



MAKING PURPOSE PAY

INSPIRING SUSTAINABLE LIVING

PURPOSE OR SUSTAINABILITY: WHAT'S IN A NAME?

There is a lot of talk today about brands with purpose, or sustainable brands, or meaningful brands. The number of descriptions people use is exceeded only by the different interpretations people give them. Some simply mean brands that support a charity or, say, use 'natural' ingredients. At the other extreme, people set up whole companies whose sole purpose is to 'do good'. With so many terms in use, it helps to put some definition behind the terminology.

At Unilever we are in the business of helping people to live well and live within the natural limits of the planet, so we talk about 'sustainable living' and 'sustainable living brands'. For us that means helping to bring about greater social equity and inclusiveness and helping people to:

- improve their health, nutrition and wellbeing
- reduce their environmental impacts
- choose products that are better for them, society and the environment.

Purpose and product

The concept of 'purpose-driven' brands is not new. Among our own brands, Lifebuoy and Ben & Jerry's have had a social or environmental purpose at their heart since they were founded. But in today's complex and interconnected world, having a powerful purpose is not enough. Brands must look at their impacts up and down the value chain and across the public domain. For example, they cannot do social good while harming the planet or improve the lives of consumers while ignoring the working conditions of the people who make them.

That is why our definition of a sustainable living brand is one that:

- has a clear purpose that, over time, helps to tackle a social or environmental issue or cause
- produces products that reduce their environmental footprint and/or improve health and wellbeing or livelihoods.

In Unilever that means sustainable living brands make a positive difference to society and, ultimately, to our company purpose: Making sustainable living commonplace.

For a full glossary of sustainability terms, see page 28

SUSTAINABLE LIVING BRANDS MAKE A POSITIVE DIFFERENCE TO SOCIETY AND OUR COMPANY PURPOSE



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DOES PURPOSE PAY?



Keith Weed,
Unilever's Chief Marketing
& Communications Officer

A CONVERSATION WITH KEITH WEED, CHIEF MARKETING & COMMUNICATIONS OFFICER

Q: Is the idea of brands with a purpose just the latest fad or is it here to stay?

A: Brands having a sustainable living purpose is not a new idea. Unilever's British founder, William Lever, launched Sunlight soap in 1880 with the purpose of making cleanliness commonplace, and there have been many more examples over the years. What makes it particularly relevant now is that the moral case for business to help fix the fault lines in society and the business case for doing so are aligned.

Q: What makes you so sure consumers really want sustainable living brands?

A: We have two strong pieces of evidence. Firstly, our own sustainable living brands grew 50% faster than the rest of our business and accounted for more than 60% of our growth in 2016. Secondly, research we conducted that asked consumers about their attitudes to sustainable living and compared what they said against their till receipts, showed that over 50% of people now buy or want to buy brands that are more sustainable and we expect this to grow.

Q: Why do you think consumers want brands with a sustainable living purpose?

A: As marketers, we know that the best businesses understand their consumers intimately as individuals. They are not just a pair of armpits looking for deodorant or a head of hair looking for shampoo, but real people with real lives and real anxieties. People want to engage with

brands that understand them and speak to their concerns. Having a sustainable living purpose enables brands to connect with them at a deeper, emotional level.

Q: How do you encourage more people to buy these brands?

A: The main drivers of sustainable purchasing are trust and social norms. Consumers need to trust the people who make the product and they need to feel it is a purchase that is valued by the people they care about. But they don't want to pay more or sacrifice performance. They want great products that are good value for money and sustainable. That doesn't mean they have to be new brands. They want the brands they already know and love to be sustainable.

Q: Why are you sharing your research and insights – isn't this competitive information?

A: When we launched the Unilever Sustainable Living Plan in 2010 we said that if we went down the path of creating a new, sustainable business model but only a few other companies joined us, we would have failed. So we have committed to helping other brands and businesses by sharing what we have learned about sustainable living in the hope of inspiring others to do the same. Make no mistake, we see competitive advantage in being a first mover. But we also believe that a rising tide lifts all boats, so we want to encourage others to join us on our journey.

Q: What's this booklet about and what's in it for the marketing world?

A: In this booklet, we share the results of our Making Purpose Pay research, the insights it has given us, the lessons we have learned from integrating sustainability into our leading brands and the work we have been doing to measure their impact on our business. I believe sustainable living brands represent a huge opportunity for the marketing world to build strong, sustainable growth and enduring consumer relationships in an increasingly resource-constrained, transparent and untrusting world. It's also a wonderful opportunity for marketing to rediscover its original, noble purpose of developing brands that are good for business and good for the world, and reposition our profession as a powerful driver of positive social change.

Research has shown
OVER 50%
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sustainable



MAKING PURPOSE PAY: FAD OR FUTURE?

Brands with purpose or sustainable brands may be talked about a lot but, so far, evidence that they contribute to growth or increase trust has been thin on the ground.

Unsurprisingly, many brand specialists and marketers remain to be convinced. Do such brands, whatever they are called, really make a meaningful difference? Do consumers really care about sustainability? Does it drive market penetration or brand loyalty? And, crucially, does having a purpose lead to increased sales?

“At Unilever we have put a lot of effort and reputational capital behind our big bet that consumers want their favourite brands to be more than just responsible and will increasingly prefer brands that connect with their personal values and concerns,” explains Unilever’s EVP, Global Sustainable Business & Communications, Sue Garrard. “Or, to put it more simply, people want brands to do more good, not just do less bad.

“Consumers are becoming much more aware of the positive difference brands can make to social and environmental issues and also the difference they themselves can make through their everyday shopping choices. This has been fuelled by the growth in social media and the opportunity it provides for people to have closer, more intimate connections with brands. This in turn creates a growing need for brands to generate content that resonates with their consumers’ values. Brands with a sustainable living purpose help them do that.”

