

Unilever's corporate social responsibility



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Introduction

In an increasingly globalized world, interactions between opposing parties that were once thought to be unconceivable, happen more and more often. It is not uncommon to read about for-profit corporations seeking to give back to the community and the world in a multitude of ways with the help of non-profit organizations around the world. These partnerships tend to oppose the previously common perception about interactions between multinationals and NGOs in which extensive lawsuits and class actions initiated by NGOs against multinationals were common. Unilever, a company that has been in a few negative interactions with NGOs involving lawsuits, seeks to increase its corporate social responsibility by engaging in a multitude of partnerships that aim at improving the world in several sectors of civil society. Among other NGO's and non-profit organizations, Unilever has partnered with the United Nations' (UN) United Nations International Children's Emergency Fund (UNICEF) in several projects that align with both parties' mission statements and goals for the future (Unilever 2012).

The parties involved

UNICEF

Initiated after World War II, a vote by the UN's General Assembly established UNICEF, a committee designated with the intent to aid and relief children in war torn countries (UNICEF 2010). After the humanitarian crisis caused by the war was addressed, UNICEF continued its role as a children's relief and support organization. In the 1970's UNICEF marks its presence in aiding efforts to improve education, health and general welfare of children as an

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advocate and speaker for children's rights (Mingst 2019). In the 1980's it assists the United Nations' Commission on Human Rights draft the Convention on the Rights of the Child. Ever since its adoption and implementation by the UN General Assembly in 1989, the Convention on the Rights of the Child has become the most ratified human rights treaty up to date and its enforcement is only possible through UNICEF (UNICEF 2010).

UNICEF focuses on projects in which small, sustainable and relatively inexpensive efforts can have a profound impact on the lives of children in the developing world. Initiatives that focus on immunization programs, prevention and treatment of diseases such as cholera, malaria and HIV/AIDS; projects that provide funds for medical and educational facilities as well as other welfare services are all projects endorsed by UNICEF (Mingst 2019). Since 1996, every project supported by UNICEF must align with the Convention on the Rights of the Child, established in 1989, adopted and guided by UNICEF in that same year. The work of UNICEF has impacted the lives of millions of children around the world since its creation in 1946 (UNICEF 2010). Throughout its history, the UN committee has been imperative in the recovery, safety, general advocacy and rights of children around the world, helping keep children safe through the worst humanitarian crisis such as the recent Yemini crisis, the Syrian refugee crisis, the Somalian and South Sudanese hunger crisis (Mingst 2019). Working alongside multinational corporations, UNICEF seeks to continue to be an advocate for children's rights around the world ((UNICEF 2010).

Unilever

Unilever is a transnational consumer goods company, founded by William Hesketh Lever, who introduced the Sunlight Soap – a “revolutionary new product that helped popularize cleanliness and hygiene in Victorian England” (UKEssays 2016). Since its creation, the company’s purpose has been to promote well-being and making life more enjoyable for the consumer of Unilever’s products. This mission is still part of Unilever’s corporate culture which now also promotes sustainable living. The new mission aggregated to the company’s purpose has driven the company’s corporate social responsibility projects to promote healthy living, more hygiene practices and improved general well-being of population (Unilever nd.).

On January 27, 2012, Unilever announces the launch of the Unilever foundation, which dedicates its efforts alongside five major non-governmental organizations (Oxfam, PSI, Save the Children, UNICEF and the World Food Programme) to improve “the quality of life through the provision of hygiene, sanitation, access to clean drinking water, basic nutrition, and enhancing self-esteem” (Unilever 2012). According to Unilever, “two billion times a day, somebody, somewhere, uses a Unilever brand” (Unilever 2012). The company believes that with its reach, Unilever will be able to create sustainable changes along in its partners around the world, since it has “a deep understanding of what triggers consumer behaviors” (Unilever 2012).

