

UNILEVER SUSTAINABLE LIVING PLAN INDIA 2011



Hindustan Unilever Limited



INDIA HIGHLIGHTS 2011



30 million people reached with **Lifebuoy soap** handwashing programmes in 2010-11



30 million people have **gained access to safe drinking water** by using **Pureit** in-home water purifier, since 2005



Around 60% of our major food and beverage brands — Brooke Bond, Bru, Knorr, Kissan and Kwality Wall's — comply with the **'Healthy Choice'** guidelines¹

Reduced CO₂ emissions by 14.7%, water use by 21.5%, and waste by 52.8% in our factories, over 2008 baseline²



Improved CO₂ efficiency in transportation **by 17.8%**

60% of tomatoes in **Kissan Ketchup** are sourced **sustainably**



Extended the **Shakti initiative** by adding **30,000 Shaktimaans** (family members of existing Shakti entrepreneurs)

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For information on our approach, materiality, global assurance process, and our metrics please read our global report, 'Unilever Sustainable Living Plan Progress Report 2011'. Data on CO₂, Water, and Waste from our manufacturing units is under validation. More details on performance against our Unilever Sustainable Living Plan targets can be found on our website, which also provides comprehensive coverage of many other topics of interest to our stakeholders. www.unilever.com/sustainable-living

¹As on April 2012
²Per tonne of production in 2011 over 2008 baseline

INTRODUCTION

Accelerating growth sustainably

We are living in a world in which the temperatures are rising, water is scarce, energy is expensive, sanitation is poor, the gap between the rich and poor is increasing, and food supplies are volatile and uncertain. At the same time, millions of people are coming out of poverty, getting better access to health and hygiene, and improving their standard of living. The demand for resources is increasing significantly as population and consumption rates grow. The challenge is to accelerate the positive social impact in a manner that is environmentally and economically sustainable. We need to adopt new models of growth which can act as a catalyst in the fast changing world we are living in.

Unilever Sustainable Living Plan

For us, sustainability has always been integral to our way of doing business. In November 2010, Unilever launched the Sustainable Living Plan, which puts sustainability at the heart of our business strategy. The central objective of the Unilever Sustainable Living Plan is to decouple our growth from our environmental footprint, while at the same time increasing our positive social impacts. The Plan will result in three significant outcomes by 2020:

- Help more than a billion people improve their health and well-being
- Halve the environmental footprint of our products
- Source 100% of our agricultural raw materials sustainably

Underpinning these three broad goals are around 60 time-bound targets spanning our social, economic, and environmental performance across the value chain — from the sourcing of raw materials all the way through to the use of our products in the home.

Progress in India

The Unilever Sustainable Living Plan represents a long-term goal, but progress in 2010-11 has already been encouraging. By the end of 2011, for example, almost two-thirds of the palm oil used in our products globally was being purchased from certified sources. In India, 60% of tomatoes are sourced sustainably.

Our Pureit in-home water purifier delivers safe water, without requiring running water or electricity, and at a low cost, to over 30 million people in India. In 2010-11, Lifebuoy's hygiene programme reached more than 30 million people in India, spreading hygiene awareness and encouraging behaviour change.

We have taken steps to ensure that our food brands have a better nutritional profile. Around 60% of our major food and beverage brands — Brooke Bond, Bru, Knorr, Kissan and Kwality Wall's — comply with the 'Healthy Choice' guidelines as on date.

In 2011, we have reduced CO₂ emissions by 14.7%; water use by 21.5%; and waste by 52.8% in our factories in India¹. We improved CO₂ efficiency in transportation by 17.8% despite significant increase in volumes. By 2011, our ice cream business has deployed over 23,775 environment-friendly HC-based freezers in its fleet.



We have extended the Shakti initiative by adding 30,000 Shaktimaans (brothers or husbands of existing Shakti entrepreneurs who have enrolled for our programme), to sell our products by visiting the surrounding villages on bicycles.

Even though we are making changes across the length and breadth of our business, much remains to be done. We have to develop products and processes that enable growth in a resource-stressed world, and encourage behaviour and habits that help people live sustainably. While we have an ambitious and challenging agenda, we certainly don't have all the answers. What we do know, is that it requires all of us to work together for achieving a sustainable future.