The say—do gap
Over the years a number of research studies have sought to show a direct correlation between brands with a sustainable living purpose, or that integrate sustainability into their products, and increased sales.

Most surveys that have appeared measure consumer attitudes or claimed behaviour. These show that consumers say they want to buy brands whose causes they believe in and claim to prefer products that in some way are better for the environment. “But, as we all know, people don’t always do what they say or say what they do,” says Sue, “and there has always appeared to be a big gap between what consumers reply when asked and what they actually do at the point of purchase.”

Other surveys, notably by Nielsen and the Boston Consulting Group (BCG), have measured sales. An analysis of products in the United States in 2014 showed that 16.5% of US consumer goods were what BCG called ‘responsible products’ and that they were growing by 9% each year, outpacing the market. At that rate of growth, they predicted these products would account for 70% of total grocery growth in US and Europe by 2019.

Until now research has been based either on consumer attitudes and reported behaviour, or on measured sales behaviour. “So we decided it was time to carry out bespoke research to connect these two types of research at the consumer level. We wanted to explore the difference between what people say about sustainability and what they buy, to see how big or small the gap actually is, and what barriers need to be overcome to encourage more consumers to buy more sustainable choices more of the time.”

Working with the leading data analysis company Europanel, and Kantar and GfK’s consumer panels, 10,000 heads of

households were interviewed across two different categories (tea and laundry) in two markets (Turkey, United Kingdom). Data was gathered on their general and category sustainability beliefs and behaviours. Over 50 questions were asked covering a wide range of social and environmental topics, such as recycling, travel, water usage, energy saving, treatment of workers, opportunities for women, responsibility for taking action, and shopping for Fairtrade products.

These were mapped against what they actually bought and the reasons they gave for their purchase decisions. This study was then added to by quantitative research with Europanel in Brazil, India and the United States on attitudes and beliefs to ensure our findings were globally relevant, and with qualitative research in the UK, Turkey and Brazil by consumer and cultural insight agency Flamingo, to understand the deeper drivers behind the attitudes and purchasing behaviours we observed quantitatively. Across the study, 20,000 people were interviewed.



Sue Garrard
Unilever’s EVP, Global Sustainable Business & Communications



“THE SIZE OF THE PRIZE COULD BE MORE THAN US\$2.5 TRILLION”



MAKING PURPOSE PAY: PAST THE TIPPING POINT

“The results were astonishing. They not only show that the majority of people genuinely do care about sustainability, they bust the myth that this is still a niche issue. What the study showed was that over half of all consumers already buy or want to buy sustainably: One in three (33%) already purchases products with sustainability in mind and a further 21% do not currently but would like to.

“This confirmed that the potential for sales growth is even bigger than we imagined. If these categories and countries are typical of consumer goods across the world, and we have no reason to believe they are not, then the size of the prize could be a sustainable FMCG market worth more than US\$2.5 trillion, including an untapped market opportunity worth US\$1 trillion.”

The study also found a strong correlation between level of engagement on sustainability and the level of influence on buying decisions.

“It confirms that when people say they care, half of them want to go on and do something about it. This is well past the tipping point. We’ve also established that people with the strongest beliefs are the most likely to buy.”

So what is stopping those that aren’t yet buying sustainably? For the one in five people (21%) who are on the cusp of doing so, three concerns hold them back:

- They don’t believe what the brand is saying about sustainability
- They believe they have to make a sacrifice in product performance
- They think it will cost them more.

“That means if brands can produce products that cost the same, perform the same or better, and deliver authentically on the sustainability message, then they are on to something!” says Sue.

One in three

33%

already purchases products with sustainability in mind

One in five

21%

do not currently buy sustainably but would like to





Stan Sthanunathan
Unilever's EVP,
Global Consumer
& Market Insight



GAINING INSIGHTS: DISPELLING MYTHS

“These findings have reinforced our belief that sustainability is already a significant contributor to sales growth,” according to Stan Sthanunathan, Unilever's EVP, Global Consumer & Market Insight. They also dispel some of the myths around sustainability, such as it being something that only rich people or tree huggers or young people care about. We identified five key insights:

1. Sustainability is already mainstream, it's no longer niche

We consistently found high percentage responses to a wide range of statements covering attitudes and issues across the breadth of sustainability. For example, overall three out of four people agree with the statement “I feel better in myself when I buy products that I know are sustainable or better for the environment”.

2. Sustainability is a bigger concern in developing markets than developed

While there are differences of degree, the findings are consistently high across all markets but responses in developing markets are even stronger. For example, 53% of heads of households in the UK and 78% in the US feel better in themselves when buying products that they know are sustainable or better for the environment, but the number climbs to 85% in Brazil and Turkey and 88% in India.

In developing and emerging markets the motivation to lead a more environmentally conscious life is higher than in developed countries. People in these countries are more exposed to the negative impact of unsustainable practices, such as water and energy shortages, food poverty and poor air quality, so are more likely to take action and feel a sense of personal responsibility. And they can more readily see the difference that can be made if “I do my bit and others do too”. So while Brazilian, Indian and Turkish people are more likely to recommend greener, more socially responsible products to friends and family and tell them how important it is, this sense of social pressure is currently less prevalent in the UK and US.

3. Sustainability is of widespread interest, not confined to a single group

Interest in sustainability among heads of households extends to all ages and income groups. It is not just millennials, whose interest is on a par with other age groups, nor confined to households with a higher income. We found this surprising and

kept interrogating the data to make sure we were not missing something. The motivations for people to act sustainably are many and varied, from restrictions on daily life caused by, for example, water shortages, or the need to save money on energy bills, to simply wanting to feel good about oneself.

