



Unilever

Sustainable
Development
Report 2007:
Introduction &
Our business
and impacts



Introduction and Our business & impacts

Welcome to Unilever's Sustainable Development Report 2007 where we set out our approach and performance on the sustainability issues facing our business.

Contents

Patrick Cescau's introduction	2
About this report	4
Assurance	5
Our business & impacts	6
Our impacts	8
Our brands in society	11
Our values & strategy	14
Our values	15
Strategy & governance	17
Governance	22
Engaging with stakeholders	25
Measurement	32
Reporting	33
Unilever Basis of Reporting 2007	36
Awards & recognition	41
Regional awards	43

This section of the online Sustainable Development Report 2007 is available at: www.unilever.com/ourvalues/environment-society/sustainable-development-report/ceo-introduction & www.unilever.com/ourvalues/environment-society/sustainable-development-report/business-impacts

Patrick Cescau's introduction

Unilever's mission is to add Vitality to life and to do this in a sustainable way.

Reviewing our progress

2007 was a good year for Unilever. Our underlying sales grew by 5.5% - the third consecutive year of accelerating sales growth. At the same time, despite rapidly rising commodity costs, we made progress towards achieving our 2010 target for an operating margin in excess of 15%.



Throughout the year we have sought to live up to our long-standing commitment to sustainability and responsible business practice.

Our Vitality mission sets out our goal to meet the everyday needs of people all around the world for nutrition, hygiene and personal care.

Our strategy

Our Vitality mission sets out our goal to meet the everyday needs of people all around the world for nutrition, hygiene and personal care.

Our corporate responsibility strategy seeks to address Unilever's most significant sustainability impacts – greenhouse gases, water, packaging and agriculture. Whilst we have made good progress under all these headings in 2007, the highlight has been agriculture.

Our commitment to sustainable tea

Over two-thirds of Unilever's raw materials come from agriculture and we have been working with suppliers for more than a decade on more sustainable farming practices. Building on this work we have committed ourselves to source all our tea from sustainable sources by 2015.

Since Unilever buys 12% of the world's black tea crop from 7,500 estates, spread across three continents, this is a massive undertaking. We reached an important milestone in the early part of 2008 with the appearance of PG Tips and Lipton tea in Western Europe using Rainforest Alliance Certified™ tea. We are confident that this initiative will improve the livelihoods of some 2 million people in our extended supply chain. We also believe that we will sell more tea.

Integrating sustainability

The example of tea illustrates well our new approach to sustainability. What we are seeking to do is to integrate all our sustainability initiatives into the day-to-day marketing and R&D plans of our brands. Sustainability in Unilever is not something that is done by a few boffins in our laboratories. It is very much part of the way we do business and is the responsibility of everyone.

Our experience with tea also exemplifies two other aspects of our approach. The first is the importance of working with external partners who bring new perspectives and new knowledge. The Rainforest Alliance is just one of many bodies with whom we work. Others include UNICEF on hygiene education and clean drinking water, Greenpeace on climate-friendly refrigeration, the Fairtrade Labelling Organisation on ethical trading and poverty relief, and Oxfam on poverty.

A value chain approach

The second distinguishing feature of our approach is the growing importance of addressing sustainability right across our value chain – from the sourcing of raw materials through to consumer use and disposal of our products. Water is a case in point. Historically our programmes have focused on the volume of water used in our factories – a figure which we have reduced by more than half over the past decade. However because a big part of our water footprint is in consumer use of our brands, our product developers are increasingly focusing their attention on reducing the quantities of water that are required to use our products. Building on the success of Surf Excel Quick Wash laundry detergent, this has led to innovations such as Comfort and Vivere fabric softeners – both of which allow people to do their laundry with significantly less water.

In Unilever we recognise that we can only achieve our long-term business objectives if we find more sustainable ways of conducting our affairs. We have known for a long time that good environmental practice is good for the bottom line – since it tends to drive out waste and reduce costs. The more we learn about sustainability, the more we are convinced that it is the right thing for all our stakeholders – the people we employ, our investors, our suppliers and the consumers and communities that we serve.

We are convinced that we can do well for our shareholders, by doing good in the world in which we operate.

Patrick Cescau
Group Chief Executive
Unilever

About this report

Welcome to Unilever's Sustainable Development Report 2007. Read about our approach and performance on the key sustainability issues facing our business.

Sustainable Development Report 2007

In this, our online Sustainable Development Report 2007, we cover the wide range of issues related to our social, environmental and economic performance. It covers both the issues we have identified as our most material impacts, but also more specialist topics of interest.

The Report addresses the following questions:

- How do Unilever's business activities affect the environment and society?
- How do Unilever's brands make a difference to the health and well-being of consumers?
- How is Unilever addressing the sustainability challenges related to climate change, water, packaging, and sourcing of agricultural raw materials?
- How do Unilever's operations create wealth and how does this benefit stakeholders such as employees and suppliers, and local communities?
- How do we manage the sustainability and corporate responsibility issues related to some of our key stakeholders including consumers, customers, employees, suppliers, local communities and government?

We have also produced an accompanying Sustainable Development Overview 2007 – a 34-page printed publication that explores the issues we have identified as our most significant impacts including nutrition, hygiene, climate change and more.

The principal audiences for both the online Report and Overview are our employees, customers, consumers, investors, governments and opinion formers in the fields of sustainability and business responsibility.

Assurance

Internal and external assurance is an important part of our approach.

Our approach

Accuracy and reliability of reported information is assured through our internal management and information systems, with each section formally approved by the relevant functional manager and the entire report signed off by senior corporate executives.

Our environmental reporting has been supported by independent external verification since we first started reporting in 1996 and our social report was verified for the first time in 2004.

Since this date we have had each of our reports externally assured.

In 2007, limited assurance on 10 environmental and occupational safety performance indicators contained within our Sustainable Development Report 2007 has been carried out by Deloitte & Touche LLP.

Deloitte's report, which sets out the scope of the assurance work performed on these indicators and their qualified inclusion, is now available. See related links below.

Available online:

Download

[Independent assurance report by Deloitte & Touche LLP to Unilever PLC on the online Group Sustainable Development Report 2007 \(13 May 2008\) \(50 KB\)](#)

