

# The Art of Vitality



Unilever

Unilever Pakistan Limited  
Annual Report 2006

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Responsibility

**SUN:**  
our primary natural resource.  
All life begins with the sun – the ultimate symbol of vitality.

**DNA:**  
the double helix, the genetic blueprint of life and a symbol of bio-science. It is the key to a healthy life. The sun is the biggest ingredient of life, and DNA the smallest.

**BEE:**  
represents creation, pollination, hard work and bio-diversity. Bees symbolise both environmental challenges and opportunities.

**PALM TREE:**  
a nurtured resource. It produces palm oil as well as many fruits – coconuts, bananas and dates – and also symbolises paradise.

**HAND:**  
a symbol of sensitivity, care and need. It represents both skin and touch.

**HAIR:**  
a symbol of beauty and looking good. Placed next to the flower it evokes cleanliness and fragrance; placed near the hand it suggests softness.

**FLOWER:**  
represents fragrance. When seen with the hand, it represents moisturisers or cream.

**SAUCES OR SPREADS:**  
represents mixing or stirring. It suggests blending in flavours and adding taste.

**SPOON:**  
a symbol of nutrition, tasting and cooking.

**BOWL:**  
a bowl of delicious-smelling food. It can also represent a ready meal, hot drink or soup.

**SPICES AND FLAVOURS:**  
represents chilli or fresh ingredients.





**BIRD:**  
a symbol of freedom. It suggests a relief from daily chores, and getting more out of life.

**SPARKLE:**  
clean, healthy and sparkling with energy.

**ICE CREAM:**  
a treat, pleasure and enjoyment.

**LIPS:**  
represent beauty, looking good and taste.

**RECYCLE:**  
part of our commitment to sustainability.

**PARTICLES:**  
a reference to science, bubbles and fizz.

**TEA:**  
a plant or an extract of a plant, such as tea. Also a symbol of growing and farming.

**FROZEN:**  
the plant is a symbol of freshness, the snowflake represents freezing. A transformational symbol.

**HEART:**  
a symbol of love, care and health.

**LIQUID:**  
a reference to clean water and purity.

**WAVE:**  
symbolises cleanliness, freshness and vigour either as personal washing or as a laundry icon (with the shirt).

**CLOTHES:**  
represent fresh laundry and looking good.

**CONTAINER:**  
symbolises packaging – a pot of cream associated with personal care.

**FISH:**  
represents food, sea or fresh water.





# Touching Hearts, Changing Lives

Vision





Unilever's mission is to add vitality to life. We meet everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life.

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Art portrays values on a canvas, piecing together elements to form a complete picture. Unilever's mission "to add vitality to life" lends itself to an artist's vision of making a better world and sculpting today for a sustainable tomorrow. Art and Vitality are the key elements in this report that depict the coming together of skill, talent and values to produce great ideas.

# Mission





## Impeccable Integrity

We are honest, transparent and ethical in our dealings at all times.



## Demonstrating a Passion for Winning

We deliver what we promise.



## Wowing our Consumers and Customers

We win the hearts and minds of our consumers and customers.



## Bringing out the Best in All of Us

We are empowered leaders, who are inspired by new challenges and have a bias for action.



## Living an Enterprise Culture

We believe in trust, truth and outstanding teamwork. We value a creative & fun environment.



## Making a Better World

We care about and actively contribute to the community in which we live.

# Core Values





## Impact on Society



Code of  
Business Principles

**Consumers**

At Unilever Pakistan we are committed to create and maintain leading products in each category in terms of quality and price to satisfy consumer needs and expectations.

**Competition**

Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws.

**Innovation**

In our scientific innovation to meet consumer needs, we will respect the concerns of our consumers and of society.

**Public Activities**

Unilever will cooperate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations that may affect legitimate business interests.

**Shareholders**

At Unilever Pakistan, we undertake to conduct our business in line with the principles of good corporate governance and as such we will make timely and accurate disclosure to all shareholders on all material aspects of our business, including financial results, performance and corporate governance arrangements.

**Standard of Conduct**

We conduct our operations with honesty, integrity and openness, and with respect for human rights and interests of our employees.