4. Sustainability requires collective action, not working in silos

Across the population people know and accept that they have a responsibility to act and believe that if people, governments, companies and brands all act together, we can make a bigger difference. They also look to companies and governments to make a difference too. It is now seen as an obligation for companies and brands to act, so failure to do so represents a risk. This idea that everybody has a role has been reinforced by other research we carried out into consumer attitudes to packaging waste. People see they have a shared responsibility to reduce it, it is not just down to governments and companies.

5. Sustainability alone is not enough, consumers want it all

It is not enough for a product to be sustainable but less good than the best the category can offer in terms of quality and value for money. People are not prepared to compromise on efficacy or pay more for the privilege. Consumers want it all. What we are now seeing is that sustainability drives brand love and therefore brand preference.

These insights highlight that sustainability can no longer be seen by marketing and brand managers as an add-on or a nice-to-have. Nor does it only apply to new products or product variants. Any brand has the potential to become a sustainable living brand, not just those created with a social purpose by their founders, such as Lifebuoy or Ben & Jerry's. Dove, Vaseline and Domestos are just a few examples of established brands that have introduced a purpose in recent years.



“I feel better in myself when I buy products that I know are sustainable or better for the environment”



Kantar World Panel: % Respondents Scoring 6+ Where 10=Strongly Agree



CONNECTING WITH CONSUMERS: FIVE GOLDEN RULES

Our Making Purpose Pay research and experience of developing sustainable living brands have helped us identify five golden rules, which in our view represent best practice.



DEFINE PURPOSE



A powerful purpose is one where a brand takes on an issue that is consistent with its beliefs and values, relevant to its products, motivating to its consumers and relevant to society. "It has to have an authenticity about it, ideally tackling a social or cultural issue that needs resolving", says Aline Santos, Unilever's EVP, Global Marketing. "We've all seen instances of, for example, a food brand supporting the fight against women's breast cancer and thought 'where's the connection?', as opposed to, say, Lifebuoy, where the issue they support and the product they make are both totally connected to cleanliness and children's welfare."

It has to be an issue where the brand can make a tangible, measurable and meaningful difference and is able to take action on a scale that is in proportion to its size and reach. It has to be motivating to the brand's target audience, relate to the product, drive brand equity and contribute to sales.

"Creating a powerful purpose that meets all these criteria is difficult and it is not always easy to get it right from the start," reassures Aline. "Brands should not be afraid to evolve their purpose as they learn more about the issue and as the issue itself evolves."

The Sustainable Development Goals (SDGs) are a good starting point in helping to identify relevant issues brands can fight for. These cover social needs in countries around the world, not just in developing countries (See page 29).



Aline Santos
Unilever's EVP, Global Marketing

AXE REDEFINING MASCULINITY



Axe, known as Lynx in the UK, Ireland and Australia, is a men's grooming range sold in more than 90 markets. A study in 2014 of over 3,500 men in 10 countries revealed that men feel overwhelming pressure to conform to outdated notions of masculinity. Another study in 2015 showed that 9 out of 10 women find men more attractive when they are comfortable being themselves, not trying to be something they are not.

These insights led Axe to develop a new sustainable living purpose which aims to empower men to express their individuality, becoming their most attractive selves. This new purpose was launched in 2016 with a broader range of male grooming products to help men develop their individual style, and a partnership with three NGOs: Ditch the Label, Promundo and The Representation Project.

DIRT IS GOOD PLAYING OUTDOORS



Unilever's leading laundry brands, such as Omo, Persil, Skip and Via, sold in over 78 markets, are collectively known as Dirt is Good (DiG), which reflects the insight that children today are no longer free to get dirty and so they cannot fully experience life.

The majority of children (56%) worldwide get one hour or less of outdoor play a day, and nearly 1 in 10 children never play outside. This is due to a variety of factors, ranging from the rise in screens to concerns around safety to the pressure for academic achievement. Without more opportunities to play outside, parents everywhere are concerned their children are missing out on the most important things in life. So DiG's sustainable living purpose aims to restore childhood and enable children to experience real play, every day.

Working with child behavioural experts, parents and teachers, DiG supported Outdoor Classroom Day, a global campaign to celebrate and inspire outdoor learning and play, in 2016 and 2017. More than a million children have taken part so far and the brand's ambition is to get many more playing and learning outside the classroom by 2020.

TAKE ACTION



It is not enough for a brand just to talk about its purpose - consumers expect action too! It takes time to create a significant impact on a social issue, so it is important to get going, keep going and sustain action over a period of time. There is nothing that undermines trust more than to trumpet a new purpose or approach to sustainability, only for the idea to sink without trace a year or two later.

Setting an ambitious but achievable target helps to demonstrate intent and provide proof of progress. It doesn't matter if progress is slow at the beginning. "What the research shows is that providing you are honest about what you are doing and that you have a plan to grow, people are prepared to go with you. That's better than not talking at all because you don't think the numbers are big enough," explains Aline. "People like to be taken with you on the journey, not told about it afterwards. If you do have a problem or need to alter direction, providing you maintain an open and continuous dialogue, people accept it and even admire your efforts all the more, because they know this isn't easy and it shows humanity in the way the brand is managed."

It almost always makes sense to work in partnership with an organisation that is already involved in the issue the brand seeks to support, such as a non-governmental organisation (NGO), a like-minded business or a government body. "Sometimes a cross-sector approach involving the brand, an NGO and a government can be the best solution," advises Jeff Seabright, Unilever's Chief Sustainability Officer. "Engaging government and NGO partners brings multiple benefits: deep expertise, local knowledge, additional resources and credibility. This allows us to achieve much more together through the brand than we could ever achieve alone. Seeing that a third party is involved can also work as a validator of the action for consumers, acting as a short-cut signal that the work must be important for the organisation to want to be associated with the brand."