At Hindustan Unilever, we are making sustainable growth a reality on the ground. I hope this report will give you an overview of our global targets and a sense of the progress we are making in India.

Nitin Paranjpe

Managing Director and Chief Executive Officer

¹per tonne of production over 2008 baseline

THE UNILEVER SUSTAINABLE LIVING PLAN

IMPROVING HEALTH AND WELL-BEING



By 2020 we will help more than a billion people take action to improve their health and well-being.



HEALTH AND HYGIENE

By 2020 we will help more than a billion people to improve their hygiene habits and we will bring safe drinking water to 500 million people. This will help reduce the incidence of life-threatening diseases like diarrhoea.



NUTRITION

We will continually work to improve the taste and nutritional quality of all our products. By 2020 we will double the proportion of our portfolio that meets the highest nutritional standards, based on globally recognised dietary guidelines. This will help hundreds of millions of people to achieve a healthier diet.



GREENHOUSE GASES

Halve the greenhouse gas impact of our products across the lifecycle by 2020.*

PEOPLE

Healthy employees and better workplaces

* Throughout this document our environmental targets are expressed on a 'per consumer use' basis. This means a single use, portion or serving of a product. We have taken a lifecycle approach with a baseline of 2008.

+ In seven water-scarce countries representing around half the world's population.

REDUCING ENVIRONMENTAL IMPACT

By 2020 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.*

ENHANCING LIVELIHOODS



By 2020 we will enhance the livelihoods of hundreds of thousands of people as we grow our business.



WATER

Halve the water associated with the consumer use of our products by 2020.*+



WASTE

Halve the waste associated with the disposal of our products by 2020.*



SUSTAINABLE SOURCING

By 2020 we will source 100% of our agricultural raw materials sustainably.



BETTER LIVELIHOODS

By 2020 we will engage with at least 500,000 smallholder farmers and 75,000 small-scale distributors in our supply network.



IMPROVING HEALTH AND WELL-BEING

We provide millions of Indians with a variety of affordable, quality products which help improve their diet, lifestyle and overall health and well-being.

HEALTH AND HYGIENE

Reduce diarrhoeal and respiratory disease

Global target: By 2015, our Lifebuoy soap brand aims to change the hygiene behaviour of 1 billion consumers across Asia, Africa, and Latin America by promoting the benefits of handwashing with soap, at key times.

Washing hands with soap can reduce the risk of diarrhoeal diseases by up to 47 percent.¹ It is one of the most effective and inexpensive ways of preventing diseases.

In India, as part of a new rural outreach programme, 'Khushiyon Ki Doli' ('Caravan of Happiness'), Lifebuoy took handwashing messages to remote areas, reaching around 30 million people directly in 2010–11. This programme has the potential to reach 150 million people, based on an average household of five.

The activity includes a slow-paced educational video from Lifebuoy which explains the importance of handwashing plus GlowGerm™ demonstrations, during which UV light is used to show that washing hands with water alone is not sufficient to remove germs.

On Global Handwash Day, October 15, 2011, over 1,100 Unilever employees took part in delivering Lifebuoy handwashing education in schools and orphanages to promote the habit of washing hands with soap, on key occasions.

Provide safe drinking water

Global target: We aim to make safe drinking water available and affordable to 500 million people across the globe through our Pureit in-home purifier by 2020.

According to UN estimates, over 2 billion people have limited access to safe drinking water,² with 800 million people lacking even the most basic access to clean water. Poor quality of drinking water is a major source of disease in the developing world – in fact, 80% of all diseases are water-borne, and this burden is most acute amongst the poor.

Pureit in-home water purifier provides water 'as safe as boiled water', without needing electricity, or running water. Pureit is affordable – with an upfront cost starting from INR 900 onwards, and an ongoing cost that provides approximately 4 litres of safe drinking water for just one rupee. Pureit meets the United States' Environmental Protection Agency standards for safety from germs.

In all, 30 million people in India have gained access to safe drinking water from Pureit.

The Government of India's premier health assessment agency, the National Institute of Epidemiology (NIE) has conducted a year-long scientific study on the impact of Pureit on diarrhoeal disease in the slums of Chennai. The NIE scientifically established that homes using Pureit had a 50% lower incidence of diarrhoea.

Partnerships

Pureit is working with many microfinance and NGO partners in India to improve the affordability of the purifier for those of whom the price is a barrier to purchase.

