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If you would like to know more about Unilever's approach to environmental and social responsibility, please visit our website, where copies of our latest Environmental Performance Summary Report and Social Review can be read online or downloaded:

➞ www.unilever.com/environmentsociety

We would like to hear from you. If you have any questions, comments and ideas about this publication or any other aspect of Unilever's environmental and social policies, please contact:

➞ csrcomment@unilever.com

or write to:

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Our Business

Unilever is a multi-local multinational with consumers, employees, business partners and shareholders on every continent. The Unilever Group* was created in 1930 when the British soap-maker Lever Brothers merged its businesses with those of the Dutch margarine producer, Margarine Unie. Unilever has operations in around 100 countries and our products are on sale in 50 more.

Unilever has two divisions – Foods and Home & Personal Care. Food brands include such well-known names as Lipton, Knorr, Hellmann’s, Magnum and Bertolli. Home and personal care brands include Dove, Lux, Omo, Pond’s and Sunsilk.

Every day, around the world, 150 million people choose our products to feed their families and clean themselves and their homes. By making and selling brands that meet people’s everyday needs, we have grown into one of the world’s largest consumer goods businesses.

We believe the very business of ‘doing business’ in a responsible way has a positive social impact. We create and share wealth, invest in local economies, develop people’s skills and spread expertise across borders.

As a global company we aim to play our part in addressing global social and environmental concerns, such as micro-nutrient deficiency, health and hygiene, water quality and sustainable agriculture.

But we do not believe it is practical to address these concerns only at a global level. Or that companies such as ours can make a difference without working in partnership with others.

That is why, as a multi-local multinational, we tackle global concerns with local actions and work in partnership with local agencies, governments and non-governmental organisations.

This booklet shows how we go about meeting our social and environmental responsibilities. It contains an overview of our policies and performance, and some examples of our social and environmental partnerships in action.

It is not a complete picture of what we do. For a more comprehensive review, please visit our website. But we hope it will give you some idea of how we approach the subject of corporate social and environmental responsibility at Unilever and provide an insight into the very practical way we are tackling some of these issues.

* The Unilever Group, also referred to as Unilever or the Group, consists of the two parent companies, Unilever N.V. and Unilever PLC which, together with their group companies, operate as nearly as practicable as a single entity.
global policies
local initiatives

Environment
Our environmental policy applies to all Unilever companies worldwide. It sets out our commitment to meet the needs of customers and consumers in an environmentally sound and more sustainable manner, through continuous improvements in environmental performance in all our activities.

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. Our strategy has a clear focus. We aim to make more with less in our operations and to concentrate on those areas where we can bring the greatest benefits. Our strategy has a clear focus.

Social
We are committed to making a positive contribution to society through the brands we produce and sell, through our commercial operations and relationships, through the voluntary contributions we make to the community and through our wider engagement with society.

Sustainable Agriculture
Recent environmental and social pressures on agriculture have prompted us to develop a more sustainable approach to how our crops are grown. We have completed guidelines for the sustainable management of all five of our key crops - palm oil, tea, peas, spinach and tomatoes - which are being published on www.growingforthefuture.com, a website specially set up to share our knowledge. We are also working with other major food companies - including Danone and Nestlé - to promote sustainable agriculture practices through the Sustainable Agriculture Initiative (http://www.saiplatform.org).

Sustainable Fisheries
The world's fisheries are under threat. According to the UN's Food and Agriculture Organisation, 48% are fully exploited, 16% overfished and 9% depleted.

Unilever is one of the world's largest buyers of frozen fish for our Iglo, Birds Eye and Findus brands. Without regular supplies we would have no fish business, so we have a clear commercial interest to protect and preserve fish stocks. In 1996 we made a pledge to buy all fish from sustainable sources by 2005 and, working with the conservation organisation WWF, set up the Marine Stewardship Council to establish a certification process for sustainable fishing practices.

Water Stewardship
Unilever's activities are intimately linked with safe water supplies, whether used in our operations or by our suppliers or by consumers who use our products. Competing demands for water - for agriculture, manufacturing and human consumption - and the need to sustain a healthy environment mean that society needs to adopt a more integrated approach to water management.

