

THE SUSTAINABLE SOURCE

September 2012



WELCOME TO THE SEPTEMBER 2012 EDITION OF THE SUSTAINABLE SOURCE

Vanessa King is a manager in the Sustainable Sourcing Development Team, the group responsible for providing tools, policies and technical support to procurement managers implementing sustainable sourcing. Within the team she has particular responsibilities in the areas of pest management, water, and sustainable livestock systems. She is also heavily involved with the development of the Quickfire software with Muddy Boots and making sure the self-verification process runs smoothly.



Dear Suppliers

Welcome to the September 2012 edition of the Sustainable Source. It's been a busy summer for the Sustainable Sourcing team, as I'm sure it has for all of you. This edition features some highlights from the Knorr Summit held in Hamburg at the end of May, the Cargill Sustainability Summit in the USA and describes a new project from the commodities team on sustainable sunflower in South Africa; it also updates you on some changes we are planning to make to the self-verification process (scheme rules), and some of the latest developments made to the software, including new filters and reports.

As part of our focus series on Control Union, this time we focus on biodiversity versus food safety. The article from Lori Wyman, the Certification and Outreach Manager for Peterson Control Union Certifications US, discusses the progress Control Union has made in the US and the challenges they have overcome.

Our Meet a Supplier spot features SVZ, who is working on a joint project with Innocent to improve water usage in strawberry production; Olam, one of Unilever's vegetable suppliers; and Kutas, who supply us with dried herbs.

Our brand spotlight this time shines on Lipton tea, and describes how Rainforest Alliance certification has helped smallholder farmers, and how Lipton is protecting a local biodiversity hot spot. On page 14 we take a look at our sustainable agriculture metrics, to give you a flavour of what it's all about, and what you might be able to find out from our new metrics report. We also explore the particular challenges for fruit suppliers, with an interview with

Anshu Dyutiraj, Procurement Manager - Fruits & Spices.

On 6 September we held our first Quickfire review workshop with a focus group of some long-standing users. This helped us explore in detail some of the software features you would like to see, and how we can make the self-verification process easier for you. It was a chance to share experiences, good and bad, and we thank all participants for their input.

The next round of our customer satisfaction survey is due to go out to you all shortly. We hope many of you will be able to find 5 minutes to let us know how we've done over the past 6 months. Your feedback really does help us improve.

I hope you enjoy this issue, and wish you all a happy and fruitful autumn.

Kind regards
Vanessa



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SUSTAINABLE SOURCING UPDATE

We would like to thank everyone that attended the Knorr Sustainable Agriculture Summit 2.0 in Hamburg at the end of May. We were overwhelmed with positive feedback from you all and it was fantastic to meet so many of you and hear about some of the exciting projects you are running; it was clear that some great progress had been made over the past 18 months.

TO DATE WE HAVE AWARDED 34 CERTIFICATES TO THOSE OF YOU WE CAN NOW CLAIM TO BE SUSTAINABLE SUPPLIERS 2012.

For Knorr, sustainable sourcing is integral to our brand offering. Our consumers want to know where our ingredients come from; they want to be assured that agricultural materials are farmed under the best natural conditions and that all of us take care of the environment. Hence our objective to implement sustainable agriculture practices and to have a positive impact on the lives of farmers and their communities.

You are helping us do this by rolling out sustainable farming practices and by initiating innovative projects that can be co-funded by the Knorr Sustainability Partnership Fund. We need to continue this work and we want to share the stories of these great farming practices and projects with our consumers.

As we continue on this journey to sustainably source all our vegetables and herbs by 2015 it is clear to me that we will only achieve this by working in close partnership with you.

For those of you who have not yet done so, please take action and commit to our sustainable sourcing programme. It is important to make a strategic decision to put sustainability at the heart of your business plan and to appoint one responsible person to manage the programme. Please inform your Unilever contact who your programme manager is to ensure we can work well on this programme together.

Click here to access a [highlights video](#) of the event. To access our Sustainable Sourcing video and information please [click here](#).

Dirk Jan de With
VP Procurement Ingredients
& Sustainability



CHANGES TO SCHEME RULES

When we published our Scheme Rules in January 2012 we mentioned that we would review them on an annual basis.

