



LYNX



Rexona

Impulse

Continental



TIGI

Dove

SUNSILK



Unilever

Unilever Australasia Ltd.

Year 4

Action Plan Report

For

National Packaging Covenant

MK2

2009



LUX



Corporate Purpose

Unilever's mission is to add Vitality to life and to do this in a sustainable way. Our Vitality mission sets out our goal to meet the everyday needs of people all around the world for nutrition, hygiene and personal care. Unilever is one of the largest household product marketers in the world. Every day 150 million people in over 150 countries choose our products.

We recognize that the world in which we operate is changing. Consumers are increasingly bringing their views as citizens into their buying decisions, demanding more from the companies behind the brands. They want companies and brands they trust. The Unilever approach is multifaceted, incorporating considerations of design, manufacture, education and recovery in all products and operations.

Our success is dependant upon meeting the needs of consumers and customers in an environmentally sound and sustainable manner, through continuous improvements in environmental performance in all our activities. A key deliverable at Unilever is the development of a coherent strategic framework for the sustainability of packaging, to meet the growing demands from consumers, customers, NGOs and governments. The corporate responsibility strategy seeks to address Unilever's most significant sustainability impacts – greenhouse gases, water, packaging and agriculture.

Packaging is a strategic capability in the R&D function and, an integral component of the category/brand development process. Our packaging innovation, design, structural and material strategies, link directly to business, brand, supply chain, supply management and sustainability strategies.

Important objectives of Packaging include:

- protecting the integrity of the product;
- ensuring health and safety of consumers;
- advertising the contents and product benefits;
- transporting safely and cost effectively; and
- providing product and recycling information.

We are continually looking to improve the sustainability of the paper we source, as it is a significant part of our packaging mix. Sourcing from certified forests or using recycled content paper or board can be difficult but Unilever Supply Management is working with suppliers and NGOs to develop sustainable paper sources.

Globally Unilever have been reducing the amount of packaging in our products through innovative design, supported by leading-edge technology.

In the Annexure to this report we provide further evidence of Unilever's Global initiatives regarding packaging i.e. "*Sustainable Packaging*" document and the Policy on PVC, PVdC and PPC.

The National Packaging Covenant is a further commitment to transparency and accountability, as we recognize our role in the responsible sourcing, use and disposal of the packaging we utilize.

Company Details

Company Name: - Unilever Australia Ltd.
Established operations in Australia in the 1890's

Total Revenue (F.Y. 2007): - A\$996.2 Million

Number of Employees circa: - 1,597

Head Office: - 20 Cambridge Street, Epping NSW 2110

Division: - Foods

Manufacturing Sites:

Producing fast moving consumer goods (FMCG) for the Australian, NZ & Asia-Pacific markets.

Minto - Ice Cream 401 Pembroke Street, Minto NSW 2566.

Tatura - Wet Savoury Food Park Street, Tatura VIC 3170

Division: - Home and Personal Care

Manufacturing Sites:

Producing fast moving consumer goods (FMCG) for the Australian, NZ & Asia-Pacific markets.

North Rocks - Personal Care & Laundry 219 North Rocks Road North Rocks NSW 2151.

Petone NZ - Personal Care & Laundry 486 Jackson Street Petone New Zealand.

Key Brands present in the Australian market: -

Ice cream: Streets / Magnum / Calippo / Paddle Pop / Blue Ribbon / Cornetto

Food: Continental / Flora / Bertolli / Raguletto

Drink: Lipton / Lipton Ice / Bushells

Home care: Omo / Surf / Domestos / Jif

Personal care: Lynx / Rexona / Impulse / Sunsilk / Dove / Lux / TIGI

Executive Summary

The company has focussed its efforts since 2006 on change management and now progresses its strategic growth agenda inclusive of Environmental Care and Sustainability goals.

Totally sustainable packaging is very difficult to achieve. Each type of packaging material has a different footprint; some with more environmental impacts in sourcing, some in disposal, some with a greater impact on resource use, others in energy or water use. Often the best solutions are not the obvious ones.

A Responsible Packaging Steering Team based within the Global Unilever Packaging Group produced in 2009 a comprehensive brochure on Sustainable Packaging (refer Annexure). This contains a clear statement on Unilever's position on product lifecycle sustainability.

To further support our local goals of corporate environmental care, the UANZ Executive Team has again reviewed and revised our Environmental Policy, which has subsequently been endorsed by our CEO, Sebastian Lazell (refer Annexure).

From the appointment of a Environmental Packaging Officer over 2007/2008, a legacy of practical systems, labelling guidelines, research, advice and general environmental and sustainability awareness has continued to be pro-actively used by the present Packaging Development team and as such it underpins Unilever's continuous commitment in environmental packaging stewardship and to the NPC. Key results in this report to be noted are:

- KPI 1: Whilst the total tonnes of product packaging sold into the market increased by 0.4% from the previous year, the product to packaging ratio was held stable at 4.3 :1
- KPI 4: The move to shelf ready packaging and case count reduction for the Side Dish range have resulted in the additional use of 69T/ann of packaging materials
- KPI 22: Packaging Environmental Assessments have been conducted for 20 product-related projects over the review period and as part of our Innovation Programme Management tool, these assessments have allowed the Executive Management Team to make informed decisions
- KPI 26: Whilst cardboard purchases for packaging only increased 3.9%, by further specifying recycled board where ever functional, the use of recycled content has increased by 25%

We believe we have been successful in implementing our 2008 to 2010 NPC2 action plan to date and to have demonstrated continued compliance with the ECoPP as part of our Innovation Programme Management process (IPM).

Action Plan Progress – Overview

A signatory to the inaugural National Packaging Covenant, Unilever again committed to the process by signing on to MK2, with our current Action Plan set for the period 2009 to 2010.

Since January 2006 monitoring and delivery of the Action Plan has been the responsibility of the Packaging Development Department within the R&D structure, a team of packaging technologists each with specific product category responsibilities.

The core responsibilities of the team as embedded into their roles are:

- to manage and coordinate the commitments and undertakings given by Unilever as a signatory to both the National Packaging Covenant and the New Zealand Packaging Accord;
- to manage cross category operational packaging projects related to the company environmental commitments, e.g. component weight reduction, material changes, labelling;
- to ensure innovation processes and company policies related to the Environment are consistently understood and applied by the Packaging community; and
- to deliver whole of company awareness of Packaging in the Environment, Environmentally Sustainable Business Practices and the implications to the broader business audience on these matters.

This document is our fourth Action Plan report for NPC2. Actions identified as completed in the previous reports are not repeated again in this one to avoid confusion and demonstrate progress.

We are pleased with the significant commitment of our staff and our general progress. There under are highlights of this year's report:

- KPI 1: Whilst the total tonnes of product packaging sold into the market increased by 0.4% from the previous year, the product to packaging ratio was held stable at 4.3 :1
- KPI 3: Changes in pack format for Sunsilk Conditioners have resulted in packaging materials savings of 2.7T/ann
- KPI 4: The move to shelf ready packaging and case count reduction for the Side Dish range have resulted in the additional use of 69T/ann of packaging materials
- KPI 21: On-site recycling has improved from 33.42% to 35.48%
- KPI 22: Packaging Environmental Assessments have been conducted for 20 product-related projects over the review period and as part of our Innovation Programme Management tool, these assessments have allowed the Executive Management Team to make informed decisions
- KPI 26: Whilst cardboard purchases for packaging only increased 3.9%, by further specifying recycled board where ever functional, the use of recycled content has increased by 25%

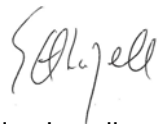
In April 2009, Unilever formally acquired TIGI Cosmetics globally. Whilst TIGI were a Covenant signatory and had lodged Action Plans, the change in ownership has resulted in a loss of management continuity that has made performance reporting by Unilever on TIGI's plans impossible. TIGI will be accepted with our other brands into our Action Plan and will be educated and advised of our practices to be able to align with our standards.

Report Endorsement

The content of this report related to the objectives of the National Packaging Covenant has been fully accepted on behalf of;

Unilever Australia Ltd. of 20-22 Cambridge Street, Epping N.S.W. 2121

Signed by:

Signature: 

Name: Sebastian Lazell

Position: Chairman Unilever Australia

Date: 31st. October, 2009.

