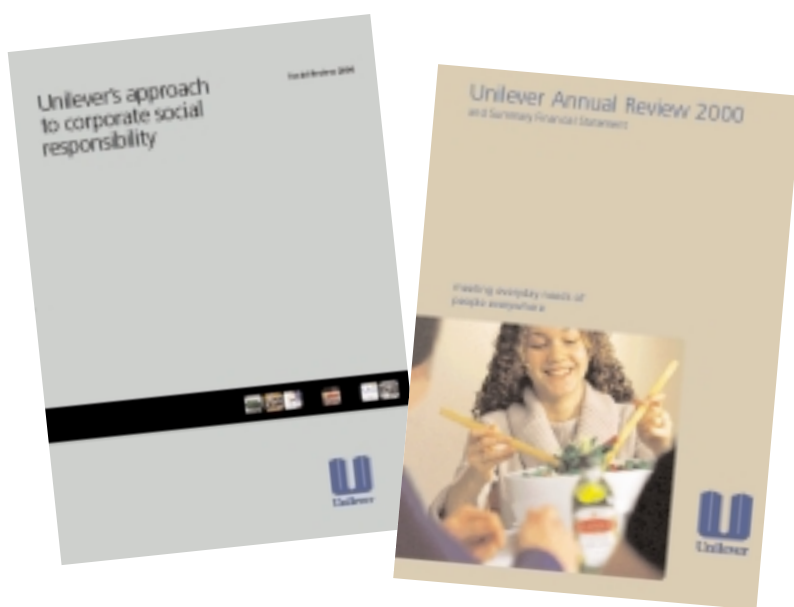


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# Environment

## Performance Summary Report 2001



Our [Social Review](#) and [Annual Review](#) are also available at [Unilever.com](#)



This summary report is a brief description of the way we manage environmental issues and an overview of our environmental performance to the end of 2000. Our full report, which includes further detailed information about Unilever and the environment, is published as pages on our website at [www.unilever.com](http://www.unilever.com) in the Environment & Society section.

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## Who we are

Unilever is one of the largest consumer goods businesses in the world. In 2000 we employed an average of 295,000 people and our turnover was €47,582 million (see table below).

Our food and home and personal care brands are on sale in over 150 countries. By the very nature of our business in cleaning, grooming and feeding people, our success depends on our companies being close to consumers and deeply rooted in the societies and environments in which we operate. Three quarters of our raw materials come from agricultural goods.

We have an extensive range of outstanding consumer brands. *Lipton* tea and *Dove* soap are among the world leaders. Others with wide appeal are *Knorr*, *Becel*, *Magnum*, *Lux*, *Omo* and *Cif*. We will increasingly focus on 400 leading brands that have distinctive consumer appeal.

Unilever is divided into two global divisions: one focuses on Foods; and the other on Home & Personal Care products. Within these divisions are many operating companies which remain the fundamental building blocks of today's Unilever. They serve distinctive local markets with a wide range of consumer products and do business within a framework of considerable devolved responsibility – we call ourselves a multi-local multinational.

It is expected that all companies and facilities will comply with environmental laws and regulations in their countries, and with Unilever's environmental management standards.

### Group turnover, operating profit million

	€ 1998	€ 1999	€ 2000	£ 1998	£ 1999	£ 2000	\$ 1998	\$ 1999	\$ 2000
Group turnover	40 437	40 977	<b>47 582</b>	27 094	26 994	<b>28 963</b>	44 895	43 650	<b>43 809</b>
Group operating profit	4 410	4 303	<b>3 302</b>	2 955	2 835	<b>2 010</b>	4 896	4 584	<b>3 040</b>
Group operating profit BEIA*	4 293	4 595	<b>5 729</b>	2 876	3 027	<b>3 487</b>	4 766	4 895	<b>5 274</b>

\*BEIA = Before exceptional items and amortisation of goodwill and intangibles

The brand names shown in *italics* in this publication are trademarks owned by or licensed to companies within the Unilever Group.

