

Creating shared value

... USLP seeks to achieve better health and enhance livelihoods

The world has made enormous progress in the past couple of decades. With the rise in access to education and the opening up of the economies, more and more people continue to shift out of poverty. The economic power is also shifting from the West to the East. Today, India and China are two of the fastest growing economies. Emerging Asia will be the world's largest consuming block, overtaking North America. These changes are bound to increase consumption significantly in the years to come. Even today, on a global basis we are already consuming resources equivalent to 1.3 planets. According to WWF report, if the developing world consumes in the future at the rate of consumers in the developed world, we will need 3-5 planets to sustain us.

The challenges before us

While our economic model is pushing the limits of our planetary boundaries, we are aware of the enormous challenges being faced globally and locally. Take, for example, plastic packaging. According to Ellen MacArthur Foundation, just 14 per cent of the plastic packaging used globally makes its way to recycling plants, while 40 per cent ends up in landfill and a third in fragile ecosystems. By 2050, it is estimated there will be more plastic than fishes in the world's oceans.

Let's look at India. Estimates tell us that, by 2030, the supply of water in India will be half its demand. Consider sanitation: we all know that 59 per cent of the people in the world who practise open defecation are in India. More worrisome are the challenges we face in the space of hygiene. Every day, 328 children below five years die of diarrhoea in India. That is, 13 children in an hour. These are big challenges. We cannot achieve progress unless we address these challenges.

A sustainable living plan

The government cannot solve these problems alone. Businesses, being a key constituent of society, have a vital role to play in addressing these challenges. Businesses have the resources to make a game-changing difference and they need to do this at scale.

It is with this belief, that the Unilever Sustainable Living Plan (USLP) was crafted under the leadership of our global CEO Paul Polman. Seven years on, it is core to everything we do. In fact, it has become our business model.

The plan has three big goals to be achieved globally: To help more than a billion people take



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action to improve their health and well-being, to halve the environmental footprint in the making and use of the products while growing the business and to enhance the livelihoods of millions of people. Underpinning these goals are clear commitments supported by targets spanning our social, environmental and economic performance. We firmly believe that companies can make a positive impact on society through their brands and the lives they touch directly and indirectly through their value chain.

Brands with purpose

Our brands, which reach more than nine out of ten households in India, have the potential to make a meaningful difference. Therefore, we encourage more and more of our brands to have a strong purpose that can touch more lives every day. Some of our brands are at the forefront of this journey and these include Lifebuoy, Pureit, Domex, Rin and Brooke Bond Red Label.

In order to address the issue of infant mortality or diarrhoeal infections, a simple act of handwashing with soap has been cited as one of the most cost effective solutions. Ironically, while up to 99 per cent of Indian households have soap, it is predominantly used to wash clothes, dishes and for bathing. The average rate of handwashing with soap after going to the toilet is only 1 per cent in many parts of rural India. Through our Lifebuoy Handwashing-behaviour change programme, we promote the benefits of handwashing with soap at key times during the day. Till date, we have reached over 65 million people in India through this programme.

About 75 million Indians do not have access to safe drinking water. Pureit's affordable range of purifiers provides safe drinking water without the hassles of boiling, without the need of electricity or running tap water supply. We have been partnering with micro-finance institutions (MFIs) to make water purifiers more accessible for people at the bottom of the pyramid. In India, Pureit has provided over 70 billion litres of safe drinking water till date.

Through Domex Toilet Academy, which is our market-based, entrepreneurial model that provides people access to toilets in rural communities, we have reached 350,000 people till date by helping build over 70,000 toilets.

Our laundry brand Rin has recently launched water saving 'smart foam' technology, which halves the water consumption. It is estimated that Rin will be able to save about 40 billion litres of

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water through this innovation.

Our tea brand, Brooke Bond Red Label has always been about 'brewing togetherness' encapsulated as *swaad apnapan ka* (taste of togetherness) which is key to the brand's purpose to make the world a more welcoming place. The recent campaign around transgender band not only proved very successful and received several accolades in India and abroad but was a step in making our world more inclusive.