Jeff Seabright
Unilever's Chief
Sustainability Officer

LIFEBUOY MAKING HANDWASHING A HABIT



Lifebuoy soap was launched in 1894 to 'save lives' at a time when cholera and dysentery in Britain's slums were commonplace. Its sustainable living purpose is the same today but on a much bigger scale: To save lives by changing the hygiene behaviour of 1 billion people by 2020. Handwashing with soap is one of the most cost-effective ways to reduce child mortality and encouraging people to adopt this habit could prevent 600,000 child deaths every year.

Working with a variety of partners, including DFID, PSI, Oxfam and WSUP, Lifebuoy is taking action in 29 countries, including 8 of the 10 countries where infant mortality is highest. Its flagship School of 5 programme works with teachers to encourage schoolchildren to wash their hands at key moments of the day, with the help of fun materials such as comics, posters, diaries, enrolment cards and prizes. Parents are also involved, as families are important in helping to reinforce handwashing behaviour when children get home from school. Between 2010 and 2016, 379 million people were reached. Lifebuoy also runs a neonatal programme, teaching new and young mothers about the importance of using soap before handling their babies.

The brand is also raising awareness of the importance of handwashing with soap as a public health issue through its campaign, Help a Child Reach 5. This harnesses the power of social media to inspire millions of people to support Lifebuoy's work and the power of advocacy to persuade politicians and other leaders in society to invest in handwashing programmes.

HELLMANN'S ON THE SIDE OF FOOD



In a world where food is under attack from all sides and is becoming a source of anxiety for many, Hellmann's sees its sustainable living purpose as being to champion real food and the people who grow and harvest it.

The brand is working with farmers to put in place responsible farming practices, such as the use of cage-free eggs in its mayonnaise and sustainably grown tomatoes in its ketchup. Hellmann's is also setting up Blue Ribbon open farms to help people learn more about where food comes from and how it is grown.

In 2015 Hellmann's opened its doors for the first time to one of its tomato farms in Latin America, connecting parents and children with real farmers, some of whom live-streamed from their tomato fields with cameras on their hats. This helped people to see and appreciate the journey food goes through to reach their plates. In two weeks, there were 80 million interactions with consumers in 3,500 cities in 110 countries and a 10% jump in market share which transformed ketchup sales in Latin America.

In 2016 Canadian city children and their parents were invited to visit a Hellmann's Blue Ribbon canola (rapeseed) farm to learn about their food and where it comes from. By showing the inner workings of a sustainable farm, they were able to see how tasty food can do good too. The film of their experience was seen over 9 million times on digital media.

TALK MY WORLD



People care most about people and issues relating to their personal world – ‘my world’ – rather than the wider world – ‘the world’. That means they are more interested in social and environmental issues that directly touch them and their families rather than more distant issues that do not affect them. So brands that communicate their purpose in a way that is too far removed from people’s everyday lives risk failing to capture their interest.

That is not to say that a brand can only support local issues. Some brands can credibly support a ‘the world’ issue but it is important to find an insight that brings it closer to home. Often, finding a human angle makes it easier for people to relate to an issue, such as the environment, that can otherwise seem too big or remote.

To involve consumers in an issue that is outside their experience or in another part of the world, an emotional connection needs to be made between the person buying the product and a person or group of people affected by the issue. For example, concern for children’s welfare can connect ‘my world’ and ‘the world’. A parent who sees a child in need feels immediate empathy, whether the child lives locally or on the other side of the world.

In fact, having a sustainable living purpose is providing brands with a new way to connect with their consumers at an emotional level.

SEVENTH GENERATION REDEFINING CLEAN



Seventh Generation is a purpose driven brand based in Burlington, Vermont, that makes and sells home and personal care products made with plant-based ingredients. These range from bio-based laundry detergents and dish soaps to organic cotton tampons and hypoallergenic baby wipes. Founded in 1988, the company became part of Unilever in 2016, with the sustainable living purpose ‘to inspire a consumer revolution that nurtures the health of the next seven generations’.

Early on, Seventh Generation products were bought primarily by green-leaning consumers who believed in their purpose and the issues they advocate for. As their products became more and more effective, however, they saw an opportunity to persuade mainstream and conventional buyers that products made with plant-based ingredients can perform, in many cases, just as well as conventional brands.

The potential impact consumer products have on our world and environment can be rather complex and technical. So to create an emotional connection and make this subject a closer-to-home ‘my world’ issue, the brand enlisted actor, mother of four and Seventh Generation loyalist, Maya Rudolph, to use humour to help consumers think again about what ‘clean’ means. In a series of TV commercials and a digital campaign, she asked the question: “What do strange smells and crazy colours have to do with clean?”

This campaign led to a 20% increase in households buying Seventh Generation products and a significant increase in brand trust and brand equity attributes such as ‘safe for me and my family’ and ‘helps make my home a healthier place’.

VASELINE HELPING TO HEAL SKIN



A high percentage of the conditions that health workers see in their clinics in frontline situations, such as humanitarian crises, are skin problems that a simple product like Vaseline® could heal and prevent, if only it were available. So, in 2015, the brand created The Vaseline® Healing Project with an ambitious goal: to help heal the skin of 5 million people affected by poverty or emergencies by 2020.

The Vaseline® brand found an authentic way to link consumers in ‘my world’ to people in ‘the world’, by highlighting that the ordinary tub of Vaseline® Jelly in their bathroom cupboard is the same as the one that can make an extraordinary difference in helping to heal the skin of people living in crisis and disaster situations. In its TV campaign, the brand leveraged this insight to create empathy by juxtaposing ordinary consumers using Vaseline® products at home with people living in difficult situations, both using it to help heal their cracked skin.