To help us manage our many water projects effectively, we developed a set of guidelines for the sustainable management of water resources, which are being published on our website www.unilever.com/environment.

Sustainable Water
Unilever is one of five crops in our Sustainable Agriculture guidelines for tomato growers. Tomatoes are involved in a partnership to develop sustainable agriculture guidelines for tomato growers. Tomatoes are one of five crops in our Sustainable Agriculture Initiative.

Policy in Practice
It is at a country level that our policy becomes a reality as shown by these two examples:

HIV/AIDS in Africa
Providing a consistently high standard of occupational healthcare is core to our business principles. But different countries have differing needs. In sub-Saharan Africa, one in ten people infected with HIV/AIDS is employed in the informal sector, and there is no cure for AIDS. Unilever companies in Africa have developed a common approach with programmes that focus on prevention education and the most appropriate types of treatment and care for AIDS sufferers.

Entrepreneurs in Indonesia
Unilever Indonesia’s initiative to encourage unemployed youths to become entrepreneurs has created a new business incubator for the company to reach small shops and kiosks in urban and rural areas. Unilever Indonesia is now establishing a business incubator to provide training and business advice for entrepreneurs.
Environmental Performance

This is a summary of our environmental performance since 1997. Graph 1 shows six key environmental performance indicators and the overall improvement (expressed as % of the 1997 figures) since then and our 2006 targets (for actual figures, see table 2).


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Environmental Performance

- COD
- Hazardous waste
- Non-Hazardous waste
- Boiler/Utilities SOx
- Water
- CO2 from energy

COD (Chemical oxygen demand) is a measure of effluent quality. 2. CO2 from energy is the amount of carbon dioxide (CO2) emitted when fossil fuels are burned.

3. Boiler/Utilities SOx is the measure of the oxides of sulphur emitted when fossil fuels are burned.

- COD: kg/tonne
- Hazardous waste: kg/tonne
- Non-Hazardous waste: kg/tonne
- Boiler/Utilities SOx: kg/tonne
- Energy: GJ/tonne
- CO2 from energy: kg/tonne

4. Load per tonne of production 1997-2001

Parameter | Units | 1997 | 1998 | 1999 | 2000 | 2001 | 2005
--- | --- | --- | --- | --- | --- | --- | ---
COD | kg/tonne | 3.23 | 2.96 | 2.79 | 2.50 | 2.33 |
Hazardous waste | kg/tonne | 0.98 | 0.66 | 0.62 | 0.50 | 0.50 |
Non-Hazardous waste | kg/tonne | 17.46 | 14.86 | 13.00 | 12.00 | 11.26 |
Water | m3/tonne | 6.79 | 6.54 | 6.06 | 5.43 | 5.04 |
Energy | GJ/tonne | 2.69 | 2.57 | 2.40 | 2.27 | 2.19 |
CO2 from energy | kg/tonne | 226.08 | 217.16 | 208.09 | 197.91 | 188.52 |

Notes:
1. COD (Chemical oxygen demand) is a measure of effluent quality.
2. CO2 from energy is the amount of carbon dioxide (CO2) emitted when fossil fuels are burned. This table shows our energy use as well as the resulting CO2 emissions. Since 1999 we have focused on global warming potential and this is why our targets are expressed in terms of CO2 from energy saved or energy consumption. CO2 from energy accounts for 94% of our manufacturing greenhouse gas (GHG) emissions.
3. Boiler/Utilities SOx is the measure of the oxides of sulphur emitted when fossil fuels are burned.

