



## **Unilever response to Greenpeace campaign “The Final Countdown”**

**24/09/2018**

Since November 2017, Greenpeace has been actively drawing attention to a number of serious issues that continue to be prevalent in the palm oil industry documented in a series of publications; “Still Cooking the Climate” report in November 2017, “Rogue Trader” report in June 2018, the “Rang-tan: the story of dirty palm oil” video and “The Final Countdown” report in September 2018.

Greenpeace rightfully addresses serious and systematic issues that we know are fundamentally broken in the palm oil supply chain. Unilever has been [actively driving change](#) in both our own operations and across the industry and we continue to work hard to address the challenges raised by Greenpeace to which we’re responding below.

### **Greenpeace states that consumer brands are failing to:**

- **Obtain independent verification that all remaining producer groups are fully compliant with NDPE standards across their operations**

**Unilever response:** Unilever’s [Sustainable Palm Oil Sourcing Policy](#) sets out our commitment to sourcing certified sustainable palm for our core volumes by 2019. In our Policy, we outline our Principles for Sustainable Palm Oil (i.e. the Five Principles). These support the Roundtable on Sustainable Palm Oil (RSPO) standard and include additional requirements on No Deforestation, No Development on Peat and No Exploitation of people and communities (NDPE) – including a commitment to drive positive social and economic impact for smallholders and promote gender equality. In May 2017, we updated our Policy with the High Carbon Stock Approach (HCSA) Toolkit 2.0. This means we expect suppliers to adopt the HCSA methodology when implementing Unilever’s, and their own, commitments to no deforestation.

The scope of our Policy is to drive sustainable market transformation through collaboration beyond our own supply chains with suppliers, governments, NGOs and the broader industry on the implementation of our Five Principles.

We share Greenpeace’s view that there is a need to accelerate achieving full compliance and are focused on finding a progressive and pragmatic approach for NDPE verification for the industry.

**Greenpeace states that consumer brands are failing to:**

- **Require the producer groups in their supply chain to publish concession maps and disclose the extent of their operations**
- **Proactively monitor their entire supply chains to identify all producer groups that are still involved in deforestation**

**Unilever response:** We fully agree with Greenpeace that transparency and traceability are crucial in achieving this and we have been long committed to lead the drive towards transparency. We now have visibility of 78% of the mills in our supply chain and in February 2018, Unilever became the [first consumer goods company](#) to publicly disclose the [suppliers and mills](#) we source from, both directly and indirectly. This marked a major milestone in driving greater visibility across the entire supply chain.

The publication of our supplier and mill data is an important way to create further awareness of exactly where the issues are and unravel complex supplier links. We are continuously pushing others in the industry to follow suit and become more transparent in line with Greenpeace's call for publication of concession maps.

To help make this happen, we are currently bringing a number of organisations together to set up a third-party platform where industry players can publish concession maps which can be independently verified.

**Greenpeace states that consumer brands are failing to:**

- **Ensure producer groups cease and then remedy their deforestation (and other non-compliant behaviour) in a transparent and timebound fashion**
- **Failing to exclude producer groups that miss deadlines or refuse to reform**

**Unilever response:** Our public [grievance mechanism](#) plays a key role in addressing and resolving issues. It provides a structured approach to investigating a grievance, determining appropriate timelines and steps for remediation and providing regular updates to all parties involved.

We are focusing on the group structures of our direct and indirect suppliers, as they play a crucial role in addressing non-compliance. This will require a greater level of detail about ownership from reliable public registers as not all information is currently available in the public domain. We are pushing suppliers to adopt joint action plans so that we can achieve change at a larger scale. We have proactively taken action with the suppliers outlined by Greenpeace and are following up on these by following the steps of our grievance procedure.

If despite our engagement, we do not see demonstrable progress against agreed action plans we reserve the right to suspend sourcing and we have done this with several of our direct and indirect suppliers – including suppliers mentioned in Greenpeace's report.

We continue to see this step as a last resort as we strongly believe that continued engagement is crucial in realising positive change. If we completely disengage, we risk that these companies continue business as usual, which is the very thing we want to avoid. However, we recognise that severing commercial ties is at times the only way to send a firm signal.

## **Unilever's approach to addressing the prevailing issues in the palm oil supply chain**

We see sourcing certified sustainable palm oil as one of the ways to transform the industry. Even though we are on track to achieve our [target of sourcing 100% physically certified palm oil by 2019](#), we also know that certification alone does not guarantee long-term solutions.

The sheer complexity of the global palm oil industry means a single approach is not suitable. Therefore, we have a number of different programmes in place on the ground at plantation level as that is where action is most needed.

We focus our efforts on [smallholder farmers](#) and independent palm oil mills. Working with independent mills and the networks of smallholder farmers they buy from is a major opportunity to improve practices and increase the visibility of our supply chain.

We've been particularly focused on driving [jurisdictional approaches](#) whereby we are targeting an entire jurisdiction (i.e. region or district) by working with non-profit partners, suppliers and governments to encourage smallholders to take up more sustainable ways of farming. Our [recent partnership](#) with Walmart, WWF Malaysia, Forever Sabah and the PONGO Alliance is a further demonstration of how we're implementing this on the ground.

We are working very hard to realise supply chains that are free of deforestation and human rights abuses. Collaboration with key suppliers, governments, NGOs and the broader industry is instrumental to make this happen. We are always open to engagement with any stakeholders to see how we can further improve the work we are doing in this area.