

THE UNLIKELY STORY  
OF HOW BIG BUSINESS  
CAN FIX THE WORLD



# EVERYBODY'S BUSINESS

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*'It is often through business that you have the power to change things.'*

JASON CLAY, WORLD WILDLIFE FUND

## MAKING THE BUSINESS CASE

A long time ago William Lever, son of a grocer in the north of England, set up a company to sell soap. It was 1884 and Lever was an unusual businessman. Dancing was the great passion in his life, that and art. He was a social reformer, and became an MP, before joining the House of Lords as Lord Leverhulme. He believed that the key to well-being was sleeping outdoors, whatever the weather. He also believed that hygiene was essential to health, and so went about building his soap business with an evangelical zeal. His first soap was called Sunlight – the first ever packaged laundry soap for the household, a bright brand for the grey, soot-filled world of Victorian Britain. Made with glycerine and vegetable oil, instead of animal fat, it lathered well and was easier to use than anything that had gone before. Soon Lever & Co. was producing hundreds of tons a year of Sunlight.

Lever's next product was a disinfectant soap for personal hygiene. He called it Lifebuoy, because it was literally a life-saver: cholera epidemics had ravaged the cities, claiming tens of thousands of lives. Deadly outbreaks of typhoid and dysentery were common. The poor were especially hard hit, living in overcrowded, unsanitary slums. For many people even basic sanitation was unachievable; there was no easy way to keep yourself, your hair, your clothes or your home clean. Lifebuoy's message was straightforward: this was a soap 'for the preservation of health and the prevention of sickness.' Lever was on a mission to make it possible for everyone to live

free of the squalor that was causing so much misery. Lifebuoy was a simple product with a big ambition: 'to make cleanliness commonplace'.

Within four years Lifebuoy was being shipped around the world, to the USA, across Europe and into India – where its rapid growth was the basis of what later became the Indian business of Unilever. The grocer's son made good got his peerage and became one of the most celebrated businessmen of his generation. And in 1930 his business merged with the Dutch business Margarine Unie to form Unilever. The company today is one of the giant consumer goods companies of our era. It sells many household brand names: Dove personal care, Sure deodorant, Sunsilk shampoo, Signal toothpaste, Persil laundry liquid, Cif household cleaner, Domestos bleach, Flora margarine, Hellmann's mayonnaise, Knorr stock cubes, Wall's ice cream and PG Tips tea, to mention just a dozen of the best known – and still Lifebuoy soap. Every single day, somewhere in the world, two billion people buy a Unilever product. That makes it one of those big businesses many of us interact with regularly, without really realising it.

In the developed world, where consumers have unprecedented choice of what to spend their money on, soap is a humble product. It's understood to be necessary but it's a pretty basic purchase. Luxury shower gels and scented liquids compete for consumer attention, but the more medicinal, carbolic Lifebuoy bar has had its day. In India, however, Lifebuoy is still the leading soap brand by volume. And true to its original purpose, it can be a life saver.

'Everybody in India has grown up with the Lifebuoy jingle, it's instantly recognisable,' Sudir Sitapati tells us. Sudir is head of the skin cleansing business, which is a billion-dollar turnover business for Hindustan Unilever. 'It's been visually consistent; it's been red and chunky; it's been talking about health always. It's a very well loved brand in India and that

gives Lifebuoy permission to do a lot of good things.' Hindustan Unilever is one of India's oldest companies and 'Doing Well by Doing Good' has been its motto for decades. Although part of the international Unilever group, the company's operations in India have been run by local Indian management since the 1950s, which has played a big part in its good fortune in the 1970s. When other foreign-owned companies were forced to reduce to a minority shareholding, Hindustan Unilever had the feel of a naturalised Indian company and was able to argue successfully to hold on to a 51 per cent stake, setting it up well for a decade of rapid growth after liberalisation at the start of the 1990s. These days it's rated as India's 'Dream Employer No. 1' by management graduates in the country's top business schools.

Arriving at Unilever House in Mumbai is something of an occasion. The imposing building is designed to curve around the huge century-old cashew tree which throws shade across the courtyard. It's a famous campus on the corporate scene in India and we're offered lunch on what's called The Street, the walkway that runs through the centre of the atrium, where you can sit down for a sandwich, grab a coffee or an ice cream, buy flowers, have your hair cut or do your household shopping at the U Shop. We've come to learn more from Sudir about the genesis of Swasthya Chetna, Lifebuoy's well-known hand washing programme. 'I was looking after sales in a very backward part of India when we first came up with the programme in 2002. This was an area which we call "media dark", meaning no TV, or radio or even magazines reach there. And yet we had to come up with a way to increase soap consumption,' Sudir tells us. 'We knew that people were not using soap adequately and that a potential way to grow the business was to educate people on hand washing. But as we continued on the journey we realised what we were doing was more than just selling soap.'

