Chapter 8
Unilever and Its Supply Chain:
Embracing Radical Transparency to Implement Sustainability

ABSTRACT

The chapter refers to Unilever and its efforts to implement the concept of radical transparency to implement sustainability and it is split into four sections in order to complete its purpose. First, the chapter provides a background on Unilever as a company. Second, the authors discuss several lenses with which Unilever may view their options to find the most optimal starting point or points to enact sustainability measures. The chapter then demonstrates one such tool, Sustainability Stakeholder Rating Tool (SSRT) and discusses how this weighting tool may be applied to three key products including dairy, vegetables, and palm oil. The chapter discusses various ways in which Unilever may encourage sustainable supply chain compliance, verify practices, and drive sustainability down the supply chain via the innovation and still relatively new radical transparency practices of certification, crowd-sourcing, and trust -based networks.

INTRODUCTION

When a company with a well-established supply chain enters the sustainability space, it is understandably with trepidation, and in the best-case scenario, with curiosity and a willingness to experiment. In order to drive sustainability changes, there are a plethora of places to start – from shifting consumer buying patterns, to farmers' production practices, to corporate culture. Commonly, large multinationals rely on multiple product streams going into multiple product lines; the task to 'green' the entire supply chain is daunting, and the process iterative. A company must do two things over and over again. First, the company must find the appropriate tools to help prioritize a starting place. Second, once this prioritization process happens, the company must dig into an evolving toolbox of items which can drive sustainability down the supply chain and ensure compliance in the areas that the company is seeking sustainability. Finally, the company must follow these steps over and over again – capturing learning as the tools are applied – and then re-evaluating its sustainability priorities up and down the supply chain.

To assist Unilever with this iterative process, Unilever requested two primary tasks. First, Unilever wanted high-level strategies and frameworks with which the company can make decisions about where to begin implementing sustainability measures across its vast supply chain. Second, Unilever asked for a discussion of ways that the company could drive sustainability down the supply chain and verify supply chain sustainability compliance, particularly in cases where Unilever did not use 3rd party certification schemes. To satisfy Unilever's requests, a supply chain prioritization tool called the Sustainability Stakeholder Rating Tool (SSRT) was developed. Taking into account the complex supply chain ecosystem, the tool is meant to prioritize supply chain actions based on a combination of financial, social, and environmental consideration in various product lines (dairy, oil, and vegetables) from the perspective of Unilever's main stakeholders.

The first part of this chapter which refers to Unilever is reported below and is split into four sections. First, the chapter provides a background on Unilever as a company. Second, this part discusses several lenses with which Unilever may view their options to find the most optimal starting point or points to enact sustainability measures. The chapter then demonstrates one such tool, Sustainability Stakeholder Rating Tool (SSRT) and discusses how this weighting tool may be applied to three key products including dairy, vegetables, and palm oil. Following this, the document discusses various ways that Unilever may encourage sustainable supply chain compliance, verify practices, and drive sustainability down the supply chain via the innovation and still relatively new radical transparency practices of certification, crowd-sourcing, and trust -based networks.

UNILEVER AND SUSTAINABILITY

Unilever, based in Rotterdam, Netherlands, owns many of the leading consumer brands in foods, beverages, cleaning agents, and personal care products. Unilever employs 163,000 people in around 100 countries and their products are sold in over 170 countries around the world.

The top 25 brands in their portfolio account for nearly 75% of their sales. They are the global market leader in all the food categories in which they operate: Savory, Spreads, Dressings, Tea and Ice Cream. They are also the global market leader in Mass Skin Care and Deodorants, and have very strong positions in other Home and Personal Care categories. They have 264 manufacturing sites worldwide, all of which align with their values of safety, efficiency, quality and environmental impacts. Around 50% of the raw materials that they use for our products come from agriculture and forestry. They buy approximately 12% of the world's black tea, 6% of its tomatoes and 3% of its palm oil.

Unilever as company has made a strategic shift towards sustainability, and CEO Paul Polman recently wrote that, "2009 saw the launch of a new vision for Unilever–to double the size of the company while reducing our overall impact on the environment. The commitment presents Unilever with a major challenge… In short, we intend to decouple growth from environmental impact." Unilever's largest opportunities in sustainability are in the expansion in developing and emerging markets and the growing movement of socially conscious consumers. Developing countries face a plethora of issues including major climate change challenges, poverty, and mal-nutrition which may seem daunting for companies to react to. However, large players like Unilever can develop products that meet their functional needs while factoring in the social and environmental challenges. This will allow Unilever to be better positioned to grow in the future compared to those who do not address these challenges.

Related Content

Global Account Management (GAM): Creating Companywide and Worldwide Relationships to Global Customers
Svend Hollensenand Vlad Stefan Wulff (2010). *International Journal of Customer Relationship Marketing and Management (pp. 28-47).*
www.irma-international.org/article/global-account-management-gam/38948

Consumer Demand in the Egyptian Market of University Education: An Empirical Investigation
Amany I. Shahin (2012). *Successful Customer Relationship Management Programs and Technologies: Issues and Trends (pp. 232-249).*
www.irma-international.org/chapter/consumer-demand-egyptian-market-university/63709

Consumer Engagement in Social Media Platforms
(2017). *Encouraging Participative Consumerism Through Evolutionary Digital Marketing: Emerging Research and Opportunities (pp. 95-123).*
www.irma-international.org/chapter/consumer-engagement-in-social-media-platforms/182050

Social Media Strategies and Students' Satisfaction at Egyptian Universities
Nasser Fathi Easa (2019). *International Journal of Customer Relationship Marketing and Management (pp. 1-16).*
www.irma-international.org/article/social-media-strategies-and-students-satisfaction-at-egyptian-universities/218915

Determinants and Antecedents of Relationship Marketing Orientation: The Impact of Bank Ownership Style on the Bank's Orientation towards Relationship Marketing
Ahmed Abdelkader, Howard Jacksonand John Cook (2010). *International Journal of Customer Relationship Marketing and Management (pp. 22-43).*
www.irma-international.org/article/determinants-antecedents-relationship-marketing-orientation/48196