**Obeying the Law**

Though we wish to be entrepreneurial and to grasp all available business opportunities, there can be no compromise concerning compliance with the laws and regulations under which we operate, and through which, as a good citizen, we deservedly maintain our robust corporate image.

# Code of Business Principles



### **Business Integrity**

Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

### **Conflict of Interest**

All Unilever employees are expected to avoid personal activities and financial interests, which could conflict with their responsibilities to the company. Unilever employees must not seek gain for themselves or others through misuse of their positions.

### **Environment**

Environmental responsibility is a key factor in Unilever Pakistan's strategy. We recognise our responsibility to continually seek to reduce the environmental impact of our activities. In addition, we seek to positively influence our natural environment through our sustainability initiatives.

### **Community Involvement**

Unilever Pakistan is committed to actively engage with the society in which we operate. We believe that by doing business in a responsible and sustainable way we play our part in extending prosperity and providing opportunities for all.

### **Business Partners**

Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners.

### **Employees**

Unilever is committed to diversity in a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of our company.



### Win Key Markets

- Grow ahead of market and competitors in selected high potential categories
- Grow with the market in attractive profitable categories, investing to defend market share

### Grow Superior Brands

- Develop superior brands with:
  - unique consumer insight
  - impactful innovation
  - competitive functional benefits, based on relevant science
  - outstanding sensorials and packaging
  - impactful and effective communication

### Win With Customers

- Strategic investing for growth in our customers and channels
- Deliver best in class customer service
- Win at the point of purchase
- Build brands through customers

### Fit to Compete

- Raise the bar on extended supply chain, competitiveness & responsiveness
- Achieve competitive levels of overheads

### Deliver Vitality

- Be leaders who align, energise, inspire and are accountable
- Develop leading capabilities in Consumer Marketing, Customer Development and Information Management
- Live out vitality in our people and partnerships in the community

# Overall Strategic Objectives

## BOARD OF DIRECTORS

**Mr. Ehsan A. Malik**  
Chairman & Chief Executive

**Mr. Peter I. Harvey**  
CFO & Executive Director

**Mr. M. Qaysar Alam**  
Executive Director

**Mr. Syed Babar Ali**  
Non-Executive Director

**Mr. Fatehali W. Vellani**  
Non-Executive Director

**Mr. Omar H. Karim**  
Non-Executive Director

**Mr. Zaffar A. Khan**  
Non-Executive Director

**Mr. Zarrar Haider**  
Non-Executive Director

**Mr. Syed Hashim Raza Zaidi**  
Non-Executive Director

**Mr. Amar Naseer**  
Company Secretary

## AUDIT COMMITTEE

**Mr. Fatehali W. Vellani**  
Chairman

**Mr. Zaffar A. Khan**  
Member

**Mr. Omar H. Karim**  
Member

**Mr. Ayub Vohra**  
Head of Internal Audit & Secretary

## AUDITORS

A.F. Ferguson & Co.  
State Life Building No. 1-C  
I.I. Chundrigar Road  
Karachi.

## REGISTERED OFFICE

Avari Plaza  
Fatima Jinnah Road  
Karachi - 75530  
Telephones: +92-21-5660062-9  
Facsimile: +92-21-5681705

## SHARE REGISTRATION OFFICE

C/o. Ferguson Associates (Pvt.) Ltd.  
State Life Building No. 1-A  
I.I. Chundrigar Road  
Karachi.

## WEBSITE ADDRESS

[www.unileverpakistan.com.pk](http://www.unileverpakistan.com.pk)

# Company Information

## FACTORIES

### **Home & Personal Care Factory**

Laghari Road

Rahim Yar Khan

Telephone: +92-68-5874906-12

Facsimile: +92-68-5877516

### **Wall's Ice Cream Factory**

46 Km Multan Road

Lahore

Telephone: +92-49-4540301-6

Facsimile: +92-49-4540307

### **Karachi Tea Factory**

32, West Wharf Road

Karachi

Telephone: +92-21-2310112-5

Facsimile: +92-21-2310891

### **Brooke Bond Tea Factory**

Brooke Bond Nagar

Khanewal

Telephone: +92-65-2558627-8, 2556311-2

Facsimile: +92-65-2552482

## I Board of Directors I



### **Ehsan A. Malik**

Chairman and Chief Executive Officer, Unilever Pakistan Limited, effective 1st September 2006, Ehsan was Chairman and CEO, Unilever Sri Lanka Ltd. from 2001 to 2006. His earlier international appointments include: Finance Director Unilever Mashreq, and Special Investigations Manager, Unilever Head Office, London.