Three thousand children a day die from diarrhoea in the world, one thousand of them in India. As the NGO water.org proclaims, that's the equivalent of crashing a jumbo jet full of children every four hours, every day. Diarrhoea is the second leading killer of children under five in the world. And lack of hygiene is a basic and preventable cause. Some of the remedies are very basic: Unicef and the WHO recommend the 'promotion of hand washing with soap' as part of the prevention package. Swasthya Chetna - 'Health Awakening' - was Unilever's education campaign to get the message out to thousands of villages. It was based on the central insight that most people believed that if something looks clean, it is clean. So the aim was to communicate the existence of invisible germs. The Lifebuoy team dreamt up the 'Glo-germ': an ultra-violet lamp which produced a glow on a powder which stayed on hands washed only with water, and not on hands washed with soap. This simple but neat device caught children's imagination with the idea of soap's ability to get rid of what the eyes may not see - and got the children to tell their parents. The campaign took off nationally. On World Health Day 2006, the Indian Post Office issued a special postal cover for letters in honour of 'the phenomenal work done by Lifebuoy' and the Post Master General said:

I urge all my brothers and sisters to take personal hygiene habits like washing hands with soap seriously. I congratulate Lifebuoy and Hindustan Lever for initiating and assiduously implementing this socially beneficial movement.

According to the UN, washing hands with soap can reduce the risk of diarrhoea by around 45 per cent. Put in that context, hand washing remains quite simply one of the cheapest and most effective ways of preventing disease - as it was when

William Lever first launched his soaps. 'It's not a small thing this, it's such a powerful thing to communicate about washing your hands,' Sudir tells us. 'We were making a big impact on health and as a by-product of that soap consumption was going up. A lot of us got very motivated about the power of the brand.' They were discovering that it was possible to *do well* and *do good* at the same time.

The team worked away at building up the programme over the years and by the end of the decade it had reached some 120 million people in rural India. And, since 2010, they've got the message out directly to 50 million more people – while seeing double-digit growth in sales, and over 1,000 employees volunteer their time to run sessions in schools and villages in their communities. But, of course, children dying every day of diarrhoea isn't only an India problem and the step change for the programme came when it went global.

In 2001 Unilever partnered with a cluster of public and private sector organisations to launch Global Handwashing Day, an annual flagship event for the campaign. Though the day does not register on news screens in developed countries, 200 million people participate in 100 countries around the world from Brazil to Saudi Arabia to Rwanda to Mongolia. This commitment to scale has given the movement fresh life. It makes it possible to deliver business results because it drives an increase in the use of soap in the long-term and, at the same time, it reduces disease. As Sudir explains, it provides common ground with the goals of governments and global funding bodies focused on health, who are interested in partnering with Unilever to make it happen, 'If you have a programme like this that provides both a business good and a social good, then other people are willing to bear the cost of the social good with us.'

Sudir is charged with creating a viable business model and a payback over a three- to five-year period, as any investment

would be expected to do. The company has always been clear that this was a marketing campaign with a social purpose, not a philanthropic programme – and his experience is that it works best that way:

If you separate the two, then the ‘doing good’ tends to become a bit niche, some small things that live somewhere on the side of the organisation. But if it gets integrated into the heart of the business, as this is now, the kind of organisational resource and management focus it gets is of a different order, which makes this a very exciting opportunity for the future.

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Continuously pushing further into rural India is characteristic of Hindustan Unilever. In fact, the business is credited with pioneering a business model for reaching people at ‘the bottom of the pyramid’ – the world’s very lowest income consumers. It started up in 2000, at a time when women’s self-help groups were springing up all over India and Unilever was tapping into that energy. They made the crucial decision to recruit village women as their rural sales force and today the Shakti Ammas, as these women are known, embody the spirit of the idea. The word ‘shakti’ literally means power, or empowerment, but in Hindu culture it also refers to the divine female creative energy; the word Ammas simply means mother. The name has travelled with the network as it spread across fifteen states in India.

There are 48,000 Shakti Ammas today, in a network covering 100,000 villages and reaching three million households every month. Ashish Rai heads up rural business for the company and feels lucky to have responsibility for the Shakti network: ‘I think I’ve inherited a brilliant legacy. I’m very, very

fortunate because the thinking is so good; it's that pristine thinking that's taken us to the scale we have now.'

The whole thing started with the conviction that there was a real demand for these products among people at the bottom of the income scale: soap to wash their hands, shampoo to wash their hair, detergent to clean their clothes. But the problem was that these people are living on a dollar a day, and the small sums of money they have are held as cash in their pockets. They couldn't possibly afford the products as they appear on the shelves in the city supermarkets. So the first and critical innovation was to create very small pack sizes. The business produced single-use sachets, costing just one or two rupees. That one move is what brought products like shampoo or detergent within the reach of these consumers. Ashish impresses on us, though, that for many rural women a sachet of shampoo is still a luxury for a special occasion, a wedding maybe, and the rest of the time she will use bath soap or the traditional solution of mud from the river.