Social Performance


<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>0.74</td>
</tr>
<tr>
<td>1998</td>
<td>0.79</td>
</tr>
<tr>
<td>1999</td>
<td>0.85</td>
</tr>
<tr>
<td>2000</td>
<td>0.90</td>
</tr>
<tr>
<td>2001</td>
<td>1.10</td>
</tr>
</tbody>
</table>

- 4. Unilever Group distribution of cash value added: % of total 2001

<table>
<thead>
<tr>
<th>Region</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe 43%</td>
<td></td>
</tr>
<tr>
<td>North America 26%</td>
<td></td>
</tr>
<tr>
<td>Asia and Pacific 15%</td>
<td></td>
</tr>
<tr>
<td>Africa, Middle East and Turkey 9%</td>
<td></td>
</tr>
<tr>
<td>Latin America 6%</td>
<td></td>
</tr>
</tbody>
</table>

- 5. Number of Unilever employees trained abroad: pilot study 2001

<table>
<thead>
<tr>
<th>Countries</th>
<th>Employees receiving training abroad</th>
<th>% of total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>332</td>
<td>2</td>
</tr>
<tr>
<td>Canada</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>France</td>
<td>35</td>
<td>2</td>
</tr>
<tr>
<td>Indonesia</td>
<td>55</td>
<td>2</td>
</tr>
<tr>
<td>Poland</td>
<td>86</td>
<td>3</td>
</tr>
<tr>
<td>Vietnam</td>
<td>48</td>
<td>2</td>
</tr>
<tr>
<td>RPCUSA</td>
<td>32</td>
<td>1</td>
</tr>
</tbody>
</table>

We aim to manage our social responsibilities as professionally as any other aspect of our business.
practical partnerships combining skills

Environment
We work with different groups of people - such as the fishing industry, water experts, contract growers and non-governmental organisations – to reduce our impacts, secure the supply of raw materials and promote sustainable development.

Sustainable Agriculture
In farms and plantations around the world we are working with others to develop sustainable agricultural methods for use in growing some of the raw materials for our food products. For example, in Brazil we are working with growers and a range of stakeholders to develop ways to grow tomatoes more sustainably. Working with WWF on Fisheries
In 1996, we joined with WWF to find a solution to the global fish crisis. Our partnership had a clear aim: to set up a body to run a fisheries certification scheme that could endorse sustainable fisheries management. This has been achieved. The Marine Stewardship Council (MSC) accredits certifiers, and its logo can now be used by companies selling fish from certified fisheries that conform to MSC standards (www.msc.org).

We believe that consumers and the market can play an important role in fostering a sustainable fishing industry. Over 100 products from many companies now carry the MSC logo, including those from Iglo and Birds Eye made from New Zealand hoki, a white fish from the hake family, sourced from New Zealand. The fishery is recognised as well managed and certified to the standards set by the Marine Stewardship Council.

As part of our sustainable water initiatives, we have made a long-term commitment to work with others to improve the wetlands feeding the Don River, near Toronto, Canada.

Social
Unilever also works with a wide variety of partners on economic and social issues, including governments, non-profit organisations, NGOs, and international agencies, such as UNICEF, WHO and the Red Cross/Crescent. We believe that working in cross-sector partnerships, with different organisations contributing different skills and capabilities, is an effective way for business to respond to people’s concerns about health, nutrition and economic development in different parts of the world.

With UNICEF in Africa
One in three children in Africa suffers from iodine deficiency, which impairs mental development and quality of life for sufferers and their families. Yet it costs just five cents a year to provide someone with sufficient levels of iodine.

Working closely with UNICEF, Unilever Ghana has launched a brand of iodised salt – originally developed by Hindustan Lever in India – called Annapurna which is fortified with iodine, iron and Vitamin A. In two years, the brand has captured 35% of the market and helped increase the distribution of iodised salt by 50%.

So successful has been, as a brand for Unilever Ghana and in tackling iodine deficiency, that there are now plans to introduce it to other African countries and develop other fortified foods, such as iron and vitamin-enriched wholemeal maize flour.

To reach remote villages in Ghana, Unilever and UNICEF have also teamed up with a local bank to provide micro-credit facilities to enable village women to buy Annapurna and other products on credit for onward sale. Over 400 women are now involved, giving them a useful source of income and Unilever access to villages that it would otherwise be difficult to reach.

The Lifebuoy Friendship Hospital, named after one of our leading brands in Bangladesh, Lifebuoy soap – aims to provide treatment, medicine and healthcare education to over 30,000 people a year in some of the country’s most remote and deprived communities.

Working with governments, agrochemical companies and universities, in India and Kenya, where we are working in similar partnerships, we have found ways to make our tea production more sustainable.