### **Syed Babar Ali**

Chairman, Coca Cola Beverages Pakistan Ltd., Siemens Pakistan Engineering Co. Ltd., Tetra Pak Pakistan Ltd., Tri-Pak Films Ltd., Aventis Pakistan Ltd., and Bayer Crop Science Pakistan Ltd. Directorships include Unilever Pakistan Limited, Nestle Pakistan Ltd., and Mitchell's Fruit Farms Ltd. OBE.UK, he is Pro-Chancellor, LUMS, while previous positions include President WWF-International and Minister of Finance, Government of Pakistan.



### **Fatehali W. Vellani**

A non-executive member of the Unilever Board of Directors since 1977 and presently Chairman of the Audit Committee of the Board. Senior partner of the law firm, Vellani & Vellani, and an advocate of the Supreme Court of Pakistan. Other directorships include Pakistan Tobacco Company Ltd., Shell Pakistan Ltd., Pakistan PTA Ltd. and Roche Pakistan Ltd.



### **Omar H. Karim**

Member, Audit Committee and Director Unilever Pakistan Limited. Chairman, Amanah Investments Limited, Chairman, COMMECS Educational Trust and President, Karachi Education Foundation. Ex-Vice Chairman, Pakistan Tea Association and Ex-Chairman, Karachi Chamber of Commerce and Industry Privatization Committee.



### **Syed Hashim Raza Zaidi**

Joined Unilever Pakistan Board of Directors, on behalf of the Government of Sindh, in 2006. Currently serving as Director Industries, Government of Sindh, Karachi. His previous appointments include Additional Secretary to Governor Sindh, Managing Director Sindh Industrial Trading Estate (Pvt.) Ltd. and Executive District Officer (Revenue) City Government, Karachi.





**Qayser Alam**

Appointed as Supply Chain Director of Unilever Pakistan in August 2004. From 2003 to 2004 worked at the HPC Asia business group at Singapore in supply chain and innovation, providing support to 17 countries of the Asia region. He has 23 years of experience in various areas of the supply chain function and is currently also a member of the Board of Directors of Rafhan Best Foods Ltd.

Finance Director since May 2004, Peter started his career at Unilever in 1978. Previous posts include Finance Director, Unilever Korea 1997, Commercial Director, Edible Oils Australia 1993.

**Peter I. Harvey**



**Zaffar A. Khan**

Joined Unilever Pakistan Board of Directors in 2005. Currently Chairman of Karachi Stock Exchange while other directorships include State Bank of Pakistan, Pakistan Steel, National Commodity Exchange, Pakistan Institute of Corporate Governance and The Aga Khan Education Board. Previous appointments include President and CEO, Engro Chemicals and Chairman, Pakistan Telecommunication Ltd. (PTCL). Recipient of the Sitara-e-Imtiaz.

Director Industries, Government of the Punjab, Lahore since April 2006 and non-executive member of the Unilever Board of Directors. Previous positions include Deputy Commissioner, Deputy Secretary and Additional Secretary. Also Served as Director of Labour Welfare, Government of the Punjab.

**Zarrar Haidar**



**Amar Naseer - Company Secretary**

Legal Advisor & Company Secretary heading the Legal, Tax & Brands Protection functions at Unilever Pakistan Limited. He joined Unilever in 1999.





**I From left to right I**

Shazia Syed [Home & Personal Care], Peter I. Harvey [Finance], Jamal Siddiqui [Foods & Ice Cream], Qaysar Alam [Supply Chain & Technologies], Ehsan A. Malik [Chairman], Noeman Shirazi [Channel & Customer Development], Rizwan Jamil [Beverages], Haroon Waheed [Human Resources]

# Management Committee

## MANAGEMENT COMMITTEE

Mr. Ehsan A. Malik (Chairman), Mr. Peter I. Harvey, Mr. Qaysar Alam, Ms. Shazia Syed, Mr. Jamal Siddiqui, Mr. Rizwan Jamil, Mr. Noeman Shirazi, Mr. Haroon Waheed

### Terms of Reference

The committee is primarily responsible for the management of the business and other affairs of the company. Management Committee meets on a monthly basis.