But the next problem was that there are 600,000 villages in India, many of them very remote, with no roads linking them up. So, as Ashish explains, it was a challenge to see how to develop a distribution system that can work in those circumstances. To build up a full time conventional sales force at the scale needed would be prohibitively expensive and, anyway, having men selling household products to women face-to-face, door-to-door would be unacceptable in the villages. So, the idea of the Shakti Amma was born.

Unilever approaches women to join the network through self-help groups or the Panchayati Raj, the elders of the village. They are looking for someone who would like to supplement the family income earned by her husband or brother, probably through farming. They provide her with micro-financing to get started, training in administration and bookkeeping, and a portfolio of Unilever products.



Lifebuoy, of course, is a mainstay of the Shakti Amma's basic portfolio, along with maybe one other soap, such as Lux, a shampoo, a laundry detergent and Lipton's tea. These are aspirational brands that people in the villages want to be associated with, Ashish explains, but the vital advantage Unilever has is the breadth of products it can provide for the Shakti entrepreneur. Where other consumer goods companies might be able to provide, say, toothpaste or a laundry bar, Unilever can provide the full range of products that any basic household is likely to need. So the Shakti Amma has enough variety and volume to make it worth her while to get out and about and sell.

Yet, while Ashish clearly admires the detail of the operating model, what lights up the way he describes it is his consciousness of the impact it has on the life of the Shakti Amma:

You cannot imagine the change in the social order it brings about. Now she's able to contribute to the family by earning income. It's a huge boost to her self-esteem, she was a marginalised woman who would just cook and take care of the kids and never leave the house. Now she has a voice in the family and in the community.

Part of her training is about family hygiene and she's equipped with visual materials in her own language and posters which illustrate the principles clearly. So a Shakti Amma becomes a local source of knowledge as well as products. 'They get respect. They make decisions. They handle money. You can see their confidence grow. She becomes almost an institution in these villages and an aspirational figure for the women around.' The words paint a simple and practical picture of what is contained in the often abstract-seeming term 'empowerment'. Now it exists, the model seems so obvious, but it was a revolution in thinking at the time. There was resistance

initially from men not keen for their wives to go out of the home selling door-to-door, and from local shopkeepers fearful of losing trade. But the additional money is persuasive, often doubling the household income. And the pride the women feel in their own success carried the project forward.

Sunita Bhandwalkar became a Shakti Amma when her husband died and she was left all alone to fend for her children. She had to find a way to live and to earn. It was a terrible time, she tells us, 'At first, it took a lot of courage to be able to go out and do this. I didn't know if I would ever be able to manage it.' But the income was all important for her and she persevered. Sunita agrees with Ashish that her role has earned her status in the village. Most of all, it matters that both her daughters are going to engineering college: something she would not even have dreamt of when they were born. 'It was through interaction with the Hindustan Unilever representatives I first realised the importance of education,' she says. 'Now my neighbours talk about how well I've done and they praise me for educating my children.'

'You see, it's not just the money,' Ashish insists. 'Equally important is that she becomes elevated in the society. But let me put it very clearly, it's a mutual benefit, good for us as well as them.' For Unilever, Project Shakti is a business proposition to get to the places they could not reach before. The network reaches 100,000 villages today but there are still plenty more it doesn't get to. So they've been working out how to get further out into the enormous hinterland of rural India. 'We need to get to a place where a vehicle can't go, where there are no roads. People don't have fixed addresses; they don't even have registered shops. To get to the next village, people walk through the paths or maybe go on bicycles.'

As a way of expanding the network further, in 2010, Unilever introduced the idea of the Shaktimaan. Now the Shakti Amma's husband or brother can work alongside his

wife or sister to expand the family income. Unilever provides him with a bicycle so he can cover five or six villages further afield and reach deeper still into the rural areas.

We travelled out of Bangalore, past the modern tech giants of India's Silicon Valley, through small towns into the rural areas to visit the village of Krishnagiri where a Shaktimaan meets us, smiling but apologetic – because his wife has just gone into labour and been rushed off to hospital. But he welcomes us into their home to see their products all laid out neatly on the table. Perhaps most surprising is the variety: five different types of soap, including Pears and Dove; several shampoos and toothpaste. Sachets of Comfort sit on the table alongside small packets of tea and jam. Arvind Ramchandran, Unilever's Sales Manager for the area, points to the TV in the corner to explain that, these days, as mass media reaches the villages so does the appetite for higher quality products. As we walk down the road, we pass the tiny mud brick shops – which the Shakti Amma now supplies – which are festooned with long strings of sachets hanging up to make eye-catching displays. Children often buy the jam sachets or Kissan ketchup as an after-school treat, Arvind tells us. It turns out this Shaktimaan used to work in the local town but came back to Krishnagiri and when we asked why, he answered simply, 'This is where I belong.' Being a Shakti family gives him and his wife a real role in the life of the village.