Company Contact

For details relating to this Action Plan, the Unilever Australasia Contact Officer is:-

Helene Francois
Packaging Development Manager
20 Cambridge Street Epping NSW 2121.
Phone No: (02) 9869 6204
Email address: Helene.Francois@unilever.com

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 1 – Total weight of consumer packaging (domestic & imported) sold per annum into the Australian market and the total weight of products packaged.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress																																																
Design	Using process developed in last action plan, source sales and packaging specification data from management information systems and applying one to the other aggregating outcomes and formulating a report for data entry into IDAS and action plan reporting.	Packaging Development Manager	Annually (31 Oct.)	<p>A. Report tonnes of packaging by material type by source (local or imported).</p> <p>B. Report tonnes of packaged product sold.</p> <p>C. Report ratio of product to packaging (by weight).</p>	<p>A. Packaging Material Tonnes as reported in IDAS</p> <table border="1"> <thead> <tr> <th>Material</th> <th>Local (T)</th> <th>Imported (T)</th> </tr> </thead> <tbody> <tr> <td>Paper</td> <td>367</td> <td>24</td> </tr> <tr> <td>Cardboard</td> <td>6,084</td> <td>3,097</td> </tr> <tr> <td>PET</td> <td>912</td> <td>1</td> </tr> <tr> <td>HDPE</td> <td>459</td> <td>124</td> </tr> <tr> <td>PVC</td> <td>49</td> <td>0</td> </tr> <tr> <td>LDPE</td> <td>480</td> <td>143</td> </tr> <tr> <td>PP</td> <td>1,389</td> <td>160</td> </tr> <tr> <td>PS</td> <td>19</td> <td>9</td> </tr> <tr> <td>Other plastic</td> <td>204</td> <td>75</td> </tr> <tr> <td>Glass</td> <td>12,716</td> <td>4,703</td> </tr> <tr> <td>Aluminium</td> <td>124</td> <td>24</td> </tr> <tr> <td>Steel</td> <td>34</td> <td>0</td> </tr> <tr> <td>Composites</td> <td>479</td> <td>177</td> </tr> <tr> <td>Other e.g. wood</td> <td>1,111</td> <td>24</td> </tr> <tr> <td>Total</td> <td>24,427</td> <td>8,559</td> </tr> </tbody> </table> <p>B. Packaged Product Sold = 140,450Tonnes.</p> <p>C. Product to Packaging ratio = 4.3 : 1</p>	Material	Local (T)	Imported (T)	Paper	367	24	Cardboard	6,084	3,097	PET	912	1	HDPE	459	124	PVC	49	0	LDPE	480	143	PP	1,389	160	PS	19	9	Other plastic	204	75	Glass	12,716	4,703	Aluminium	124	24	Steel	34	0	Composites	479	177	Other e.g. wood	1,111	24	Total	24,427	8,559
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Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 3 – Improvements in design, manufacture, marketing and distribution to minimize the environmental impacts of packaging.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
Design, Market Development & Disposal	Address KPI 3 via the packaging design and selection considerations below.	Packaging Development Manager	Annually.	<p>A. Report examples of improvements made to packaging and their effect on minimizing the environmental impacts of the packaging.</p> <p>B. Quantitative details of substantial improvements should be provided where available e.g. tonnes of packaging avoided, increased recyclability, etc.</p>	<p>Impacts of changes to the listed products are detailed in the Packaging Design and Selection strategies following:</p> <ul style="list-style-type: none"> Sunsilk Conditioner 200ml; Sunsilk Conditioner 400ml; Sunsilk Strong Hold Gel 150gm; Gift Sets – Home & Personal Care range; Magnum Ice Cream. <i>B – Refer progress below.</i>
Design	<p>Source Reduction: As new product packaging is developed or existing product packaging reviewed, light weight where practical any individual packaging components across all tiers of packaging.</p>	Packaging Technologists	Ongoing	<p>By product: -</p> <ul style="list-style-type: none"> Brief description of change; % reduction in packaging weight achieved; Reduction of packaging to market in tonnes by material type; % reduction of Transport Capacity required. 	<p>Sunsilk Conditioner 200ml. Changed from tube tottle to bottle tottle – Primary pack material changed from MDPE to HDPE also to smaller cap. Carton inner tray removed and board grade reduced.</p> <ul style="list-style-type: none"> Primary Pack – packaging to product ratio reduced 3.17%, i.e. -534kg/ann of PP to market. DU Carton - packaging to product ratio reduced 34.68%, i.e. -955kg/ann of cardboard and -498kg/ann of PS to market. Total DU - packaging to product ratio reduced 14.79%. <p>Sunsilk Conditioner 400ml. Changed from tube tottle to bottle tottle – Primary pack material changed from MDPE to HDPE also to smaller cap. Carton inner tray removed, board grade reduced and increased units/carton from 16 to 24.</p>

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 3 – Improvements in design, manufacture, marketing and distribution to minimize the environmental impacts of packaging.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
					<ul style="list-style-type: none"> • Primary Pack – packaging to product ratio reduced 1.5%, i.e. -117kg/ann of PP to market. • DU Carton - packaging to product ratio reduced 56%, i.e. -456kg/ann of PS and -217kg/ann of cardboard to market • Total DU - packaging to product ratio reduced 23.02%. <p>Sunsilk Strong Hold Gel 150gm. Changed from 150gm tube to 240gm jar. This change enabled move from Polystyrene tray to cardboard and a lower grade board for the carton.</p> <ul style="list-style-type: none"> • Increased product volume and light board reduced the Total DU packaging to product ratio by 9.71%.
Design	<p>Recovery & Recycling:</p> <p>A. As existing product packaging is reviewed: -</p> <ul style="list-style-type: none"> - where practical modify pack design to improve recovery; or - replace non-recyclable materials with recyclables. <p>B. As new product packaging is developed use recyclable materials in design.</p>	Packaging Technologists	Ongoing	By product: - <ul style="list-style-type: none"> - Brief description of change; - % of packaging recyclable or increase to same. 	<p>Gift Sets – Home & Personal Care range. Changed from non-recycled PVC trays to recyclable PET trays. Due to various product mixes it is too difficult to determine the increase in the % of packaging recyclable.</p> <p>Sunsilk Strong Hold Gel 150gm. Changed from 150gm tube to 240gm jar. This changed enable move from Polystyrene tray to cardboard and a lower grade board for the carton.</p> <ul style="list-style-type: none"> • % of total packaging recyclable for the DU increased by 12%.
Design & Market Development	<p>Recycled Content Material Incorporated: Incorporate recycled content packaging materials into product packaging where available and practical.</p>	Packaging Technologists	Ongoing	By product: - <ul style="list-style-type: none"> - Brief description of component containing recycled content; - % of recycled content in packaging or increase to same. 	Changes to product packaging were to products where recycled content material was already the standard.

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 3 – Improvements in design, manufacture, marketing and distribution to minimize the environmental impacts of packaging.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
Design & Market Development	Minimizing impacts of packaging: Where practical and available use packaging materials from certified sustainable sources.	Packaging Technologists	Ongoing	By product: - - Brief description of packaging component containing material from a certified sustainable source; and name of certification and body.	Changes to product packaging were to products where FSC board was already the standard. NB. Together with the Rainforest Alliance, Unilever is developing a global strategy to ensure that all our paper comes from sustainable sources. (<i>Refer Annexure – Sustainable Packaging</i>)
Design & Disposal	Propensity to become litter: Where technically practicable reduce the volume or weight of retail packaging materials or components for products often consumed in public domains.	Packaging Technologists	Ongoing	By product: - - Brief description of change; - % of packaging volume or weight reduction achieved for the retail unit.	No relevant product packaging changes to report because products addressed are not those that will enter the litter stream.
Design, Disposal, Education & Labelling	Consumer Information: Referencing the User Manual for Litter and Recycling Graphics developed in the last action plan; continue to modify existing packaging arts and ensure new product packaging arts include the standard symbols adopted.	Packaging Technologists	Ongoing	Packaging arts developed to include the standard symbols adopted by Unilever: - <ul style="list-style-type: none"> o Litter – number arts developed in the reporting year; o Recycling - number arts developed in the reporting year. 	Sunsilk Conditioners 200 & 400ml. DU Cartons – recycling graphics applied. Gift Sets – Home & Personal Care range. Recycling graphics added to cardboard sleeves and cartons. Additionally, as part of our review of packaging artworks we have incorporated recycling graphics to 50 product lines.