Terms of reference of the committee include the following:

- Review of the strategy of the company
- Approval of business plan and future investments
- Monitoring performance and profitability
- Managing the day to day operations of the company
- Identification and approval of innovations
- Identification of business risks and other emerging issues and approval of plans to properly address them
- Review of corporate and operational policies
- Dealing with information security
- Ensure viable corporate relations

## AUDIT COMMITTEE

Mr. Fatehali W. Vellani (Chairman), Mr. Zaffar A. Khan, Mr. Omar H. Karim, Mr. Ayub Vohra (Head of Internal Audit & Secretary)

### Terms of Reference

The Audit Committee performs its role as prescribed by the Code of Corporate Governance and reports the outcome of all its meetings to the Board of Directors. The terms of reference of the committee have been specified in Code of Corporate Governance, some of which are as under:

- Determination of appropriate measures to safeguard the company's assets

# Committees - Terms of Reference

- Review of quarterly, half-yearly and annual financial statements, prior to their approval by the Board of Directors
- Review of management letter issued by the external auditors and management's response thereto and monitor the action plan to improve the control environment
- Review of the scope of internal audit and ensuring that the internal audit has adequate resources and is appropriately placed within the company
- Consideration of major findings of internal audits and investigations, and management's response thereto
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure is adequate and effective
- Ensure compliance with relevant statutory requirements and with the best practices of corporate governance and identification of violations thereof

### **BUSINESS STEERING COMMITTEES**

Separate committees for following business units:

- Home and Personal Care
- Beverages
- Frozen Desserts, Ice Cream & Spreads

Mr. Ehsan A. Malik (Chairman), Mr. Peter I. Harvey, Mr. Qaysar Alam, Respective Business Unit Heads, Marketing and Functional Managers

#### **Terms of Reference**

These committees review the policies, strategies and performance of various business units of the company. These committees meet at least once in every two months. The terms of reference are as follows:

- Development of business strategies
- Discussion of important business plans and review of their implementation
- Review of business units' performance and their implications for business strategies
- Identification of business risks and other emerging issues and related counter-measures



### CODE OF BUSINESS PRINCIPLES COMMITTEE

Mr. Peter I. Harvey (Chairman), Mr. Haroon Waheed, Mr. Amar Naseer, Mr. Ayub Vohra, Mr. Nadeem Akbar Khan

#### Terms of Reference

The committee ensures compliance of Unilever Code of Business Principles (CoBP) and core values. The committee meets regularly every two months. Terms of reference are as follows:

- Reviewing business processes and systems to remove weaknesses that may facilitate misconducts
- Investigation of misconducts i.e. breaches of CoBP or core values
- Recommending actions in case of misconducts

### SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

Mr. Ehsan A. Malik (Chairman), Mr. Peter I. Harvey, Mr. Qaysar Alam, Ms. Shazia Syed, Mr. Jamal Siddiqui, Mr. Rizwan Jamil, Mr. Noeman Shirazi, Mr. Haroon Waheed, Mr. Mustafa A. Khan, Mr. Ali Ata (SHE Manager)

#### Terms of Reference

The committee's vision is to make Unilever Pakistan, a "zero injury" company. It ensures safe working atmosphere and environment friendly operations across the company. It acts as the primary driver for continuous improvement towards an injury free and eco-efficient company. The committee meets at least once in two months. Terms of reference include following:

- Demonstrate "felt" Safety, Health and Environment leadership
- Review systems to ensure safe work practices
- Review systems to minimize environmental footprint
- Provide necessary resource & guidance to fulfil Safety, Health and Environment requirements
- Review incidents and propose systems to eliminate exposures

# Committees - Terms of Reference



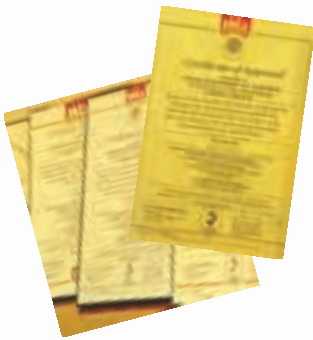


KSE Top Companies Award



MAP Award

ISO Certification



Pakistan Corporate Philanthropy Award



Asian CSR Award



# Achievements

Health and Safety Award



TPM Award







Beauty

「 Capturing the  
essence of beauty 」

## LUX

LUX celebrated 50 years of beauty and style in Pakistan with a commemorative “limited edition” range. The variant pack displayed Pakistan’s five leading film stars and models. The brand’s position as a style leader was reinforced with an iconic commercial and “talk show” format press conferences, allowing consumers to interact with LUX stars. A summer variant, Aqua Sparkle was also successfully launched during the year.

