responsibilities/roles in their communities and amongst their peers.

With this in mind, Unilever is now developing this program from one with a focus on nutrition, to one with a focus on leadership, whereby employees can volunteer their time helping to develop leadership skills among the indigenous community. Unilever's Human Resources group is developing the leadership training pack.

I Can Care

I Can Care is an initiative of Unilever's Queensland Sales Office and Vanessa Scheld, a teenage girl battling cancer. Vanessa contacted Unilever with the idea to prepare baskets for patients newly diagnosed with acute myeloid leukaemia, to help make their first trip to hospital a lot less overwhelming, and to help them realise that somebody else knew what they were going through, and that they cared. The baskets contain all the things that Vanessa realised

that she would have liked when she first went into hospital after her diagnosis: Sunscreen, Aromatic Mist, Massage Oil, Lavender Eye Pillows, Floppy Hat, Teddy Bear, Bed Socks, Notepad And Pen, Mints, Rexona Low Fragrance Roll On, Vaseline Lip Balm Therapy, Dove Body Lotion, Dove Unscented Soap, Dove Face Moisturiser SPF15.

All the office staff and some of the local customer service representatives come in to help pack the hampers. 2005 was the Queensland office's first year running this program and they have done 360 baskets.

The Walking School Bus

The Walking School Bus is a Victorian initiative that has been adopted by Unilever's Tatura site. A walking school bus is a group of people who are the 'bus' and their feet are the wheels; their eyes are the windows and their legs the engine. It aims to increase the number of children walking to and from school in a safe, supervised and enjoyable manner, and enables children to develop skills that enable safer pedestrian travel.

It improves children's general fitness, as it does for the volunteers. They walk a designated route with defined stops or pick up points so that children arrive at school on time. Volunteer bus drivers receive training and must complete police check before being allowed to participate. Children participating must sign passenger promise form and abide by the Walking Bus rules. There is a strict ratio of children to drivers – not to exceed 8:1. Volunteers must take responsibility for the safety and conduct of participating children during the operating hours of the Walking school bus. Children participating required to listen and respect the walking school bus driver and conductor and arrive at their designated stop on time to participate. Participants endeavor to walk in "All weather, rain, hail or shine" and good rapport develops between the drivers and the children.

Scholefield Playground Project

Unilever's Petone site in New Zealand is skirted on two sides by government housing commission flats. There are many children in the area who have nothing in the way of recreational facilities, and who roam around the site and adjacent areas, often getting into trouble.

Near the site, there is vacant land. Unilever employees at Petone are working with the local council and the community to come up with a suitable design and to build a landscaped recreational area for the local children on the vacant land. The planning stage has involved surveying local residents, holding a Q&A session on site for them, and obtaining buy-in from all stakeholders.

The site proposes harnessing the skills of their engineers and tradespeople in developing the facility, and others who are not skilled in trades can assist with painting, decorating and landscaping. There are already many people who enthusiastically support the idea and would be prepared to volunteer. This project provides a perfect vehicle for the employees of the Petone site to engage with their local community, while supporting the Foundation focus areas of the youth and environment.

4) Environment

Unilever's Code of Business Principles states: "Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice."

Environment 2006

Environment, and in particular water, is a core concern of Unilever employees in Australia. Unilever worldwide is a huge user of water all along its supply chain. With water quality and supply such a timely issue, employees nominated it to be the focus of our Enterprise-wide Environment Program.

To this end, Unilever has established a partnership with Conservation Volunteers Australia. The aim of the environment program is for Unilever and CVA to provide energy and sustainability to local environment groups, enhancing the reputation of both organisations among the wider community and making a real difference to the environment in the process.

After discussions with CVA and subsequently, with Shell Australia, Unilever decided to adopt a slightly modified version of the model used by Shell in their Coastal Volunteers program. Unilever runs a series of week-long programs around all sites in Australia and New Zealand. Volunteers from Unilever nominate a morning, an afternoon or a full day in which they go along to the program and work in the local environment under the supervision and direction of CVA. The programs focus on water issues and contain an element of education around water quality and management, including visiting speakers from universities, or from water management authorities such as Sydney Water. Employees who participate in these local programs are then eligible to nominate themselves to attend an Icon Program. The Icon Programs are held in remote and ecologically fragile areas, such as on Queensland's Sunshine Coast or the Tasmanian rainforest. The successful nominee spends a week at a CVA program in one of these Icon locations with other CVA volunteers (not Unilever employees). Unilever covers the cost of the employee's travel, insurance and other expenses. The employee covers the nominal cost of their accommodation, estimated at around \$25 per night. After their volunteering experience, Unilever's expectation is that the employees return to their workplace with a new enthusiasm for volunteering, and act as catalysts to encourage further volunteering in their local work community.

