

Soap maker cleans up with company of year award

Unilever impressed the judges with its handling of sustainability issues and consumer engagement, reports **Charles Batchelor**

Unilever, the Anglo-Dutch consumer products group, has been named Company of the Year 2010 in Business in the Community's Responsible Business Awards.

The company was presented with the title by the Prince of Wales at a gala dinner held to mark the Prince's 25th year as president of BITC at the Albert Hall, London, last night.

The award measures seven areas of responsible business activity including the degree of overlap between business strategy and sustainability thinking; the scale and scope of carbon reduction targets and the degree to which they have been implemented; and the extent to which top management remuneration depends on non-financial achievement.

Unilever, whose brands include Knorr soups, Ben & Jerry's ice cream and Dove soap and toiletries, made an operating profit of €5.02bn on sales of €39.8bn in 2009. The company bought in €28.5bn worth of goods and services and employs 163,000 people.

Multinationals in many fields have been the target of campaigns by activists critical of their impact on farmers and communities in developing countries and on the global environment. Unilever was taken to task in 2008 by Greenpeace for forest clearance undertaken by some of its palm oil suppliers.

The company says that 15 per cent of the palm oil it now uses is sourced sustainably while the same percentage of its tea comes from farms certified by the Rainforest Alliance. It aims to obtain all its palm oil from sustainable sources by 2015.

With 2bn customers using a Unilever product on any day, a business on this scale is well placed to make a significant difference in the field of sustainability, the judges said. "Unilever has

demonstrated a real depth of understanding on sustainability issues and consumer engagement right across the business and through its brands," they added.

"By systematically analysing the environmental and social impacts of its products and implementing strategies to reduce and improve those impacts, the judges believe that Unilever is showing the rest of the business world how to make money the right way."

One target for action is the company's 2m point-of-sale freezer cabinets around the world. Since 2004 it has converted nearly a quarter of these to natural refrigerants that have a much lower global warming impact than hydrofluorocarbons.

This forms part of a programme, announced last year by Paul Polman, chief executive, to double the size of the business while reducing its environmental impact. Action on sustainability goes back far further, however, with the company's agricultural programme beginning 15 years ago.

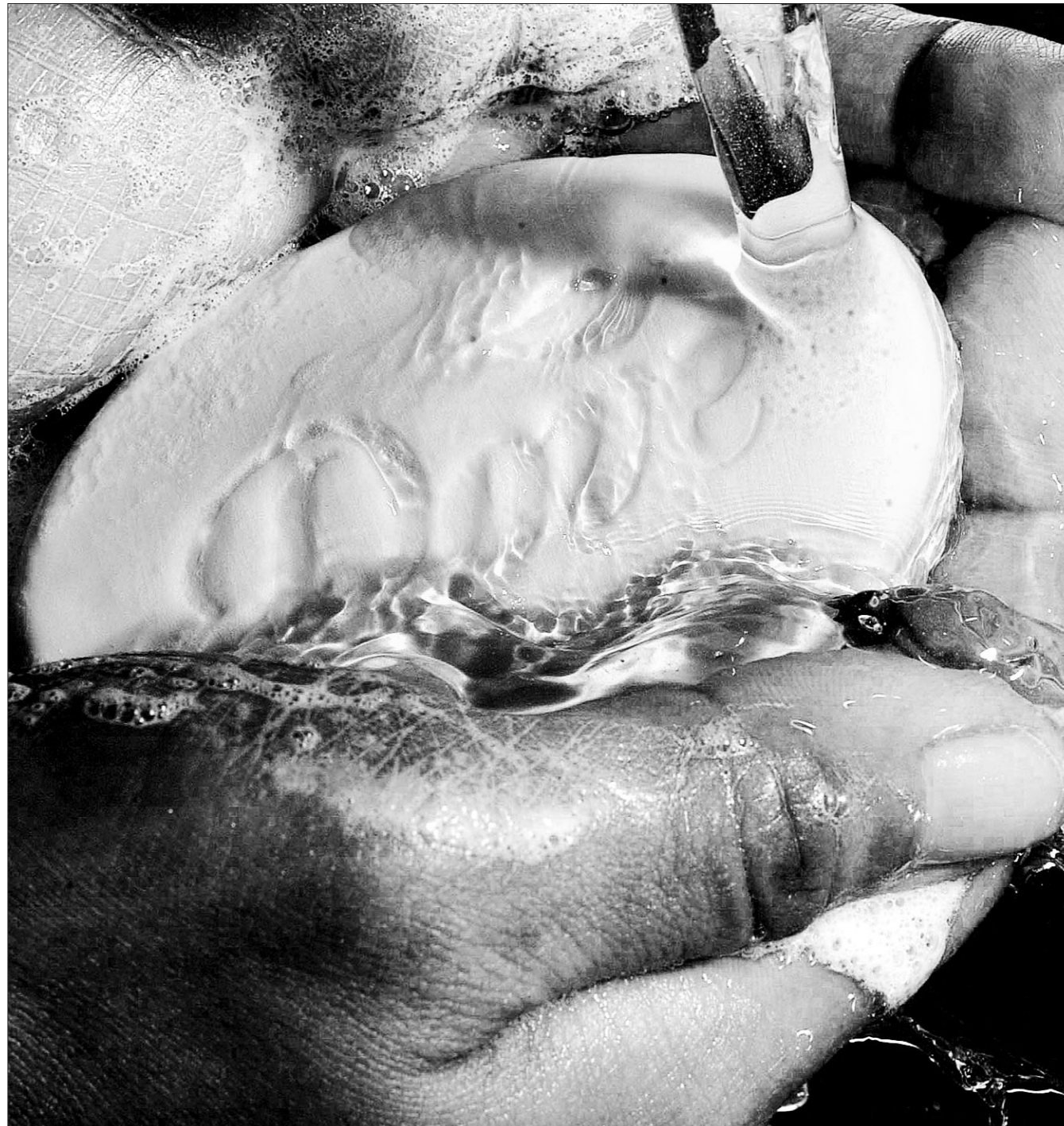
It has cut carbon dioxide emissions from energy at its 264 factories worldwide by 41 per cent since 1995, reduced water use by 65 per cent and cut total waste by 73 per cent, measured per tonne of production.