## LUX Style Awards

The fifth LUX Style Awards held in Karachi, to honour high achievers in the field of fashion, music, film and television, successfully reached out to more than a million Lux consumers and customers across Pakistan. Approximately 1.2mn people voted for their favourite stars in the television and music categories.

## POND'S

POND'S launched its premium imported range with encouraging results. The launch aims to establish the brand as a premium skin care expert.

## Fair & Lovely

FAIR & LOVELY strengthened further in 2006, embarking on its journey towards functional expertise and premium imagery. The transition was kicked-off with launch of the multivitamin platform on core fairness, followed by a winter moisturising range. Brand health was further strengthened with the re-launch of the FAL Kismat Ke Sitare Scholarship Program 2006 and a campaign carried across 500 colleges in Pakistan. The brand closed the year with a 40% plus share and a 15% growth in sales turnover, further reinforcing its dominant position in the skin creams market.

Gorgeous skin,  
Glorious hair





## SUNSILK

SUNSILK remains Pakistan's Number 1 shampoo brand. 2006 saw a complete rejuvenation of the brand, with a new and improved look of the entire range. The new variant, Long and Strong, met with excellent response from the consumers, achieving unprecedented success. A unique and exciting offer of "personalised" Sunsilk bottles with own picture labels was also introduced. The Sunsilk salon network continues to thrive with exciting offers for salons and customers.







Hygiene

Painting a world full of smiles...





LIFEBUOY soap this year took-off on the platform of "Lifebuoy Germ Busters", a massive on-ground brand building activity that captured new grounds. To establish an iconic status in the minds of young consumers, the brand invited children to become "Lifebuoy Germ Busters" in the Germ World, empowering them to fight and eliminate health and hygiene threats. Activation was followed by launch of the new Lifebuoy, with improved germ destroying credentials and better presentation, reaching out to consumers in a more effective manner and enhancing brand equity.



LIFEBUOY shampoo is the only shampoo brand in Pakistan offering health benefits to the whole family. This unique positioning was further strengthened with the launch of a new variant "Daily Care", and premium formulation in a contemporised packaging of the existing variants.



CLOSEUP registered significant growth in 2006, primarily driven through the new format "core in sheath", a blue gel in a white paste. This innovation while establishing product differentiation, aims at building health credentials of the brand through the promise of strong teeth.

## Rexona

REXONA deodorant marked this year with the "Date With Fate" activation using Wasim Akram as its ambassador. The activation objective was to create category relevance and raise awareness in a market where usership of deodorants is negligible. The activation targeted young people, focusing on brand values of confidence through taking up specific challenges.

Shiny smiles,  
Sparkling clothes





**Surf  
excel**

SURF EXCEL remains Pakistan's number one detergent brand. 2006 was another strong year as the brand experienced its highest ever growth, fuelled by retail visibility and strong activation. The national on-ground activation "Games Masti" was received enthusiastically across the country and was instrumental in communicating the "Dirt is good" message.







## Beverages



Enacting the  
drama of life





LIPTON was the star of the portfolio in 2006, driving both profits and sales growth in a particularly challenging year. Activity focus was on equity building through large scale on-ground activation in small towns. This novel activity generated massive trial and subsequent conversion that helped drive growth. In addition, Lipton again proved itself the innovation champion in the market with the launch of a new tea format, Tea Latte. Overall the brand continues to achieve double digit growth for a second consecutive year.



BROOKE BOND SUPREME - the largest selling tea brand of Pakistan saw 2006 as a year of consolidation. With over 28 million cups consumed everyday, the brand is constantly confronted with counterfeit and infringement activity and low cost regional players. These were particularly active in 2006 owing to the massive inflation in tea costs and the resulting retail price correction taken across the board for all branded teas. However, despite adverse influences the brand closed the year on a strong note, with a significant rejuvenation of the product and new communication highlighting the unmatched tea taste and quality of Pakistan's best selling tea brand.