Unilever’s dark past

Although Unilever’s corporate social responsibility has directed the company to participate in several projects aiming the general better health of the population, some still question the company’s philanthropic work. Unilever

has been under severe scrutiny in the past over its philanthropic work, and some even claim that the partnership with global non-profits and the creation of the Unilever foundation are Unilever's attempts to cover negligence practiced by the multinational. One of the most prominent cases of negligence and subsequent detriment of humans and environment was the case of the Kodaikanal mercury thermometer factory, in the Western Ghats of Tamil Nadu, South India, in 2001. The mercury thermometer factory was relocated to South India from New York in the early 1980's due to health and environmental hazards imposed by the factory, which did not comply with US legislation (Ejolt 2018). The factory, which was placed in the middle of the city, near a wildlife sanctuary, ran on second hand equipment, full of ageing material that compromised the health of its workers. The factory with poor safety and poor waste management produced about 75, 000 mercury thermometers daily for export to the west (Ejolt 2018).

Unilever's plant exposed many of its workers to mercury poisoning, approximately 550 men and women claimed "irreparable damage to their health" (Ejolt 2018). The mercury, which continues to permeate the soil, forests and groundwater polluted the environment and subsequently caused harm to people when Unilever inadequately disposed of glass waste contaminated with mercury on land fields around the factory. The workers, whom were not given any protective equipment nor any safety training regarding the fatal consequences of mercury poisoning demanded Unilever to hold liability for the negligence to its workers and the environment (Ejolt 2018). Besides death, mercury poisoning can manifest itself in several ways, including: nose bleeds, mental problems, headaches, skin problems,

irregular menstruations, miscarriages, impotency, tremors, chest pain and breathing problems (Ejolt 2018).

In the past, Unilever denied any connections between the worker's health problems and mercury poisoning, as well as any environmental damage to the area (AFP 2016). Unilever had then “persuaded the [local] authorities that its responsibility is limited to cleaning the factory site and no further (Ejolt 2018)” Although the official Unilever website denies any liability to the detriment of its workers' health and the environment, it “reached a settlement agreement with a workers association representing 591 ex-employees and their families” in 2016 (AFP 2016). The workers association agreed to withdraw a ten-year petition from the Indian High Courts once reaching a settlement. Unilever “agreed to provide an undisclosed ex-gratia payment as part of the deal” (AFP 2016)).

This unfortunately, was not the only scenario in which Unilever was found under severe scrutiny. In 2007, Unilever was accused of gross negligence in regards to protecting their own employees in a Kenyan factory. Unilever was accused of “failure to adopt adequate standards to protect them [workers] from ethnic violence,” from the acts of extreme violence against certain ethnic minorities that took place in Kenya soon after the 2007 presidential elections (Business & Human Rights Resource Center 2018). Unilever was not only found to be providing poor working conditions to the minorities hired, it was also found to discriminate against population groups by offering lower wages when compared to their counterparts. (Business & Human Rights Resource Center 2018)

After serious incidents, with fatal consequences and severe negative spillovers, Unilever desperately attempts to erase its dark incidents with new philanthropic projects. UNICEF, a known advocate for children's rights is only one of the partners to Unilever in its philanthropic projects. Since so many of Unilever's negligent work involves former employees of the company and surrounding areas, Unilever's partnership with UNICEF, the World Food Program, among other non-profits aiming at protecting children and the environment can be seen as reconciliations for the wrongdoing caused by Unilever. The Unilever Foundation, aims to improve the quality of life “ through the provision of hygiene, sanitation, access to clean drinking water, basic nutrition, and enhancing self-esteem” (Unilever 2012) All the causes promoted by the foundation seem to address gross negligence instances perpetrated by the company and its subsidiaries; such as providing access to clean drinking water, after contaminating the river system in South India. This hypothesis which connects negligence and incidents to philanthropic works done by Unilever can be testified by the projects in which the company has initiated and been involved in.

Tactics used

In 2012, Unilever launched the Unilever foundation with the mission to improve the quality of life “ through the provision of hygiene, sanitation, access to clean drinking water, basic nutrition, and enhancing self-esteem” (Unilever 2012). The foundation, which is part of the company's corporate social responsibility program has several projects around the world with its partners. In the projects in which the parties discussed were involved, UNICEF and Unilever, the goals to be achieved were clearly stated, as well as <https://assignbuster.com/unilevers-corporate-social-responsibility/>

the initiatives that were to be taken by both parties involved in order to ensure ultimate success of the projects (UNICEF 2016). Programs such as Improving Sanitation with Domestos, UNICEF and Dirt is Good: Helping Children access quality education and the Global Handwashing Partnership are UNICEF's and Unilever's projects done in partnership. (Reynolds 2012).

