SUSTAINABLE SOURCING

Making us more sustainable, every single day
THE BIG PICTURE

SUSTAINABLE SOURCING FOR SUPPLIERS IN 20 SECONDS

Unilever products touch the lives of 2 billion people every day. We want to increase that to 4 billion, while reducing our overall environmental footprint and increasing the positive social impact of our business.

As part of this strategy we intend to improve the way we source our raw materials. We buy millions of tonnes of raw materials from you, our suppliers, to make our products. Half of those raw materials are renewable, with around 7.8 million tonnes coming from farms and forests.

By working closely with you, our target is to source 100% of our agricultural raw materials sustainably and to engage with at least 500,000 smallholder farmers in our supply network by 2020. This will help farmers to improve agricultural practices, increase competitiveness and improve the quality of their livelihoods.

UNILEVER SUSTAINABLE LIVING PLAN

The Unilever Sustainable Living Plan was launched in 2010 with three major objectives to achieve by 2020:

1. Halve the environmental impacts of our products

2. Help more than a billion people take action to improve their health and well-being

3. Source 100% of our agricultural raw materials sustainably
WHY IS SUSTAINABLE SOURCING IMPORTANT?

There are several excellent reasons why sustainable sourcing is important:

- Agriculture and forestry contribute more greenhouse gas emissions globally than any other industry, and are therefore significant contributors to climate change. We purchase significant volumes of agricultural crops and manufacture many products that rely on forestry for packaging. It’s our responsibility to do so sustainably.

- Food security is threatened by population growth, changing weather patterns, water scarcity and unsustainable farming practices. We have to produce as much food in the next 40 years as we have in the last 8,000 years. We need to change how we do business.

- Consumers are increasingly purchasing products from companies that act responsibly. We want to be able to meet this growing demand.

- Sustainable farming techniques can enhance the livelihoods of farmers. These practices also help improve soil fertility, water quality and availability, while reducing greenhouse gas emissions and protecting biodiversity. We’re committed to helping people and helping the environment.

WE’RE COMMITTED TO HELPING PEOPLE AND HELPING THE ENVIRONMENT
HOW ARE WE REACHING OUR TARGETS?

Unilever is part of a complex supply network. To meet our sustainable sourcing target we need to work closely with everyone within it to improve farming practices and encourage a wider shift towards sustainability. We have two routes to sourcing our raw materials sustainably.

CERTIFICATION STANDARDS RECOGNISED BY UNILEVER

About a third of the renewable raw materials we buy from you can be certified through recognised certification standards, such as Fairtrade, the Forest Stewardship Council and the Rainforest Alliance. A full list of accepted standards is available in our scheme rules.

Case study: Magnum and the Rainforest Alliance

Magnum has partnered with the Rainforest Alliance (RA) to bring sustainable agriculture practices to cocoa farmers in West Africa, promoting nature conservation and enhancing the quality of life for farming communities.

Over 10,000 farmers in the region have already achieved RA certification. For Magnum, this guarantees a supply of the highest quality beans grown in a way that improves soil fertility and protects biodiversity. For farmers, this translates to better harvests and higher income.
UNILEVER SUSTAINABLE SOURCING

THE UNILEVER SUSTAINABLE AGRICULTURE CODE

For the other two thirds of our renewable raw materials, we ask you to assess your farmers against our Sustainable Agriculture Code.

We developed the Code and its 11 key indicators using several Lead Agricultural Projects over a period of 12 years. Each indicator focuses on a specific area of sustainable farming, such as soil health, pest management or energy, and has been tested around the world on all our agricultural raw materials.

To help you assess your farmers against the 11 indicators of the Code, we’ve developed a software tool called Quickfire. It helps you check how you and your farmers are doing and collect the data you’ll need to demonstrate acceptable levels of sustainable farming practices.

You can download the Code, scheme rules and access the implementation guide site here: www.unilever.com/aboutus/supplier/sustainablesourcing/sustainableagriculturecode

Case study: Quickfire in practice

Agraz supplies Unilever with tomato paste, tomato powder and diced tomatoes. We are working together to ensure all these tomatoes are sourced sustainably by 2015.

Agraz started using Quickfire in 2008 to help meet our shared sustainability target by tracking progress and benchmarking performance against the average for their raw materials. The tool ensures their farmers’ practices comply with the standards of our Sustainable Agriculture Code. This means we can quickly and easily count their crops as ‘sustainably produced’ – something that’s vital for us to achieve our sustainable sourcing commitment.

A THIRD OF THE RENEWABLE RAW MATERIALS WE BUY FROM YOU CAN BE CERTIFIED THROUGH RECOGNISED CERTIFICATION STANDARDS

CHALLENGES AHEAD

We are on track to meet our sustainable sourcing targets in the coming years, but we’re also faced with the following challenges as we move forward:

• We know that the last 20% of our agricultural raw materials will be the hardest to source sustainably. Because we are small buyers, it’s harder for us to influence these markets.

• We are now working on the responsible sourcing of our non-renewable materials, such as chemicals. We’ve identified where we can have the most impact and will work with suppliers to reduce, replace and recycle these materials, and to reduce their water and carbon footprints.

• We recognise that the key to a sustainable future is to replace today’s price-based supplier relationships with value-based ones. We’re working to build that into how we do business through our procurement teams.
WHAT ARE THE BENEFITS?

IT'S GOOD FOR YOUR BUSINESS
• If we grow, you grow. Our customers want more sustainable products, both to meet consumer demand and to meet their own sustainability targets.
• By embracing sustainable practices now, not only will you increase your competitiveness, you’ll also be a leader in your industry.
• Sustainability is also a way for your company to secure long term supplies of scarce raw materials and to contribute to the wider society.

IT'S GOOD FOR FARMERS
• Sustainable farming techniques can increase yields and quality and can help farmers improve their profit margins.
• The World Bank claims that supporting smallholder farming is the best way to stimulate economic development and reduce poverty. By working together with partners, we can train farmers and enhance livelihoods.

IT'S GOOD FOR CONSUMERS
• Consumers care about where their food comes from. We must meet that demand by providing sufficient affordable, nutritious and sustainable products.
• Sustainable farming will contribute to improved food security in the face of population growth, changing weather patterns and water scarcity.

IT'S GOOD FOR THE ENVIRONMENT
• More sustainable farming practices improve soil fertility, increase biodiversity and conserve water, all while reducing greenhouse gas emissions.
SMALL ACTIONS, BIG DIFFERENCE

Every day, thousands of our suppliers help us make our products. If we can work together with you and your farmers to be more sustainable, our small actions really will add up to a big difference.

For example, we grow vegetables for our Knorr brand on 48,000 hectares of land – the equivalent of 96,000 football fields. If we can increase yields by 10% using sustainable methods, we can avoid the need to expand agricultural land by 10%. That’s an extra 10,000 football fields to play with.