Refreshing aroma,  
Revitalising taste



## OOH

Out of Home channel continues to act as a trend setter for the tea business. High visibility at key traffic points coupled with a quantum jump in tea bag sales is the hallmark of this channel. An outbound facility of Telebusiness is operating to strengthen "connect" with consumers.







# Frozen Desserts & Ice Cream

*Shaping the  
very meaning of fun*





WALL'S maintained its number 1 position in the market with 2006 proving to be a landmark year. The "Heart Brand" embarked upon its journey towards habit building and making frozen dessert and ice cream consumption an inherent part of occasions and celebrations. The Ramadan campaign provided "ideal fun and nutritious must-have" for Iftar, while the Eid season had record sales, posting a whopping 40% full year top line growth.



CORNETTO, our lead brand, enjoyed a phenomenal 46% growth with a very effective "Copy Cats Activation" aimed at creating emotional relevance for the consumers.



DONUT was received enthusiastically giving the Wall's Impulse portfolio a boost of 38% growth and high recall.



PADDLE POP, focusing at children, launched Rocket Kulfi & Super Twin helping the brand grow by a healthy 44%.



MOO Dairy Ice Cream created a sensation with its "Goodness of Milk" for young children, helped by on-ground sampling activities.

# Tantalising flavours, Enticing array





## MAGNUM

MAGNUM, our strategic brand enjoyed another year of consistent 93% growth with the launch of the new Magnum Bar and an imported premium range from South Africa. Visi Max cabinets installed at premium strategic locations gave sales a further boost.

In-Home Frozen Desserts and Ice Cream segment sustained its upward momentum growing by 38% over previous year. This growth is mainly due to focused initiatives to introduce new flavours in the affordable range.







# Spreads

Creating a  
culinary delight



### **Blue Band**

BLUE BAND Margarine drove its growth through the “Good Start” platform, with effective communication and on-ground activations. One activation programme focused at schools with the theme “Khazanay Ki Talaash” (Treasure Hunt), while another was a trial generation, targeting households through Mohalla activity and float operations.

Nourishing food,  
Gratifying spreads









## Customers & Channels



Creating a picture from  
a thousand pieces

**International Customer Base**

This year, key focus was given to preparing for the launch of the first International Customer-Makro. Capability building, systems and processes were anticipated well in advance in 2005, with the result that UPL was one of the best prepared FMCGs, with most shelf space and visibility.

**Wholesale Loyalty Programme**

2006 saw the successful launch of wholesale loyalty programme called Dosti. Specific SKU's were channelised through this engagement programme with wholesalers. A point system was developed and non-cash prizes were awarded to top performers. Overall, it was a highly engaging and motivating project which helped develop strong relationships and deliver growth.

**Rural Coverage Expansion**

Rural coverage was expanded through a focussed approach, adding 3,500 new villages and increasing UPL reach by 10,000 POPs in the rural area.

**Customer Satisfaction**

The company received an excellent Customer Satisfaction score of 84 out of 100 for customer satisfaction, based on a survey conducted by AC Nielsen covering distributors, retail, modern trade and wholesale. The most notable achievement was a marked increase in Distributor Satisfaction which rose by seventeen points over 2002.

**New Initiatives**

Based on shopper research, a cosmetics channel was launched in Karachi. This initiative was taken to leverage shopper behaviour insights in order to create a competitive advantage in the market through differentiation and focus. Skin and hair categories benefited through this initiative which will be further replicated in other metros.

Delighted consumers,  
Satisfied customers





### **Merchandising**

Special merchandising focus through dedicated trained resource was rolled out across 14 metros covering 10,000 retail outlets.

### **Management Information Systems**

Ultra - Management Information System was extended to 150 distributors to track and improve performance, thus capturing 75% of our sales.