Future partnership aims

We have developed a behaviour change programme, focusing on educating children about washing their hands on five key occasions in the day, namely post defecation, during bath, and before breakfast, lunch, and dinner.

We would like to engage with governments, NGOs, schools and teachers to implement this behaviour change programme in partnership with us. This partnership approach will enable us to reduce the overall cost of the programme, thereby increasing our ability to scale it up.

¹ UN Water Statistics. Available at http://www.unwater.org/statistics_san.html (accessed March 2012)

² WHO and UNICEF Joint Monitoring Program – Progress on Sanitation and Drinking Water – 2010 Update



NUTRITION

Tackling micronutrient deficiency

We have made fortification economically viable by introducing products like Knorr's Mummy's Perfect Masala. It is a universal seasoning mix fortified with Vitamin A, iron and iodine. It is priced at INR 3 and is available in Maharashtra currently. It addresses the nutrition needs of low-income consumers by making everyday nutrition affordable. We started on the journey of fortification with Annapurna salt, which is fortified with iodine.



Reduce salt levels

Global target: Our ambition is to reduce salt levels by a further 15–20% on average to meet the target of 5 gm of salt per day based on globally recognised dietary guidelines.

Our Knorr soup portfolio has been revamped with introduction of new variants with less sodium over the past few years. Our soup range has seen a silent sodium reduction from 7 to 37% between 2007 and 2011. Continuous sodium reduction has resulted in an average 13% reduction in our soup's top-selling range. Nearly all our soups meet the interim target of 6 gm per day. In 2011, we also reduced sodium in the formulations of our Kissan ketchups by 11% on an average. We are aiming for further reductions to meet the 5 gm target.

Remove Saturated fat

Global target: By 2012, our leading spreads will contain less than 33% saturated fat as a proportion of total fat and a daily portion will provide at least 15% of the essential fatty acids recommended by international dietary guidelines.

We have introduced Kissan creamy spread in 2011, a mayonnaise spread made with healthier vegetable oils providing essential nutrients like vitamin A, D and E and less than 33% saturated fats. It provides about eight times less saturated fats than other leading table spreads.

Remove Trans fat

Global target: By 2012 we will have removed from all our products any trans fat originating from partially hydrogenated vegetable oil.

At end 2011, over 99% of our global portfolio was free from trans fats originating from partially hydrogenated vegetable oil. In India, we have stopped using raw materials that contain partially hydrogenated vegetable oils in most of our food products. For example, our ice cream portfolio is fully compliant and does not use any raw material containing partially hydrogenated oil. Also our Knorr range of soups and Kissan creamy spreads are virtually trans fat free (<1g/100g).

Reduce Calories

Global target: By 2014, 100% of our children's ice creams will contain 110 calories, or fewer, per portion; 60% will meet this level by 2012.

Most of our children's range of ice creams, such as the Paddlepop range already complies with the global target. To cater to the needs of the growing number of health conscious people, Kwaliti Wall's, our ice cream brand, offers product formats which deliver less than 99 Kcal in one standard scoop of 80ml, in its 'selection' range.

Provide healthy eating information

Global target: By 2015, globally, all our products will include energy per portion information on the front of the pack, plus list the eight key nutrients and % Guideline Daily Amounts (GDA) for five nutrients on the back of pack.¹

All our food and beverage brand labels carry information on energy, protein, carbohydrate, sugars, fat, and, where relevant, on saturated fat, fibre and sodium. For example, all our savoury products carry sodium declaration on pack, even though it is not mandated by country regulation.

HUL also participates in 'The Choices program'. It is a front-of-pack, cross-country labelling program, aimed to help consumers make a healthier choice. It is a multi-industry initiative and is owned by the Choices International Foundation. The guidelines are based on four priority nutrients — salt, sugar, saturated and trans fat - which have been identified by the World Health Organization as unfavorable to health when consumed in excess. We aim to have two-thirds of our foods and beverages portfolio comply with the 'Healthy Choice' guidelines by 2015. Around 60% of our major food and beverage brands - Brooke Bond, Bru, Knorr, Kissan and Kwaliti Wall's - comply with the 'Healthy Choice' guidelines as on date. Our continuous reformulation efforts through the Nutrition Enhancement Programme since 2003 have enabled many of our products meet the 'Healthy Choice' guidelines.



