Analyzing a Sustainable Business

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**ANALYSING A SUSTAINABLE BUSINESS**

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**Five Capitals**

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| Capitals | Description |
| Natural | Natural resources (including plants, animals, air, water, soils, and minerals) that are both renewable and non-renewable but together offer benefits to humanity or "services" are referred to as natural capital. |
| Human | For a very long time, it has been maintained that elements of human capital, such as education, experience, knowledge, and skills, are crucial components of entrepreneurial firm success. |
| Social | Social capital is what you develop when you're a part of a trustworthy community. Trust enables you to identify and collaborate with people in various social networks. It boosts the quality of life and develops relationships that allow mutual trust. |
| Manufactured | It includes the supplies, energy, and machinery needed for a manufacturing process to achieve its goals completely |
| Financial | The essential element of the economy that creates wealth for a business so it may produce, purchase, and get assets, supplies, and equipment |

Table - 1: Understanding five capital Models

(Source - *The Five Capitals Model -a framework for sustainability*)

**ARTICULATING THE FIVE CAPITALS WITH UNILEVER CORPORATION**

Unilever is a multinational corporate company that was established on 2 September 1929 by the Lever Brothers and Margarine Unie. The headquarters is situated in London, England. Unilever has a worldwide range of products which includes foods, condiments, ice cream, cleaning agents, and beauty products. Additionally, they generate supplies like tea and coffee, etc. According to reports Unilever has over 400 brands and has access to over 190 countries including developing countries with a 52 billion revenue in 2021. (*Unilever-cas-empresa*)

Unilever has introduced a new action plan called CTAP which is a short form of Climate transition action plan. The main goal of the plan is to save the **Natural capital** by net zero and emission reductions (Page 51,52 Uni report 2021). With the partnership, Neste Unilever has explored a new level of renewable and recycled carbon for the cleaning process (page 28 Uni report 2021). They are also using renewable electricity, Renewable thermal energy using hot air, water, and steam, and started buying carbon credits to achieve their goals (page 51,52 Uni report 2021).

Unilever is also taking care of its employees by looking after their safety, health, and well-being through **Human capital**. Introduced online training programs in ten languages to decrease the mental stress of their employees. And also introduced healthcare facilities to build trust in their workers and satisfaction with their working environment and allotted flexible working hours to decrease their stress and also regular intervals provided (page 18 Uni report 2021).

The Unilever report details their relationship with consumers by providing customer needs. They also encouraged online shopping during the pandemic time and increased customer satisfaction with their products as well as their delivery safety. This behavior pattern completely demonstrates the company's social commitment and **Social Capital** (pages 25,26 of Uni report 2021).

**Manufacturing capital** refers to how a company utilizes its materials and all its resources effectively and sustainably using for its production needs such as equipment, energy, and resources (Goodwin, 2003). The annual report of Unilever (page no 51 Uni report 2021) shows how their investment strategies in eco-efficiency manufacturing are done by upgrading the energy efficiency of the lighting and manufacturing equipment and also installing the heat recovery systems.

**Financial capital** is the most important part of an organization which connects different organizations. The annual turnover of the company increased by 3.4% and sales growth increased by 4.5% compared to the previous year's turnover (page 36 Uni report 2021) and the company had good growth in the financial capital within their highly competitive environment.

**CIRCULAR ECONOMY**













Figure – 1: Circular economy

(Source - self-made)

The circular economy seeks to preserve the economy while using fewer resources. Reducing consumption, reusing things, and recycling them can all help with this. These works intend to reduce waste production. This concept suggests that the company should encourage the employees should maintain the rules of the circular economy which is to re-use, repair, and re-cycle when a product has come to the completion state (Velenturf and Purnell, 2021).

Multiple brands under Unilever mostly use recycled plastics in their packing process. For example, Hellmann's and Bango food brands use 100% recycled plastics on their packing (page 23 Uni report 2021), Knorr has introduced bouillon tubs and lids packing using 100% recycled material, In both Europe and America Dove uses 100% recycled plastic in its bottles and the refillable deodorants are packed using 98% of recycled plastic, The Persil brands use 70% of recycled plastics to reduce bottle weights (page 29 Uni report 2021)