The Vaseline® brand found that when people start to care about an issue, they want to be part of the solution, but are often overwhelmed by the scale of the problem or lack of ways to help. So The Vaseline® Healing Project made it easy to get involved by using a ‘buy one to heal one’ promotion; every product purchased triggered a matching product donation to Vaseline’s global partner, the humanitarian NGO Direct Relief.

FRIENDS & FAMILY



More than ever before, people respond to how they are seen and what society, friends and family expect of them. We know that half of the consumers who are concerned about sustainability issues also buy sustainably but that leaves half who are not yet letting their concerns influence their purchases. For the half who are buying, sustainability is part of their social norm. They talk about it, feel it is expected of them and are encouraged by their friends and family. This is particularly true in developing and emerging markets, where social pressure to 'do your bit' is higher, suggesting sustainable behaviour in these countries is more of a social norm.

For those not yet buying sustainably, the feeling that this is the normal thing to do is less strong. However, they are much more likely to buy a product with a sustainability benefit or adopt sustainable living behaviours if they know that the people they care about will think well of them for doing so. Conversely, if their friends and family don't care about sustainable behaviour, they won't be influenced, so will be less likely to buy.

This applies to all sustainable living activities, not just purchasing products. For example, residents are more likely to recycle if neighbours recycle, and more likely to turn down their heating if their energy company tells them that the average for their street is 1 degree lower. So social norming is important in helping people feel that what you are asking them to do – such as choose a sustainable brand or join a movement – is what everyone else is doing. What's more, the messenger is as important as the message. It is far more effective if it comes from 'someone like me' than from a 'voice of authority'.



BROOKE BOND FINDING COMMON GROUND



Brooke Bond tea, launched in the UK in 1869, developed the mass market for tea drinking, expanding as Red Label into India, Unilever's biggest tea market, in the 1900s. The brand has always been about 'taste' and 'togetherness' but over the years, these attributes no longer differentiated the brand from its competitors. In 2014 the brand developed a new sustainable living purpose based on bringing people together by highlighting prejudices and inequality in society and helping to tackle them.

The brand created a TV campaign showing Hindu and Muslim neighbours overcoming their differences over a cup of tea. It provoked widespread reaction and comment. People responded by sharing their own stories about prejudices they had encountered. Subsequent advertisements showed a mother overcoming her shock at discovering her son's live-in girlfriend, a Mumbai resident meeting a sex worker and a transgender music group, which brought this marginalised community into people's living rooms through popular songs.

In other parts of the world the brand has not been afraid to tackle other sensitive social issues, such as a daughter telling her father she is a lesbian in Canada, tackling tensions around disability in Russia and a daughter telling her father she wants to divorce in the Arab world. The brand's campaigns take friends and family situations to shine a light on big issues, helping to socially normalise the idea that everyone can get on if people are prepared to put aside their own prejudices and find common ground with people who face them.



SIGNAL KIDS CHANGING THE WORLD



Signal toothpaste, known as Pepsodent in Asia & Latin America, Mentadent in Italy and P/S in Vietnam, encourages better toothbrushing habits to prevent oral diseases, which are amongst the world's most common diseases. Brushing teeth twice a day with fluoride toothpaste can reduce tooth decay by up to 50% in children, compared with only brushing once.

Historically, the brand's campaigns have mainly focused on getting parents to encourage their children to brush day and night. However, while most are good at telling their children to brush, many do not practise what they preach. For example, in Indonesia, 79% of parents tell their children to brush day and night, but do not do it themselves.

Children have a unique power to influence the rest of their family. By tapping into their ability to inspire those around them, they can encourage whole families and communities to change their habits. So, in 2014, Signal launched a Brush Day & Night campaign created by children, called Kids Can Change the World, to get their parents toothbrushing. This included a TV commercial in Vietnam showing children using a smiling Post-It note to remind parents to brush their teeth.

Through Signal's school programme, children are handed a 21 day calendar for them and their parents to follow up on their brushing habits at home. The campaign - which has so far run in 15 countries - has given children the tools, confidence and enthusiasm to share the Brush Day & Night message with their family and friends, highlighting the effectiveness of children as agents of change in the home.

BUILD TOUCHPOINTS



It is not enough for a brand simply to put something up on its website about its purpose or run a one-off tearjerker film on YouTube. All consumer touchpoints are opportunities for engagement with the brand's sustainable living purpose, including packaging, social media, in-store promotions, and even the look and feel of products. Information on packaging makes a difference. More than one in five people (21%) say that they would actively choose brands if their sustainable living credentials were clearer in marketing and on labelling.

However, we found consumers were quick to pick out the brands they think are simply jumping on the 'doing good' bandwagon. So how brands behave is as important as what action they take, and their consistency of message across key touchpoints. Anything less than a joined-up approach risks being seen as inauthentic.



RADIANT HELPING PEOPLE SHINE



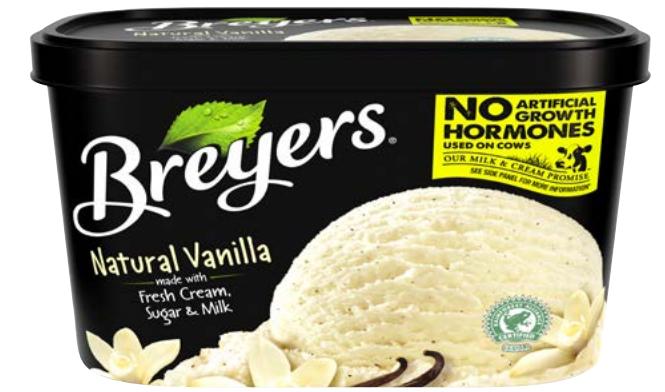
Radiant, known as Brilhante in Latin America, Rin in South Asia, Omo in Western Europe and Thailand, Surf in South Africa and Indonesia, and Viso in Cambodia, is Unilever's mid-price tier detergent and fastest-growing laundry brand. Its 'Dress to Progress' purpose has evolved to tackle the consumer insight that a lack of soft skills and self-doubt act as barriers to progress. In 2015 the brand launched Radiant Academies of Shine to equip 'progress seekers' with culturally relevant skills training.