While the essence of the idea is unchanged since it began, how the network operates is evolving. These days the Shakti Amma carries a mobile phone provided by Unilever, loaded with details of the entire product portfolio available to her. She can place her orders over the phone and take care of her accounts at the same time. New developments are coming through now which build on the established strength of the network. For example, Unilever has gone into partnership with Tata DoCoMO, a telecoms operator with the strategy

of reaching the rural market, so many of the women can now provide mobile connectivity to their customers. And the potential keeps growing.

The Shakti Amma is now stepping up to the role of banker in the village. Supporting the government's policy of extending banking facilities to the poor, the State Bank of India has gone into partnership with Unilever to reach the villages. Because the Shakti Amma is already known and trusted in the local community, she is in an ideal position to act as a correspondent for the bank in the village. 'Because a lot of people in rural India can't write, the State Bank provides her with a biometric device to capture fingerprints which establish identity,' Ashish tells us. 'So she's able to open bank accounts for people; they can make deposits and do transactions.' To Ashish, it's an important acknowledgement of the fact that Unilever's distribution system goes wider and deeper than even some of the government agencies. When incomes rise even a little, typically, it's consumer products which reach the villages first because these are everyday basic necessities of life. So the reality is that, while it's not viable for the State Bank to establish branches across rural India, it does make sense for them to piggy-back the Unilever network to reach that 'last mile'.

These days the global business community talks a lot about reaching the bottom of the pyramid. Professor C. K. Prahalad's book *The Fortune at the Bottom of the Pyramid* put it on the agenda in 2004 and profiled Project Shakti.<sup>40</sup> Since then companies, business schools and strategy consultants have been discussing what it takes to make it work effectively and economically. Working through micro-entrepreneurs, especially women, designing systems which offer mutual benefits, and adapting products to make them accessible to very low income consumers has caught on. Whether it's mobile operators with air time, pharmaceutical companies with medicines, beverage companies with drinks or energy companies with

solar panels, there's a lot of experimenting going on all over the world. But the Shakti Amma led the way.

Many companies, of course, are avidly pursuing the opportunity presented by the rising wealth of the middle classes in the world's fastest growing economies. City streets in India are crammed with luxury brands trying to attract the attention of the upwardly mobile, urban consumer. But those countries are also wrestling with how to lift up their large rural and poorer populations who want to share in the improving living standards. For them, these basic products represent a better quality of life and a step away from the subsistence, hand-to-mouth existence that is the reality in so much of rural India. Ashish talks about what that means to him in the context of the society he lives in:

It's about accepting that people are trying to make ends meet. People are struggling to grow. If you have an arrogance in your attitude, I don't think you can run a Shakti programme because you have to have a very, very strong linkage to the culture of this country and culture of the company – because it's all about holding hands with people: the people who are at the bottom of the spectrum.

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Project Shakti and Lifebuoy are deeply rooted in the history of Unilever, and both now are encompassed with the over-arching framework of Unilever's Sustainable Living Plan. Launched in 2010, the Plan committed the business to an ambitious new goal: to double the size of the business by 2020 *while* halving its environmental footprint.<sup>41</sup> Each side of that equation is challenging enough alone: doubling in size is no mean feat for a big business with an enormous customer reach already. Halving negative environmental impact is something most businesses

don't even try to commit to. It's the combination, though, which caught people's imagination. Bringing the two imperatives together goes to the heart of one of today's great questions: is it really possible to keep growing and to minimise the harm our activities have on our natural environment?

We went to ask Keith Weed, one of the core Unilever team who devised the Sustainable Living Plan, why they decided to pit themselves against such a great challenge. Keith, who very unusually in the business world holds the dual role of Chief Marketing Officer for Unilever and Head of Sustainability, dives straight into the answer, 'We did it because we believe the industry needs to reinvent itself. To be more sustainable environmentally and more sustainable socially for the future.' It's an argument he and the team have taken to public platforms around the world and he wants us to understand that the point of the dual goal is to weave the aspiration to become sustainable into the core of the business operations, rather than have it as a separate strand:

Business is at a crossroads right now and I would argue that there are some choices to make. According to the WWF, we're living on 1.5 planets worth of natural resources already. If the whole world lived like Europeans we'd need three planets; if the whole world lived like America we'd need five. Unfortunately, we only have one. You know, Unilever is the largest tea company in the world, the largest ice cream company, the largest deodorant company... If we want to serve the next two billion people arriving on the planet between now and 2050, we have to change our approach to agricultural raw materials and natural resources.