Appendix A

Examples of Unilever's CSR Work Globally

Marine Stewardship Council

In 1996, Unilever began working with the international conservation organisation WWF, to help establish a certification program for sustainable fisheries, known as the Marine Stewardship Council (MSC). This became an independent non-profit organisation in 1999.

Increasingly, shoppers can choose fish products that bear the MSC logo. The logo provides the assurance that the fish comes from sustainable fisheries, independently certified to the MSC Standard. More than 200 products made by different companies worldwide now carry the MSC logo.

Encouraging certification

Unilever encourages its suppliers to seek certification to the MSC Standard. In October 2004, one of the world's biggest whitefish fisheries – the Bering Sea Aleutian Islands (BSAI) Alaskan pollock fishery – was certified to the MSC Standard. The nearby Gulf of Alaska fishery is in the final stages of certification. This is significant for Unilever because more than half of its supplies for its frozen fish business in Europe are Alaskan pollock. The launch of products made from newly certified MSC Alaskan pollock means the proportion of our European fish products made from MSC-certified fish is expected to jump from 4% to 50% by the end of 2005.

Unilever also sources fish from two other fisheries that are MSC certified: the South African hake fishery (certified in April 2004) and the New Zealand hoki fishery (certified in 2001). The Chilean hake fishery is also undergoing certification.

Sustainable Agriculture

Over two thirds of Unilever's raw materials come from agriculture and the business has always aimed for a responsible approach to farming practices. In recent years, it has become clear that increasing environmental and social pressures on agriculture (which threaten supply chains) and growing consumer concerns about the food chain (which threaten markets) demand a more radical attitude. This led to the company's Sustainable Agriculture Program, which began in the 1990s.

Sustainability Guidelines

Unilever has completed guidelines for the sustainable management of all five of their key crops: palm oil, tea, peas, spinach and tomatoes. They are

also working with other major food companies – including Groupe Danone and Nestlé – to promote sustainable agriculture practices through the Sustainable Agriculture Initiative Platform.

Water

Unilever's activities are intimately linked with the reliable supply of safe water, whether used in their operations, or by suppliers, or by consumers when using Unilever products.

The issue

Many of the world's fresh water systems are under intense pressure. The United Nations has predicted that more than half the people in the world could be living in severely water-stressed areas by 2030. Water is a shared resource and needs to be used responsibly.

Unilever's impact

Unilever has estimated its water use through the full life-cycle of their products, and right across their product range, from raw material sourcing to consumer use of products. This has given the company a global picture of the way they impact on water resources.

The main water imprint is associated with the growing of raw materials (upstream from factories) and with the consumer use of products (downstream). Unilever's manufacturing operations account for about 3% of the business's total water imprint.

This explains the importance Unilever places on their sustainable agriculture initiative and on the need to work with consumers to foster the responsible use of water. It is clearly in the business's long-term interest to do so because without clean water, many of their branded products would be unusable.

Understanding their imprint is enabling them to define priorities around water for their companies, product categories and brands.

Appendix B

Rethinking Business at Unilever by Kathy Hazelton

All indicators point to the fact that Unilever's aligning of human and financial resources with the larger needs of humanity has had a transformative, positive impact on its organization. Unique insight from Tex Gunning, president of Unilever, and his managers regarding volunteering in the tsunami relief effort in Sri Lanka and with an ashram in India gives an inside look into the benefits to business and the world when business partners with the global community in a positive way.

"You cannot force human beings in a sustainable manner to adjust themselves to the tyranny of organizational logic, you can only let the organization adjust itself to the universal needs of all human beings. They want to live meaningful lives... and they want to be part of an organization that helps them contribute to something that is far bigger than they could ever be on their own."

These words of Tex Gunning, President of Unilever Bestfoods Asia, are borne of experience, not ivory-tower philosophizing. Since 1997, Gunning has committed groups of senior managers to experiences and causes that take them well beyond the boundaries of what has traditionally been considered the interest of business.

There are indications, however, that aligning Unilever's human and financial resources with the larger needs of humanity has had a transformative, positive impact on the organization. Comments from those returning from two recent experiences in Sri Lanka and India provide some insight into why and how this has happened.