# Chairmen's message

One of the challenges in our strategy to build a robust business in the 21st century – called Path to Growth – is to ensure that our actions are compatible with sustainable development.

Running a business the size of Unilever brings with it huge responsibilities, including taking a realistic view on how to meet society's changing expectations while protecting the source of our raw materials, three quarters of which come from agriculture.

We are committed to pursuing responsible environmental and social practices – to sustain a healthy environment, and to maintain our reputation as a good corporate citizen. Our environmental policy in agriculture, fisheries and clean water is consistent with our Path to Growth.

Finding ways to balance economic, environmental and social challenges is absolutely necessary if we are to follow a sustainable path. If we get this wrong, we will increasingly find ourselves in an unsustainable relationship with society.

Throughout Unilever we work hard to understand the issues, take advantage of the many opportunities that sustainable development offers, install the necessary systems to improve our efficiency and then communicate our results through reports such as this.

Our report records another year of progress against targets. For example, we continue to lower our CO<sub>2</sub> load in manufacturing, which is important in light of concern about climate change.

We urge you to look closely at our initiatives as well as our commitments to improve the eco-efficiency of our supply chain while protecting natural resources. These commitments are not only essential for the short-term health of our business but also contribute to a sustainable future for us all.



Antony Burgmans and Niall FitzGerald  
Chairmen of Unilever

# Unilever and sustainable development

Unilever is committed to contribute to sustainable development – meeting the needs of the present without compromising the ability of future generations to meet their needs.

We believe that by constantly evolving to meet consumers' changing needs, we can continue to develop our business in both a profitable and responsible way.

Our corporate behaviour involves the responsible management of a multiplicity of relationships with stakeholders, such as employees, consumers, shareholders, suppliers, governments and local communities. Engaging with different interest groups is integral to the way we operate. For example, we have a five-person board of independent experts who advise our top environmental decision-making committee on environmental issues, including developments in key performance indicators and the progress of standards, such as the Global Reporting Initiative.

A board of 12 independent experts monitors our sustainable agriculture initiative, which itself is based on extensive stakeholder involvement to develop performance indicators in the field. Such engagement is the basis for our fish and water initiatives too, which depend heavily on partnerships for their success.

We work with many business organisations, such as the World Business Council for Sustainable Development, and Unilever was one of the founding signatories to the United Nations Global Compact which binds us to nine principles covering human rights, labour and environmental practice.

Our commitment to corporate responsibility is an integral part of our operating tradition. It is spelled out in our Code of Business Principles and in our Corporate Purpose. It finds practical expression in the worldwide standards we have set to ensure the health and safety of Unilever people at work and to minimise the environmental impact of our operations.

To complement this document and the related web-based environment report, we produce a [Social Review](#) on Unilever.com, which sets out Unilever's approach to responsible corporate behaviour. It also outlines current policies and practices, with local company examples, and provides a baseline from which we can measure future performance.

## Environmental responsibility

We use a life cycle approach to assess our overall impact on the environment. This enables us to analyse our impacts and to concentrate on those areas where we can bring the greatest benefits.

Besides our strict environmental management standards, we realise that many issues that affect us are outside our direct control – either at the beginning of the supply chain or at the end. This is why we focus on three areas that are directly relevant to our business but which go beyond our own operations: agriculture, fish and water.

### • Agriculture

Modern farming has delivered significant gains in productivity, but there are a range of concerns about the effects of large-scale 'inputs' – fertiliser, pesticides and fossil fuels among them – on the natural systems on which agriculture depends.

Three quarters of our raw materials come from agriculture and we have always aimed for a responsible approach to farming practices. But in recent years it became clear that increasing environmental and social pressures on agriculture – which threaten our supply chains – and growing consumer concerns about the food chain, which threaten our markets, demanded a more radical attitude. This led to the company's Sustainable Agriculture Initiative.