¹ Where applicable and legally allowed and in accordance with local or regional industry agreements.

REDUCING ENVIRONMENTAL IMPACT

Our commitment to sustainability requires us to go beyond our own operations and reduce our total environmental footprint. We ensure that our impact on the environment is minimised across the value chain, from sourcing materials to consumer use.

GREENHOUSE GASES

Reduce greenhouse gases from washing clothes

Global target: Reduce the greenhouse gas impact of the laundry process by concentrating our liquids and compacting our powders. We will reformulate our products to reduce greenhouse gas emissions by 15%, by 2012.

We continue to make good progress in reformulating our products to reduce greenhouse gas emissions. In India, the process started in 2009 and continued in 2010 and 2011. A significant reduction in GHG emissions has been achieved with the reduction of STP (Sodium Tri Poly Phosphate – an ingredient that neutralises the impact of water hardness) in our detergent powders. We are on track to meet our global 2012 target.

Reduce GHG from our manufacturing

Global target: By 2020 CO₂ emissions from energy will be at or below 2008 levels, despite significantly higher volumes. We will more than double our use of renewable energy to 40% of our total energy requirement by 2020. And, all newly built factories will aim to have less than half the impact of those in our 2008 baseline.



In 2011, we reduced CO₂ emissions per tonne of production in India by 9.9% compared to 2010 and by 14.7% compared to our 2008 baseline. We had earlier made a commitment to reduce CO₂ emissions per tonne of production by 25% by 2012 (against the 2004 baseline). In 2011, our progress against the 2004 baseline was a 36.1% reduction on per tonne basis.

This was achieved due to the installation of biomass boilers to reduce CO₂ emissions at Chiplun, Puducherry, Goa, Nasik, and Mysore factories.

Reduce greenhouse gases from transport

Global target: By 2020 CO₂ emissions from our global logistics network will be at or below 2010 levels despite significantly higher volumes. This will represent a 40% improvement in CO₂ efficiency.

In India, the biggest challenge was to deliver reduction in CO₂ emissions despite significant volume increase. In 2011, we delivered 17.8% improvement in logistics CO₂-efficiency over 2010.

During 2011, the focus has been on optimising the distance travelled as well the loadability of our products through extensive use of technology. We introduced a new type of truck, with more height, which made a significant change in volumetric packs. This helped us load more in the same truck base. In some categories in our personal care business, our load increased by over 55% (from 9 tonnes to 14 tonnes) with the same base for the same pack with the use of the new trucks. We have also started various energy management programmes at our distribution centres, such as installation of energy efficient stabilisers and replacing bay lights with CFL.

The logistics team also implemented new IT systems to report transport emissions at minute level. This helped in reporting accurate and minute level data compared to the previous manual process.

Reduce GHG from refrigeration

Global target: We will accelerate our roll-out of freezer cabinets that use climate-friendly (hydrocarbon) refrigerants. We have already purchased 4,50,000 units with the new refrigerant and we will purchase a further 8,50,000 units by 2015.

Our ice-cream business has moved into procuring technologically advanced Hydrocarbon (HC) refrigerant-based freezers for its retail operations, instead of the Hydrofluorocarbons (HFC) refrigerant-based freezers. HC has zero ozone depletion potential and negligible global warming potential. These freezers have brought about a significant reduction in our carbon footprint and will result in approximately 9% savings in power consumption as well. There are currently 23,775 HC-based freezers in our fleet in India.

WATER

Reduce water use in agriculture

Global target: We will develop comprehensive plans with our suppliers and partners to reduce the water used to grow our crops in water-scarce countries.

As part of our Sustainable Agriculture programme, we are working with our suppliers and partners to reduce the water used to grow crops. We have been promoting drip irrigation to our suppliers and growers. This system can dramatically reduce water use while at the same time increase yield. The challenge is that drip irrigation system is relatively expensive and may not be found suitable in all circumstances. We will build on the success of early adapters of drip irrigation to promote the concept.

We have started an initiative to develop a sustainable tomato paste business in India. Unilever provided free drip irrigation systems for one acre of land to 25 farmers who work with our suppliers in 2010. These drip irrigation systems have been commissioned at the respective farmer's plots.