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 4 – Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount & type of packaging used.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
Design	Identify packaging design innovations implemented that improve product protection, safety, hygiene, shelf-life or supply chain outcomes, which affect the amount & type of packaging used.	Packaging Development Manager	Annually (31 July)	Report changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount & type of packaging used with examples, and their associated impact on the amounts and types of packaging used.	No relevant product packaging changes to report.
Design	Quantify the impacts of changes resulting from innovations identified by the action above.	Packaging Technologists	Ongoing	Quantitative details of changes should be provided of substantial changes where possible e.g. additional or reduced tonnes of packaging required, changes to materials used, etc.	Refer comment above.
Design	Introductions of “Shelf Ready” Packaging across Unilever product range in response to and as required by the Retail Trade.	Packaging Technologists	Changing to SRP is continuously monitored to facilitate discussions with Retailers. Report Annually	Report impact on completed projects: <ul style="list-style-type: none"> - Brief description of change; and - Quantification of impact. 	<p>SRP for Recipe Base Sachets:</p> <p>To improve the quality of artwork appearance on the SRP required a change in cardboard, which would have resulted in an increase in packaging to product ratio of 16.4%. A second option, requested by the retailer, considered was to also reduce the number of sachets per SRP from 15 to 12 but this would have meant an increase of 20% to the packaging to product ratio. Both options were rejected.</p> <p>SRP for Side Dish:</p> <p>To move the product to an SRP and reduce the case count per DU by 2 units as requested by the retailer, resulted in an increase of the packaging to product ratios of Pasta by 34.5% and Rice by 28.5%. This will increase the total of packaging in the market</p>

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 4 – Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount & type of packaging used.

					by 69T/Ann. To be able to sell this product range to the local market we had to comply with the retailer's request regardless of our findings.
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KPI 6 – Total weight, by type, of “non-recyclable” consumer packaging sold per annum into the Australian market.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress																
Design	Using the process developed in last action plan, source sales and packaging data from Unilever information systems and applying one to the other aggregating outcomes, formulate a report for data entry into IDAS and action plan report.	Packaging Development Manager	Annually (31 Oct.)	<p>A. Report tonnage of “non-recyclable” packaging sold by material type and total.</p> <p>B. Report total “non-recyclable” packaging as a % of total packaging sold.</p>	<p>A. “Non-recyclable” Packaging sold by Material Type.</p> <table border="1"> <thead> <tr> <th>Material</th> <th>Tonnes</th> </tr> </thead> <tbody> <tr> <td>LDPE</td> <td>623</td> </tr> <tr> <td>PP</td> <td>1549</td> </tr> <tr> <td>PS</td> <td>28</td> </tr> <tr> <td>Other Plastic</td> <td>279</td> </tr> <tr> <td>Paper/Cardboard</td> <td>0</td> </tr> <tr> <td>Composites</td> <td>656</td> </tr> <tr> <td>Total</td> <td>3135</td> </tr> </tbody> </table> <p>B. “Non-recyclable” Packaging % of Total Packaging sold = 9.5%</p>	Material	Tonnes	LDPE	623	PP	1549	PS	28	Other Plastic	279	Paper/Cardboard	0	Composites	656	Total	3135
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Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 16 – Percentage of signatories providing recycling collection facilities for post-consumer packaging generated on-site.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress														
Recycling & Reprocessing	<p>A. Confirm receipt of site recycling data reports developed in the last action plan.</p> <p>B. Extract from site recycling returns information on what post-consumer packaging materials are recovered for recycling and table by site the material types recycled.</p>	Packaging Development Manager & site SHEQ officers	Annually (31 July)	<p>A. Report whether on-site recycling facilities are provided or not.</p> <p>B. If yes, provide details.</p>	<p>A. Yes at all current sites.</p> <p>B. Site recycling details.</p> <table border="1"> <thead> <tr> <th>Site</th> <th>Recycling</th> </tr> </thead> <tbody> <tr> <td>Epping NSW Office</td> <td>Paper, Cardboard, Glass, Aluminium, PET, HDPE & Steel.</td> </tr> <tr> <td>Camberwell Vic Office</td> <td>Paper & Cardboard</td> </tr> <tr> <td>Canningvale WA Office</td> <td>Paper, Cardboard & beverage containers.</td> </tr> <tr> <td>Minto NSW Factory</td> <td>Paper, Cardboard & Plastic.</td> </tr> <tr> <td>North Rocks NSW Factory</td> <td>Paper, Cardboard, shrink wrap, drums, IBC & aluminium.</td> </tr> <tr> <td>Tatura Vic Factory</td> <td>Paper, Cardboard, shrink wrap, Poly Bulk Bags & Co-mingled beverage containers.</td> </tr> </tbody> </table>	Site	Recycling	Epping NSW Office	Paper, Cardboard, Glass, Aluminium, PET, HDPE & Steel.	Camberwell Vic Office	Paper & Cardboard	Canningvale WA Office	Paper, Cardboard & beverage containers.	Minto NSW Factory	Paper, Cardboard & Plastic.	North Rocks NSW Factory	Paper, Cardboard, shrink wrap, drums, IBC & aluminium.	Tatura Vic Factory	Paper, Cardboard, shrink wrap, Poly Bulk Bags & Co-mingled beverage containers.
Site	Recycling																		
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Tatura Vic Factory	Paper, Cardboard, shrink wrap, Poly Bulk Bags & Co-mingled beverage containers.																		

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 21 – Estimated Tonnage of consumer packaging sent (a) for recycling and (b) to landfill from on-site collection facilities.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
Recycling & Reprocessing	Using system and site recycling data report templates developed in the last action plan, aggregate site returns and report recycling outcomes to measures.	Packaging Development Manager & site SHEQ officers	Annually (31 July)	A. Report on amounts of consumer packaging from on-site collection which is (i) Sent for recycling (tonnes and % of total waste); and (ii) Sent to landfill (tonnes and % of total waste).	(i) Sent for recycling: 1232.02T (35.48%) i.e. 66.86% of Total Packaging Waste. (ii) Sent to Landfill: 611.75T (16.97%) i.e. 33.14% of Total Packaging Waste.

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 22 – Number of signatories who have formerly adopted the ECoPP and developed systems for its implementation.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
Design, Production, Distribution, Disposal, Research, Market Development, Education, Labelling and Recycling & Reprocessing	<p>Implement the ECoPP in the Unilever Innovation Project Management System (IPM) by using the Packaging Environmental Assessment System (PEAS).</p> <p>PEAS – refer Complementary Action Plan Progress Details.</p>	Packaging Development Manager and Team	Ongoing	<p>A. Report whether ECoPP has been formally adopted.</p> <p>B. Report actions and commitments that demonstrate that the ECoPP has been implemented.</p> <ul style="list-style-type: none"> • Training – <ul style="list-style-type: none"> ○ Annual PEAS revision training for Packaging Technologists conducted? ○ PEAS training given during induction of new technologists? • PEAS worksheets – <ul style="list-style-type: none"> ○ Number completed and reported in IPM documentation? ○ Random quality audits completed? 	<p>A. The ECoPP has been formerly adopted and is implemented. R&D Packaging Development Technologists follow ECoPP Guidelines when designing packs. Since October 2007 they have been using a process tool, the Packaging Environmental Assessment System (PEAS), developed to imbed the ECoPP into our IPM system, which is the decision framework managing project progress. The PEAS documents ECoPP considerations in the design process and feeds outcomes into IPM reporting. The project teams and Executive Management reference PEAS outcomes when reviewing project progress and determining actions and continuity. NB. 20 PEAS have been completed during 2008/09.</p> <p>B. Actions and commitments demonstrating ECoPP implementation.</p> <ul style="list-style-type: none"> • Training – <ul style="list-style-type: none"> ○ Annual revision training for the Packaging Team was conducted. ○ PEAS training is a formal part of the induction program for new packaging technologists and 3 were trained this year. • PEAS worksheets – <ul style="list-style-type: none"> ○ 20 were completed and reported in IPM this year. ○ Random audits – the Packaging Development Manager conducted audits of all the PEAS worksheets that had resulted in key concerns and risks.

Action Plan Report 2009 - Plan Goals and Achievement Summary

KPI 28 – Annual Reporting against Action Plan.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
Education	<p>Draft and finalise Annual Report on Action Plan progress; obtain endorsement of CEO; lodge report with NPC Secretariat.</p> <p>Also circulate copies to Packaging and Executive Management Teams, post on UA web site and place article & link in staff newsletter.</p>	Packaging Development Manager	Annually (31 Oct.)	A. Report to be lodged by 31 October each year commencing 2006 and outlining progress against baseline data, individual Action Plan commitments, targets and timelines.	<p>Annual Report completed 31 October 2009;</p> <p>Once confirmed as compliant by the NPC Secretariat the Annual Report will be circulated to the Packaging, Executive Management Team and Unilever Global Sustainability Directors; posted to our web site and link placed in the Homepage News.</p>

KPI 29 – Demonstrated improvements and achievements against individual targets & milestones.

Stwdshp. Cat.	Action	Responsibility	By When	Measure	Progress
Education	Ensure Action Plan Annual Report clearly demonstrates continuous improvement and performance to targets and timelines.	Packaging Development Manager	Annually (31 Oct.)	<p>A. Annual report to clearly demonstrate continuous improvement and performance against individual targets and timelines in Action Plan.</p> <ul style="list-style-type: none"> o Report accepted as compliant by NPC Secretariat and scores higher than 4 Stars. 	<p>Refer “Action Plan Report 2009 – Plan Goals and Achievement Summary” and “Complimentary Action Plan Progress Details” sections of this report.</p> <p>We have applied the same reporting process used in past years, which has proven to be compliant with all NPC requirements. We expect that the NPC Secretariat will confirm this in the NPC Annual Report Assessment (NB. In 2008 we scored 4.6 Stars from a possible 5).</p>

Complementary Action Plan Progress Details

Design:

Implement the Environmental Code of Practice for Packaging to replace the current Environmental Impact Statement (EIS) used in the Unilever Innovation Project Management System.

The Packaging Team understands the objectives, strategy and implementation requirements of the Code and in design practice the ECoPP is followed, documented and recorded. The local application of Unilever's Global Innovation Process Management (IPM) tool incorporates Code compliance.