In a highly ambitious programme, engaging with a broad group of stakeholders, we have been developing guidelines for sustainable farming practice. These have attracted interest from the world's other major food producers, with whom Unilever is keen to share its learning.

# Unilever and sustainable development (continued)

- Fish

The world's major fisheries are under threat. Catches of the most important species for human consumption are at their lowest levels in recent years. Some fish species are in short supply and prices are higher than they have been for over a decade. Incomes and jobs are threatened and consumers are alarmed about the future of the fish they rely on to feed their families.

We have a programme of co-ordinated actions across Unilever's frozen and other fish businesses that aims to meet our objective to source all supplies from sustainable fisheries by 2005. Unilever companies are working closely with the fish supply industry, helping it move towards certification standards set by the Marine Stewardship Council (MSC).

*Filegro*, a brand now using Alaskan salmon as an ingredient, was our first product to come from an MSC-certified fishery and we are now using New Zealand hoki in Europe, from fisheries certified to be well managed.

- Water

We share the concern for the world's water systems which are under intense pressure. Consumers need clean water to use our products and many of these end up in waste water. Agriculture needs water for irrigation and certain practices can affect water quality as well as availability. Our factories use water for processing and produce effluent that must be cleaned before it is discharged to rivers and seas.

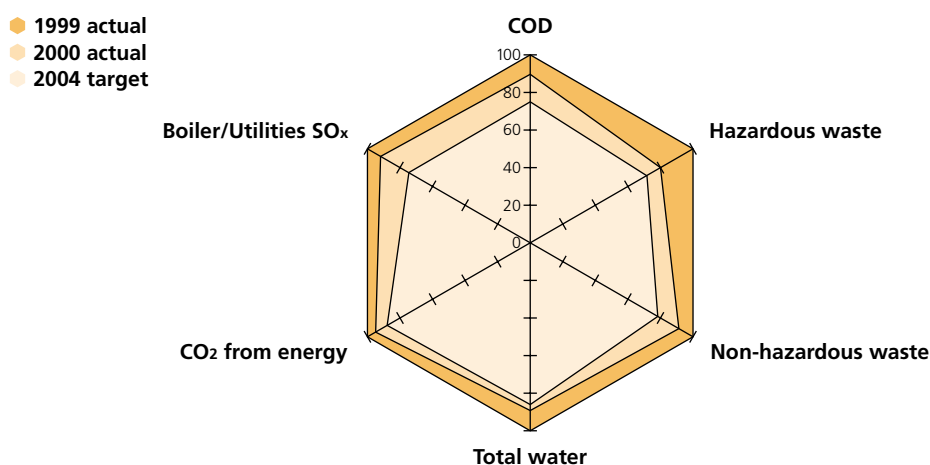
In our clean water stewardship initiative, as in other areas, we work with partners to achieve maximum impact and to help assure the future availability of clean, potable water. Central to this are projects to recover and conserve natural resources and partnerships to build and share knowledge about efficient management and protection of water quality. We are, for example, the major sponsor of the Living Lakes programme managed by the Global Nature Fund which restores and protects lakes in four continents.

For more detail, visit [sustainability initiatives](#) at Unilever.com

# Summary of environmental performance

This is a summary of our environmental performance in 2000. The graph shows the improvement in our overall performance in percentage terms since 1999, compared with the five-year targets set in 1999. The table shows our load per tonne of production. See page 10 for why we use these parameters. Find more on the [detailed data pages](#) at [Unilever.com](http://Unilever.com).

