

WORKING IN PARTNERSHIP: UNILEVER
European Leader Award winner 2012!

JUNE 2013



Unilever

Hellmann's, and with its Wall's and Ben & Jerry's brands, it is the world's leading ice-cream producer.

Unilever believes that growth and sustainability go hand in hand and farm animal welfare has become one of its core brand values. Since 2007, Unilever has introduced a number of welfare policies across its business, brand by brand, clearly demonstrating its commitment to continuous improvement in farm animal welfare.

BACKGROUND

Unilever is one of the world's leading suppliers of fast-moving consumer goods, including foods, home care and personal care products. It owns a number of billion dollar brands, employs 173,000 people in 100 countries worldwide, and has annual sales of nearly €51.3 billion.

Its acquisition of Bestfoods in 2000 brought Unilever leadership in the culinary category with market leading brands such as Knorr and

DRIVERS FOR FARM ANIMAL WELFARE

Half of Unilever's raw materials come from either farms or forests and, given the scale of its footprint, sustainable agricultural sourcing is a strategic priority for its business and brands. Sustainable sourcing helps Unilever to manage core business risk by ensuring security of its supply for the long-term.

Unilever recognises that many consumers have concerns about animal welfare and the company takes these concerns seriously. It also recognises - and has demonstrated - the brand value of communicating higher welfare ingredients as an inherent part of product quality. As a result, farm animal welfare has been included in Unilever's Sustainable Agriculture Code since 2005, whereby it actively encourages its suppliers to participate in initiatives to improve animal welfare standards in the countries where it sources, processes and markets products from animal origin.

Unilever has created a company culture whereby sustainability is a key element in its processes. It has managed to do this and retain profitability despite introducing major changes within its supply chain.

POLICY OR COMMITMENT IN FARM ANIMAL WELFARE

In November 2010, Unilever introduced its Sustainable Living Plan, committing to a ten year journey towards sustainable growth right across its business, setting out key sustainability targets for its direct operations, suppliers and distributors.

One of the three key outcomes of its Sustainable Living Plan is to source 100% of its agricultural raw materials sustainably by 2020. To meet this target, Unilever is working closely with all of its suppliers to encourage good animal welfare practices and improvement programmes, as well as ensuring that its suppliers comply with legal requirements and accepted industry standards with respect to animal welfare.

Since 2007, Unilever has been developing animal welfare criteria as part of its sustainable sourcing programme in partnership with Compassion. These criteria address issues such as housing, hygiene, feeding and feed, health management and the management of antibiotics, water supply, mutilations, transport, slaughtering practices and traceability. Unilever's working method for monitoring and improving animal welfare is based on the ['Five Freedoms'](#)

Taking into account the volumes purchased, Unilever has been tackling welfare issues across its business, brand-by-brand. Eggs and dairy are vital ingredients in many of its products so Unilever has focused on these ingredients within its current sustainable sourcing programme.

Unilever has made a policy commitment to source only cage-free eggs for all of its mayonnaises and dressings in Europe, including its market leading brands, Hellmann's, Amora and Calvé. Continuing its roll-out of cage-free products, in 2010 Hellmann's in North America launched a Light mayonnaise using cage-free eggs.

Unilever's Ben & Jerry's ice cream brand has been using only free-range eggs in Europe since 2004 and by the end of 2011, 99% of all eggs used in its ice cream mix worldwide were cage-free.

As well as addressing the welfare of laying hens, Unilever has also committed to putting the welfare of dairy cows at the centre of its sourcing strategy through its Ben & Jerry's Caring Dairy programme. It is also actively campaigning for better welfare rules, including good housing, good feeding, good health, and the ability to express appropriate behaviors, for all dairy cows across Europe.

Through its Unox brand, Unilever has also started to introduce higher welfare into its chicken supply chain, addressing welfare issues such as the growth rate, stocking density and enrichment for broiler chickens.