During 2007 a "Packaging Environmental Assessment System" (PEAS) was developed. It addresses all aspects of packaging as detailed in the Code and imbeds it into Unilever's IPM project decision framework. Implementation of PEAS is the responsibility of Packaging Technologists and it is reviewed as part of the IPM by the Unilever Executives and the Category Leadership Teams.

Since the implementation of PEAS it has been used to assess 63 packaging design projects, providing advice to project teams and the executive and raising the awareness of the environmental aspects of packaging.

To compliment PEAS and facilitate answering some of its questions a Packaging Comparison Tool (PCT) was developed and deployed. The PCT quantifies such aspects as reduction in materials use; use of recycled materials and materials with recycled content; recyclable materials use; packaging to product ratios; impact on packaging in market place; and impact on transport capacity in product distribution.

Together these tools feed valuable information and advice into the IPM thus the ECoPP is not just a process or guideline to environmental packaging design but integral to total product development and deployment.

Discuss formally with Suppliers opportunities to increase use of recycled products and materials.

The Supply Quality Management Program (SQMP) scores supplier performance based on input from all areas of company operations including R&D Packaging Development. The review period for SQMP is September 1 to August 31 each year.

Negotiations in 2007 with our Supply Chain Management team have resulted in changes to our SQMP. The changes agreed were implemented over two reviews 2007/08 and 2008/09 and came into effect for the year commencing September 1 2007 impacting scores in August 2008/09. SQMP provides feedback and opportunities for continuous improvement as part of Supplier action plans.

To further the understanding of suppliers about UA's commitment to closing the loop and supply expectations of recyclable or recycled-content products/ materials, our Supply Chain team and the Packaging Development Managers communicate these requirement preferences in business meetings and supply forums.

Introduce "Shelf Ready" Packaging across Unilever product range in response to and as required by the Retail Trade.

Shelf Ready Packaging (SRP) has been a focus since 2005, particularly for the Savoury category. Cup-a-Soup, 1L Packet Soup and Side Dish lines had moved to shelf-ready by December 2006. In 2007 SRP developments commenced for Deodorants and Hot Tea.

To better understand the impact of these changes the development and introduction of SRP required quantitative analysis. The ratio of packaging to product by weight compared for both pre and post deployment of SRP is the most obvious measure.

The Packaging Comparison Tool (PCT) developed to provide answers into specific areas of the Packaging Environmental Assessment System (PEAS) also provides a range of analytical data comparisons for the assessment of product packaging formats by technologists. The analysis accounts for the total of primary, secondary and tertiary packaging per pallet for each product. It has proven extremely useful in assessment of proposed SRP formats.

During 2008/09 only 2 product lines were assessed for moves to SRP in response to direct requests/requirements of the Retail Trade. In both cases the changes resulted in negative outcomes mainly attributable to requests for case count reductions. The cases are detailed appropriately in the proceeding progress report Plan Goals and Achievement Summary under KPI 4.

In June 2008 the UAL CEO advised that no product project should increase the packaging to product ratio. If it does it must be the least possible or an essential requirement for product innovation. Changing to SRP will continue to be monitored and we are now enhancing analyses with costs. The case studies will be used to facilitate discussions with Retailers.

This action is ongoing.

Production:

Design process of automatic data collection for year on year comparative analysis and covenant target setting.

Unilever operates a complex sourcing matrix for the products sold in the Australian market. There is local production with local and imported components as well as finished goods imports and any of those can come from Unilever manufacturing facilities or 3rd parties globally.

The exclusions are imported and 3rd party products as well as some gift sets and promotional items for which data are not held in a standard way in the systems.

Provenance of the packaging items is not systematically captured in the specification system nor is local recyclability of the materials. Type of material as per the Unilever nomenclature doesn't always match the IDAS categories making it difficult to allocate the item weight.

Development commenced in 2006 and the final program completed trials in 2007. The report produced summarises packaging materials use by material type per calendar year. The program draws data from two databases resident in different software formats.

Materials data is drawn from packaging specifications files that contain individual material type, dimensions, weight and recycled content data by product SKU over Primary, Secondary and Tertiary packaging levels.

To determine the annual amount of packaging entering the market place the materials data is match by product code to annual sales data from another software package and then presented in a spreadsheet format. Monthly reports can also be run to check for errors that may arise when specifications have not been correctly completed. This doubles as a management vet on systems procedure adherence.

Despite the resources and effort applied to this project it has proven extremely difficult to achieve what appears to be a logical extraction, collation and simple production of an aggregated data report.

This system does provide answers to the bulk of questions contained in IDAS but some questions still require answers to be established through the individual research of records and reports.

Refinement of the system is still progressing as the current report still requires clarification and supplementation by manual extraction of some data. However the

move to SAP in July 2010 will render the current IT solution inoperable and we'll be looking at another stage of development in data gathering.

Disposal:

Modify and more fully categorise the data collected from the current recycling systems of all Australian sites.

Waste data is collected for Unilever manufacturing sites on a yearly basis as part of environmental reports. A site recycling data template assists reporting and feeds directly into a spreadsheet to produce aggregated reportable data. The wastes accounted for are mainly industrial waste. Consumer/staff packaging wastes are included and records identify quantities and destination (landfill versus recycling). Most packaging waste going to landfill is contaminated with product or cafeteria waste.

One site sells approximately 5000 cartons/month to a merchant for re-use (estimated at 5 Tonnes/month) thus highlighting other options for waste minimization.

Data gathered for 2008/09, whilst variable by site, has been collated and input to IDAS.

Recycling – 1232.02 Tonnes (i.e. 66.86% of Paper & Packaging waste; & 35.48% of Total Solid Waste Generated)

Landfill – 610.78 Tonnes (i.e. 33.14% of Paper & Packaging waste; & 17.59% of Total Solid Waste Generated)

Market Development:

Develop a “Buy Recycled Policy” in consultation with Supply Management, to influence procurement procedures for packaging materials and office supplies.

A Unilever Buy Recycled Policy for ANZ was drafted in April 2008. Whilst the Buy Recycled strategy is applied locally Supply Management is now centralised in Singapore and all policy has to be ratified by them. We have communicated our needs and local commitments and a regional review is underway for Supply Management practices in Buy Recycled.

It is our practice to buy recycled printing paper and other recycled paper stationery items and additionally the Packaging Technologists specify recycled content papers and cardboards wherever suitable to pack needs.

Research:

Work with industry associations e.g., AFGC Sub-committee to address Environmental issues especially littering.

Aside from sustainability and climate change issues AFGC's Sustainable Practices Committee is also responsible for matters pertaining to the NPC & ECoPP.

UA is represented on the committee and we advocate a focus on Litter abatement, consumer advice on packaging, public education needs, the provision of infrastructure and the development of a strategy involving other industry sectors.

Monitor for ideas the latest Unilever regional and global Sustainability Achievements and future plans.

The major focus has been on the impact of Climate Change and development of Sustainable Practices. Global Brand Imprinting and Environmental Foot-printing activities are resulting in innovative environmental packaging developments, which are being deployed locally where opportunity and production equipment permit.

Additionally Unilever Global has developed metrics to measure the lifecycle environmental impacts of our products including their packaging. The four key measures are:

- Water per consumer use, in water-stressed countries;
- Waste per Brand use;
- Carbon footprint per brand use; and
- Sustainable Sourcing.

An Environmental Scorecard is being developed for all Unilever products and reduction targets are being set.

Education:

Monitor consumer complaints data to identify recycling problems and opportunities.

Customer Relations Reports reviewed weekly; no recycling problems/ opportunities arose. Our choice of packaging materials is rarely questioned by consumers.

However consumers still discuss with us their confusion over the Plastics ID Code and the recyclability of the material. This too is further complicated by residential kerbside systems where councils accept 'All Plastics'.

To assist CR Staff a reference paper addressing topics such as the NPC, Recycling, Litter, disposal advice on labels and residential recycling systems was developed to provide consistent advice to consumers.

Our CR Department frequently explains to consumers that recovery is only one step in recycling and that re-processing is the generation of re-usable materials and new goods, thus completing the recycling action. The onus is on the materials that can be re-processed in Australia and those that may possibly be shipped off-shore to re-processors.

Highlight NPC awareness within Unilever through Employee Induction Training.

Since 2007 new Packaging Development team members have received detailed education on the NPC and our commitments as signatories as part of their induction program. The ECoPP is a major focus of this education and includes training in the use of the Unilever tools developed for ECoPP compliance i.e. PEAS & PCT.

Inclusion of an NPC overview and awareness training has been included in the general staff induction process conducted bi-monthly forums. Attendance at these forums is a compulsory requirement of the induction. Links to other related information on the Unilever web site (e.g. NPC Action Plan & Annual Reports, NPC Web Site) are also provided to inductees attending the Induction Training Forum.

Improve NPC Company awareness via internal communication vehicles (e.g. Peoplelink, company magazine etc) of the NPC and the Action Plan.