**Reduction in load per tonne of production and target for 2004  
(expressed as % of the 1999 figures)**



**Manufacturing environmental performance data – load per tonne of production**

		1996	1997	1998	1999	2000
<b>COD</b>	Kg/tonne	3.65	3.23	2.95	2.79	2.48
<b>Hazardous waste</b>	Kg/tonne	0.96	0.98	0.66	0.62	0.50
<b>Non-hazardous waste</b>	Kg/tonne	17.58	17.46	14.86	13.12	12.00
<b>Total water</b>	m <sup>3</sup> /tonne	7.21	6.79	6.54	6.06	5.43
<b>Energy</b>	GJ/tonne	2.83	2.69	2.57	2.40	2.27
<b>CO<sub>2</sub> from energy</b>	Kg/tonne	243.61	226.47	217.59	208.49	198.34
<b>Boiler/Utilities SO<sub>x</sub></b>	Kg/tonne	0.71	0.59	0.55	0.45	0.42

## Note

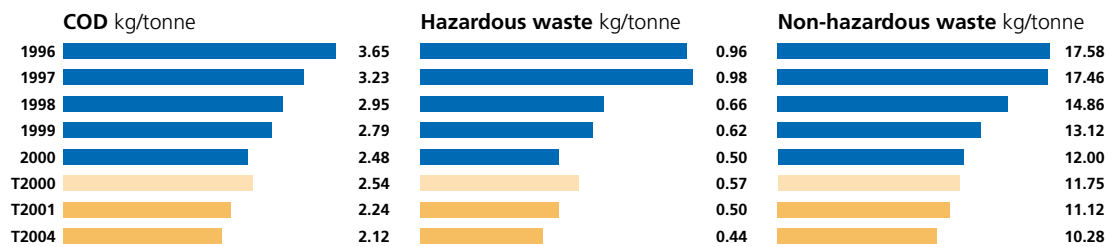
This report shows our energy use as well as the resulting CO<sub>2</sub> emissions. Since 1999 we have focused on our global warming potential and this is why our targets (above) are expressed in terms of CO<sub>2</sub> from energy rather than only energy used. Our last reported data (1999) are the baseline for the targets in this report.

We recognise that transport of materials and finished goods adds to Unilever's CO<sub>2</sub> emissions. Our life cycle analysis shows that this has a relatively small impact compared to the total.

# Key performance trends

Here are the trends in our environmental performance indicators up to the year 2000. For details on the issues and actions we have taken to reduce our impact, visit the [responding to global issues](#) section at [Unilever.com](http://Unilever.com).

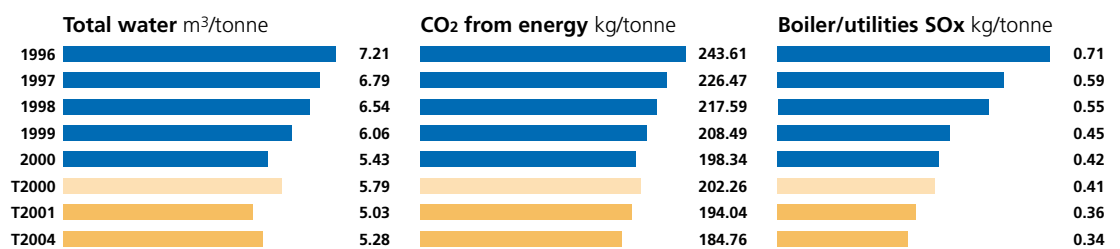
## Unilever manufacturing environmental performance 1996-2000 and targets: reductions in load per tonne of production



Many of our foods manufacturing factories reduced COD load by improving processes and also installing treatment facilities. In particular, ice cream and food processing factories in Austria, Ireland, South Africa, Spain, the UK and the USA made significant improvements. HPC factories in the USA have also continued to reduce the amount of effluent released to sewage treatment systems.

Big reductions were made by factories recycling more waste, in particular recycling edible oil bleaching earth in Turkey. Edible oil refining factories in South Africa and the UK, and several HPC factories in Argentina, Hungary, the UK and the USA, also contributed to an overall reduction in hazardous waste.

Installing effluent treatment facilities onsite has greatly reduced the amount of liquid effluent taken for disposal by tanker. There was also an overall increase in the percentage of waste that is sent for recycling or reuse. For example, in India boiler ash is used for construction. Improvements to production processes at some HPC factories have eliminated some types of waste.