Academies in each market respond to specific local needs, using the most effective channels for each country. For example, in India, English-speaking and interview skills are offered, while in Brazil, confidence-building and entrepreneurial capabilities are delivered to women wanting to start a business. Over 1.5 million 'progress seekers' have taken part in Academy activities in just two years, with high levels of skills attained.

The Academies are designed to be accessed by the brand's own users. That's why awareness is built up across all the brand's touchpoints, including TV, print and digital advertising, on-pack, point-of-sale and promotions. While consistency in brand messaging across touchpoints is not new in marketing, the expression of Radiant's purpose on touchpoints such as packaging, which is usually expected to convey functional product performance messages, reinforces the association of the purpose to the product at the point of use.



BREYERS PLEDGE TO QUALITY



Breyers is a popular American brand founded in 1866. In 2015 it drew on the vision of its founder, William A. Breyer, to reinvigorate its sustainable living purpose with a pledge that all the colours and flavours in its products come from natural sources, all the milk and cream it uses comes from American cows that have not been treated with artificial growth hormones, and all the vanilla and fruit its products contain are sustainably farmed.

The island of Madagascar is home to 80% of the world's natural vanilla but 90% of its population live on less than \$2 dollars a day. So Breyers is partnering with its supplier Symrise to help secure the future of Madagascar vanilla farmers with income-boosting agricultural training, access to education and health insurance for farmers and their families.

William A. Breyer's quality ingredients' pledge, updated for the 21st century, is highly visible across a wide range of touchpoints, including on-pack, on-line, in-store and on TV. Consumers tend to be cynical about sustainability messages from brands so Breyers' consistent communication across all touchpoints reassures consumers of the authenticity of the brand's commitments.

DOVE: NURTURING SELF-ESTEEM

Dove was launched in 1957 as a beauty bar. From the outset, its values have been about honesty and authenticity, preferring to use 'real' women in its advertising who are more representative of society than models. In 2004 Dove commissioned 'The Real Truth about Beauty', a global survey of women aged 18 to 64 to find out what beauty meant to them. This revealed the statistic that only 2% of women worldwide would describe themselves as beautiful.

Define Purpose

This insight speaks to the 'human truth' that sits at the brand's core, which is that the pressure to be beautiful feeds our tendency to focus on the negative. This in turn inspired Dove's sustainable living purpose, or what Dove calls its social mission, which is to make beauty a source of confidence, not anxiety, by encouraging all women and girls to develop a positive relationship with beauty, enabling them to raise their self-esteem and realise their full potential.

In 2016, 'The Dove Global Beauty and Confidence Report', a survey of women and girls across 13 countries, concluded that body confidence has become a 'critical issue' around the world. Low body esteem and beauty confidence have a direct impact on the ability of women and girls to fully realise their potential. When women and girls don't feel good about the way they look, they not only do not live life to the full, they also put their health at risk.

Women and girls feel more anxious about their beauty and appearance than ever before, with pressure from the media largely to blame. Much of the beauty

industry and the media define beauty very narrowly, portraying unrealistic female stereotypes, who are usually young, fair, apparently flawless and thin.

Take Action

Dove's sustainable living purpose is activated in two ways:

1. Through its vision of a world where beauty is a source of confidence, not anxiety, to create social change by championing a new social norm for beauty (real beauty) via Dove's ongoing commitment to real women.
2. Through its mission to ensure that the next generation grows up enjoying a positive relationship with the way they look – helping young people to raise their self-esteem and realise their full potential.

In 2004, Dove turned this vision and mission into the Dove Self-Esteem Project, working with leading experts in the area of body image to develop evidence-based tools. The resources for teachers, youth leaders, parents and mentors are free to download and proven to build positive body confidence. So far, the project has reached more than

20 million young people with self-esteem education across 139 countries and is looking to reach an additional 20 million young people by 2020.

Talk my World

The social change part of Dove's purpose uses advertising and digital communications to challenge stereotypical views of women's beauty and stimulate public debate. Dove initially ran a high-profile Campaign for Real Beauty with advertising posters featuring a line-up of 'real' women wearing white underwear. The Campaign was very successful at drawing attention to the issue, generating public discussion about it and influencing public attitudes and actions.

The Dove brand continues to devote a significant portion of its marketing spend to raise awareness and stimulate conversation around real beauty. A series of films over

the years, such as 'Real Beauty Sketches', 'Choose Beautiful' and 'My Beauty, My Say', have sustained Dove's social change campaign and kept it fresh and relevant.



Sustainable Living Products

Dove's products contribute to the Unilever Sustainable Living Plan's Reducing Environmental Impact target. In 2013 Dove and other Unilever deodorant brands introduced the world's first 'compressed' aerosol deodorant which halves the amount of propellant, reduces the amount of aluminium used, and cuts the carbon footprint per can by about 25%.

Dove was the first Unilever brand to use a pioneering innovation — MuCell™ Technology — for its Body Wash bottles. By creating a foamed plastic layer in the middle of the bottle walls, the technology reduces plastic use by up to 15% per bottle. This innovation has avoided the use of hundreds of tonnes of plastic since its launch in 2014.



