

Unilever scales back on environmental and social initiatives

As the world celebrates Earth Day, the consumer goods company, Unilever, one of the largest users of plastic packaging in the world, has stated that it will scale back on environmental and social initiatives.



Source: © Global Cosmetics News [Global Cosmetics News](#) Unilever has succumbed to pressure from shareholders to cut costs and to scale back environmental and social pledges

In an interview with *Bloomberg* the London-based company's chief executive, Hein Schumacher, confirmed plans to water down the company's ethical pledges on these aims as well as plastic usage and pay.

According to Schumacher people's focus on environmental and social issues was "cyclical".

"When you have a huge drought for a number of months but everything else is going fine, the attention is on climate. These days it's about wars and rightly so, that's at the forefront.

"I'm not going to shout that we're saving the world, but I want to make sure that in everything that we do, that it is indeed better," he adds in the *Bloomberg* interview.

Strategic u-turn

The strategic u-turn by the company behind brands such as Dove beauty products is part of a wider trend of pressure from shareholders in corporations ranging from banks to oil companies to cut costs and focus more on stock market performance than green projects.

Unilever's dilution of its ethical stance follows a period of worsening performance in which the company's shares have fallen by 8% since Schumacher took over in July 2023.

The firm last month released plans to cut 7,500 jobs globally and spin off its ice cream division as part of an overhaul aimed at saving about €800m over the next three years.

One third reduction of virgin plastics

The company, valued at £94bn on the London Stock Exchange, previously promised to halve its use of virgin plastics by 2025.

Instead, *Bloomberg* reports, it will now aim for a reduction of a third by 2026 - about 100,000 tonnes more fresh plastic every year.

"The company is also abandoning a pledge to pay direct suppliers a living wage by 2030, instead proposing fair pay for suppliers accounting for half its annual spend on goods and services by 2026.

"It is also dropping a promise to spend €2bn (£1.7bn) a year with diverse businesses by 2025 and a commitment that 5% of its workforce will be made up of people with disabilities by the same year," quotes [The Guardian](#).

"Hang their heads in shame"

Former Dutch boss Paul Polman made Unilever one of the foremost proponents of corporate ethics.

Under Polman and his successor, Alan Jope, Unilever became increasingly involved in ethical initiatives. It promised to invest €1bn over 10 years in green projects and provided funding from its cleaning brand Domestos for a Unicef project to improve access to toilets in India.

Nina Schrank, the head of plastics at Greenpeace UK, says "Hein Schumacher and his board are well aware of the ruinous impact of their plastic pollution.

"The tsunami of plastic they produce each year meant their existing targets were already not fit for purpose. We needed much more. And so rather than doubling down, they're quietly dressing up their backpedalling and low ambition as worthy pragmatism."

While Schrank has said that Unilever's board should "hang their heads in shame", Schumacher insists that the company could still "make a difference" in the four key areas of climate, plastics, nature and people's livelihoods.

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