Living Lakes
One of our key water-related partnerships is the Living Lakes project with the Global Nature Fund. This aims to clean up, conserve and promote environmentally sensitive economic development around 23 lakes across the world (www.livinglakes.org). For example, Unilever South Africa and over 50 of its employees are helping to conserve and protect Lake St. Lucia, while Unilever Spain, working with the fund and local government agencies, has recovered a significant area of wetlands and wildlife at Laguna La Nava in Castilla y León.

We have similar pilot projects concentrating on different crops in other parts of the world. In Germany and Italy we are working with spinach growers and a wide range of experts and other stakeholders, in the UK we focus on peas and have been working with farmers, non-governmental organisations, agro-chemical companies and universities, in India and Kenya, where we are working in similar partnerships, we have found ways to make our tea production more sustainable.

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We believe that consumers and the market can play an important role in fostering a sustainable fishing industry. Over 100 products from many companies now carry the MSC logo, including those from Iglo and Birds Eye made from New Zealand hoki, a white fish from the hake family. In 2002 we bought more than a third of our fish from sustainable sources and 6% from MSC-certified fisheries.
We have tranny

Our Brands

Each of the countries in which we operate has its own cultures and traditions. Respecting those differences, not imposing a single viewpoint, is at the core of our business approach. This is reflected in the development of our core 400 brands, which are a mix of global brands and regional and local brands that appeal to local tastes and habits.

Consumer preferences are local in character and we adapt our products to suit different tastes. For example, Unilever uses over 20 separate types of black tea to prepare more than 200 different blends for local markets, while ice cream, bouillon cubes and tomato sauces are also developed to please local palates.

Similar preferences apply to home and personal care products. For example, in Iceland most people prefer to take a bath. In Israel they prefer a shower. And in Cambodia around half the population washes in a river. Understanding of dermatology and bactericides and cost-effective manufacturing techniques need to be world class.

Environmentally challenge

Social Development

Cleaning up the Brantas River

By 2001 the Brantas River in East Java, Indonesia, had become so polluted that something had to be done. Poor industrial and domestic waste management practices along the river had led to a worrying decline in water quality. This was damaging biodiversity and harming the health of local villagers, many of whom work for Unilever Indonesia, whose operations are based in East Java. It also made it more expensive to supply drinking water to the factory.

Unilever took the initiative to tackle the problem, working with others in the community. In 2001 we set up the Clean Brantas Forum to clean up the river and turn it into a sustainable resource for local people.

Cleaning the river would not help unless industry and the community also changed the way they used the Brantas. So Unilever ‘adopted’ four riverside villages, working with over 32,000 residents, local government officials, environmental groups, the university and other industries to plan and implement a long-term solution. The result was an integrated programme to improve sanitation, waste management and local infrastructure, while greening the surrounding areas, creating income-generating activities and promoting environmental understanding.

These measures have been complemented by lifestyle changes. For example, riverside houses have traditionally faced away from the river, which was little more than an open sewer. Villagers have been asked to reverse the layout so that the fronts of their houses overlook the Brantas. This has had the effect of making the river their front garden, discouraging their use of the river for waste disposal.

New roads and paths have been built on the river bank and greening and income-generating activities introduced, including the planting of morinda fruit trees and help for fish farmers, whose livelihoods have been protected as a result of the clean up of the river. Unilever is now approaching other industries in East Java to replicate the programme and extend its benefits to other villages along the river.

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Similar preferences apply to home and personal care products. For example, in Iceland most people prefer to take a bath. In Israel they prefer a shower. And in Cambodia around half the population washes in a river.

In each case, how a shower gel or soap bar is designed needs to be different but understanding of dermatology and bactericides and cost-effective manufacturing techniques need to be world class.

Tastes and traditions are not the only differences we must take into account. Products need to be packaged and priced in sizes that people can afford. This is particularly important in countries where people live on very low incomes or where high inflation and currency devaluations have squeezed their purchasing power. For example, our Ala detergent brand was created specifically to meet the needs of low-income consumers in the north east of Brazil, while Annapurna, our low-cost, iodine-enriched salt referred to on page 7, can be bought in India and Ghana in small affordable 200g packs.