

UNILEVER'S POSITION ON ELIMINATING DEFORESTATION



Background

Deforestation is a major contributor to climate change, accounting for up to 15% of global CO2 emissions. Over half of the world's deforestation is linked to land conversion to produce only four raw materials – palm oil, beef, soy, paper & pulp.

Context

We have made good progress towards our sustainable sourcing targets. But we have also learnt an important lesson, which is that although we purchase 3% and 1% of the world's palm oil and soy respectively, we cannot end deforestation by ourselves – we need the wholesale transformation of supply chains towards more sustainable models. Until this is achieved, the commodities that drive deforestation (especially palm oil, given its significance for us) will continue to be stigmatised in ways that will negatively affect Unilever, even if our entire supply chain is traceable and certified as sustainable, and we will continue to pay a price premium for certified palm oil.

Driven by this recognition, at the USLP refresh in 2014 we announced that deforestation would become one of Unilever's three priorities for transformational change, committing to working with our supply chain, the wider commodities and consumer goods sectors, governments and civil society to driving deforestation out of commodity supply chains and implementing solutions at scale.

This means revisiting our own sustainable sourcing commitments. Some of the standards and codes we have been using for our sustainable sourcing programmes do not adequately address all the issues required to eliminate deforestation from our supply chains. Our new eliminate deforestation position builds on our sustainable sourcing commitments and makes explicit our commitment to protecting high conservation value forests, forests with high carbon stock and tropical forests on peat soils.

Unilever's position

Unilever is committed to playing a significant role in mitigating climate change by reducing our carbon footprint across the value chain, including elimination of deforestation from our supply chains.



Eliminating deforestation will also have positive impacts on biodiversity, ecosystem services and the lives of local people dependent on forests for their livelihoods. It is important to ensure that forest protection is compatible with overall economic development.

In 2010, Unilever together with members of the Consumer Goods Forum (CGF) committed to mobilize resources within our respective businesses to help achieve zero net deforestation associated with four commodities: palm oil, soy, paper and board, and beef by 2020. We have now extended this 2020 commitment to our tea businesses and supply chains.

Our highest priority will be to ensure that:

- High Conservation Value (HCV) forests,
- forests with High Carbon Stocks (HCS),¹ and
- tropical forests on peat soil

are conserved, and not converted to farmland or destroyed by other activities in our supply chains.

We will also implement the Unilever Responsible Sourcing Policy (RSP) in our supply chains, which requires Free Prior and Informed Consent (FPIC) for developments involving indigenous people and small-scale farmers dependent on forest resources.

We recognize that Unilever's zero net deforestation 2020 target involves not only protecting HCV, high carbon stock and tropical peat forests, but also ensuring that the net quantity, quality and carbon density of forests is maintained when land use changes in the wider landscapes in which our suppliers operate.

Unilever and its suppliers cannot end deforestation without the wholesale transformation of supply chains towards more sustainable models. To achieve this, businesses, governments, civil society and the people who live and work in forested landscapes need to work in partnership to achieve sustainable development whilst valuing and conserving forests. Recent developments, including the New York Declaration on Forests, show that this is starting to happen. Unilever is working with a number of organisations and partnerships including the Consumer Goods Forum, the Tropical Forest Alliance, IDH – The Sustainable Trade Initiative, and Global Forest Watch (convened by the World Resources Institute), to drive progress and align business action with public policy.

¹ We define High Carbon Stock (HCS) forest using the HCS Approach Toolkit 2.0, a unified global methodology for protecting natural forests and identifying lands for responsible commodity production that was released by a coalition of industry and NGO partners in May 2017. See <http://highcarbonstock.org/announcement-toolkit-version-2-0-launched-a-global-methodology-for-putting-no-deforestation-into-practice/>.