About 800 smallholder farmers in India are involved in growing gherkins for Unilever's Amora and Maille brands, and have adopted a drip irrigation system. Trials have produced an average water saving of 40%. Unilever now aims to help up to 1,000 gherkin farmers transition to drip irrigation by 2015, as well as extend the system to growers of vegetables and spices.

Alongside drip irrigation, Unilever also focuses on helping Indian farmers use composting to cut water use. Applying farmyard manure to soil improves its ability to retain water, as does soil mulching.



Reduce water use in the laundry process

Global target: We will reduce the water required in the laundry process by making easier rinsing products more widely available. We will provide 50 million households in water-scarce countries with products that deliver excellent cleaning but use less water by 2020.

In India, a large number of consumers wash clothes by hand. Studies show that rinsing clothes accounts for the bulk of water consumption in the laundry process. On an average, three to four buckets of water are used for rinsing. We are trying to find solutions which can help consumers use less water for rinsing, while giving them the same effective cleaning performance.

Reduce water use in manufacturing

Global target: By 2020, water abstraction by our global factory network will be at or below 2008 levels, despite significantly higher volumes. All newly built factories will aim to abstract less than half the water of those in our 2008 baseline.

We have reduced water usage in our manufacturing operations by 10.1% when compared with 2010 and by 21.5% compared to our 2008 baseline. Rainwater harvesting has been implemented in more than 50% of our own units. Five Hindustan Unilever sites have the potential of returning more water to the ground than is being consumed by them. More than 75% of our manufacturing sites are zero-discharge sites.

Partnerships

HUL and Hindustan Unilever Vitality Foundation are engaged in community projects to conserve water. Rainwater harvesting and soil conservation projects are currently being implemented in Maharashtra, Tamil Nadu, Karnataka, Gujarat, and Madhya Pradesh in India. By 2015, we expect

- Hundred billion litres of water to be harvested
- One million people to benefit
- In most projects, 50% rise in crop production is expected
- Covering 180+ villages in 17 districts
- Partnership with seven NGOs as well as with NABARD and state government.

We are working with various NGOs like BAIF, DHAN foundation, MYRADA, LEAD, SPESD, and DSC to implement these projects.

For more details, please read our report titled 'Story of water'.



REDUCING ENVIRONMENTAL IMPACT

WASTE

Reduce packaging

Global target: By 2020, we will reduce the weight of packaging that we use by a third through lightweighting materials, optimising structural and material design, developing concentrated versions of our products, and eliminating unnecessary packaging.

We delivered a significant reduction in overall plastic and paperboard consumption in India. In 2011, more than 30 projects were implemented across categories, resulting in potential annualised reduction of more than 2,000 tonnes of plastic, and over 1,750 tonnes of paper board and corrugated boxes.

Recycle packaging

Global target: Working in partnership with industry, governments and NGOs we aim to increase recycling and recovery rates on average by 5% by 2015 and by 15% by 2020 in our top 14 countries. We will make it easier for consumers to recycle our packaging by using materials that best fit recycling facilities available in the country. By 2020 we also will increase the recycled material content in our packaging to maximum possible levels. This will act as a catalyst to increase recycling rates.

We have initiated a number of projects globally from which the most successful will be rolled out elsewhere. Some of our projects incentivise consumers to start recycling. Others explore systemic solutions through improving local waste infrastructure, working with local government and waste services providers.

In India, HUL and Bharti Retail implemented a joint programme, 'Go Recycle' to promote the segregation of post-consumer use packaging waste, by the consumers themselves. The programme was run in all 31 'easyday market' and 'easyday stores' in the National Capital Region of Delhi for three months in 2011. The objective of the programme was to inform and educate consumers about practising waste segregation. As part of the programme, consumers were encouraged to bring empty plastic bottles and pouches of any brand from select FMCG categories. In return, the consumers were given discounts coupons for redemption. In 2012, we have plans to scale up this initiative.

HUL is also supporting a pilot source segregation model in Bangalore. The model is developed by one of our employees for her apartment building that comprises 504 households. The model involves segregation of dry waste into multiple value streams which go through recycle and recovery routes thereby making it self-sustainable. Depending upon the success of the pilot, a decision on scaling it up will be taken.

Reduce waste in manufacturing

Global target: By 2020 total waste sent for disposal will be at or below 2008 levels despite significantly higher volumes. All newly built factories will aim to generate less than half the waste of those in our 2008 baseline.



