

CHAPTER III

UNILEVER SUSTAINABLE LIVING PLAN

In this chapter will discuss about commitments formed by PT Unilver known as the Unilever Sustainable Living Plan. Which will begin regarding the history of the formation, objectives and functions carried out by USLP. Then about environmental conditions in Indonesia before the implementation of the commitment from PT Unilever and the reason Yogyakarta was chosen as one of the cities used as the application of USLP.

A. History of Unilever Sustainable Living Plan

In the previous chapter, PT Unilever explained the purpose of the company was established to be successful. To achieve the desired goals, the company uses methods that are related to sustainability and work in an integrity manner. Basically, since the beginning of the establishment of PT Unilever sustainable life has been implemented in the company. Continuous life cannot be done with only talk so there must be real action carried out by all employees of the company, consumers and society. The real action given by PT Unilever to the community is in the form of programs related to the environment. The program is known as the Unilever Sustainable Living Plan (USLP).

The Unilver Sustainable Living Plan was established in November 2010 during the leadership of Paul Polman, who at that time served as CEO. The Unilever Sustainable Living Plan is a commitment established by PT Unilever with the aim of achieving the goals of this company, which is success by using sustainable life. The presence of this commitment can help PT Unilever in reducing the environmental impact by achieving half of the waste produced and also living the lives of one billion people worldwide (Kaye, 2012).

This USLP commitment is applied throughout the PT Unilever companies in various countries in the world. The Unilever Sustainable Living Plan also contains PT Unilever initiatives throughout the world to achieve the vision and objectives applied by this company. Because basically this company really wants a company based on environmental care around its company. In other words USLP is global because it is applied not only in several countries. It's like an obligation to expect this commitment within the PT Unilever company.

The aim of the Unilever Sustainable Living Plan commitment established by PT Unilever is to have a positive impact on the community so that it can increase the company's social impact on the community. Then reduce the environmental footprint caused by the company. PT Unilever was established since 1885, the waste produced by this company is also large and always increasing. The increase occurred because of the addition of brands and the increase in product sellers. So with that the existence of USLP to achieve its goals is not another way to reduce waste and increase the positive impact on society.

Even though the implementation of USLP carried out by PT Unilver has started since 2010, it still has difficulties at the beginning of its implementation. The difficulties experienced by PT Unilever at the time of the initial implementation of this commitment were about identifying consumer behavior. What is intended by identifying consumer behavior is that the company must know the effective things that are done for the company which will be consumed by all consumers. In this case PT Unilever builds their loyalty to the community and also improves the effect of the products that will be produced by this company. PT Unilever must make a clear understanding of the USLP they have created. Thus the community will better understand what is meant by that commitment. Because not all consumers will agree with the things that PT Unilever does even though this is a positive thing.

Another challenge is the increasing sales of products used by consumers. In fact, people throughout the world use products from PT Unilever with at least one product in every house in this world. Increasing product sales is tantamount to an increase in waste or waste that will be produced by the company. So for this reason PT Unilever is looking for ways to solve the problems that it has caused. The challenges faced by a company when implementing new things have become natural because not all people will understand and then accept them.

Thus USLP from PT Unilever has three pillars that focus on the company to change. The first is to improve the health of more than one billion people. It is realized that health is one of the important things for everyone. This health improvement carried out by PT Unilever focuses on cleanliness carried out by consumers and then increases the nutrients consumed by consumers and / or the public. PT Unilever realizes that health has not been completely evenly distributed throughout the world, there are still some areas with low levels of health. This can be caused by the quality of drinking water consumed by the community and also the cleanliness that is not maintained by the community itself. Through PT Unilever brands such as Lifebuoy, Domestos, Vaseline, Signal and Pureit they improve health through a clean life. The handwashing campaign using Lifebuoy is one of the ways to improve health.

The presence of toilet cleaning products is also used to improve cleanliness for all consumers. Improving health throughout the world is one of the pillars of USLP which was established by PT Unilever through existing brands. And the improvement in nutrition done by this company is to reduce salt levels, reduce saturated fat, eliminate trans fat, reduce sugar, reduce calories and more importantly provide healthy food information. All this was done at the time of food production produced by PT Unilever.

The second pillar reduces the environmental impact by half. Already since 1885 two brothers namely William and James Lever

founded this company. The company's awareness of the waste given to the community has become an obligation. This pillar focuses on greenhouse gases, water use, the purchase of sustainable raw materials and packaging waste. Extreme climate change can occur due to human hands and can also cause prolonged droughts and floods. This can be due to increasing greenhouse gases. For this reason, PT Unilever has reduced the use of greenhouse gases to its companies. Water shortages are also the focus of USLP's second pillar. Water is very important for the life of living things throughout the world. The influence given from water is very much, such as for consumption of drinking water and reforestation for plants. It is only natural for PT Unilever to reduce water use in all production activities and more so that the surrounding water is not affected by the waste that flows into the water.