Some factories use a lot of water because of the type of products they make. Water conservation initiatives, such as recycling and collecting rain, have led to large savings. Some European Business Groups have also started to share good environmental practices between the many different factories.

Our Business Groups have a variety of energy conservation programmes, and many factories have contributed to the overall reduction in CO<sub>2</sub> emissions (e.g. factories in Africa, Europe, Latin America and the USA). Some Business Groups have also begun sharing good practices and initiatives, with help from experts at our research centres. Better measurement of waste crop plant material used as fuel in Africa has helped improve our understanding of CO<sub>2</sub> emissions from our plantations.

Factories with steam-producing boilers are continuing to switch to fuels with a lower sulphur content. Sites in Argentina, Brazil, Chile, France, Saudi Arabia and South Africa now use more gas instead of oil or coal. Where natural gas is more difficult to obtain, sites have used oil or coal with a lower sulphur content (e.g. in some parts of Africa and India).

# Executive responsibilities and environmental management

We have an environmental policy which we expect all Unilever operations worldwide to adhere to. This sets out our commitment to meet the needs of customers and consumers in an environmentally sound and sustainable manner, through continuous improvements in environmental performance in all our activities.

Our strategy focuses on achieving its goals through eco-efficiency, eco-innovation and our three sustainability initiatives on agriculture, fish and water. To implement our policy and strategy we have a clear line of responsibility for the environment, starting at the top of the company, to ensure that environmental policies and goals are being adopted by all the facilities worldwide.

Daily responsibility for environmental issues rests with the operating companies and the individuals responsible for the particular Unilever facility. These are supported by:

- **The Unilever Environment Group (UEG).** This is the leading body for making recommendations addressing environmental issues. It is chaired by the Corporate Development Director and made up of representatives from Business Groups and safety, health and environmental experts. Its role is to develop strategies to continuously improve Unilever's environmental performance and to communicate its recommendations to Unilever facilities worldwide.
- **Safety and Environmental Assurance Centre (SEAC).** This is a central resource providing expertise and advice on safety and environmental matters, such as expert knowledge of hazard analysis and risk assessment for products, processes and sites. This is also our centre for life cycle assessment.
- **Safety, Health and Environmental Action Committee (SHEACO).** This group develops global standards and guidelines to protect Unilever's reputation, facilitate corporate strategy in the areas of safety, health and environment (SHE), and ensure continuing improvements in SHE performance. SHEACO is responsible for the development and implementation of Unilever's environmental management system, training and auditing.

We have five external advisors in the UEG who offer independent views and advise Unilever on emerging and long-term, complex environmental issues. They meet twice a year with the UEG and individually with senior management and scientists when needed.

Advisors are:

- Björn Stigson, President of the World Business Council for Sustainable Development
- Rajendra Pauchauri, Director of the Tata Energy Research Institute in India
- Pieter Winsemius, Senior Partner at McKinsey and Co
- Daniel Esty, Director of Yale Center for Environmental Law and Policy
- Jonathon Porritt, Programme Director of Forum for the Future

## Management systems

All Unilever companies must comply with local laws and adopt the same standards for occupational health and safety, consumer safety and environmental care.

Our environmental management systems, which operate at all levels in Unilever, are designed to achieve continuous improvement and are compatible with international standards. We are committed to eco-efficiency – improving the environmental efficiency of our manufacturing operations, and to incorporating environmental factors in the design and re-design of our products – eco-innovation.

We now have 103 sites certified to the international environmental management standard ISO 14001. Our goal is to have all our lead sites certified by 2003.