Unilever believes that having this clear sense of purpose acts as a spur to innovation: people invent new products and new ways

of operating because of it. Keith directs us towards the story of Pureit as a live example of innovation responding to social need. The need is obvious: one billion people worldwide don't have access to safe drinking water. In developing countries, 80 per cent of diseases are waterborne and three and a half million young children die every year from diarrhoea or acute respiratory infections as a result of that. Just as they recommended hand washing with soap, so Unicef and the WHO include the treatment and storage of safe drinking water in their package for prevention. Pureit is the water purifier Unilever developed in India to tackle the problem in that market.

When we speak to Deepak Saxena, who leads the effort to get Pureit out to people at the bottom of the pyramid in India, he begins by describing the search for a solution, 'For a long time we were looking for something that could answer the need of getting safe water to people. Then we thought, rather than supplying the water, let's supply the device that will purify the water.' The team had free rein to create a product that would work for the target market, he tells us, but with one essential condition – there should be no compromise on the water quality. So there would be different models for different price points and types of customer, but all must provide the same level of water safety. 'Previously in India the quality of your drinking water depended on whether you were rich or poor!' he exclaims:

If you're rich you're living in an area where the municipality provides good quality water anyway, so you'd just be purifying pure water. If you're poor, there is no water supply or it's very bad quality and dangerous, but you can't afford to purify. What we did is demonstrate that safe water is possible for everybody.

Safe water for everybody means it has to work without

access to electricity or running water – which is essential for the system to be any use in rural or slum communities. A kit of chlorine tablets and carbon filters removes all harmful viruses, bacteria, parasites or pesticides from the water. An independent study carried out in 2006 in the Chennai slums confirmed its effectiveness in reducing sickness.<sup>42</sup> But, however good the product, low income households cannot pay upfront. So Unilever had to work out how to get the product into the hands of the people who need it most. They tied up with the vibrant movement of micro-finance institutions around the country and set up a number of partnerships. The Integrated Village Development Project (IVDP), made up of around 8,000 self-help groups of women across Tamil Nadu in Southern India, is one of those.

Through IVDP, women are organised into groups of twenty and, based on their track record of savings, get micro-loans direct from the bank. We joined two groups of women to listen to a presentation from the Unilever team about using Pureit. Vividly identified in their two groups by pink and blue saris, they sit barefoot on a tarpaulin on the ground, with long-legged chickens scratching in the sand around them, to hear about the threats of waterborne diseases, the benefits of Pureit and the offer of a twenty-month loan arranged by IVDP. We're invited into a home nearby to see one in action. Selvi's kitchen is about a metre square, with one ring to cook on, a few shelves with a few pans lined up and a Pureit. While she talks about how it cuts down sickness in her family and her pleasure at paying back the loan in only ten months, her children peer in from the doorway.

Kulandei Francis is the founder of IVDP and its inspiration. His early experience was shaped by extreme poverty and the suffering his parents endured to enable him to be educated – and his life has been dedicated to the single-minded goal of enabling people in villages to transform



their lives. Twenty-five years on, the network has grown to a membership of 160,000 women. It's a source of deep pride to the network that in 2012 Mr Francis – as they all respectfully call him – was presented with the Ramon Magsaysay Award, often described as South East Asia's equivalent of the Nobel Prize. We visited him to understand better the link between a front-line community not-for-profit like IVDP and the big multinational that Unilever is. His gentle self-effacing manner belies, momentarily, the fierce determination of his energy. He wants to connect with anyone and anything that he believes will genuinely help the women improve their lives. He agrees that part of the challenge is that many of them don't even realise that contaminated water is causing the sickness; there are so many other things it could be. Boiling water is costly and dirty, and it's quickly re-contaminated. When Unilever first came to him with Pureit, he gave it first to his staff – who are also members of the network – to use for a few months to see if they found it worked before he introduced it to the network. It passed the test.

Having seen his members hand over their precious notes to pay back loans, we ask if he would prefer – if it were only possible – that Pureit was given free to the women. His answer is emphatic: 'Our people are very strong and very capable of paying. If they have to depend on people giving it to them, then it's not sustainable and it's not empowerment.'

So then what more can big companies do to support development? 'Create products that are relevant to poor people, develop technologies which solve the problems they have. And make it possible for them to buy them,' he responds. 'Then they will come out of their problems themselves.' Already 90,000 of his network have taken out a loan to buy Pureit.

Back at head office, Deepak puts it forcefully when he describes why the women want to enter into the purchase. 'It's the woman who bears the brunt of disease in the household,

and she feels guilty. She's the one who sees how her children are getting sick with diarrhoea and she must do the cleaning up. So her burden of guilt increases and her burden of work increases. So when you explain the benefits it provides, the women understand very quickly. Then it takes about a year to fully appreciate it: one rainy season round, so what would have been six or eight bouts of diarrhoea has fallen to one or two.'