Since the projects discussed in this paper are collaborative efforts involving both parties, there were no aggressive tactics adopted by UNICEF in order to promote Unilever's collaboration. All of UNICEF's collaborations, as specified by the UN's Economic and Social Council's report ' UNICEF strategic framework for partnerships and collaborative relationships' must by nature be " voluntary and collaborative relationships" (ECOSOC 2009). UNICEF however only partners with companies that ally with UNICEF's " strategic framework for partnerships and collaborative relationships" and that aim to " contribute to the best results for children and promote their rights" (ECOSOC 2009). All companies must also aid UNICEF in achieving the Sustainable Development Goals in each project UNICEF, or any other UN committee is involved with.

The interaction between both parties

Being one of the largest consumer goods producer in the world, Unilever is a partner with tremendous outreach and resource capability to turn any project successful. Due to their global chain capability, Unilever's products also have the capacity to be affordable to lower income populations, which aids populations in developing nations to have better access to tools that can facilitate hygiene efforts for example. UNICEF, acknowledging this outreach

capability, has partnered with Unilever in several projects in developing nations around the world in which the success rate of those projects was only obtainable thanks to Unilever's outreach capability, know-how, personal and resources.

The collaborations, whether initiated by Unilever or UNICEF could not have been successful without these specific parties, as the projects embarked on by these two organizations show.

Evolution of partnerships

Unilever's partnership with UNICEF dates back to the beginning of the century. In 2001, in collaboration with UNICEF, Unilever helped introduce iodized salt to Ghana, an iodine deficient country a country where “ one per cent of households were reported consuming adequately iodized salt” (Pretell 2008). Through this project, Unilever was able to make Annapurna salt account for 50 per cent of the iodized salt market in Ghana. In addition to the nutritional supplement, Unilever was also able to create jobs in its new factories located in the Ghanaian countryside (UNICEF 2012). This partnership, which was initiated by Unilever after research done by UNICEF was published was of tremendous success. Unilever was the sole provider of resources necessary for the project pitched by UNICEF. UNICEF's director at the time believed that the initiative taken by Unilever was of incredible importance to de socio-economic development of the region, and adds that “ initiative taken by Unilever to provide such product to meet the health needs of the people is very timely and encouraging” (Pretell, 2008). This partnership was able to occur thanks to the expertise on the issue brought

by UNICEF who then joined forces with Unilever who allocated the resources, know-how and human capital necessary for the implementation of iodine into the Ghanaian diet. This marks the beginning of the interactions between UNICEF and Unilever, and the company's attempt to improve itself to the public's eye soon after the South Indian incident.

In between the years of 2005 and 2008, Unilever partnered with UNICEF in an initiative to “ promote handwashing with soap in selected primary schools in all 36 States and the Federal Capital Territory” throughout Nigeria (Yurtoğlu 2009). Unilever's collaboration to the project was vital for its success (Yurtoğlu 2009). Unilever's track record in partnerships with non-profit organizations, global reach capability, affordability of its products, know-how of distribution of product, qualified personal and monetary contributions were imperative for the duration of the project, which then inspired future projects adopted by Unilever and UNICEF in future years (Yurtoğlu 2009). The program, like many others in which Unilever is currently on or was partnered with UNICEF focus on achieving the previous Millennium Development Goals and the current Sustainable Development Goals that involve water, nutrition and education. Through this project, Unilever and UNICEF were able to promote better hygiene practices for developing nations, which is a goal highlighted and followed by both organizations.