But the company's own plants account for only a small part of its emissions with a much greater contribution coming from the sourcing of raw materials and consumer use.

For its Knorr brand of soups and seasoning mixes, Unilever sources thousands of ingredients from around the world. Hotspots in the process that produce greenhouse gases include the use of fertiliser and energy to grow crops and animal products as well as energy to produce flavours and other ingredients.

Unilever is working with farmers to reduce their environmental impact by developing guidelines for good agricultural practice covering indicators such as water, energy and pesticide use, bio-diversity, social capital and animal welfare. Eggs for products including Hellmann's mayonnaise and Ben & Jerry's ice cream are produced by cage-free methods

But for many products, such as laundry detergents, consumers generate 70 per cent of the environmental impact. The temperature and cycle at which the wash is done affect energy and water use. The company is promoting a "cleaner planet" plan through its Omo,



Lather impressive performance: Unilever has shown 'a real depth of understanding', said the award judges

Daniel Lynch

Making an impact is woven into fabric

Small Company of Year

Andrew Baxter finds the Herdy giftware company is driven by sustainability

The Herdy Company, whose branded giftware for visitors to the UK's Lake District is inspired by the local Herdwick sheep, has won the 2010 Small Company of the Year Award.

The Kendal-based company – which beat competition from 8build, Green Tomato Cars and LSI Architects – sells mugs, salt and pepper pots, aprons, coasters, T-shirts and the like, all distinguished by the cute herdy motif.

The real Herdwick breed thrives against all odds on the high fells of the Lake District, says the company, and "helps sculpt a stunning landscape appreciated the world over". Herdy is helping to sustain that landscape through donations from its profits to support the local rural economy.

"While [the company] is young and therefore does not yet have a formalised approach, its commitment to corporate responsibility is undoubtedly evident," the judges said. "With every new product it has launched there has been a quicker, easier, and more immediately profitable option but, without fail, Herdy has chosen the most ethical, green, sustainable option, returning maximum value back into its local community and economy."

From creating and sustaining a fair trade market for the Herdwick sheep wool to working with Staffordshire potters to create its mugs, Herdy's motto – Beautiful Things with Beautiful Intentions – shows through, the judges added.

"[Herdy's] support for the local rural economy doesn't stop there, as it uses local printers and vegetable inks and works with a local logistics company to deliver its products. At every step of the journey it has looked at the consequences of its decisions around its supply chain and tried to find the best way to return a positive impact on the community it is embedded in."

Seventy per cent of Herdy's product range is sourced in the UK, cultivating a responsible supply chain, while local distribution channels are used to minimise the environmental impact of transport. Waste is kept to a minimum and, rather than destroying goods, all seconds are sold at county fairs.

The judges said Herdy was "an extraordinary example of a young dynamic company and an inspiring story for other young businesses that want to make a positive difference". Even in the short time since submitting its award entry Herdy had driven its business forward, they said, opening a new shop and forging a new strategic partnership with Huddersfield-based Rowan Yarns.

Richard Cree, chair of the judges and editor of the Institute of Directors' Director magazine, said: "The Herdy Company has so much authentic passion, and for such a small, young company it is amazing to see the extent of its impact on the local economy. Sustainability is woven into the very fabric of everything the company does."