Value chain

In USLP, we have taken a value chain approach. We want to impact the lives of people whom we touch directly and indirectly through our value chain, from sourcing of raw materials right up to the product use stage.

Globally, by 2020, we aim to source 100 per cent of our agricultural raw materials sustainably. We have worked with farmers in India and now source 100 per cent of tomatoes used in Kissan ketchup from sustainable sources. Sustainable sourcing of tea has increased significantly from 16.2 per cent in 2014 to over 28 per cent of tea in 2015. As regards sourcing of palm oil, we are in a journey to source 100 per cent of our palm oil sustainably by 2020 and have committed ourselves to set up a palm transformation fund globally.

We have embraced the bold target set by Unilever to ensure that all of our plastic packaging will be fully reusable, recyclable or compostable by 2025. As regards our distribution network in remote rural areas, we have helped empower rural women and have created livelihood opportunities through Project Shakti. More than 70,000 Shakti Ammas (Women Entrepreneurs) distribute our products across the hinterland of our country. In 2010, we extended Project Shakti to include 'Shaktimaans' who are typically husbands or brothers of Shakti Ammas who sell our products on bicycle to surrounding villages, covering a larger area than Shakti Ammas can cover on foot. There are nearly 50,000 Shaktimaans in the Project Shakti network.

Impacting communities

We take responsibility for our extended value chain, and go beyond our own direct impact of factories and distribution network to help impact communities. One such rural community-led initiative is Project 'Prabhat'. As part of Prabhat, we implement health & hygiene, water conservation and livelihoods initiatives around our factories. The health & hygiene programme is led by our brands like Lifebuoy and Domex, whereas water conservation initiatives are spearheaded by Hindustan Unilever Foundation. Through our livelihood initiatives, we provide vocational training to women and youth in partnership with LabourNet, TARA and Mann Deshi Foundation. About 138,000 people have benefited through Project Prabhat.

Water conservation

Water is one of the most used commodities across our portfolio of products, whether it be laundry, tea, soups and personal care products. Not only that, water is essential for consumers to use our products – whether it is washing clothes, cleaning toilets, making tea or soup and bathing.

Additionally, considering the challenge of India being a water scarce region, HUL has identified water conservation a focus area of intervention. HUL set up Hindustan Unilever Foundation (HUF) in 2010, a not-for-profit company that acts as a vehicle to anchor water management related community development initiatives. HUF operates the 'Water for Public Good' programme, with specific focus on water associated livelihoods in over 5,000 villages in 54 districts across India. HUF works with various implementing partners including NGOs. Through its projects, HUF has created a collective and cumulative water potential of more than 300 billion litres across India, generated more than 600,000 tonnes of agriculture and biomass production and has mobilised employment of more than 3.7 million person days so far.

Sustainable innovation

On World Toilet Day in 2016, we launched an urban solution as a pilot project in a slum in Ghatkopar, Mumbai. This is a first-of-its-kind urban water, hygiene and sanitation community centre called 'Suvidha'. It is a purpose-built, sustainable community centre which addresses the hygiene needs of low income urban households who face severe challenges due to lack of infrastructure and facilities. The centre provides toilets that flush, hand-washing facilities with soap, clean showers, safe drinking water and state-of-the-art laundry operations at an affordable cost. This will help save an estimated ten million litres of water per annum.

Case for a new model

While our work over the last several years has helped in addressing some of the issues, more needs to be done. It is important that we continue to drive these initiatives at scale through partnerships with governments, NGOs, suppliers and others. It is imperative for companies too, to embrace a business model that serves as a new way to achieve economic success. As stated by Michael Porter & Mark Kramer, "Companies must take the lead in bringing business and society back together. The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges." Our experience since the launch of USLP has demonstrated this power of creating shared value, which can prove to be a win-win for all.