Tsunami Relief Effort

Following the tsunami in the Indian Ocean in late December 2004, Gunning and over two hundred Unilever managers from seventeen Asian countries flew to Sri Lanka. Driving along the coast, they saw the endless wreckage of homes, boats, trains, and cleared land in this country where over 40,000 had died and hundreds of thousands had lost livelihoods and homes.

The Unilever group set out to help clean up an area of destroyed shops and two destroyed schools, one where 80 children and four teachers had been killed. They also aided people in a relief tent camp and numerous individual families.

As Gunning wrote later to those who had shared the experience with him, "while we slogged in the unbearable heat and humidity, building new community centres, school buildings, kitchens, and more, we were at the same time, and more importantly, connecting with the people. Holding hands, we

looked into pained eyes, we listened to the most horrific personal stories of lost loved ones and lost livelihoods, and we witnessed the unbelievable physical devastation.

"We shed tears of pain, hope, and love. We shed even more tears when we realized that by simply sharing our spirit with them we were making an incredible difference not only to their lives but also to ours. It continues to surprise me what care and service for others can do to help me discover my own love and how it humanizes us all."

Speaking of their first tentative interactions with the Sri Lankans, he wrote "Most local people were bystanders, watching without any spark in their eyes and without the energy to give a helping hand in their own recovery. But when we started sharing stories... , when we listened deeply to their fears and hopes... , we suddenly connected. And when we sang songs and danced with the children of the communities, we knew that there was hope for a better future." Pondering the source of the profound experience he had there, Tex wrote, "I still cannot find words to express why it was so unbelievable, but I know it had to do with a groundswell of love, spirit, and feeling connected to something bigger than myself."

Those participating in another experience sponsored by Gunning shared similar sentiments.

Service at the Sewa Ashram, Nacela, India

For some time, groups of managers of Unilever India have been doing "rural stints" to connect with communities and consumers. Recently, the foods business unit chose to do its stint at the Sewa Ashram ("House of Service") in Nacela, India. This is a community that shelters what one manager calls a "sea of humanity" that would otherwise be left to die on the streets of a variety of life-threatening maladies and conditions, including HIV/AIDS, tuberculosis, and drug addiction.

The ashram is run by a Dutch national named Ton Snellaert, a former hard-core drug addict himself for 17 years, now helping people that others had given up on. Working with Snellaert are a group of selfless volunteers most of whom Snellaert (known as "Ton Baba" to the residents) had helped nurse back to health.

One manager, an Indian national, initially reacted with aversion when he entered the ashram and encountered the "wheezing and coughing sacks of bones barely recognizable as human beings." Shortly afterwards, on meeting the humble Ton Baba who greeted him with the palms-together gesture of namaskar, this manager was "hit in the face" with the realization that "here was a man from a foreign country serving the people in need of my nation,

shouldering a 'burden' that I, as a part of the society and nation called India had put on the streets." After four weeks serving the people of the ashram and sharing their meals, prayers, and music-filled evening gatherings, this manager reflected on wonders he had seen, like the young man without a hand learning to write with his foot. Later, back at his job, he reflected on the experience: "This place has made me hold my breath in awe." He described his experience as the "best education in faith that someone could have ever given me."

What Motivates Gunning?

What led Gunning to organize these experiences for his top 200 executives, melding business with community responsibilities? Is he a savvy businessman sending managers to research new markets and doing a little pro bono work on the side? A shoeless guru mystic who somehow took a wrong turn and ended up at the top of one of the world's largest corporations?

Neither. Gunning is a successful businessman who has followed instincts and insights that tell him that the professional and the personal need to be in harmony, that people want to live in service and care for others, that they want the freedom and space to be creative, and that enabling these things to happen rewards the organization that facilitates them. Incorporating these practices in a company of Unilever's breadth and depth, Gunning feels, makes growth a certainty. It also makes life and work a whole lot more meaningful. Gunning instituted his unusual management practices following a transformative moment in his career. "I was 45 years old and unfortunately had to eliminate the jobs of 800 people in a small city in the south of the Netherlands. Prior to that, in Australia, I had had to let 250 people go. These moves were part of a necessary restructuring, but left me feeling empty. I felt that what I was doing was going nowhere. I felt I must either leave industry altogether or find a way to do something positive. If I was going to stay, I wanted to have fun. I wanted to grow a business and I wanted to help my business become a true community."