Between 2012- 2015 Unilever partnered with UNICEF in one of its projects for the WASH initiative (Universal access to Water, Sanitation Hygiene) and helped over 5 million people gain access to sanitation, which includes toilets, open defecation free communities, improved sanitation and hygiene practices throughout the developing world (Unilever 2012). The project done

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through the WASH initiative aims to lift impoverished communities to higher standards of living. Paul Polman, CEO of Unilever believes that “ is essential to helping lift people out of poverty and create a sustainable future for generations to come. It is only through collective action that we will be able to tackle this urgent issue and ensure even more people benefit from WASH behaviour-change programmes . ’” (UNICEF 2016). UNICEF highlights the importance of Unilever in this partnership, as it is one of the few partners who truly understands and embraces the sustainable development goals. Unilever’s corporate social responsibility goals also understands the importance of local work done in developing nations across the world as a means to lift more people out of poverty, which aligns with UNICEF’s primary goals. Unilever’s contribution to the WASH programme has been of imperative relevance to the continuation of the project. Once again, Unilever’s resources, allocation of qualified personnel, monetary donation, know-how of service and outreach, as well as capability to make products accessible and affordable were fundamental for the success of the project, thus Unilever’s involvement in the project promoted by UNICEF is understanding.

In 2016, Unilever announced its partnership with UNICEF in a new project that aims to provide broader access to water across sub-Saharan countries, with initial focus in Ghana, Cote d’Ivoire, Nigeria and Kenya. The initiative aims to promote community based programs that encourage, amongst other things: habitual handwashing practices, improve hygiene practices and sustainable management of water (UNICEF 2016). The initiative has several approaches to accomplishing its mission. Hand washing initiatives for

example are only possible thanks to the usage of Unilever's products and their affordability to local governments in Sub-Saharan countries (Unilever 2016). Unilever was an essential partner in this project, as "[t]he new agreement includes financial investment as well as strategic engagement with government and civil society" on Unilever's part (Unilever 2016) Bruno Witvoet, President Unilever Africa, believes that "[t]his partnership will draw on the joint expertise, resources and networks of both UNICEF and Unilever, to magnify our efforts so we improve the quality of life for ordinary people and help Africa meet the Sustainable Development Goals" (Unilever 2016)

The effects of the interactions

UNICEF, in being a committee body of the United Nations has its own agenda as previously mentioned. The UN and thereafter any committee body pertaining to it has a global outreach as it is universally known to be a peace builder and keeper around the world, as well as world defender of human advancement and rights. Due to its notoriety and world responsibility, UNICEF must be very selective as to whom it can partner with. All UNICEF's partnerships must be with companies that aid UNICEF in achieving its goals within in the UN. Thereafter any company that wishes to become partners with UNICEF must adjust its practices in order become a partner. Unilever had to adjust and fix its malpractices around the world before embarking on bigger projects around the globe with UNICEF.

As previously shown by the examples provided, Unilever's partnership with UNICEF is a growing one as the years progress. As the benefits for engaging in such projects only favor Unilever's corporate branding and corporate

social responsibility, it is reasonable to predict future partnerships between the two parties, especially partnerships initiated by Unilever as it constantly seeks to improve its branding in the face of old and new problems it may encounter involving its brand name, headquarters and subsidiaries. Since 2001, the year that marked one of Unilever's worst cases of negligence, the company has since modified its practices around the world. With increased surveillance, new technology, safety training and new resources, the company has changed to improve its branding and will continue to do so if it wishes to continue to partner with large international organizations and remain competitive in the global market.

Since the launching of the Unilever foundation in 2012, Unilever has not been convicted or accused of any other negligence cases. The step to create a foundation was necessary for the future of the company as severe cases of neglect and mismanagement tarnished the company's name. In order to engage with UNICEF and create a global statement of commitment to improve the company and the world, Unilever has had to commit to serious internal changes if it wished to remain relevant in the market. The creation of the Unilever Foundation which then partnered with major non-profits around the world was imperative for the internal changes that took place in the company.

Most corporate social responsibility missions done by corporations tend to address an issue or mistake previously committed by the multinational. Unilever's case could not have been any different. Unilever's mercury incident in India, or the Kenyan factory incident can never be undone, but

the company tries to amend wrongdoings through new projects in partnerships with major world actors in non-profit collaborations.

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