



case 1-429-413  
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## Tea and Sustainability at Unilever: Turning Over a New Leaf (A)

### Introduction

Michiel Leijnse was never much a fan of big band swing music, but he had to respect Frank Sinatra. “Old Blue Eyes” could not have been more right than when he sang, “I love Paris in the winter when it drizzles,” he thought. Looking out his window from Unilever’s offices on Rue François Jacob, Leijnse took a long sip from his warm cup of Lipton tea and felt a moment of intense comfort. Unfortunately, the moment did not last long — he was shaken back to reality by a major decision he faced about the very beverage he held.

As the tourists still milled about after ringing in the year 2007 in the City of Lights, Leijnse was beginning his ninth full month as the global brand development director of Lipton Tea. He had been with Unilever in different brand management capacities at various locations throughout the world since 1994,<sup>1</sup> so he was no stranger to making big decisions. Nevertheless, this one seemed particularly significant; the scale of changes, the future of the brand, and the financial implications of sourcing Lipton Tea sustainably would be discussed. The impacts of this decision could influence the direction of Unilever’s multinational business strategy. It seemed almost too much to internalize, but he needed to find a way to do so. In a few short hours, he faced a very important meeting with Unilever Chief Executive Officer Patrick Cescau to discuss tea.

### History of Unilever

The origins of Unilever date back to the 1870s in the Netherlands.<sup>2</sup> Antonius Johannes Jurgens and Samuel Van den Bergh each ran family butter companies that exported to the United Kingdom. The companies produced margarine in large volumes as a replacement for butter. Over the next four and a half decades both companies expanded as competitors until they joined together in 1927 to create Margarine Unie — The Margarine Union.<sup>3</sup> Meanwhile, during the 1880s, Englishman William Lever began producing a new type of household soap that lathered more easily than traditional animal fat soaps.<sup>4</sup> Lever made acquisitions and partnerships over the next several decades that allowed his company to expand globally.<sup>5</sup> In 1929, Unilever was formed as a result of a merger between Lever Brothers and Margarine Unie.<sup>6</sup>

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