Although he had been brought into Unilever Netherlands (Van den Bergh) to implement a restructuring and layoffs, Gunning convinced his senior managers to join him in a campaign to grow the business instead. They made a pact to stay together until they had, in fact, grown the business. This was contrary to common business practice of moving people from division to division every two or three years.

"Whilst we had to focus on the hardnosed strategic agenda," says Tex, "we started to build a high sense of community into all corners of the business. And the more we emphasized community building, the more we saw 'miracles' happening. We started to grow, we started to develop great advertising that was winning all kinds of awards and we became incredibly productive."

Business Benefits

Does good luck or good karma account for Unilever's success?

Tex Gunning is confident that community building and community service are **good business**, for a number of reasons:

First, people want and need to be part of an effort or organization with a "meaningful spirit" — a spirit that comes from care and service for others, deep sharing, and a sense of belonging and interconnectedness. As one of Gunning's managers, Farman Nizar puts it, "a company's mission must shift away from marketing products for a specific need to rendering tangible or intangible services to change people's lives and make a difference to them, symbolizing genuine corporate responsibility. We, and our businesses, must begin to live by our conscience." Or, as Gunning puts it, if a company defines itself only in an economic way, it will have little resonance with employees and customers. In Unilever's case, the cause is to bring hygiene, nutrition, and health to the world. "Our purpose is to add vitality to life and make this world a better place with our behavior and our brands. We believe we can be more effective serving our purpose, and be socially relevant, when we have the financial wherewithal. "Profit and shareholder value is part of our lives, but so is social responsibility".

For a company that makes cars, the meaningful cause may be to deliver transport to people everywhere so that all people, even in remote areas, can get to the doctor. Or it may be to implement an environmental agenda. "Companies must redefine themselves in a humanistic manner or end up in the death cycle of restructuring and cost cutting," Gunning is convinced. "If you define yourself only in an economic way, your business is not sustainable."

When people have a cause that has real meaning, they can be inspired to a virtually unconditional level of commitment. In Sri Lanka, Gunning explains, as people shared stories and listened to each other's fears and hopes, a sense of community grew. And with that sense of community came "sudden energy, willpower and strength. In a day, we removed tsunami debris that could not be removed for two months; in two days we built new community centres, school classes, kitchens, shops, and toilets." That kind of commitment and productivity carries over to the workplace. "People will self-organize and do whatever it takes" to reach a goal if they are part of a community focused on a cause with real meaning."

When colleagues serve others side by side, they learn to listen better and put their egos aside more readily. This transfers to the workplace with powerful results. Rebuilding a school in Sri Lanka where 60 children have just died or cleaning up sick people in the ashram, individuals can't help but drop their masks. "Somehow it humanizes all of us," says Tex. "And one of our problems as workers, especially as we advance in positions of leadership, is

that our egos get bigger and bigger, we suppress our human sides, and we don't listen to people - employees, customers, and others - whose needs and opinions should shape our business agenda. Face to face with great need, a person is compelled to listen deeply to the one in need.

The organization that operates as a community becomes more creative.

When people have seen each other's humanity, a deep level of respect for each person and his or her point of view comes into the organization. It becomes possible to discuss business challenges and opportunities on a much deeper level than before. New processes emerge which allow what Tex calls the "genius in the collective" to come forth and produce solutions to business questions that would otherwise be unimaginable.

"After we started our community building experiences," says Tex, "we would go through a week-long market research or strategic review processes with 30 to 40 people in the room. We would sift through an incredible amount of data and in small and large groups we would discuss and debate, engage in deep listening and experience periods of creative tension. By Friday, we would end up with answers that were much richer than any one of us could have come up with on our own.

At Unilever Bestfoods Asia, all the makings of a highly effective organization are emerging. The business which began as a "start-up" is growing year after year. Tex has no doubt that businesses will move in the direction that Unilever has taken – defining their missions in humanistic terms, serving others, and building community. "You become smarter together. You become more productive. You become more creative. You create space for proper tradeoffs, space to live out who you are as an organization. The debate is very quickly shifting. People realize that a meaningless company is an unsustainable company." And the cost? "Yes, there is a cost to taking people away from work to build community and serve others," says Tex. But do you know what it costs if people are unmotivated?"

Conventional wisdom is to run a business for its shareholders and, if there is anything left over, perhaps to write a check to a charity. What Tex Gunning has done at Unilever Bestfoods Asia has transformed that paradigm to focus on a triple bottom line – profits, people, and the planet.

Source: http://worldbenefit.case.edu/inquiry/feature_unilever.cfm