**TWO SDGS THAT UNILEVER CAN IMPROVE**

**SDG 4:- Quality Education**

This SDG is one of the 17 Sustainable Development Goals (SDGs) also known as the Global goal which was established by the United Nation in 2015 with the mission to achieve all the 17 SDGs by the end of 2030 (Ritchie, Roser, Mispy, Ortiz-Ospina 2018). SDG 4 is aimed at equal education and promoting lifelong learning. The expansion of title SDG 4 is to "Ensure [inclusive](https://en.wikipedia.org/wiki/Inclusion_(education)) and [equitable](https://en.wikipedia.org/wiki/Educational_equity) quality education and promote [lifelong learning](https://en.wikipedia.org/wiki/Lifelong_learning) opportunities for all" (Boeren, 2019). SDG 4 outlines 11 distinct indicators that can be used to track the progress toward the agreement's ten goals. The agreement which describes these indicators is also available online (Ritchie, et al. 2018). Pre-primary and secondary education of high quality should be offered to all children equally, and all children should be able to access it. Additional examples of "outcome-oriented targets" include increasing the number of individuals with the skills needed to succeed in the workplace, eradicating all types of educational discrimination, and ensuring that every child receives an education that prepares them for a better future (Boeren, 2019). The creation of inclusive and safe schools, the expansion of higher education scholarships to developing countries, and adding more educated instructors in developing countries are the three "means of attaining goals"(Ritchie, et al. 2018).

To fulfill the SDGs Unilever is doing some good things, with their Dove brand, they are helping young people build up positive body confidence and self-esteem through the educational program (page 92 Uni report 2021). Even though they provide this type of program, sustainable development targets three and ten are not satisfying. The third sustainable development goal is to promote education and also ensure all people accessing to it. And the tenth sustainable development goal is to expand higher education scholarships for developing countries (Ritchie, et al. 2018). For achieving target three Unilever cannot do anything their self but they can provide support in all forms directly or indirectly. Directly they can start a program promoting the essentials of study and indirectly they can help through the brands under them by giving them their ideas to promote. For the achievement of the target, ten Unilever can promote giving educational scholarships in developing countries through their sub-brands. Unilever has over 400 brands and has access to over 190 countries including developing countries. For example, Unilever can provide scholarships for students who are willing to study in other countries for a better future. It is necessary for an organization like Unilever gives greater attention to Sustainable development goal Three and Ten.

**SDG 2: Zero Hunger**

The second goal of sustainable development is about creating a world that is free of any form of “hunger”. According to the Annual Report of Unilever (2021), the company is focusing on developing a food banking system as a simple solution for this problem. In the time of covid pandemic, one of the important concerns is to reduce complexities in terms of the safe transportation of food and other necessary items. The second “sustainable goals” came into account in 2019, when reports of “insecurities” about food or lacking access to regular food accounted for an important concern. The company is focusing on establishing a “global food banking network” which ultimately helps in providing food to people in need. The operation of a food bank is a “non-profit” venture united by the chosen organisation towards accomplishing a “hunger-free” future for many developing as well as underdeveloped countries. The company is focusing on increasing investment in a world where no one goes hungry.

The primary goal of the initiative adopted by “Zero Hunger” is to ensure that nutritious foods are available in sufficient amounts to people. One of the important aspects of this goal is to eradicate different forms of malnutrition. The second sustainable development goal is to free the world from hunger by the end of “2030” (Un, 2023). The main aspect of “Zero Hunger” is to effectively achieve “food security” and also promote “sustainable agriculture”. One of the important concerns of hunger is that it results in an increased cause of death all over the world. As around 960 million people are reportedly “undernourished”, Unilever is targeting to develop “food production” which is more than enough to feed every person. However, the most important attribute in this regard is to adopt an initiative that can help in effectively doubling the overall food production.

Sustainable development Goals account for an effective strategy in terms of meeting the current needs of the present time while also retaining the ability to meet future needs. As per the opinion of Fonseca *et al*. (2020), a different agenda established by the United Nations account as an effective approach that aims to boost the quality of life of people. Adoption of the “zero hunger” goal is aiming to implement sustainable agricultural practices and thus enhance the quality of production while maintaining the ecosystem as well. Investment in this regard can help to reduce the chance of the occurrence of a food crisis on a global level.

The project adopted by Unilever in this regard is heavily influenced by the “Sustainable development goals” aimed by the UN to end issues of hunger. As illustrated on the website of Unilever (2023), the brand is focusing on performing in an efficient manner in terms of developing food at an affordable rate. The sustainability of Unilever includes a vision such as “fixing the food system” and helping families facing food shortages. All these strategies account for an effective initiative in terms of accomplishing this second sustainable development goal.

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