RESEARCH AND IMPLEMENTATION

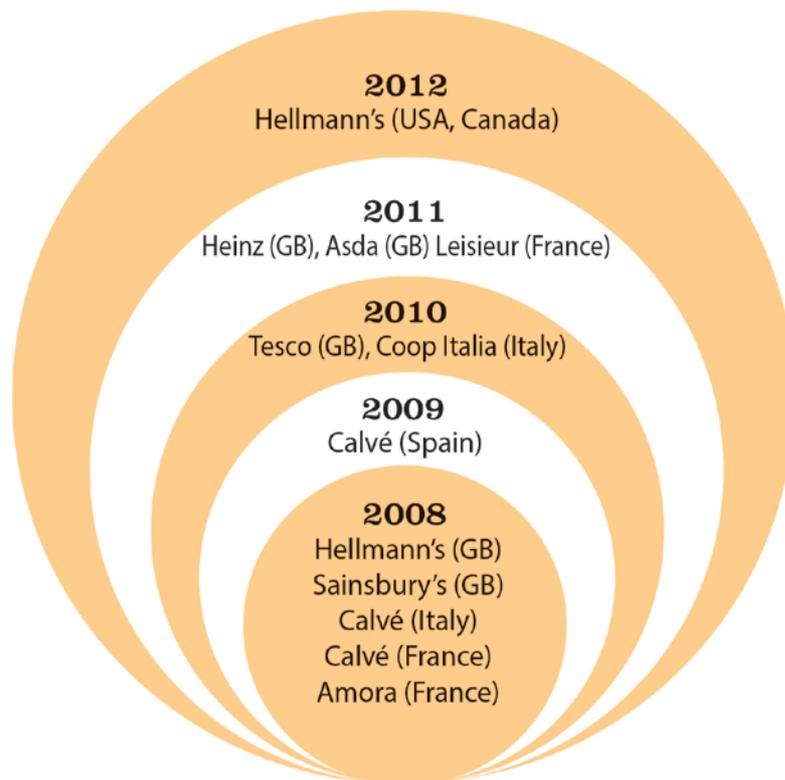
Cage-free eggs in mayonnaise

Unilever's leading brands, Hellmann's, Amora and Calvé, make up the largest dressings business in the world, and Hellmann's is the world's number one mayonnaise brand. They have been trading on 'Realness' for many years and have realised the opportunity of being able to further substantiate this claim, by building on the benefits of improving the attributes of their ingredients.

For its mayonnaises, the most logical place to focus its attention was on a primary ingredient so Unilever set out to explore consumer associations with cage-free eggs and how to improve the perceptions of the product and brand. It did this by conducting research across six different countries and off the back of this research, in 2009, Hellmann’s, Amora and Calvé committed to only using cage-free eggs in their products. With their marketing and promotional activity centred on ‘Good Eggs’ as a key ingredient, Unilever saw a growth in sales and market share across Europe.

Unilever’s cage-free commitment on its mayonnaise and dressings has been rolled out across its entire European operation. This has caused a ripple effect across the industry as other supermarkets and brands, that have recognised the advantage of moving to cage-free eggs, have followed suit. By making this important commitment to the welfare of laying hens in its supply chain, Unilever has enabled a market shift towards higher welfare mayonnaise across the industry.

The ‘Ripple Effect’ of companies adopting cage-free eggs in mayonnaise



In 2008, Unilever received a Good Egg Award from Compassion for its welfare commitment to source only cage-free eggs for all of its dressings sold in Western Europe. It has made a further commitment to move to 100% cage-free eggs on all of its products, including Ben & Jerry’s ice cream and Hellmann’s, Amora and Calvé mayonnaises globally by 2020, and this commitment is already taking shape. Unilever won an additional Good Egg Award in 2012 for extending its cage-free commitment to its Hellmann’s brand in the US.

Ben & Jerry's Caring Dairy programme

Unilever is also making welfare commitments in the dairy sector through its Ben & Jerry's Caring Dairy programme that sources milk for its ice-cream. The programme offers farmers a way to measure and improve 11 sustainability indicators on their farms, and helps each farmer develop a unique action plan to improve his or her practices. In exchange for participating, Caring Dairy farmers get a little extra for their produce.

Ben & Jerry's believe that caring for a cow's health and well-being is not only good for the cow, but improves the overall performance of the farm and work closely with dairy farmers to ensure their cows are provided with the best conditions.

The Caring Dairy programme is a partnership between Ben & Jerry's and [CONO](#), the makers of Beemster cheese in The Netherlands, and involves about 200 farmers.

Ben & Jerry's (Europe) won a Good Egg Award in 2011, as well as one of Compassion's first Good Dairy Awards, for its commitment to use higher welfare dairy systems for cows and calves in its supply chain. Ben & Jerry's also won a Good Egg Award in 2012 for using cage-free eggs across its entire US business.