Maintenance of a portfolio of information, used by technologists, on the covenant and related issues is continued by the Packaging Development Manager. The Packaging Team with their acquired knowledge and direct contact with their counterparts maintains the company focus on the NPC. They have achieved a high profile on the ECoPP through the IPM, systematic review of environmental matters pertaining to Packaging and our CEO's interest in their analyses and advice.

Awareness of the NPC and our commitments has also extended to relevant R&D and Sustainability officers within Unilever Global i.e. the Packaging Director Sustainability – Design and the Packaging Director Sustainability – Materials.

Educate, via SQMP, Packaging Material and 3rd Party Manufacturing Suppliers as to Unilever Environmental and Covenant Compliance objectives.

Currently 78% of Unilever local trade base (i.e. suppliers, co-packers & customers) are signatories to the Packaging Covenant.

SQMP Score Sheet amendments developed and agreed in 2007 were implemented in 2007/08. Major suppliers scored satisfactorily in this area but some smaller operators have needed to make more effort.

Of Unilever's current packaging product suppliers, 35% are NPC signatories of which 70% maintain Preferred/Acceptable Supplier Status.

Note that supplier inclusion in the SQMP system is dependant upon their trade with Unilever exceeding \$0.5M / annum. Those suppliers who have lesser trading rates with Unilever have an annual turnover less than the \$5M National Environmental Protection Measure (NPEM) threshold and are not be inclined to participate in the Covenant.

Labelling:

Develop a labelling policy to increase littering awareness.

Icon graphics were agreed and a User Manual (inclusive of recycling arts) was completed during November 2007. Use of graphics is determined by the Packaging Technologists when reviewing or developing packaging artwork.

No policy is required as the manual is a tool used by Packaging Technologists and referenced in the PEAS, which was developed to ensure implementation and compliance with the ECoPP.

Encourage an industry move to a standardised recycling labelling system.

Consistency of recycling labelling across categories within Unilever was our first step (refer comment above). Unilever's opportunity to encourage our industry sector to develop standards resides in our membership of the AFGC's Sustainable Practices Committee and the general information on Unilever practices communicated to AFGC for reference.

Standards for labelling packaging in relation to its recyclability and recycled content are discussed by the committee. A review of existing company standards; why so many varieties of 'mobius loops' in use; the application of ISO 14021; Trade Practices Act implications; confusion with Plastics ID Codes; recycled content advice; who or what is driving labelling; and the development of an action plan inclusive of a research study with a view to establishing a code of practice has been requested by Unilever but as yet has not been achieved.

Helene Francois 31/10/2009.

Annexures



Unilever Australasia Environmental Policy

Unilever Australasia is a leading supplier of fast-moving consumer goods providing Foods and Home & Personal Care Brands in Australia and New Zealand. Examples of our leading brands are Continental, Dove, Flora, Bertolli, Lipton, Lynx, Omo/Persil, Rexona, Magnum, Cornetto, Paddlepop and Sunsilk.

Our mission is to add vitality to life. We are committed to help people look good, feel good and get more out of life. We will strive to achieve this by meeting the needs of employees, consumers, customers and society in an environmentally responsible and sustainable manner.

Our aim is to ensure that our long-term business success is accompanied by leading environmental management practices.

Objectives:


-  1 Comply with all applicable environmental legislation, relevant industry standards, and other requirements e.g. codes of practice, Unilever environmental policies and standards.
- 2 Identify and evaluate the environmental impacts of our products, services and operations and those arising from change, and seek to either control or minimise them, while retaining product and service performance, quality and safety.
- 3 Seek to reduce waste, conserve resources, in particular water and energy, prevent pollution and explore every opportunity for waste re-use and/or recycling.
- 4 Set annual measurable objectives and targets for continual improvement and provide sufficient resources to implement plans that address environmental aspects.
- 5 Regularly report and review environmental performance including objectives and targets, improvement activities and compliance programs.
- 6 Maintain a formal Environmental Management System e.g. based on ISO14001, Unilever standards.
- 7 Provide appropriate training and education to all employees so that they understand their responsibility for the Environment.
- 8 Disseminate relevant environmental information to all employees, contractors, labour hire employees and visitors to the workplace.
- 9 Anticipate and respond to developing issues and public concerns.
- 10 Ensure the Environmental Policy is effectively implemented and publicly available.



Sebastian Lazell
Chairman, Unilever Australasia
17th June 2008



SUSTAINABLE PACKAGING?



lifecycle impacts, incineration, reduce, reuse, recycle, landfill, renewable materials, PC, vapor impact, prevents waste, plastic, incineration, reuse

energy use, lightweighting, recyclable, bioplastics, food waste, carbon footprint, reuse

convenience, portion control, marketing, containment, taxes



What is it?

Packaging is the material we use to contain, protect, handle, deliver and present goods.

There are three broad packaging functions:

Primary packaging contains the goods bought by consumers – everything from toothpaste tubes to jam jars.

Secondary packaging refers to materials that are not in direct contact with the product, but are sold to the consumer – for example a box round a toothpaste tube.

Tertiary or transit packaging is the boxes, wooden pallets, boards and plastic wrapping used to deliver large loads.

Materials

Most packaging is made from paper, board, plastic, glass, steel, aluminium or a combination of materials. New bioplastics are beginning to be used but are currently a very small proportion of the total.

Packaging designers consider many factors when choosing which material to use, including flexibility or rigidity, transparency, barrier properties, delivery, recyclability and cost. The choice depends on the product, how it will be stored, how it will be dispensed, whether it will be heated or cooled, how it will be transported, displayed in shops, used by consumers and disposed of.

Paper and board

These are made from fibres extracted from crushed wood. It's important to know that paper and board originates from sustainable sources, where paper is made from smaller trees that are thinned out of managed forests, planted for timber and not from forests with high conservation values. There are a number of programmes to certify responsible forest management, including the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification.

Paper is mainly used for bags, labels and in laminated packs (see Mixed materials packaging). Board, which is thicker and heavier, is used in cartons and packing cases. Corrugated board (made from layers

of paper) provides protection when goods are handled and transported.

These materials are light, flexible and can be printed, making them suitable for presenting products. However their use is limited due to lack of strength and poor resistance to water.

Glass

Glass is made by heating raw materials such as sand, soda ash and limestone to around 1,500°C. This produces molten glass which is then shaped into jars and bottles.

Glass is ideal for storing food and drinks as the material is impermeable and doesn't affect the taste. The transparency of glass means the product can be seen but this makes it unsuitable for products that are damaged by light. Glass is heavier than other packaging materials and breaks easily unless toughened.

Plastics

There are six major types of plastics used for packaging, which are identified using numbers or their initials (see graphic 1).

The raw materials for plastics (called polymers) are produced by the petrochemicals industry from refined oil, or from ethane, a bi-product of the natural gas purification process. About 4% of the world's oil consumption is used to

make plastic and a fraction of this is used to make packaging plastic. Polymers are converted using heat and pressure to make bottles, tubs, films and other types of packaging. Plastics are relatively strong, lightweight and versatile and can carry print, making them suitable for brand messages and product information.

Metals

Steel and aluminium are produced at high temperatures from metal ores. The molten metal is shaped to make containers.

Steel and aluminium are used to make cans and aerosols. Cans are ideal for storing cooked food as the cooking and canning process preserves the contents, avoiding the need for preservatives. Aluminium is also used to make foil containers and laminates.

Mixed materials packaging

Some packaging combines several materials, usually paper laminated with polyethylene and aluminium foil, or one type of plastic combined with another. Mixed materials can allow lighter packaging and provide the properties needed for storing liquids, especially food and drink. Plastic windows are also used in paper-based packs so shoppers can see the contents.

[1] PLASTICS USED IN PACKAGING

The resin identification coding system

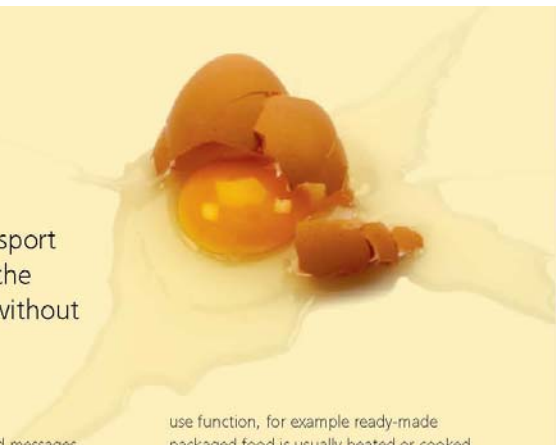
-  **PETE or PET**
Polyethylene terephthalate
-  **HDPE**
High density polyethylene
-  **PVC or V**
Polyvinyl chloride
-  **LDPE**
Low density polyethylene
-  **PP**
Polypropylene
-  **PS**
Polystyrene
-  **OTHER or 0**
Plastics other than the six listed above, or more than one resin used in a multi-layer combination.