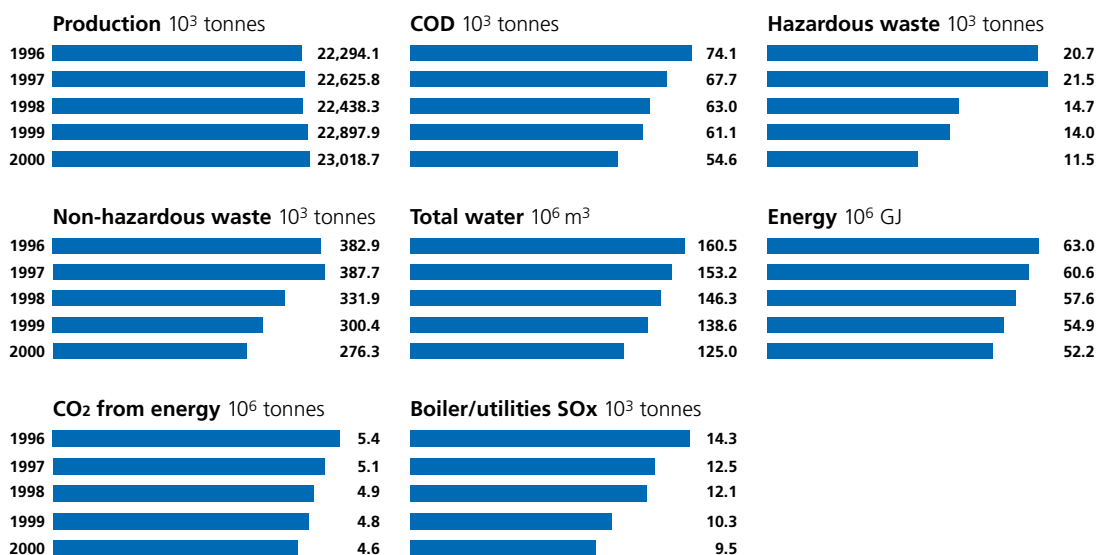
# Environmental performance

## Environmental impact

We have continued to reduce our overall environmental impact for all of our key performance indicators. This has been achieved despite increased production tonnage.

## Key performance indicators

Unilever environmental performance 1996 to 2000: production tonnage and total loads.



## Environmental fines and prosecutions 1996 – 2000

	Number of sites in Unilever	Number of sites reporting	Number of fines	Total cost of fines
<b>1996</b>	506	457	9	£74,005
<b>1997</b>	534	502	25	£41,577
<b>1998</b>	495	473	16	£31,066
<b>1999</b>	449	449	2	£3,022
<b>2000</b>	435	435	8	£28,580

This is a global summary of the penalties we incurred for infringement of environmental regulations during the period 1996 to 2000. Fines in 2000 were due to three cases of exceeding fat and oil limits in liquid effluent discharges, three isolated cases of leaks into sewer or rain water discharges, one breach of a factory noise limit, and one case of incorrect storage of drums. Our aim remains 100% compliance.

## Data parameters

Five key environmental performance parameters are used by our manufacturing operations for reporting emissions and setting future reduction targets:

### Total COD (Chemical Oxygen Demand, tonnes)

COD represents the ingredients and product lost from the full manufacturing process, and mainly arises during cleaning operations. COD is widely used by regulatory bodies to control industrial wastewaters, and to calculate the correct level of charges for downstream municipal wastewater treatment, which is designed to remove most of the COD before the wastewater is discharged to the environment. The Unilever COD data represents the load discharged from the factory, and does not make any allowance for the fact that typically between 80%-90% of this material is removed in municipal wastewater treatment plants. Consequently the COD load which actually reaches the environment, and therefore contributes to nitrification potential, is much lower.

### Total hazardous and non-hazardous waste (tonnes) (Reported separately)

In terms of potential impact on the environment, it is important to distinguish between hazardous and non-hazardous waste. Since there is no common international waste classification, the Unilever data are based on the national legal definitions applicable for each site, and are simply the total mass of material disposed of from the site under each classification.