BITC Awards for Excellence 2010 Winners

Company of the Year Award, in association with Tomorrow's Company – Unilever

The Prince's Ambassador Award – John Varley, chief executive, Barclays Bank

The Marks & Spencer Sieff Award – Tony Hawkhead, chief executive, Groundwork UK

Small Company of the Year, in association with the Institute of Directors –

The Herdy Company
Asda Environmental Leadership Award – Kingfisher

Bank of America Merrill Lynch Climate Change Award, in association with the Mayday Journey – InterfaceFlor

Education Award – The Midcounties Co-operative
Employability Award – Norse Commercial Services
Building Stronger

Communities Award – EDF Energy
Coffey International Award, supported by the Department for International Development – Barclays and Guardian News & Media

Northern Foods Rural Action Award – United Utilities
Healthy Workplace Award, supported by the Health, Work and Wellbeing initiative – Sandwich, Salads and

Pizza, Northern Foods
Skills in the Workplace Award, supported by the Department for Business, Innovation & Skills, and in association with Asset Skills – Norse Commercial Services
Anglo American Responsible Supply Chain Award – Lend Lease
Sustainable Marketing & Innovation Award, in association with the Marketing Society – Marshalls

Persil and Surf brands to change consumer behaviour.

There is also a social dimension to Unilever's responsibility programme. It has launched a campaign through its Lifebuoy brand to teach children and their families about the importance of hand-washing. Studies have shown that simple hand-washing can cut deaths from diarrhoea by almost half and from acute respiratory infections by a quarter.

Co-operation with governments and NGOs in 23 countries has meant this programme has reached 133m people while boosting sales and strengthening the brand image.

A clinical trial with 2,000 families in India showed that among those given hygiene education and supplied with soap, soap use rose 10 times and incidences of diarrhoea among five-year-olds fell 25 per cent. School days lost also declined.

Philip Green, chairman of the judges and chief executive of United Utilities, last year's Company of the Year, said: "What is really impressive is how Unilever has realistically appraised the impact of its products across the whole life cycle and built sustainability into product design. Through this it can change consumer behaviour as well as find innovative ways to improve the impact of products for its customers and our planet."

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Barclays chief recognised for helping homeless

Ambassador Award

John Varley has made a strong commitment to employability, writes **Andrew Baxter**

The Prince of Wales' Ambassador Award for 2010 has been given to John Varley, group chief executive of Barclays Bank.

The award is for individuals who, alongside their professional life as a corporate leader, have shown their understanding of the inextricable link between business and the community and have used their leadership and unique ability to take action.

In so doing they have not only demonstrated the benefit to

society and their own company, they have also managed to engage many others to follow their example either by collaborating or through replicating the excellent work already being done.

Mr Varley received the award for campaigning on behalf of those individuals in society who face apparently insurmountable barriers to gaining and sustaining employment, through his chairmanship of Business in the Community's Business Action on Homelessness programme.

Additionally, the award is for his personal leadership of and commitment to the employability agenda, particularly in hard financial times.

The Barclays chief has been chairman of the BAOH national leadership team since 2006, and is also involved in the Prince's Seeing is Believing programme

for BITC. Under his leadership, BAOH has grown in size, supporting more than 700 homeless people through its Ready for Work programme each year, with 300 entering employment.

As well as encouraging other businesses to offer placements, buddies and job coaches to homeless clients, Mr Varley has increased the number of placements and job coaches offered by Barclays.

"As an employer I'm interested in talent. I want to get the best people into Barclays and talent comes in many wrappings," he has said. "We get involved because it is the right thing to do. It makes good business sense and it provides the electric current of energy to our people to be creative – not just on behalf of our customers but on behalf of the communities we serve."



Varley: 'key role for business'

In a recent article in Parliamentary Brief magazine, Mr Varley said that, when BAOH was launched in 1988, the focus of much attention by government and organisations dealing with homelessness was on getting people off the street, particularly in London.

"Things have moved on considerably since then, and the value of work as the best route out of homelessness is now well established, with funding and services targeted specifically at this goal," he wrote.

"Through the Ready for Work programme, BAOH has contributed to that recognition. We think that we have demonstrated clearly that business has a key role to play in helping people develop the skills and confidence they need to get back into the workplace and lead successful working lives."

Mr Varley's leadership of BAOH goes beyond the Ready for Work programme – he also uses his influence to campaign actively on behalf of BAOH to remove barriers to work and to engage businesses in the broader homelessness agenda.

In January last year, he launched BAOH's Making Work, Work report into barriers to employment for homeless people, bringing together businesses, voluntary agencies and government to commit to action.

In the foreword to the report, Mr Varley said: "Based on extensive research by the New Economics Foundation (NEF), BAOH is proposing key actions for government, companies and the homelessness sector, which together will significantly break the vicious cycle of 'no job, no home, no job'."

Business in the Community AWARDS 2010

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