8

BEST BEFORE  
DEC - 2007

R **Lipton**

**YELLOW LABEL  
TEA**

TEA BAGS  
200 gms x 20 Packs = 4 kgs

8

BEST BEFORE  
DEC - 2007

R **Lipton**

**YELLOW LABEL  
TEA**

TEA BAGS  
200 gms x 20 Packs = 4 kgs



# Supply Chain



Linking parts  
together to  
form a whole

## BUILDING A WORLD CLASS SUPPLY CHAIN

### Product Integrity

To ensure quality and authenticity of products for our consumers, we launched a pilot project to develop and implement specific control features in our packaging material. These features are designed to ensure integrity of our key brands and to serve as a deterrent to easy replication and counterfeiting.

### Capacity Enhancement

To meet increasing consumer demand, capacity enhancement projects have been initiated for the following:

- Personal Products
- Laundry & Home Care
- Frozen Desserts and Ice Cream

### Total Productive Maintenance

This year the Home and Personal Care Factory in Rahim Yar Khan was awarded 1st Level certification in Total Productive Maintenance (TPM). With this award all Unilever factories are now TPM certified thus enabling increase in productivity, quality enhancement and cost reduction.

In line with the initiative to improve “end-to-end” supply chain, the total number of warehouses was enhanced, while at the same time most UPL finished goods warehousing facilities received an ‘A’ rating.

# Integrated networks, Smooth systems





### Environmental Management

Following initiatives were undertaken:

- To commemorate Environment Day, UPL employees and their families planted over 650 saplings at the Karachi Tea Factory
- Committed to minimising and eventually eliminating identified environmental hazards, the Wall's Factory entered into an agreement this year with the NGO, Waste Busters, to recycle scrap. As a result of this partnership, the factory has to-date, recycled approximately 17 tons of scrap, right-offs and production waste material





STOP



# Safety

Creating a safe environment to  
produce great ideas



The Management Committee envisions Unilever Pakistan Limited as a zero injury company and we believe that "Safety First" must begin with us and we can individually and collectively make a difference.

#### **Safety Values Launch**

Unilever has successfully launched its "safety values" at Monday morning departmental meetings. These departmental meetings provide a platform for all employees to reiterate their commitment to safety and exchange ideas and best practices.

#### **Safety Committee**

Reaffirming the company's commitment to Safety, a Central Safety, Health, Environment Committee (CSHEC) has been established. This committee is supported by the Corporate SHE Team and the Unit SHE Committees (USHEC) of manufacturing and non-manufacturing sites.

#### **Road Safety**

Consistent with our commitment to safety, a policy decision was taken to replace motorcycles with cars. This decision was made keeping in mind the safety of the sales teams.

In line with our commitment to road safety, we have also embarked on a defensive driving training programme. This training course has already been cascaded to approximately 500 primary transport drivers while 100 members of our sales force team have been trained. As part of this course, each driver goes through a complete medical examination which includes eye and drug tests. The vision is to cascade defensive driving training to all Unilever employees by the end of 2007.

# Our Vision

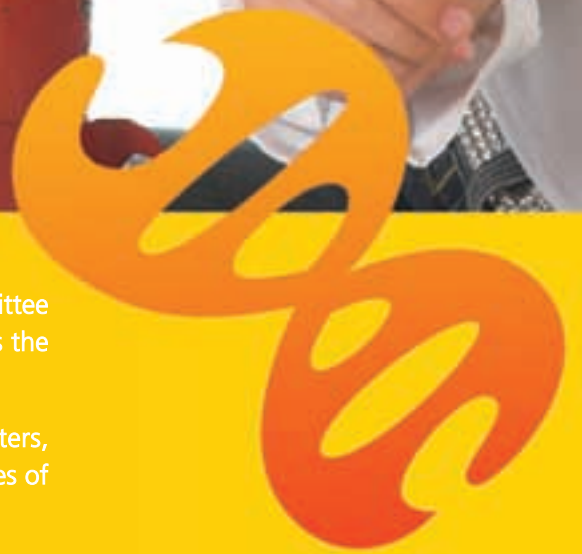
# A Zero Injury Company



### **Incident Reporting & Investigation System**

The Unilever Incident Reporting and Investigation System (IRIS) Committee launched an online incident reporting system which further reinforces the existing system by making incident reporting easy and accessible to all.

IRIS was a countrywide launch covering factories and branches. Posters, banners, desk pyramids, key tags and booklets showing details of types of incidents and incident reporting protocols were also distributed.