Since January we have made some changes to the way we count raw materials as 'sustainably sourced'. This means we have had to change some sections in the Scheme Rules.

We have added some external standards to Annex II and also made it clearer which areas are NOT covered

by external standards, as well as the areas that ARE. We hope this helps you understand the gaps that need to be addressed.

These updates will take effect from the 1st October 2012.

If you have questions about the changes, please speak to your Unilever or Control Union contact. Please follow links to a list of [changes](#), new [Scheme Rules](#) and [Q&A](#) for your reference.



MUDDY BOOTS UPDATE

FOCUS ON NEW TIME SAVING FEATURES & REPORTS

Since the last issue of the Sustainable Source Muddy Boots has focused on developing new features to save you time when entering SAC data in Quickfire, and new SAC reports to help you to track your own sustainability journey. Our first 'Quickfire Webinar' is taking place on Monday 1st October 2012 at 13:00-14:00 (BST). The Webinar will guide you through all of the new time saving features. To register please [click here](#).

We have summarised some of the recent updates below, we hope the new features are already saving you time as you work on your 2012 assessments.



Jonathan Evans, Managing Director, Muddy Boots, speaking at the Knorr Summit.

NEW TIME SAVING FEATURES

1. Audit Templating - to allow you to copy a previous assessment from the same site for a different raw material or a different year
2. Pre-assessment filter for 'Should' responses - if you do not have time to address the 'Should' category questions these can be hidden from view when completing an assessment
3. Block respond 'Yes' to a chapter - if you know that you are compliant to a full chapter you can respond 'Yes' to all relevant questions with one click
4. Create multiple PAFs - instead of creating PAFs individually you can create batches of assessments for the same product category
5. Delete sites, assessments and certificates yourself without requesting via the Muddy Boots Technical Support Team

REPORT UPDATES

1. New SAC Metrics Report - as detailed on page 13, this new report presents you with information on the 8 Unilever metrics
2. Ability to select multiple raw materials when running the Combined Non-conformance Report
3. Must category questions added to Individual Non-conformance Report

OTHER NEW FEATURES

1. Red Tractor certification added to the list of benchmarks
2. New product category of Livestock (no land use) now available when creating a PAF
3. New Frequently Asked Questions coming soon to the Quickfire Help area

QUESTIONS & TECHNICAL SUPPORT

For further detail on anything mentioned in this section and other technical questions related to the software and training, please contact support@muddyboots.com.



YOUR CONTROL UNION

BIODIVERSITY VERSUS FOOD SAFETY

Lori Wyman is the Certification and Outreach Manager for Peterson Control Union Certifications US, and lives on an organic farm. She conducts farm, processing and fair trade audits for the food and fibre industry and is ISO 9001 Lead Auditor certified. Lori previously served as the Education and Outreach Specialist for the Organic Trade Association.



It has been an interesting and challenging year working as a Unilever consultant for the SAC. On a personal level, I needed to change my usual “auditor” approach. I am used to the routine of annual inspections, whereby we record what we see but do not offer any advice. As a Unilever Consultant I can work with my clients to strategise how best to meet the SAC – we also stay in communication throughout the year.

Numerous assessments have been carried out and finalised in the US and Unilever awarded several US suppliers: Sure Fresh, Olam, Morning Star, Eckert Cold Storage, Michigan Freeze Pack, Supherb Farms, and Unilever Stockton. I am proud to be working with these US clients who have contributed to the 2012 volume targets.

When first visiting my clients to introduce the SAC, they all agreed with Unilever’s goals and the importance of saving water, reducing energy and so on. But, the main resistance I received again and again was in the area of biodiversity, and here is why:

- In 2008, the US Food and Drug Administration (FDA) warned consumers to avoid eating raw Serrano peppers from Mexico after a sample-tested positive for the Saintpaul strain of salmonella, as did a water sample from the same farm in Nuevo Leon. More than 1,300 cases were confirmed in the US and Canada.

- From 2008-2009 nine people died from the Salmonella peanut butter outbreak that affected at least 714 people across 46 states. The outbreak resulted in recalls of 3,913 different products made by 361 companies.
- In 2011, a Listeria outbreak linked to contaminated cantaloupes was responsible for at least 18 deaths and 100 illnesses, according to the US Centers for Disease Control and Prevention. Jensen Farms of Holly, Colorado recalled millions of cantaloupes that were shipped to 20 states.