### Boiler/Utilities SO<sub>x</sub> (tonnes)

This air emission parameter is relevant to most sites since almost all have a boiler used for generating steam. In some cases diesel generators are also used onsite for electricity generation. The Unilever data are calculated from the total mass of fuel consumed, and its sulphur content, and are expressed in terms of a mass of sulphur dioxide (SO<sub>2</sub>). Emissions of SO<sub>x</sub> contribute to acid rain potential.

### Total energy consumption (GJ or 10<sup>9</sup> Joules)/CO<sub>2</sub> from energy use (tonnes)

Energy consumption per tonne of product is widely used as a manufacturing performance indicator. The global warming potential (expressed as tonnes CO<sub>2</sub>) has then been calculated from the source energy data using internationally accepted conversion factors derived from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

### Total water consumption (m<sup>3</sup>)

Water consumption is also widely used as a measure of manufacturing performance. It is measured universally in Unilever's factories. The Unilever data represent all water consumed and include water used as an ingredient in products as well as uncontaminated cooling water and wastewater.

# Scope and quality of our data

## Scope

In 2000, there were 427 manufacturing sites and eight research laboratories and head offices that reported environmental performance data. There are a number of new acquisitions that reported in 2000, including the Amora Maille company in France and the Varela company in Colombia. Some factories that reported data for the year 2000 have also now been sold. The recently acquired Bestfoods and Slim-Fast companies did not report for the year 2000, but will report environmental data for the year 2001 (new acquisitions are given a year to comply with our corporate reporting standards).

## Quality

We are continuously improving our collection and reporting of environmental performance data via a global electronic system.

Highlights for 2000:

- Faster reporting of environmental data
- New tools for data collection and reporting in our Business Groups
- 100% of sites reported environmental data
- 99% complete reporting for all key environmental parameters except COD
- 96% complete reporting for COD
- Conducted pilot studies to extend the number of key environmental performance indicators (e.g. to include ozone depleting substances).

## Progress against targets

We have met four of six eco-efficiency targets. Although the targets for non-hazardous waste and SO<sub>x</sub> from boilers and utilities were not met, significant reductions were made.

Our targets on environmental management were largely achieved. Only nine of the 427 manufacturing sites reporting in the year 2000 were not yet audited by the end of 2000. 96% of our manufacturing sites have a trained environmental manager.

Target	Performance	Comment
<b>Eco-efficiency in manufacturing</b>		
		<b>Target Reduction for 2000 %</b>
		<b>Actual Reduction %</b>
COD	Target met	9.0
Hazardous waste	Target met	8.2
Non-hazardous waste	Not met	10.5
Total water	Target met	4.5
CO <sub>2</sub> from energy	Target met	3.0
Boiler/Utilities SO <sub>x</sub>	Not met	8.6
<b>Reasons for not meeting targets</b>		
<b>Non-hazardous waste:</b>		
We have included a site where the ash from a coal fired boiler was previously not reported. The ash is used to stabilise paper pulp at a landfill site run by a third party. Some is also used for road repairs at a municipal landfill site.		
<b>Boiler/Utilities SO<sub>x</sub>:</b>		
More accurate reporting of the SO <sub>x</sub> load from a factory with a large oil fired furnace.		
<b>Eco-efficiency in innovation</b>		
To incorporate eco-efficiency in product design by extending the application of life cycle assessment and developing new tools for use by product designers.	On track	In a number of product categories new tools are being piloted to help product designers to understand and reduce environmental impacts. These include qualitative screening, environmental check lists and web-based life cycle assessment. For example our Home & Personal Care Europe Business Group is incorporating these approaches in a 'Design for Excellence' project that will report at the end of 2001.
<b>Sustainable supply chain</b>		
To source all fish from sustainable sources by 2005.	On track	First products using fish from sources certified to Marine Stewardship Council standards now on sale in Europe – limited range but work continues with important fishing nations and suppliers.