In 2017, in celebration of Dove's 60-year anniversary, the brand continued its journey with the launch of the Dove Real Beauty Pledge. With this, Dove renewed its vows to women worldwide:

1. We always feature real women, never models.
2. We portray women as they are in real life.
3. We help girls build body confidence and self-esteem.

The Real Beauty Pledge integrated the Dove Self-Esteem Project clearly into brand communication, driven by research that proves that awareness of the Dove Self-Esteem Project helps drive brand equity and purchase intent.

Friends and Family Matter

The Dove Self-Esteem Project is delivered through workshops involving parents, teachers, youth leaders, mentors and employees, and through partnerships with organisations such as the World Association of Girl Guides and Girl Scouts. Working with friends and families and respected community groups has helped to deliver programmes at scale and more cost efficiently. It is the biggest self-esteem education programme of its kind globally.

Build Touchpoints

Dove uses a range of touchpoints to reach its target audiences,

from workshops to websites and in-store to social media. Dove's films reach a very large audience and are widely talked about. Dove Real Beauty Sketches is the most viewed online commercial advertisement ever, with over 170 million views and 4.7 billion global media impressions to date.

The Dove Self-Esteem Project supports UN Sustainable Development Goal 5 which seeks to ensure women's and girl's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

The Business Benefits

Purpose-led communications have resulted in a sharper and more differentiated positioning for the brand, leading to increased brand appeal, sales and advocacy scores.

In the USA, UK, Brazil, China and India, once women understand that Dove supports self-esteem programmes for girls, they are 27% more likely to love the brand. In the USA, all women who associate Dove with either supporting girls' self-esteem programmes or using real women in advertising, see the brand as truly meeting their needs.

The opportunity to work for a brand with a well-defined purpose is highly motivating. Dove's employee engagement day, Dove Day, has seen participation double year on year, with 3,004 employees from 37 countries taking part in 2016. 91% of Dove Day participants said that Dove and the Dove Self-Esteem Project make them feel proud to work for Unilever.





BEN & JERRY'S: COMMITTED TO SOCIAL CHANGE

Ben & Jerry's was founded in 1978 in Vermont in the United States as a values-led business with a strong commitment to linked prosperity, meaning that everyone connected to its business should benefit. The company has continued to grow as an aspiring activist company, standing up for issues around the twin principles of fairness and equality.

Define Purpose

The company's sustainable living purpose has always been about fairness and equality and has evolved over the years to cover issues of social justice. As Ben & Jerry's has grown internationally, so have its campaigns. Recent campaigns have included supporting same-sex marriage, protecting threatened voting rights, social inclusion and racial equality.

In 2002, Ben & Jerry's spoke out about climate justice and this has become a key pillar of its campaigning work. Climate change is real and it's happening now and, just like Ben & Jerry's ice cream, if it's melted it's ruined. It is more urgent than ever that we take steps to dramatically reduce our greenhouse gas emissions – and to do it in a way that equitably shares the burden and risks of climate change among the nations of the world. For a company that relies on refrigeration and has a fairly big carbon hoofprint,

Ben & Jerry's also needs to change its own internal business practices to reduce its emissions. So the company has made a commitment to reduce its emissions by 80% by 2050, installed an internal carbon tax and is exploring dairy farm solutions, such as manure separators.

Ben & Jerry's sustainable living purpose supports Sustainable Development Goal 13, which seeks to take urgent action to combat climate change and its impacts, and SDG 16 which, among other goals, aims to provide access to justice for all.

Take Action

Ben & Jerry's has a long history of fighting for climate justice and finding ways to reduce its environmental impacts. In 2002, it launched a carbon offsets programme for its Vermont manufacturing facilities. The company has invested early and often in efficiencies throughout its manufacturing

facilities, supply chain and Scoop Shops to increase energy efficiency and shrink its carbon footprint. In 2007, it ran its first global warming advocacy campaign in partnership with the Dave Matthews Band.

In the lead-up to the crucial COP 21 climate change conference in Paris in December 2015, Ben & Jerry's ran its first fully global advocacy campaign, in partnership with international campaigning organisation Avaaz. The campaign aimed to put pressure on governments and business leaders to get a deal at the talks and commit to 100% clean energy by 2050. The campaign resulted in more than 500,000 people signing up to Avaaz's petition calling on global leaders to act in Paris.



Sustainable Living Products

Through its sourcing strategy, Ben & Jerry's contributes to the Unilever Sustainable Living Plan's Inclusive Business, Sustainable Sourcing and Reducing Greenhouse Gases targets. All its sugar, cocoa, vanilla, coffee and bananas are Fairtrade certified, resulting in around \$2 million being paid in social premiums to small-scale farmers and farming co-ops around the world each year; its eggs are cage-free, and its dairy farmers participate in its Caring Dairy programme, which ensures best practice in animal welfare, community involvement and land management.

Ben & Jerry's has also worked with social enterprises to source ingredients, the best known of which is its partnership with Greyston Bakery in Yonkers, New York, to source its delicious brownies. Greyston works through an innovative policy of 'open hiring': anyone who wants a job, regardless of educational background, work history or past social barriers such as incarceration, is given a role when one becomes available – no questions asked.

Talk my World

Climate change is a really tough issue for people to stay motivated to act on, as the issues can often feel so insurmountable and trust in politicians to work together to drive positive change is declining. Working with its partners and by using all the tools in its toolbox, including launching a new ice cream called 'Save our Swirled', Ben & Jerry's aimed to make what can seem a technical subject fun and digestible, bringing the issue to the front of its fans' minds ahead of a critical global moment.