PT Unilever uses sustainable raw materials in the production activities carried out in the company. Sustainability is important for all living things and for the planet they inhabit. This action is naturally done for all companies that are running. Selection of raw materials that can increase sustainability such as purchasing raw materials obtained from several farmers. This is done so that it can take turns and also of course can increase sustainability. The final focus on this pillar is packaging waste produced by PT Unilever. Plastic waste and other wastes are the focus of this company because if not handled properly there will be many negative impacts. Like public health that is around the company and other living things that are affected by waste from production activities. More than 2 tons per year of packaging obtained by the community from all PT Unilever activities. With this awareness the company wants to reduce waste that can be based on improving the economy of its people. The involvement of consumers and the community is also a measure of success in the focus of this pillar.

The final pillar of USLP's commitment is to improve the livelihoods of millions of people. In the last pillar of this commitment, it focused on justice for the workforce working in the

PT Unilever company. Justice workers must always be a consideration for a company because if there is a gap between workers it will give effect to the company itself. This is one of the reasons why PT Unilever thinks about the fairness of workers. Another thing PT Unilever has done in the justice of workers is to apply principled human rights principles to the UN guidelines. Which increases nutrition, health and well-being is a must to do with this focus.

Then in the last pillar also focus on employment opportunities for women. Gender equality has long been a problem that has always been discussed in several countries. Men always think that women have a low voice which will have no effect on anything (Robson, 2018). Until now there is still gender equality in work that is often felt by women. Gender equality according to the International Labor Organizations is the freedom for all humans to develop their personal potential without limitations. In this context it does not mean that all women are equal to men, but the rights, social status and responsibilities that remain dependent on gender (ILO , 2015). For this reason, PT Unilever wants to provide gender equality for women and improve safety during work activities.

All the pillars that exist in the commitment of the Unilever Sustainable Living Plan become a benchmark for the success in achieving all the initial objectives of the establishment of PT Unilever. The commitment is not only found in the parent company, but is found in all subsidiaries around the world. Not looking at developed or developing countries, this commitment will continue to run in tandem with achieving the goals of the company. Examples of the application of USLP in developing countries are Indonesia. Since 1933, Indonesia has officially become a subsidiary of PT Unilever. So that it has become reasonable if USLP is also applied in Indonesia.

B. USLP in Indonesia

According to the Indonesian dictionary (KBBI), Indonesia is defined as an archipelago located in Southeast Asia which is located between the continents of Asia and the continent of Australia by having a diverse culture and using the country's own language, namely Indonesian (KBBI, 2018). Indonesia is also known as a developing country with abundant natural resources. With this abundant wealth, many other countries are jealous and want to have it. So that the way other countries do to own or use Indonesia's natural resources is to make this country a subsidiary. The same is true of PT Unilever, which has made Indonesia a subsidiary since 1933. Since that year the company has used natural resources in Indonesia.

The impact experienced by Indonesia will also increase due to product production activities from PT Unilever. This can be seen from the side of the environment in this area of the company. But PT Unilever is responsible for this impact as an example of implementing the Unilever Sustainable Living Plan commitment in Indonesia. This application began in 2010 precisely at the time of this commitment by PT Unilever. This application aims to achieve the company's goals and deal with problems caused by the company.

This Unilever Sustainable Living Plan (USLP) is also a Corporate Social Responsibility (CSR) program from PT Unilever. Every company has the right and has an obligation to give reciprocity to the company's children. Indonesia as a subsidiary of PT Unilever has regulated this in article 74 of the Law on Limited Liability Companies. That all multinational companies operating in subsidiaries will provide reciprocity in the form of programs that benefit the community and the environment voluntarily. Although said voluntary namul CSR from multinational companies must be done or mandatory (Suharto, 2008).

This commitment has been implemented in several major cities in Indonesia. Like Jakarta, Surabaya, Yogyakarta, Tangerang,

Medan and other big cities. This commitment is carried out with various programs but still based on commitment. Because basically there are several programs that are incorporated in USLP's commitment. The application of the program depends on the problems faced in a city or region itself. For example in Surabaya, this city is known as an industrial city that has very hot weather with minimal trees. With that PT Unilever has tree planting as a program carried out in the city of Surabaya. This program is carried out because it is in line with the needs needed by the city itself.

Examples of other programs carried out and in accordance with the first pillar are improving health. There is a clean and healthy lifestyle program implemented in several Jakarta elementary schools. The program is in the form of teaching hand washing in daily activities, this will reduce the germs in the hand. Then teach to get used to brushing your teeth before going to bed and after eating. Such assistance can be said to be important because it trains to live a healthy life. If a healthy life starts from yourself, it will improve the health level of the community as well.

C. Program Based on Unilever Sustainable Living Plan

The Unilver Sustainable Living Plan is a commitment established by PT Unilever which aims to launch the existing vision and mission. In this commitment there are several programs that remain in line with this commitment. As there are three pillars described earlier. Therefore, there is a program in this USLP commitment, the programs included are:

1. Health Training Program

PT Unilever has several products that have been created to support the success of the company's goals. The aim of the establishment of the company is to achieve the success of a successful company with a sustainable system. So from that Unilever's healthy living training was carried out in achieving this. Mainstay products that are used as tools to support this program are Lifebuoy and Pepsodent soaps. Lifebuoy soap campaigns to always

wash hands before eating and after each activity. Then wash your feet when you are going to rest. This is done in order to familiarize a healthy life for consumers and the community. As with Pepsodent products, this product is also used to support the improvement of healthy life in everyday life.