## Progress against targets (continued)

Target	Performance	Comment
<b>Sustainable supply chain</b> To define standards for sustainable agriculture based on the findings from our pilot projects on peas, spinach, tea, tomatoes and vegetable oil.	On track	Practical results from the pilot projects on peas, spinach, tea and palm oil are flowing in. Good-practice guidelines, which could evolve into standards, have been drafted and are being discussed with stakeholders. Measurement work is underway on tomatoes, and desk research on vegetable oils.
<b>Sustainable resource use</b> To define our water imprint on a regional and product category basis and use this in developing partnership programmes for clean water stewardship.	On track	Down stream impact research at Rhodes University, South Africa, and quantification work on global impact are adding to our imprint knowledge. New Living Lakes Partnership lakes have been added, and principles for integrated catchment management have been tested in practice and are being prepared for publication.
<b>Environmental Management Systems</b> Extend our EMS to cover all non-manufacturing parts of the operation.	Target met	
All Unilever manufacturing sites* audited by end of 2000.	98%	98% of sites were audited. Only 9 sites have not yet been audited.
All managers nominated as responsible for implementing environmental standards receive appropriate formal training, and any new environmental managers receive such training within 6 months of their appointment.	96%	96% of our site environmental managers have received appropriate formal training. Some sites are in the process of recruiting or training an environmental manager. Some sites that will be sold or closed in the near future have not recruited an environmental manager.
All DiverseyLever European sites to achieve ISO 14001 certification by end of 2000.	93%	Out of the 15 sites in Europe, 14 have received certification. 1 site was later omitted from the scope, and did not apply for certification.

\*applies to sites owned by Unilever for more than a year

# Verification

## Verifier's statement

URS was commissioned by Unilever to provide an independent verification of the environmental data and related claims presented on the Unilever website, [www.unilever.com](http://www.unilever.com), 'Environment & Society' section. Unilever's environmental performance data, collection processes and Environmental Management System (EMS) were checked through interviews, document review and inspection of electronic systems.

URS verifiers consider that the report text relating to environmental governance, performance and management is an accurate account of Unilever's arrangements and that all significant environmental aspects of the business have been reported in a fair and balanced manner. The environmental performance reporting system is well managed and effective, generating data that is accurate and reliable in terms of the underlying performance trends. However, the verification process did highlight some discrepancies in performance data at site level and areas for improvement have been recommended.

Our [full statement](#) can be found at 'Unilever.com'.



David Westwood  
Director Corporate Sustainable Solutions  
URS Europe



# Verification (continued)

## Progress against commitments in 2000

Last year the verifier recommended several ways that we could improve. We responded with a number of commitments – our progress in 2000 is shown below.

Our commitments	Our progress
Review the scope of eco-efficiency parameters (within Unilever operations and its supply chain).	Introduced new measures (e.g. ozone depleting substances) which we will report in 2002.
Report on our three sustainability themes within which we include supplier performance (fish and agriculture) and elements of the social agenda (fish, agriculture, water).	Regularly updated information on our three sustainability initiatives appears on the environment pages of Unilever.com. Worked closely with our agriculture and fisheries suppliers – social indicators/criteria are part of these initiatives.
Establish a senior group to recommend how we report on corporate social responsibility.	Senior management group established to review social responsibility issues. Published our first web-based Social Review.
Review data collection and reporting for packaging.	Agreed environmental principles for packaging, now being disseminated throughout the business.
Use our environmental management system to facilitate accreditation to ISO 14001 so that our major manufacturing sites can achieve this.	Launched a new ISO 14001-compatible environmental management system in 2000. Our target is to have all our lead sites certified by 2003.
Develop intranet sites and training workshops for dissemination of best practice around the world.	Established intranet sites for safety, health and environment (SHE) at Corporate and Business Group levels. Our global network of senior SHE professionals meets regularly for training and sharing best practice. Environmental awareness workshops have been coordinated on a regional level.
Develop environmental impact assessment tools for use in product innovation.	Developed several new tools which we are testing (see Progress against targets).

# Site map