One of the most important things they've learnt along the way, he tells us, is that aspiration is an important driver for everybody – and certainly for the poor, maybe especially for the poor. The fact that Pureit appears on the shelves at supermarkets and in advertising helps to drive demand, even in the rural market. Upmarket consumers buy fancier models from urban stores, with additional features, such as bigger containers which need filling less often or fixtures to hang them on the wall. Meanwhile, for people in especially vulnerable situations, such as refugees caught up in war or natural disasters, there are donations programmes through charities. But, Deepak reminds us, they all share the same standard of safe water.

Deepak remembers in the early days listening to a colleague present Pureit to a women's group, as we had been doing, though this time in the setting of an urban slum. He tells us how, when it was finished, one woman raised her hand to ask timidly how much it cost. Hearing the answer, all eyes went to the ground: nice, but not for us. Their NGO partner explained the financial arrangement that created the option of a 51-week loan. 'I can't describe the visual change I saw come over them in the next thirty seconds,' says Deepak, 'It was the first time I saw it, but I've seen it time and time again since. There was a barrage of questions: how to clean it, how to maintain it, what the colour options are... What we'd call 'after-sale questions' – they'd already decided to buy it. It made me think of my wife: her self-confidence when she goes into a store because she can afford almost anything in there. Suddenly they were as

confident as my wife because everything was within their reach. That was all the proof I needed that this was going to work.'

At the local level for the rural consumer, NGOs and micro-finance institutions are an essential link in the chain for Unilever. Yet, as Keith Weed sees it, the key contribution that multinational companies can make is to scale solutions that work:

It would be tough for NGOs to take on a task of such scale. That's what we can bring. Pureit's reaching 30 million people in India already. We're launching in Brazil, Mexico, Indonesia, Sri Lanka, Bangladesh and more will follow. We're aiming to reach 500 million people.

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The commitment to act at scale is built into the Sustainable Living Plan. Halving the environmental footprint of Unilever's products is the other side of the original dual goal. And flowing from that is the target to source 100 per cent of their agricultural raw materials sustainably by 2020. Once again, in practice, the over-arching corporate goal requires the business to deliver at the micro level on the ground all over the world. One and a half million smallholder farmers supply raw materials to Unilever – and the company's ability to achieve their goal of sustainable sourcing is dependent on enabling those farmers to work differently.

So back in India, we hear from Vijay Sachdeva how that's going for tomato farmers in southern India. To put it in context, Unilever buys 3 per cent of the world's production volume of processed tomatoes, and India contributes some 40,000 tonnes to that annually, for products such as their popular Kissan Ketchup. In 2011 Hindustan Unilever entered

into a partnership with the Maharashtra Government to develop a sustainable model for local tomato farming. Vijay has responsibility for supply and development of agricultural raw materials across the whole of South East Asia, so all the fruits, vegetables and spices in that region fall into his span of control – and he explains to us what he's aiming to achieve with the tomato project in Nasik: 'We need everybody to win. The win for the farmers is improved productivity – that means increasing their yield and reducing their cost of cultivation – which leads to increased income.'

Typically, the farmers participating in the programme have a smallholding of around five hectares each and achieving increased productivity requires a significant step up in agricultural practices. As Vijay explains, 'Until now the farmers basically have been growing their crops without even getting their soil looked at. They don't even know what nutrients they have or lack.' So there's a long way to go. But improving farming techniques is not Unilever's area of expertise, which is why they've gone into partnership with Syngenta, a global agricultural business which can help them deliver the training programme on the farms. With 27,000 people working in ninety countries, this is another of the major corporates working on the front line of the world's food supply. Syngenta's Kavita Prakash picks up the story: 'When a big manufacturer like Unilever asks for different and higher standards, how does the small farmer do that? They turn to us to help them manage it.'

The process starts by working out with the farmers how to identify what fertilisers and nutrients their particular soil needs and a lot of detailed implementation follows from that: showing them how to use their own green waste for composting, introducing drip irrigation in place of flooding their fields, staking their seedlings to protect them from fungus on the ground. What gives the farmers the greatest confidence

to adopt new techniques is a farm-based demonstration, she tells us, and that's why it matters to have a field force on the ground: 'It's amazing to see that in just a few seasons, you can transform people's lives.' The Syngenta teams work with a farmer on a piece of his land to show him and his community what's possible, right through the cycle from planting to harvesting.

Training to use pesticides in a more controlled way is a big part of the programme. 'What you spray, how you spray and how you store it are all part of our demonstrations because, you have to remember, many of these smallholder farmers can't read the instructions on the pack,' she explains. Pesticides are an important and often controversial part of the mix of agricultural techniques. These are hazardous chemicals and, used to excess, they cause harm. So the industry's become increasingly heavily regulated and the big players, like Syngenta, have been progressively changing their portfolio to replace old products with a new wave of more advanced products. A huge amount of scientific research has gone into controlling every detail of how they're administered: droplet size and spray technology have become specialisms in their own right. But, as Kavita tells us, the problems arise when the farmers themselves don't know how to use the products safely – which is why the business is so keen to get out into the fields and train people. One of the ever-present environmental threats these days comes from low quality, unregulated, local generic products used indiscriminately. But, we ask her, why would a farmer pay more for their products and why would the business encourage farmers to use less of it? The answer she gives is that their business model is based on effectiveness not volume, which means using less of an advanced product in a more targeted, less indiscriminate way – and they want a chance to demonstrate to farmers why paying more for their product is worth it.