Supporting Better Dairy



Since the Food Business programme began in 2007, Unilever has had a longstanding and productive relationship with Compassion. As a result, its Ben & Jerry's brand joined forces with Compassion and the World Society for the Protection of Animals (WSPA) in 2012 to launch the [Supporting Better Dairy](#) campaign, with the aim of securing an EU Dairy Cow Welfare Directive.

With standards of dairy cow welfare varying greatly across Europe, the campaign aims to seek a guarantee of minimum welfare standards to protect the welfare of the 23 million dairy cows in Europe, by proposing [new rules](#) for good housing, good feeding, good health and appropriate behaviour.

To help raise awareness of the campaign, Ben & Jerry's launched its **Cow Power** ice-cream in October 2012. The coalition has also set up a [dedicated website](#) to encourage consumers across Europe to sign-up to the campaign in support of the new EU Directive.

Higher welfare chicken

To demonstrate its continuous improvement in farm animal welfare across brand category, Unilever also won a Good Chicken Award in 2012 for its commitment to use higher welfare chicken in its Unox branded products. Unox's ultimate goal is to move to 100% free-range chicken by 2015.

European Leader Award winner 2012

In some European countries, farm animal welfare is not high on the agenda for consumers, so it's vital that large, global companies like Unilever are demonstrating and communicating their leadership and commitment to improving farm animal welfare across their businesses.

Compassion's European Leader Award reflects an organisation's commitment to improving welfare across more than one species; to demonstrate continuous improvement in farm animal welfare as part of its corporate social responsibility strategy; and to continually promote the importance of higher welfare to consumers as part of its marketing and communications activities.

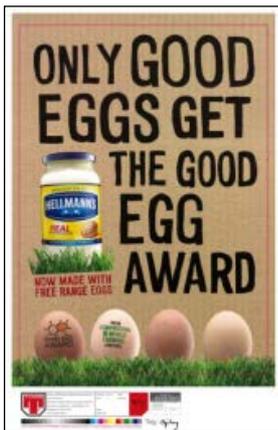
In 2012, Compassion awarded one of its first ever European Leader Awards to Unilever, for making farm animal welfare integral to its brand values and celebrating the positive impact it is having on farm animal welfare both at a brand level and across different regions, and for the good example they are setting to the food industry as a whole.

COMMUNICATING HIGHER WELFARE

Through its market-leading brands, Unilever has made considerable investments in communicating and promoting its higher welfare products to consumers, focussing its campaigns on positive messages around good, honest, real ingredients.

Hellmann's ran an advertising campaign of more than £2 million (including TV, outdoor posters, direct mail and press) to promote its free-range Hellmann's mayonnaise and Good Egg Award in 2008, reaching millions of consumers in the UK.

Outdoor advertising



Direct Mail



Ben & Jerry's has also invested £100k in setting up a [Supporting Better Dairy](#) dedicated micro-site and creating in-person activities to encourage consumers to sign-up to the campaign calling for better welfare conditions for Europe's 23m dairy cows. The campaign has reached 130,000+ consumers and resulted in 115,000 sign-ups to date.

BUSINESS BENEFITS

Unilever's commitment to farm animal welfare and its holistic approach to integrating key welfare issues into its business culture is a model of best practice for the global food industry. By assessing and prioritising its biggest welfare impacts, tackling them systematically and making both its policies and progress publically available, Unilever has built trust amongst its key stakeholder groups, notably its consumers and investors. Brands such as Hellmann's, Calvé & Amora, Ben & Jerry's and Unox remain market leaders in their categories and are synonymous with quality and real ingredients.

Through its sustainable sourcing and animal welfare initiatives, Unilever has received a positive response from consumers who recognise its core brand values. By promoting its Good Farm Animal Welfare Awards and higher welfare ingredients, Unilever has seen an increase in sales and market share across Europe. Its dedication to continuously address welfare in its supply chain is having a positive effect on an increasing number of farm animals across the globe.

Furthermore, Unilever recently came out on top of a new responsible investor initiative, the [Business Benchmark in Farm Animal Welfare](#) (BBFAW), further demonstrating its leadership in terms of its risk management and continuous improvement in this sphere. Farm animal welfare is an emerging issue for the investor community and one that is set to become as important as carbon, water and waste. Unilever is very much ahead of the game globally, demonstrating that its ethics and approach to sustainable sourcing is integral to the sustainability of its business.

Compassion in World Farming offers free, objective advice and consultancy from a team of staff who work across the whole of the food industry. To find out more about how we can help you improve animal welfare standards within your business, please contact one of the [Food Business Team](#) or visit: www.compassioninfoodbusiness.com