More than 95% of our total waste is recycled in environmentally-friendly ways and 100% of non-hazardous waste generated in our operations is recycled in environment-friendly ways. Total waste reduction in 2011 over 2010 was 52.2% and the reduction in 2011 against the 2008 baseline was 52.8%.

Sachet waste

Global target: Our goal is to develop and implement a sustainable business model for handling our sachet waste streams by 2015.

Sachets and pouches are an efficient use of packaging, creating less waste by weight per millilitre of product sold than bottles. Sachets play an important role in making everyday products affordable and accessible to low income consumers.

However, it has been challenging to find an economically viable way of collecting and recycling sachet waste due to its low weight. If we can help create a value for this waste, there is an incentive for people to collect it. Unilever is therefore working to create a scale-able model which will significantly increase the recovery rate of flexible laminates in general.

The technology options being worked on include Pyrolysis, Cement Co-processing and Mechanical recycling. Pyrolysis offers a closed loop system which involves catalytic de-polymerization of plastics into fuel. The fuel can be used in Unilever's factories as furnace oil or can be used for similar industrial applications. Partnering with a company in Chennai we have demonstrated 'technical proof of principle' of turning sachets, pouches, and other flexible plastic waste into fuel oil at a viable cost. Our factory in Puducherry has successfully used the fuel to power its boiler. We are progressing on long-term techno-commercial feasibility with a polymer oil manufacturer to take this forward.

Future partnership aims

The task also is to find a way to incentivise collection of plastic waste on a large scale. This will require us to work in partnership with other users of flexible plastic waste as well as municipal authorities and NGOs.

SUSTAINABLE SOURCING

By 2020, we will source 100% of our agricultural raw materials sustainably — 10% by 2010; 30% by 2012; 50% by 2015; 100% by 2020.

Sustainable palm oil

Global target: We will purchase all palm oil from certified sustainable sources by 2015.

In 2011, 64% of palm oil purchases by Unilever globally were from sustainable sources compared to 37% in 2010. Most of it was bought in the form of GreenPalm certificates. GreenPalm certificates support the production of palm oil certified to the standards of the Roundtable on Sustainable Palm Oil.

Sustainable tea

Global target: By 2015 we aim to have the tea in all Lipton tea bags sourced from Rainforest Alliance Certified™ estates. By 2020 100% of Unilever's tea, including loose tea, will be sustainably sourced.

We are working closely with key tea producers and the Rainforest Alliance™, an international certification body, in this area of sustainable agriculture.

A total of 69 tea estates in Assam, West Bengal and Tamil Nadu have been certified 'Sustainable Estates' by the Rainforest Alliance™ till the end of 2011. In 2011, more than 16% of the tea sourced from India for Unilever's brands was from sustainable sources.



Sustainable fruits and vegetables

Global target: We will purchase 100% of our fruit from sustainable sources by 2015. We will purchase 50% of our top 13 vegetables and herbs from sustainable sources by 2012 and 100% by 2015. This accounts for over 80% of our global vegetable and herb volume.

Unilever sourced 40,000 metric tonnes of tomato from India in 2011. It is the largest item in our fruits and vegetables basket. We are working with a select panel of tomato growers. We have helped them adopt a wide range of sustainable agriculture practices. The programme focused on improving soil fertility, water management, and pest control. By experience we have shown that the use of drip irrigation can not only reduce water consumption and improve yields, but also reduce fertiliser and pesticide use.

In 2011, 60% of tomatoes used in Kissan Ketchup in India were from sustainable sources.

We also sourced 14,000 metric tonnes of fruits including banana, papaya, pineapple, mango, grapes, apple, pear, orange, and lemon. We have initiated work to encourage the adoption of sustainable farming practices by our suppliers of bananas and pears, as well as onions and garlic.



ENHANCING LIVELIHOODS

From sourcing to distribution – we work with millions of small-scale businesses. The majority are smallholder farmers and small-scale distributors who sell our products. We have been piloting a number of initiatives focused on improving the quality of their livelihoods.

BETTER LIVELIHOODS

Helping smallholder farmers

We continue to work with small and marginal farm holders across India to implement sustainable agricultural methods and improve their crop yields and business profits.