Kavita is a recent arrival into the corporate arena, coming from the World Resources Institute, a not-for-profit policy research unit based in Washington DC, and she carries an extraordinary job title: Head of the Global Food Security Agenda. But what got her involved with Syngenta was exactly that: her concern about how to feed the world's fast-growing population. And she has a mandate from Syngenta to identify how the business can make a meaningful contribution to the challenge of global food security. In practice, that means getting more initiatives like the Nasik tomato project happening all over the world: 'Most of the problems we're all trying to deal with in the global food system today start on the farms and, in Syngenta, that's where we are – out on the farms. We have a unique opportunity to make a huge difference at the base of the pyramid because we have the expertise and a big presence on the ground,' she says.

At first, her NGO friends were sceptical about her move into an industry that has been the subject of so much controversy, but she has her answer: 'Smallholder farmers are responsible for growing a quarter of the world's food now. We need to work out how to increase their productivity. And if we don't, the world's simply not going to be able to feed nine billion people.'

More resilient, drought-resistant, higher-yielding seed varieties are increasingly being seen by policymakers around the world as an essential part of the solution to the global challenge of food security and that puts Syngenta, and other life science companies, in the centre of the action. 'There's a lot of precision agriculture going on these days,' Kavita tells us. Yet as well as developing more advanced products, the business is adapting how it goes to market to make it more effective, she explains. 'This business used to be just two divisions selling our wares separately – a seed business and a crop protection business – and we thought predominantly about *the products we sold*. These days we focus on fixing the farmers' problems.

We look at *what the farmers need* and we wrap all our products and services around that. It's switching our whole mindset around.' And there's a business rationale:

Smallholders are the businesses of tomorrow. Around the world a significant part of agricultural growth will come from this level of farmers. It's our job to bring these farmers up to the level where they know they can be productive and profitable. What they want is their farm land to be sustainable as a business, and that's what will fundamentally change their lives. We can help them do that and, in the long run, if these farmers aren't profitable, we don't have a business – so our interests are aligned with theirs.

For the tomato farmers in Nasik, yields have jumped from around forty tonnes per hectare to eighty or even ninety tonnes – and both Unilever and Syngenta can claim part of that victory, along with the farmers. 'Because farmers are getting double the yield, their confidence level has gone up,' Vijay tells us, and goes on to explain that his strategy is more than the increase in yield. Unilever has also set up a tomato processing facility, in partnership with a local company Varun Agro, as an outlet for the product coming from the farms. 'So by working with us, now the farmers are getting the assurance that their product will get lifted directly from the farm and go to the facility.' Otherwise, the farmers would have to take their chances with the daily market price and typically around 20 per cent of what they grow goes to waste before it ever gets to market, he tells us. 'Now nothing is going to waste. The fresh produce is taken directly from the fields to the factory and, you know, they are very happy for that. And they know that when they deliver today, they get paid tomorrow – no waiting.'

So far 1,200 farmers have participated in the programme

and, after the first year, 5,000 more put themselves forward to join. Vijay takes that as a vote of confidence that it's working for the farmers. The real win for the government is a more resilient agricultural system. As more people move off the fields and into the cities – just at the time when there are more mouths to feed – improved agricultural productivity and smarter agribusiness is a strategic priority for India. The programme supports the government's push to get private enterprise involved in raising standards in farming. Meanwhile, Unilever in India used to import 100 per cent of its tomatoes all the way from China and that's fallen to zero. And the company has established a much stronger supply chain for one of its top agricultural raw materials – and progress towards their goal of sustainable sourcing. By 2011, 60 per cent of tomatoes for Kissan Ketchup in India were sourced sustainably, giving Vijay heart that Unilever will reach their goal of 100 per cent by 2015. Everybody wins.

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Unilever is one of the world's biggest food businesses, and so one of the biggest buyers of tomatoes, palm oil, tea and many other agricultural materials. As Keith Weed reminds us, their objective is to source all raw materials sustainably across their whole range, and in all countries. So the real opportunity for Unilever is to learn from these imaginative and pioneering – but still relatively small – projects, and roll them out across the entire business.