Friends and Family Matter

Ben & Jerry's never seeks to own the movements it becomes involved with and doesn't believe it should. It sees its role as bringing climate justice to a new audience and amplifying what those at the

coalface are doing to drive change and, ultimately, provide its fans with a way into the movement. For Ben & Jerry's fans who had not been activists before, seeing organisations they trusted such as Greenpeace, the UN and Global Citizen share Ben & Jerry's digital content, and knowing many other people like them were prepared to sign petitions and take part in rallies, helped to socially normalise these activities and make it both acceptable and desirable to join the movement.

Build Touchpoints

Ben & Jerry's global climate justice campaign did this by providing multiple ways to engage in the issues; through events, taking part in people's climate

marches, introducing the special flavour, and extensive digital content which generated 300 million social media impressions, over 1.6 million consumer connections and 6.2 million video views.

The Business Benefits

Ben & Jerry's doesn't campaign to increase sales but because it is central to its values and principles. However, the company's activism drives fan loyalty because its fans want it to have a voice. For the climate campaign, research by Nielsen showed that people who were exposed to the Facebook campaign and were aware of Ben & Jerry's were significantly more likely to rate the company as 'very high' or 'high' in terms of its social commitment.



SUSTAINABLE LIVING BRANDS GROW FASTER



“Sustainability is creating value for our business,” says Karen Hamilton, Unilever’s VP, Global Sustainable Business. Until recently, many business people would have been sceptical about such a statement, as there used to be a tendency to think of commercial activity and sustainability as separate things, even at Unilever where a sense of purpose has always been part of the culture.

“We knew environmental responsibility and social impact mattered, and we were proud our business took them seriously, but it was hard to see how they could be measured in top- or bottom-line terms in the way that other investments and activities could be,” Karen explains. “I believe that has changed. We’re seeing more and more evidence that our approach to sustainability, built around the Unilever Sustainable Living Plan, is creating real and measurable value.”

Much of this evidence comes from the work Unilever has been doing to develop a framework to capture the way sustainability contributes to Unilever’s business success and a methodology to measure the impact of sustainable living brands on the company’s growth.

Unilever has a clear definition for brands to call themselves a sustainable living brand. They have to be taking action to make sustainable living commonplace in a way that’s relevant to their product, good for society and motivating to consumers. They have to integrate sustainability not only into their purpose – in other words their marketing platform – but also into their products.

18 of Unilever’s top 40 brands are now sustainable living brands, including Unilever’s six biggest, Knorr, Dove, Dirt is Good (Unilever’s laundry brands, which have different names in different markets), Lipton, Rexona and Hellmann’s, which now meet these criteria.

Combined, sustainable living brands grew 50% faster than the rest of the business and delivered more than 60% of Unilever’s growth in 2016.

“The principal way brands grow is by increasing penetration among infrequent and non-users, and this can be achieved by making your brand more memorable. We have a growing body of evidence in Unilever that a strongly articulated sustainable living purpose brought to life through communications can deliver a powerful emotional response and generate brand fame — the key drivers of memorability,” Karen adds.



Karen Hamilton
Unilever’s VP,
Global Sustainable Business

Sustainable living
brands grew

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in 2016



GLOSSARY OF SUSTAINABILITY TERMS

Brands with purpose, sustainable brands, responsible marketing... the range of phrases used to describe different ways of 'doing good' are as wide as the list of meanings people ascribe to them. So here is our glossary of the different descriptions most commonly used and our definitions:

Company Purpose (or Corporate Purpose)

is the reason a company exists and describes the higher purpose that the company contributes to society in terms of human progress. For our British founder, William Lever, it was 'making cleanliness commonplace'. For Unilever today, it is 'making sustainable living commonplace'.

Corporate Social Responsibility (CSR)

is about companies doing the right thing ethically and environmentally in how they source their raw materials (responsible sourcing) and manufacture products (responsible manufacturing).

Responsible Marketing

is about applying the highest standards of behaviour to marketing in terms of accuracy, truthfulness and taste, and in marketing to women and children. (See Unilever's Code of Business Principles at www.unilever.com.)

Sustainability

is a fat word that can mean different things to different people. The most widely used description was coined by the UN's Brundtland Commission to define sustainable development, which is 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. At Unilever sustainability covers social and economic considerations, not just environmental. Applied to business, sustainability is about companies surviving and prospering over the long term by creating value for business and for society or, as Paul Polman, Unilever's CEO, puts it, "the right to produce profit long into the future given to firms who contribute to human progress".

Sustainable Innovation

is about developing products and services that meet social and environmental needs and provide opportunities for business that are opening up as the world transitions to a high-population, water-scarce, low-carbon economy.

Sustainable Living

means living well and living within the natural limits of the planet. That means having access to, and the ability to afford, education, healthcare, mobility, the basics of food, water, energy and shelter, and consumer goods. It also means consuming in such a way that standards of living can be sustained with available natural resources and without further harm to biodiversity, climate and other eco-systems.

Sustainable Living Brands

are brands that have a sustainable living purpose and produce products that reduce their environmental footprint or increase their positive social impact. In Unilever that means they have to contribute to the Unilever Sustainable Living Plan (USLP) by, for example, reducing their greenhouse gases (GHG), water or waste footprint or increasing their health, wellbeing or nutrition profile.

Sustainable Living Purpose

relates to brands that commit, over time, to helping to tackle a social or environmental issue or cause that is relevant to the brand's product, motivating to the brand's consumers, and makes a positive difference to society.

Sustainable Living Products

are products within a brand's portfolio that have reduced their environmental footprint, sourced ingredients from sustainable sources and/or improved health and well-being or livelihoods.

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals, also known as the Global Goals, are a good starting point in helping to identify relevant and motivating issues brands can support.



For more information about the Sustainable Development Goals go to:

<https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>



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For further information on our brands and
social, economic and environmental performance,
please visit our website

www.unilever.com/sustainable-living