Source: Society of the Plastics Industry (SPI)

Why we need it

Modern society relies on the ability to transport products from manufacturer to retailer to the consumer. Packaging makes this possible without damaging or spilling the product.



The nature and amount of packaging required depends on each individual product and the logistics of moving it from manufacturer to consumer.

The main functions of packaging are:

Containment

Packaging encloses the product. We simply couldn't store powders and liquids without it.

Protection

Packaging keeps products safe and clean, avoiding the risk of contamination. It also helps them stay fresh for longer. It means that goods arrive in shops and homes undamaged, which is important to avoid waste.

Marketing

Packaging carries brand messages and makes products stand out on the shelf. The pack design is an important component of product marketing.

Displaying information

Packaging is used to display vital information about ingredients, use, transport and disposal of products. This is a legal requirement for some products such as pharmaceuticals, food and chemicals.

Convenience

It enables manufacturers to stack, handle and deliver products efficiently. Packaging can also be part of the product

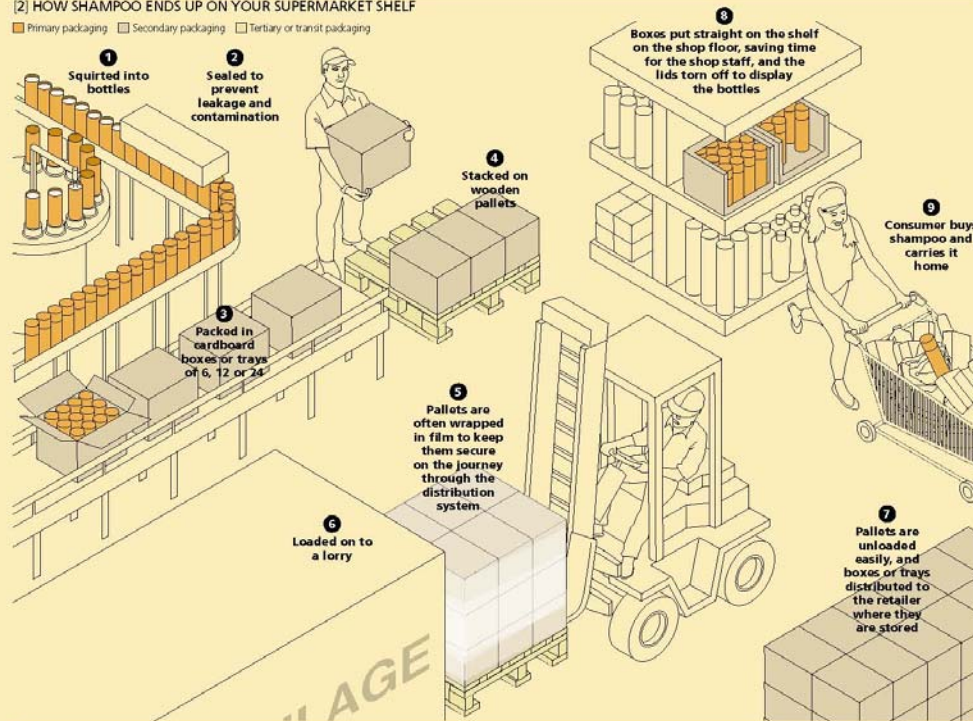
use function, for example ready-made packaged food is usually heated or cooked in its packaging.

Portion control

Packaging enables the amount of goods sold to be matched to the needs of different consumers. For example, fruit drinks packaged in small bottles can be drunk in one go, giving people one of the five daily portions of fruit or vegetables recommended by nutritionists. In Europe the rise in single person households means there is more demand for smaller portions.

[2] HOW SHAMPOO ENDS UP ON YOUR SUPERMARKET SHELF

■ Primary packaging □ Secondary packaging ▨ Tertiary or transit packaging



Packaging and sustainability

Many people are naturally concerned about the environmental effects of packaging. The design choices made when specifying packaging determines its environmental impact, which with care can be reduced to a small proportion of the overall product life-cycle impact.

The Impact of packaging

Packaging waste is highly visible to consumers – it's what's left over when a product has been used – and provokes strong reactions. In a typical developed country like the UK, it makes up around 20% of domestic waste and around 6% of total waste by weight.²

Unnecessary packaging wastes energy and resources. Well designed packaging brings significant benefits, particularly avoiding waste of the product itself e.g. keeping food fresher for longer.

One of the key sustainability issues with packaging is the conservation of resources, including energy, which is wasted if packaging goes to landfill. Recycling or recovery of the energy through incinerating the waste packaging is one way to resolve this.

Analysis of the greenhouse gas emissions resulting from products and their packaging across their lifecycle shows a wide range in the proportion of the total impact attributable to the packaging (see graphic 4).

For products which require energy to use them (for example shampoo, laundry detergent, heated foods) the use phase of the life-cycle is usually the dominant part of their climate impact. The packaging impact is a small proportion. An exception is in countries where renewable energy (which has almost no impact) makes up a large share of the energy mix.

For products that do not require energy in use (for example food that doesn't need to be cooked or stored in the fridge, toilet cleaner) the proportion of climate impact due to packaging is typically greater.

[3] SHAMPOO CARBON FOOTPRINT
Showing energy use for lifespan of product



Source: Unilever

Preventing product waste

It takes around ten times more energy and materials to produce household goods and food than the packaging that surrounds them³. This means that packaging has a significant environmental benefit in preventing waste in distribution.

It has been estimated that in the UK, where food is generally well packaged, only 2% is wasted in distribution, compared to 50% in India where transport packaging is generally poor.

Efforts to reduce packaging that make it less effective at protecting food products would be counter-productive in terms of overall impact on climate change.

Better packaging means that the energy used to produce the food isn't wasted. It also avoids food being sent to landfill sites where it produces methane and contributes further to climate change.

The environmental impact of product waste is wider than its impact on climate. If the product is wasted, then so are the water and other resources used to produce it. Water is a

vital resource and there are already shortages in many regions around the world which will be exacerbated by climate change and population growth. It takes 1,000 litres of fresh water to produce 1 litre of milk⁴ and up to 16,000 litres to produce a kilo of beef⁴. The water footprint of most packaging is relatively small so packaging that prevents product waste saves water.

Reducing transport impacts

Much of the food, clothes and other goods we buy are made far from where they are consumed and as the world becomes more integrated, products tend to be shipped even further. Correctly designed packaging reduces the transport impact of global distribution chains.

Good packaging design can reduce the fuel use per product by allowing more products to be loaded on each pallet and more pallets on each truck, train, boat or plane. This means fewer journeys, less energy use and less climate impact. Using lighter materials also reduces the fuel used in distribution.

Making packaging more sustainable

No packaging is completely sustainable because manufacturing requires energy and creates waste. But designers can make packaging more sustainable by considering environmental impacts during manufacture, use and disposal while ensuring optimum performance in protecting the product.

Sustainable packaging could be considered to be the packaging design with the lowest environmental impact that provides the required functionality. It is important that analysis of the sustainability of packaging takes into account social, environmental and economic considerations across the whole lifecycle of the product that it contains to avoid misleading conclusions.

Which material is best?

The environmental impacts of different materials vary significantly (see graphic 4). To improve packaging sustainability, it is vital to consider their impacts at each stage of the lifecycle.

Reduce, reuse and recycle

Designers can improve the sustainability of packaging by following the principles of the waste hierarchy: reduce, reuse and recycle. But because environmental impacts must be considered across the whole lifecycle of a product, it is important not to reduce packaging to the extent that it results in damage to the product.

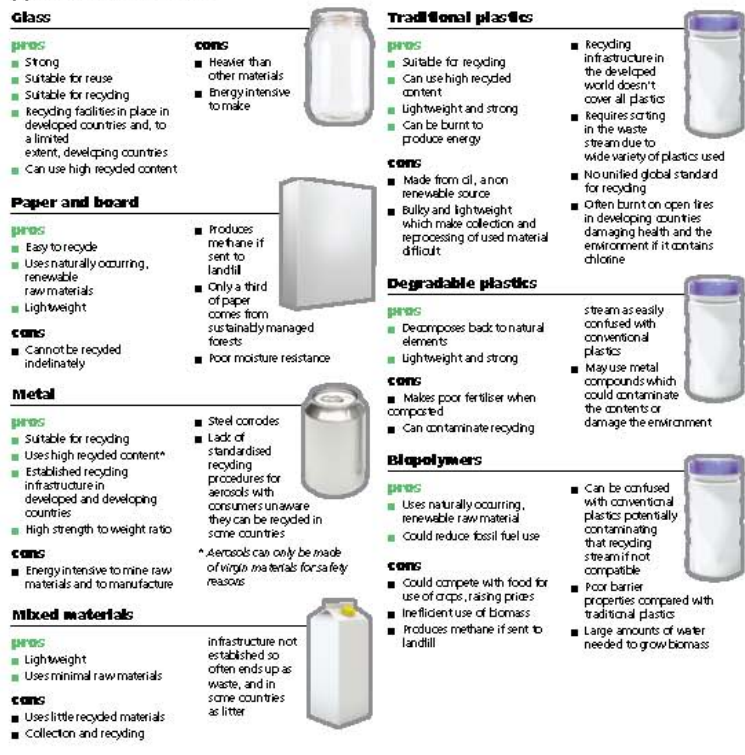
Reduce

One way to improve the sustainability of packaging is to use less of it – reducing size, thickness and weight as much as possible. Over the last 30 years the packaging industry has made great strides in reducing the weight of its products. Glass containers and metal cans are around a third lighter than in 1980⁶. Reducing packaging cuts down on the use of materials and it also takes less energy to manufacture and transport lighter and smaller goods. As well as being better for the environment, this cuts costs which provides a strong incentive for companies to minimise packaging.