Some dismiss Unilever's goal as unachievable or not credible because the route towards it can't be mapped out in full. Refreshingly, Keith laughs at the idea that it could be: 'It was impossible when we started three years ago. When I say something's *impossible* I mean that the way of doing it doesn't exist right now. It doesn't mean it can't be cracked.' He adds:



Three years ago it was impossible to source 3 per cent of the world's palm oil sustainably. Absolutely impossible. There was no way you could do it; you could throw money at it and it wouldn't make any difference. Last year we did it – several years ahead of plan. But that's what business is about – setting an objective, setting off on a path, learning along the way and adjusting the business to hit that target. When I say, it's impossible, it's impossible at this moment.

Palm oil is one of the most controversial of raw materials and Unilever is the world's biggest purchaser of palm oil. Used in a wide range of products from shampoo to margarine, much of it is grown in countries such as Indonesia and Malaysia and rainforest is being cut down to produce it. So, given that context, sustainable production means the palm oil must come from plantations that are not causing further destruction of the forest.

In 2008 Greenpeace's campaign on palm oil turned its sights on Unilever's flagship Dove brand. Unilever had focused its marketing nous into establishing a connection between Dove and 'real beauty', seeking to raise awareness about the importance of self-esteem in young women. A beautifully shot, fast cut, arresting film of plastic surgery and crash diets, all undertaken in the name of the beauty industry, led up to an exhortation to 'talk to your daughter before it's too late'. Greenpeace counterpointed this with a message on the rainforest: an equally beautifully shot, fast cut, arresting film with images of Indonesian forest hacked down and orang-utans dying, all prosecuted in pursuit of palm oil, leading up to a demand to 'talk to Dove before it's too late'. Unilever took the challenge head-on and, having done its own investigations, joined the call for a moratorium on further deforestation in Indonesia. The business committed to have traceable supply chains in place by 2012.

Greenpeace, a number of other NGOs and environmental campaigners are keeping the pressure up on the industry for further action. Their argument is that certification schemes are set by the lowest common denominator and their fear is that the standards set are too weak to save the forest. The accusation is that the system of buying GreenPalm certificates creates a false comfort while masking the reality that genuinely certified product is mixed with uncertified product in an untrackable way. There's growing consensus that the current system has to be only a transition stage to a more transparent way of operating right through the chain. But doing that will be a monstrously difficult undertaking. Unilever acknowledges that although their certification is progress, 'this is just the beginning'.

In 2012 they set a new target, this time to purchase palm oil entirely from traceable certified sources by 2020, meaning each tonne can be tracked back to the plantation where it was grown. The business is making a €69 million investment in a new processing plant in Indonesia to help them get closer to the source. It's another of those goals which Keith would say seems impossible to do only because 'the way of doing it doesn't exist right now'.

To make it happen, Unilever will need to continue to use the influence they have over the companies who supply them as a way to accelerate change, as many big businesses are doing these days. Put baldly, says Keith, 'We're the largest palm oil purchaser in the world and we've said that, come 2020, we're not going to buy any *unsustainable* palm oil. So, by definition, if you don't sort out your plantations, you ain't selling to us.'

One of the reasons the business has become increasingly vocal about all these issues, Keith tells us, is that they cannot achieve their goals alone:

For instance, we wouldn't have been able to get this far

if the Roundtable on Sustainable Palm Oil hadn't been set up. And if we didn't have collaboration with NGOs, competitors, suppliers, the Indonesian government and others. Although Unilever is a big company, it's a drop in the ocean in actually changing the way the world works. We need everyone to help.

The Consumer Goods Forum is a coalition of around 400 corporate members: retailers, manufacturers and others, whose combined turnover adds up to over \$3.2 trillion. At Rio+20 the Consumer Goods Forum, in alliance with the US government, made a commitment that by 2020 their activities would cause no further net deforestation. Unilever, unsurprisingly, was one of the champions of the cause. 'Soy is one big driver of deforestation, beef is another, timber and paper are a big driver, as is palm oil. So I think the world's biggest chance of stopping deforestation right now just might be the Consumer Goods Forum. Isn't that bizarre?' It's a rhetorical question from Keith but a pointed challenge about how new ways of operating are going to be achieved in practice. He sees the momentum in the hands of the big corporates and wants to keep pressing for their collective power to be used to make a positive difference.

He tells us that – drawing inspiration from the spirit of William Lever's original mission 'to make cleanliness commonplace' – Unilever has articulated a new mission: 'to make sustainability commonplace'. He says it brings to mind the Chinese proverb: the best time to plant a tree is thirty years ago or now. 'So our view is, let's start to do this now.' There are 150 commitments in the Unilever plan to 2020 and they're some way down the road, with some way further to go. Then, probably, there'll be a new destination ahead.

'We know the Unilever Sustainable Living Plan is still a plan. We've still got to deliver it,' cautions Keith, but he's

determined about the goal. There are supporters cheering from on the sidelines and there are detractors who doubt its feasibility:

Some people challenge what we're doing. Some say, 'What's the business case for sustainability?' I'd love to see the business case for the alternative.