



4 December 2009: Unilever publishes verification report checking the validity of Greenpeace's Burning Up Borneo report

In April 2008, Greenpeace issued a report entitled How Unilever Palm Oil Suppliers are Burning Up Borneo. This report claimed that suppliers of palm oil to Unilever were responsible for "fuelling climate change and helping drive orang-utans to the brink of extinction". The suppliers were accused of being involved in unacceptable practices such as clearing of peat lands and orang-utan habitats, whilst not having the required legal permits.

These are serious allegations that Unilever could not ignore. If proven to be valid they would constitute a breach of our Business Partner Code and the mandatory requirements of the Roundtable on Sustainable Palm Oil, of which these suppliers are members.

In order to assess the veracity of the Greenpeace report we commissioned an independent study to check their substance and to screen suppliers against RSPO criteria. We asked Eric Wakker of Aidenvironment to lead this effort. (Aidenvironment is an independent not-for-profit consultancy advising private and public organisations. They have considerable experience in the palm oil sector.)

Aidenvironment assessed four of the suppliers mentioned in Greenpeace's report: Wilmar International, Sime Darby, BGA/IOI and Sinar Mas. These suppliers all co-operated with Aidenvironment by sharing documents and providing access to company terrain. One supplier - Musim Mas - declined to co-operate. The other two suppliers mentioned by Greenpeace are not suppliers to Unilever.

Eric Wakker's study, Verification of the Greenpeace report 'Burning up Borneo' concludes that the Greenpeace report, although flawed in parts, was broadly accurate. In some cases, Unilever's suppliers were unable to produce complete sets of valid permits. He also found some evidence to suggest that land might have been cleared without prior Environmental Impact Assessments and 'High Conservation Value' Assessments being completed. This would constitute a breach of RSPO requirements.

If unaddressed, these shortcomings represent risks to the environment and to the credibility of both the RSPO and Unilever. We have already shared the study's results with our suppliers and urged them to address the shortcomings. Based on their reaction to date, we are confident they will correct the problems highlighted by Greenpeace and authenticated by Wakker.

With regard to Musim Mas we will continue to encourage them to co-operate with us until we feel their practices are adequate.

It is Unilever's belief that constructive engagement with our suppliers is the most effective way to promote sustainability and improve practices in the palm oil sector. However, if suppliers continue to ignore RSPO criteria we will take appropriate action.