The best solution may not be intuitive

Reducing packaging does not always lead to the most sustainable option. For example, toothpaste tubes often come in a cardboard box. This may seem like unnecessary packaging, but it helps to protect the tube inside on its journey to the store. The box is readily recyclable, and without it, the tube would need to be thickened (making it heavier) and might need more transit packaging.

[4] WHICH MATERIAL IS BEST?



Source: WRAP

A 10g laminate shampoo pouch may seem like the more sustainable option compared to a 20g plastic bottle. But if the collection and recycling infrastructure means the pouch cannot be recycled and if half the bottles are recycled, they both generate the same amount of waste.

Reuse

A good way to make packaging more sustainable is to reuse it in its original form. For example, some specialist retailers will refill shampoo bottles if customers bring them back to their store. However, it takes energy to transport and water to clean used packaging. Reusable packaging must also be sturdier than for single use. There can be safety and contamination issues associated with

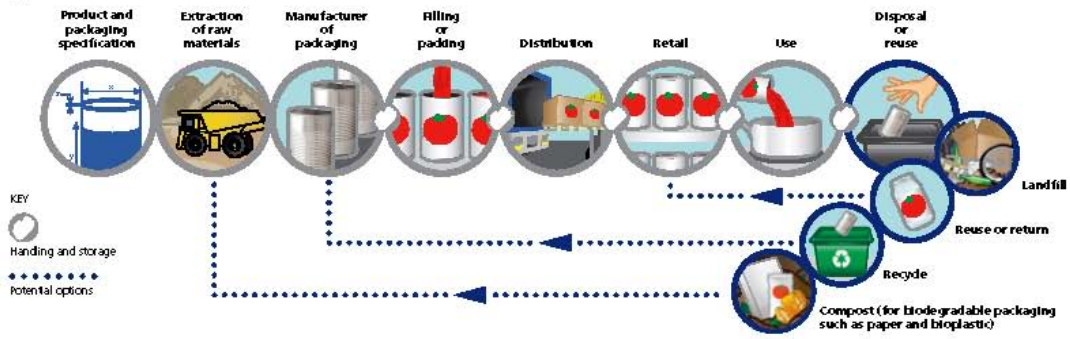
reusable packaging. A full lifecycle analysis is required for each product to determine whether reusing packaging is beneficial.

Recycle

Using materials with recycled content helps cut down on consumption of virgin resources and can reduce the amount of energy used in manufacturing. It also creates a market for waste materials making recycling more viable. It is technically possible to recycle almost all packaging materials, but to be viable recycling must be economically attractive.

Recycling also has environmental impacts requiring energy for transport, cleaning and reprocessing. The environmental balance

[5] A SUMMARY OF THE PACKAGING LIFECYCLE



Source: WRAP

between virgin and recycled materials is complex to assess and depends on many local factors such as the distance travelled by recycled materials.

Waste packaging, mainly plastic, can also be burnt in incinerators to generate energy.

Everyone does it differently

Recycling rates and practices differ hugely around the world and depend on the availability and efficiency of recycling facilities and the attitudes of communities.

Many countries have achieved high recycling rates. Belgium recycles close to 95%⁶ of its glass, Finland recycles over 70%⁶ of its paper and Brazil has one of the highest recycling rates for cans. In many developing countries formal recycling facilities are limited.

Waste is treated differently depending on where it is thrown away. For example half of Denmark's energy is from alternative sources as it burns over half its waste to recover energy. In Britain, where communities often oppose incinerators due to fears about health concerns, plastics are recycled or buried in landfill sites. In the developing world, many types of waste are considered valuable and materials are recovered from bins and rubbish dumps. Metals are resold, paper and plastics recycled or burned. However, scavenging is dangerous work and is often carried out by women and children. Open burning of plastics containing chlorine can damage the environment and health.

The variation in waste management makes it important for packaging designers to consider what will happen to different materials in the countries where the product is sold. There is little point in making plastic packaging sold in Denmark more recyclable, since it is likely to end up in an incinerator. Plastics sold in Britain should be made as recyclable as possible. It's difficult to plan for recycling in developing countries as facilities are often limited.

This presents a significant challenge for global companies, who keep costs down through

economies of scale by selling the same product in many different countries. One approach is to make packaging more suitable for different waste management systems by simplifying the number and combinations of materials used. In the developing world, where recycling infrastructure can be limited, companies can help to develop collection and recycling programmes.⁷

Engaging the consumer

Packaging is an essential part of marketing, helping products stand out on the shelf. But making packaging look more attractive can conflict with sustainability goals. For example, goods such as perfume and cosmetics are often elaborately packaged to increase desirability. As consumers become more environmentally aware, they may begin to reject goods that are perceived to be over-packaged.

Campaigns by environmental groups are encouraging consumers to avoid over-packaged products and even to remove the packaging and give it back to the retailer. Consumer awareness means companies can use the environmental credentials of their packaging to differentiate their brands from competitors.

Packaging can provide information for consumers about how to use a product more sustainably. This is especially important for products that need to be heated or cooled, as this is the point where most energy is used. For example, the label on a coffee jar could encourage consumers to use less energy by boiling only the water they need, rather than always filling the kettle.

PVC, packaging and health

PVC (polyvinylchloride) is used in packaging such as food trays, drinks and shampoo bottles and blister packs. Where facilities exist, PVC can be efficiently recycled or safely burnt in high-tech incinerators. However, in the developing world, most PVC packaging is not collected and is often

burned on open fires, releasing dioxins which damage the environment and human health.

Environmental groups believe that dioxins are released when PVC is manufactured. Some phthalates, which are used as plasticisers in PVC manufacturing, have been shown to damage health if ingested. These are only used in packaging in very small quantities.

The functional properties of PVC make it difficult to replace for some applications, however many environmental groups have called for a total phase out of PVC in packaging.

Regulation

Packaging regulations can help reduce waste and improve recycling. For example some countries have introduced legislation to prevent unnecessary packaging and under-filling.

The European Union and the US have the most advanced packaging regulation, with many other countries following their lead. Around the world, waste management is mainly financed and administered at local level by municipalities.

The 27 countries of the European Union must comply with the Directive on Packaging and Packaging waste (known simply as the Packaging Directive). This specifies minimum design standards for recyclability and requires countries to recover and recycle specified volumes of packaging waste. Member countries have implemented the directive differently. For example, in Britain companies using packaging pay a fee to organisations that invest in recycling facilities. The amount they pay is linked to the amount of packaging they produce or use. In Germany the cost is passed on to the consumer as it is built into the price of products.

In the US, food, cosmetics and pharmaceuticals regulations also contain requirements for packaging.

There is no standardised regulation in Asia and Africa.

The Unilever position

We are working to make our packaging more sustainable by considering impacts across the whole product lifecycle.

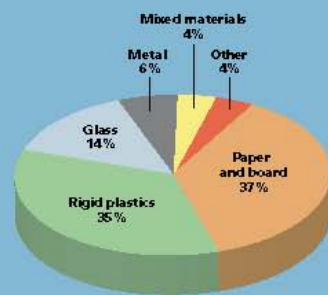
Unilever sells around 160 million products every day, all of which are packaged. Packaging protects our products from damage and contamination and communicates important safety and usage information. It is the visible face of our brands and is an important part of marketing.

Our goal is to create attractive, well-presented packaging with the least possible environmental impact.

Why packaging sustainability is important to Unilever

Improving the sustainability of our packaging is not just the right thing to do – it also brings business benefits. It helps us to reduce costs, as well as meet the expectations of consumers, governments and campaigning organisations who are increasingly alert to what they see as unnecessary levels of packaging. Leading retailers, including our customers, have committed to reducing the packaging of the products they sell.

[6] OUR PACKAGING FOOTPRINT
Packaging material consumption by weight 2007



Source: Unilever

Reducing our footprint

Our strategy for improving the sustainability of packaging is based on three principles:

- We consider the whole product, not just packaging in isolation
- We consider the whole lifecycle of the product
- We use leading edge design techniques to minimise packaging materials

Our Sustainable Packaging Steering Team is working to implement this strategy across Unilever.