Since food safety is now top priority in the US, farmers do not develop wildlife corridors, roosting nests other than owl boxes, or grazing areas. They do not encourage wildlife to enter their fields, nor do they establish environments that would allow growth of any wild plants.

My clients are following food safety guidelines and certifications that are required by some of their customers. Also, most producers are buying from independent growers who are free to make their own choices on their property. Some growers live on the property and are offended when asked about their own actions regarding biodiversity.

However, I have learned to ask the right questions and to help shape a model that works to bring together the interests of the farmer with the SAC requirements and to develop steps that the farmer can easily take to meet the code.



MEET A SUPPLIER SVZ



Unilever, in partnership with Innocent, is working with supplier SVZ on a project to improve water management in the Doñana region in Spain to minimise any negative impact water used for agriculture may have on the local wildlife reserve.



The Parque Nacional de Doñana is one of Europe's most important wetland nature reserves, known for its huge variety of permanent and migrating bird species including geese, flamingoes and one of the world's largest colonies of Spanish imperial eagles. The area is also home to the largest concentration of strawberry production in Europe and the second largest in the world.

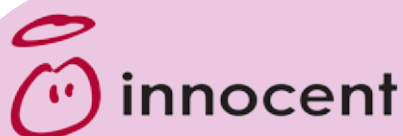
With cultivation dependent on irrigation, farmers and the Doñana compete for the same water. This places stress on the region, so the aim is to find a long-term solution that protects the wetlands and supports agriculture.

We are now in the second season of measuring and tracking water usage for strawberry growing. Farmers record each time they irrigate, from when the soil is prepared in October through to the end of the

June harvest. Project partner, the University of Cordoba, then takes this large volume of data and calculates water usage. The objective is for the results to be used for strategic decision making for the region.

We are also starting to compile Best Practice Guidelines for farmers on optimising the efficiency of water usage, using the data to compare irrigation systems and management techniques in order to identify the best model.

The initiative has raised awareness of the need to save water and while there has been negativity in the region around water due to complicated politics and the lack of regional governance, the project is turning this around. Other farmers want to know how they can be involved and we are sharing key learnings and best practice.



"We are excited to see the beginnings of a new approach to water management in the region. We have a real opportunity to drive change and develop a long-term balanced solution for the future."

Rozanne Davis, Fruit Ranger, Innocent Drinks



MEET A SUPPLIER OLAM



Unilever, together with Partner to Win supplier Olam, are partnering with farmers in California USA to improve growing methods for onions and garlic. In line with our Sustainable Agriculture Code the programme aims to grow and process the two crops with minimal impact to the environment, reducing usage of water, power, fertiliser and pesticides. Following several successful initiatives, Olam is supplying Unilever with 'sustainably sourced' dehydrated onion and garlic.

Over the last three years, drip irrigation in garlic has increasingly replaced furrow irrigation reducing water usage by 60%, as well as improving overall yield and quality.

Anirban Mullick, Global Procurement Lead for onion and garlic adds: "Development of customised farming equipment has opened new fields to onion cultivation, allowing farmers to more easily grow and rotate various crops without additional ground preparation. This results in reduced equipment (and fuel) usage, higher utilisation of the planted land surface area and potentially higher yields per acre of land."

Through traditional breeding programmes, onion and garlic varieties have been developed specifically for dehydration. These products contain less water than other varieties. As a result less energy is used in growing and processing these two crops.

"Sustainability is a very important part of our California dehydrated onion & garlic programmes. Through our partnership with Unilever we have taken that commitment to an even higher level. Our development of proprietary seeds, wider planting beds, drip irrigation, and fields in close proximity to our production plants all reflect Olam's strong commitment to being a sustainable supplier to Unilever."

Greg Estep, President and Global Head, Spices & Vegetable Ingredients, Olam

The plant variants are also selected to be more disease resistant to help farmers obtain a strong harvest with minimal need for pesticides. New varieties have also been developed that extend the harvest period. For example, onions have a six month processing window, leading to better capacity utilisation of the processing operations.