Unilever continues to source gherkins from India which go into Unilever’s Amora and Maille brands. In 2011, we helped more than 800 farmers who grow gherkins, to adopt drip irrigation which can reduce water use significantly and increase yields and profits.

Micro-entrepreneurs: Shakti

Global target: We will increase the number of Shakti entrepreneurs that we recruit, train, and employ from 45,000 in 2010, to 75,000 in 2015.

Project Shakti is a rural distribution initiative that targets small villages. The project benefits HUL by enhancing its direct rural reach and also creates livelihood opportunities for underprivileged rural people. Project Shakti has 45,000 Shakti entrepreneurs in 15 states across India.

The project has been strengthened in 2010-11 with the Shaktimaan initiative under which men of the Shakti families are given bicycles to cover surrounding villages to increase HUL’s distribution and sales as well as enhance the income of Shakti families. There are now 30,000 Shaktimaans across India.

Shakti Amma will continue to drive home-to-home sales in the host village and Shaktimaan will cover small retail outlets in surrounding satellite villages.

HUL is also partnering with a leading public sector bank in India for enabling banking services to rural consumers and low-income people in Shakti villages. A pilot was run in Maharashtra and Karnataka in 2011 with 12 Shakti entrepreneurs helping local villagers open more than 1,000 bank accounts. The scale up model of this initiative will be finalised by July 2012.

HUL also entered into a partnership on telecom distribution with a leading telecom company to sell its products and services across rural India. This initiative will help Shakti entrepreneurs increase their income by selling telecom products and services to retailers, as well as directly to consumers. The project has been rolled out in the states of Gujarat, Uttar Pradesh (west), Karnataka, and West Bengal after a successful pilot in 2011; the rest of the rollout will be completed by August 2012.

Kwality Wall’s

Our Kwality Wall’s mobile vending operations provide entrepreneurship opportunities to over 6,500 migrant labourers across India.

Uniforms, first aid kits, behavioural and basic sales training, and financial support are provided through our channel partners along with initial stock on credit and a vending cart with freezers.

In most cases, each vendor can make INR 3,000-4,500 a month. This channel generates over INR 16 crore in commissions for our vendors. Some of our vendors have now become distributors themselves, managing INR 2-10 crore in the ice-cream business and earning upwards of INR 1,00,000 per month.



PEOPLE

We will enable our people to make sustainable choices at home and at work.

Reduce workplace injuries and accidents

Global target: We aim for zero workplace injuries. By 2020 we will reduce the Total Recordable Frequency Rate (TRFR) for accidents in our factories and offices by 50% versus 2008.

In India, we achieved 46.4% reduction in TRFR at the end of 2011 compared to 2008. Our robust safety management practices have resulted in zero fatalities across our manufacturing operations since the last four years.

We have embedded behaviour-based safety systems since 2004. To increase the depth of behavioural interventions, a Behavioural Based Safety (BBS) model has been re-launched in 2012.

Improve employee health and nutrition

Global target: Extend the Lamplighter programme to additional 30 countries between 2012 and 2015. Our longer-term goal is to extend it to all the countries where we operate.

Our medical and occupational health strategy addresses the top three health risks we have identified — mental health; lifestyle factors; and ergonomic factors. Lamplighter is key to addressing these risks.

In India we have developed, over the last seven years, a comprehensive programme which systematically measures and mitigates all the above risk factors. The mental health programmes include online assessment of stress related morbidity factors, which employees can access and get online feedback about their own status. In the lifestyle management programme, employees are assigned colour codes (green, amber, and red) based on their state of health. Employees identified in the amber and red state are provided specialist support and treatment as necessary. The number of employees in 'red' have steadily declined over the years. The reduction in 'reds' in 2011 was 24% over 2008, and 13% over 2010.

Reduce employee travel

Global target: We are investing in advanced video conferencing facilities to make communication easier while reducing travel for our employees. By 2011 this network will cover more than 30 countries.

In India, we have video conferencing facilities in 10 offices. We also have advanced telepresence facilities in our Mumbai campus and Bangalore research centre. In 2011, 2,069 meetings were held utilising telepresence facility in our India office, avoiding many business trips to and from India.

Reduce energy consumption in our offices

Global target: By 2020 we will halve the energy (kWh) purchased per occupant for the offices in our top 21 countries versus 2010.