We have developed metrics to measure the lifecycle environmental impacts of our products (including their packaging):

1 Water per consumer use In water-stressed countries = water added to the product + water used by consumers in water-stressed countries (litres)

2 Waste per brand use = grammes of packaging + product leftovers per brand use less the reuse, recycling and recovery index

3 Carbon footprint per brand use = grammes of CO₂ equivalent per brand use across total product lifecycle

4 Sustainable sourcing = Proportion of raw and packaging materials being sourced from certified sustainable renewable sources (incl. recycled materials where this is considered sustainable practice)

We are developing an environmental scorecard for all our products and are setting reduction targets.

Designing for different waste systems

Our goal is to design products that are suitable for waste management practices within individual countries and we have simplified the number and combinations of materials we use to make our packaging more suitable for different systems.

Sustainable paper sourcing

Together with NGO Rainforest Alliance, we are developing a strategy to ensure that all our paper comes from sustainable sources and not from areas where trees may have been logged illegally. A recent study of paper sourced for our European business showed that 71% was recycled material and 12% was from sustainably managed forests. We are now working on an exercise to assess our suppliers globally and will work together to set action plans and goals in line with our policy.

PVC

Given the concern around the disposal of PVC, we are working to minimise its use in our packaging. Our PVC policy commits us to replace PVC in all our packaging by the end of 2010, where there are viable alternatives.

Biopolymers and degradable plastics

We do not believe that biopolymers and degradable plastics offer more sustainable alternatives to conventional plastics (see graphic 4).

The materials do not currently offer adequate protection for many of our products which have a long shelf life, and in some instances may contaminate recycling streams.

Litter in the developing world

Selling products in sachets makes them more affordable to consumers in emerging markets, but the sachets often end up as litter due to lack of disposal facilities.

We are investigating alternative materials to make our sachets more recyclable and to find uses for waste material (such as for use in road surfaces).

Working in partnership

Unilever is a member of the Sustainable Packaging Coalition and the European Organisation for Packaging and the Environment industry groups. We are working with industry partners to define common metrics for sustainable packaging, for launch in mid 2009.

Read more online about our partnerships with retailers and NGOs to improve recycling infrastructures in emerging economies.⁵

Regulation

We are not opposed to reasonable packaging taxes, but feel that the revenue should be invested in waste management infrastructure such as recycling facilities.

[7] SOME UNILEVER PACKAGING ACHIEVEMENTS



57% reduction in packaging needed for our concentrated detergents, such as Persil Small & Mighty.

17% reduction in packaging weight for Suave shampoo saving almost 150 tonnes of plastic each year (enough material for 15 million bottles).

Reduced materials needed for spread containers (across our North American brands) by 25 million tonnes each year by employing new production techniques. This is equivalent to eliminating almost 100 million containers annually.

Source: Unilever

🔗 Relevant link

Read more online about our partnerships with retailers and NGOs to improve recycling infrastructures in emerging economies:
www.unilever.com/sustainability/sustainabledevelopmentreport/environ-sus/packaging/working-with-others.aspx

Sources of information:

- 1 Incipen
- 2 Incipen
- 3 Dr J M Koopman, A Guide to Packaging Eco-Design
- 4 www.waterfootprint.org
- 5 Incipen – Packaging – the facts
- 6 OECD Environmental data 2004

Writing and consultancy

Context

Design and production

Red Letter Design

Printing

Scanplus/Allinsons

(on paper made from responsibly managed forests)



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POLY VINYL CHLORIDE (PVC), POLY VINYLIDENE CHLORIDE (PVdC) and POLYPROPYLENE CHLORIDE (PPC)

POLICY

Unilever will progressively eliminate the use of PVC in packaging and promotions. This will be done in the following ways:

- 1) There will be no new applications of PVC/PVdC in Unilever new product formats where development is initiated after 1st March 2009
- 2) Where technically viable alternatives exist, PVC/ PVdC will be replaced by the end of 2010
- 3) Where there are no technically viable alternatives to PVC or PVdC (e.g. seals on metal lids for glass jars) a research programme to eliminate these compounds will be put in place with the goal of eliminating them by end 2012

BACKGROUND

Poly vinyl chloride (PVC) has historically been an important material for packaging applications, being both technically versatile and aesthetically attractive (it can be made "glass clear") Historically PVC was used as a bottle material but more recently the dominant usage of PVC in Unilever has become cap linings (particularly for glass jars, shrink sleeves, and toothbrush blisters). It is also used in promotional activities, both for building promotional displays, and in some cases as the material of a promotional give away (e.g. beach shoes, wash bags)

Poly Vinylidene Chloride (PVdC) is not typically used as a packaging material in its own right, but is used as a coating/laminate layer which is both heat sealable, and has good barrier properties. It is often therefore used as the inner laminate of pouches tubes and sachets for oxygen sensitive contents.

PPC is little used in Unilever, but has been used in a hot printing process for toothbrush handles

PVC, PVdC, and PPC are carbon based plastic polymers that contain Chlorine atoms in their polymer structure. Hazards can arise from the uncontrolled burning of chlorine containing plastic polymers, which can lead to the formation of dioxins, and furans which are highly toxic. Indeed the United Nations Environment Programme document UNEP/POPS/EGB.2/INF.6 "Information and Comments Received on Open Burning" of 23rd October 2003 contains these statements :

"PCDD (= dioxins)/PCDF (= furans) can form due to incomplete combustion of carbon in the presence of chlorine. Open or uncontrolled burns represent poor fuel/oxidant mixtures leading to uncombusted carbon. If chlorine is present, reactions with the carbon structures may lead to PCDD/PCDF formation. The practice of open combustion must ensure that the conditions for generating PCDD/F are minimized and eliminated". The document goes on to recommend *"Avoid mixed fuels with contaminants of chlorine, or products made with chlorine".*

PVC can also be associated with phthalate plasticisers- although these are rarely used in packaging applications. Unilever has a separate policy to reduce and ultimately eliminate all phthalates from its products.

Although the proportion of the total amount of these materials represented by Unilever applications is very small, there remains the possibility that Unilever packaging could be burnt in this way. Even where burned in incinerators built to modern international emission standards, the problem of disposing of any dioxins formed that are subsequently absorbed by the incinerators emission control systems remain.

As with all packaging materials, Unilever monitors new scientific evidence and takes account of public opinion and the availability of suitable alternatives with comparable aesthetic, technical and cost properties. In view of the changing climate of public and customer opinion, and concerns about uncontrolled incineration Unilever has decided that PVC packaging should be eliminated.

ADDITIONAL INFORMATION FOR UNILEVER STAFF

Promotional and POS Items

PVC has a range of functional properties that make it difficult to replace in a number of applications. In particular when an item is designed either to inflate or to erect on a frame: However such items may still be potentially disposed of by incineration, so therefore PVC for promotional items must be avoided. Items given away as promotional gifts that are made of PVC (for example plastic beach shoes) should also be avoided

Stationery Items

PVC is commonly used for folders, binders and presentational materials. Although these are designed such that they can be used for a sustained period, and, despite the fact that as they are used in Unilever offices their disposal is likely to be controlled, their use must be avoided as there is still a potential issue with dioxin residue in incinerator scrubbing systems.

Recycling

While used PVC packaging is recyclable and, where collected can be efficiently recycled, it is now very much a minority plastic, and most recyclers focus on the plastics in higher proportion in the waste stream, and it is now seen as a potential contaminant in the recycling stream in many parts of the world.

Commercial implications

It is likely that there will be an on cost from moving away from PVC in some regions of the world, but elimination of PVC is a conscious decision taken with in knowledge of this. Unilever's public reputation as a sustainable company is at stake if PVC is not eliminated. It is for this reason that this policy has been approved by the Unilever Executive.

APPROVED DATE: 23rd January 2009

Unilever leads Dow Jones Sustainability Index for 11th year

Full marks for environmental policy and reporting

"I am proud of all the people who have worked hard to put sustainability at the heart of what we do"

Unilever has been named sustainability leader in the Food & Beverage sector of the Dow Jones Sustainability Index (DJSI) for the eleventh consecutive year.

The result, which was announced late last week, means the company has led the Food category every year since the index was formed in 1999. As a result, Unilever has been named 'super sector' leader every year since the index's inception.

Unilever achieved an overall score of 81% for its social, economic and environmental contribution, measured across 22 performance criteria.

The company scored 100% for its record in Environmental Policy and Environmental Reporting, while leading scores in other criteria were Strategy for Emerging Markets (over 95%), Raw Material Sourcing (over 80%) and Climate Strategy (over 85%).

The annual review of the DJSI is based on a thorough analysis of corporate economic, environmental and social performance, assessing issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labour practices.

CEO Paul Polman said: "We are delighted to have been ranked the number one food company by the Dow Jones Sustainability Index for the 11th year in a row. Increasingly, successful organizations need to operate under long-term sustainable business models and reflect this in all their activities. I am proud of all the Unilever people who have worked hard to put sustainability at the heart of what we do."

The 2009 assessment was conducted by SAM (a Swiss investment group), together with Dow Jones Indexes and STOXX Ltd.