# Human Resources

Composing your own symphony



At Unilever Pakistan, we believe in creating an environment in which individuals can contribute in their unique way and make a difference.

### **Vitality and Health**

Our mission is to "Add Vitality to Life" and this year's Vitality and Health drive included activities ranging from mandatory medical check-ups, leading to "health passports" and then to exercise and nutrition advice for employees and families. A low calorie / low fat diet menu in the office's and factories' cafeterias and a corporate arrangement with a health & fitness centre for employees, were some of the other initiatives. High blood pressure and cholesterol cases have reduced by 71% and 46% respectively, while regular exercising habits rose by 54%.

### **Talent Drive**

Diversity remains a top priority and is integral to the success of the business. The company is proud to be considered the "most preferred employer" in the country and this year 40 colleges, covering approximately 5000 students, were invited to participate in "U-Day", an annual event to attract the best talent for the Management Trainee programme.

### **Internal Communication**

Employee engagement and bonding was enhanced with Chairman's web casts and staff meetings, Team Outbreaks, Away Days, e-Communications and Values Mela, supported with in-house magazines and brochures. Get-together organised at factories helped provide connect with families.

The 2006 "UPL Challenge Day" brought together over 1,000 employees, business partners, suppliers and customers, to discuss targets and strategies and re-visit major business thrusts. The theme "Formula 1 Racing", focused on "speed, execution and winning", aligned with the global philosophy of EDGE - Every Day Great Execution.

### **Employee Involvement**

"Making a Better World" included both company initiatives and employee involvement. Factory teams organised free medical camps at Rahim Yar Khan, Lahore and Khanewal, while others participated in various health, education and environment projects. The "spirit of giving" was particularly evident in earthquake victim support, where many Unilever staff visited relief camps and organised donor collections.

# Inspiring leaders, Motivated employees





#### **Career Planning, Training and Development**

Individual responsibility for self career development, Individual Learning Accounts (ILA), continued and strengthened through the Personal Development Plan (PDP) process, with emphasis on participatory development discussion and action plan. "Strategy into Action" helped align people and organisation with the company's growth agenda.

Pro-active career counselling and review of talent pipeline through standard succession planning tools continued, while training included 4 regional workshops in Pakistan as well as international training for approximately 104 employees. This year, approximately 40 UPL employees were selected through the "Open Job Posting" (OJP) process and 11 managers were seconded overseas.

#### **Total Productive Maintenance and Safety**

Streamlining machine efficiencies and optimising production costs is vital to UPL's growth objectives. Total Productive Maintenance is the main tool to achieve these.

Our safety values help in driving all our behavioural safety initiatives and "Safety" figured high on the company's agenda.





# Earth



## Corporate Social Responsibility



Drawing the outlines  
of a better tomorrow



Our business success depends on relationships of mutual benefit with our stakeholders and we believe in open and constructive dialogue. We engage through:

- Informal dialogue with special interest groups
- Interaction with the public sector
- Communication with the media
- Participation at formal stakeholder dialogue forums
- Community support initiatives

A vibrant and dynamic business environment and a healthy and thriving community provides us with a robust and growing consumer base. We seek to make a positive impact by ensuring that our “socially responsible” behaviour is part of our business operations. In line with our mission to add vitality to life, our focus in social development initiatives continues to be in:

### **Education**

Primary and higher education support:

- Running expenses of 15 Citizens Foundation Schools
- Construction of secondary school building for the Rahim Yar Khan Govt. Elementary School
- Public Private Partnership for the Kamo Shaheed Government Girls Primary School, Ghotki
- Scholarship through Unilever-LUMS MBA fund for women
- Gold medal for post graduate degree at the Ghulam Ishaq Khan Engineering University

### **Health Care**

Institutionalised financial support:

- Two MALC clinics and a health camp for RYK School and Iqra Foundation School
- Running expenses to LRBT for the Khanewal Eye Hospital
- Two patients added to the dialysis support programme with the Kidney Centre bringing the total to eight.
- Health awareness programmes for employees

# Uplifted communities, An improved society



### Water Sustainability

Our efforts to create a value chain for water sustainability continued with the installation of hand pumps, bringing the total to 350. A book about Thar and the Tharis' way of life was also developed and launched in an effort to raise awareness about the need for sustainable water projects in Thar.