HUL Campus in Andheri, Mumbai is a LEED (Leadership in Energy & Environmental Design) certified building. It has been awarded the 'Gold' rating in the New Construction category. Our campus had also been awarded 'GRIHA' Green Building status by the Ministry of New and Renewable Energy, Government of India, in 2011.



Reduce office waste

Global target: In our top 21 countries, at least 90% of our office waste will be reused, recycled or recovered by 2015 and we will send zero waste to landfill by 2017. By 2015 we will reduce paper consumption by 30% per head in our top 21 countries. We will eliminate paper in our invoicing, goods receipt, purchase order processes, financial reporting and employee expense processing by 2015, where legally allowable and technically possible.

We continue to cut paper use by encouraging employees to print less and reducing the number of printers. At the HUL campus, all our printers have been switched to double-sided printing, where possible, by default.

Our campus houses an organic waste converter. This generates around 400 kg of manure per week by converting kitchen and garden waste. A pilot project to grow organic vegetables using the Square Feet Gardening Technique will be cascaded across HUL offices to reduce the burden on the city municipalities and in the process, reduce our carbon footprint.

In India, we launched the 'ECO Invoice' project in 2011. We have simplified the format by eliminating extra elements, optimised printing space by increasing it up to 29 lines per page, from eight lines previously. This project will lead to significant reduction in our current consumption of paper for invoices. We went live for all primary invoices from depots to general trade customers in 2011. This initiative is significant as it will simplify the invoicing process, generate cost savings for the business, and also reduce our environmental impact.



AWARDS AND HONOURS 2011

In 2011, HUL received more than 70 awards and honours. Here's a list of some of them:

- HUL received the prestigious 'Golden Peacock Global Award' for Corporate Social Responsibility
- HUL received the 'Golden Peacock Environment Management Award' in the FMCG sector
- HUL received the 'Outstanding CSR Award' in the FMCG category at the India Shining Star Awards organised by Wockhardt Foundation
- HUL conferred the 'Best Sustainability & CSR Practices Award' by the Asian Centre for Corporate Governance & Sustainability
- HUL received the 'Rolta Corporate Award' for the top Indian Company in the FMCG sector at the awards ceremony organised by Dun & Bradstreet
- HUL has been awarded the National Award for Excellence in Corporate Governance by the ICSI
- HUL was recognised as one of the 'Top Five Indian Companies in Corporate Governance' by IR Global Rankings
- HUL has earned the award for the Best FMCG Company of the Year by CNBC Awaaz Storyboard Consumer Awards
- HUL has been ranked No.2 in the Fortune India's Most Admired Companies list (announced in 2012)
- HUL has been ranked sixth in the list of 'The World's Most Innovative Companies' published by Forbes magazine
- HUL emerged as the 'Dream Employer' in the annual B-School Survey conducted by A.C. Nielsen.
- HUL has been recognised as the Best Employer Brand in Asia at the Asia's Best Employer Brand Awards
- HUL awarded CII-Prize for Leadership in HR Excellence

- HUL has been awarded the 'No. 1 Best Employer for 2011 in India' by Outlook Business and Aon Hewitt
- HUL ranked sixth in the list of 'Global Top Companies for Leaders 2011 Study Results' by Aon Hewitt, The RBL Group, and Fortune
- The Pureit in-home water purifier received the 'UNESCO Water Digest Award' in the 'Best Domestic Non-Electric Water Purifier', and the 'Best Water R&D and Technological Breakthrough' categories
- Pureit Compact was voted 'Product of the Year 2011' in the 'Water Purifier' category at the globally-acclaimed consumers' recognition forum. Pureit Compact received the votes of 30,000 consumers from 36 markets across the country, in an online study conducted by A.C. Nielsen
- Six HUL brands have been ranked among the Top 15 brands in Brand Equity's 'India's Most Trusted Brands Survey' conducted by A.C. Nielsen
- HUL's Khamgaon factory received the 'Greentech Environment Excellence Award' in the FMCG category
- HUL's Khamgaon factory received the Gold Award in FMCG Sector for Outstanding Achievement in Safety Management





Hindustan Unilever Limited

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Hindustan Unilever Limited
Unilever House
B.D. Sawant Marg
Chakala, Andheri (E)
Mumbai 400099

T +91 (22) 3983 0000

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