Pepsodent always reminds about the importance of toothbrushes. Brush your teeth before going to bed is also recommended by this product. When sleeping, germs that are in the teeth will not eat leftovers inside the teeth. This way it can also improve health for the entire community. The activities of this healthy living program are not only carried out in schools, but also carried out in several villages through the organization owned in the village. Village organizations that find training in healthy living are PKK. What is intended by the PKK is an organization consisting of women with the aim of participating in increasing development. This is done in order to increase awareness of independent and prosperous family drivers (Pemerintah, 2017). The method used by PT Unilever to provide healthy living training programs to mothers in the village is by going to the posyandu. Training in healthy living is given especially to pregnant women, educated on the importance of hand washing

2. Fair and Lovely Scholarship

The number of women who are intelligent but have difficulties in their economy. Making it difficult to continue learning to a higher level. PT Unilever wants to make women prosperous just like the third pillar, namely to improve the livelihoods of millions of people. With that, the company created a program that was in line with the pillar. Fair and Lovely is a skincare product owned by PT Unilever. This product is indeed designed specifically for women and programs that are also applied specifically to women. For the welfare of women, this program is suitable to do.

This program is carried out to support women so that they can realize their desired dreams and can also move forward. This

program is based on education, PT Unilever provides scholarships for women in achieving undergraduate status. The existence of this undergraduate status is expected so that women can get better jobs so as to improve their welfare. The universities chosen by PT Unilver in this program are also interesting and well-known, such as Gajah Mada University in Yogyakarta, Diponegoro University located in Semarang and also the Bogor Institute of Technology in West Java. Not only these three universities, there are still some well-known universities in Central Java, East Java, Yogyakarta, West Java, Sumatra, Sulawesi and Pontianak (Tribun News, 2018).

3. Wipol Contra-Germicidal Action

Wipol is one of the home care products created by PT Unilever. This product is designed to make life clean in the home. Clean living campaigns in the home are carried out by Wipol products. The campaign was in the form of a house cleaning contest, which later the winners will be given appreciation and appreciation from PT Unilever. With this appreciation can increase awareness of clean living at home. Home cleanliness can reflect a healthy life for its inhabitants. So keeping the house clean is reasonable (Widiyanto, 2017).

4. Healthy Tradisional Market

Indonesia is known as a developing country, the existence of many traditional markets has become a natural sight. Traditional markets are known as a place for meeting sellers and buyers who make transactions directly. Other transaction activities carried out are bargaining, this kind of thing has been done naturally in traditional markets. The average traditional market that stands in Indonesia is in the form of small kiosks lined up and facing each other. But one bad view given by the community to the market is the shopping place with dirty situations (Malano, 2011).

The PT Unilever created healthy traditional market which is certainly in line with USLP's commitment. This company wants the market as an economic activity and wants to make this market a

healthy shopping place. By changing the market to be clean and making people who shop comfortably will change the bad thinking of the market.

This differentiation of the selling category is very important to be applied in all traditional markets. For example, like block A will be filled with kiosks that sell clothes only, block B will focus on selling vegetables and side dishes and block C will focus on selling live birds. The regulation of traditional markets like this will load the market more regularly. This can increase consumers who will come to traditional markets. Of course if this is done it will also make an increase in the seller's economy in the market.

5. Black Soybean Farmer Program

In this program PT Unilever wants to implement sustainable agriculture. This program is also in line with the company's vision which is to reduce the environmental impact caused by PT Unilever. The development of the Unilever Sustainable Agriculture Code (USAC) is said to be the principle of sustainable agriculture. This principle is applied to farmers who supply agricultural commodities, especially black soybeans. This black soybean which is deposited to PT Unilever will be used as the main ingredient of soy sauce branded with Bango. Entering sustainable agricultural products will make farmers prosperous. This program is very suitable to be established in Indonesia, because Indonesia is also known as a country that has fertile land making it suitable for growing sustainable agricultural materials (Damar, 2016).



Figure 3.1 Black Bean Development Program

Source: https://www.unilever.co.id/id/Images/Faktor-kunci-kesuksesan_tcm1310-483748_w400.png

6. Waste Bank

PT Unilever is aware of the waste produced from the plastic used to wrap its products. This waste bank program is community based, so there are some people who run this program. Waste bank is a program carried out by PT Unilever in line with USLP's commitment. This program is carried out with the help of people who are aware of the importance of cleanliness that must be maintained in the surrounding environment. This waste bank activity has been carried out since the establishment of USLP's commitment.

Waste that can be managed in a waste bank is dry plastic waste that is still good. This program is not only based on environmental cleaners but also of economic value. Because in the activities of the waste bank, it has a savings book about the waste bank, so that every time depositing goods to the waste bank officer is

there, it will be recorded and then collected into money (Cecep, 2012).