Olam has developed sufficient varieties with distinct maturation dates allowing them to move from one variety to the next every one to two weeks through the harvest period, ensuring the onions are always fresh. The onions are processed within 24 hours of harvest enhancing quality, micro levels, and the flavour of the dehydrated onion.

Finally in its efforts to improve sustainability, Olam has reorganised their sourcing model to source higher volumes of onions and garlic from farms within a 200km radius of their processing facility. Thus reducing transport costs and emissions.



MEET A SUPPLIER KUTAS



Kutas is one of the largest producers of air dried herbs in the world. Over the last 20 years Kutas has grown Oregano on over 20,000 acres of land in the Denizli region in Turkey, the world's largest growing area for Oregano. This area is cultivated by smallholder farmers with a typical farm size of one hectare. Many of the smallholder farmers Kutas works with have no experience of good agricultural practices.



Recently Kutas ran a pilot project with two smallholder farmers in Denizli to introduce better farming techniques, as Kazim Gurel, President of Kutas explains: "The smallholder farmers we work with have no prior experience of working with agricultural chemicals, fertilisers or irrigation. Now with Unilever our joint project looks at introducing best practices to these farmers. We are beginning to educate our farmers to use better fertilisers in a knowledgeable way after a soil analysis and we are introducing drip irrigation systems into their fields. Together we believe these practices will double if not triple crop yields. In turn this will mean smallholder farmers can double or triple their incomes."

The biggest challenge for Kutas is to get local farmers engaged with the sustainability programme.

Kazim continues: "Our smallholders have different priorities than we do! They are first and foremost interested in increasing the cash they receive for their crop. They have little interest in investing in sustainable practices that simply benefit the environment in the long-term. To break this short-termist mentality it's vital to show farmers they can achieve significant yield increases using the methods we advise. When the farmer sees that he has more oregano from the same field and conse-

quently more money in his pocket they will start to show more interest in helping us roll-out this initiative."

In the pilot project Kutas provided full implementation of hardware and software in terms of drip irrigation, Good Agricultural Practice advice, as well as physical implementation of the work required to harvest and monitor yield, implementation of soil analysis, and fertiliser application.

Going forward Kutas and Unilever will work on a joint project, co-funded by the Knorr Sustainability Partnership Fund, to roll out sustainable practices to the remaining smallholders in the Denizli region growing Oregano. Focus will be on drip irrigation, pest management, soil management and training given through regular farmer workshops.

Unilever Procurement aims to work with our suppliers to change the mindset of smallholders highlighting the benefits of sustainable agriculture practices that can result in improved yields, lower input costs and higher incomes when applied effectively.

"Once we are able to prove that our practices have a significant benefit we believe that we will have a willing group of farmers who will try to become part of the future development of the project. This first year is critical to establish the success and prove to the farmers that this works!"

Kazim Gurel, President of Kutas



BRAND SPOTLIGHT LEADING THE INDUSTRY



As the first major tea company to source tea sustainably on a large scale, we have worked hard to engage farmers and build relationships with producers. Our efforts have been a catalyst to the industry and other tea companies have followed our lead. The tea industry as a whole is now moving to sustainable farming practices. The journey began at our own tea estates in Kenya and Tanzania. These were the first to achieve Rainforest Alliance certification in 2007 and 2008 respectively.

Our success is dependent on changing farming practices among our tea producers. As well as buying from large estates, we also source tea from many hundreds of thousands of smallholder farmers around the world. Currently, around 300,000 smallholders are working to make tea cultivation more sustainable.

As the largest private buyer of Kenyan smallholder tea, Lipton set up a public-private partnership project in 2006 with the Kenya Tea Development Agency (KTDA) and other partners to train smallholder farmers in sustainable tea cultivation.

[Click here](#)
to watch the
KTDA video



Building on this work, Unilever is partnering with the Sustainable Trade Initiative (IDH) Tea Improvement Project to address bottlenecks in tea production that prevent tea smallholders from implementing sustainable practices. Further partners include Rainforest Alliance, Oxfam and other companies. The project runs from 2010 to 2013, covering a number of countries including Kenya, Rwanda, Indonesia and Sri Lanka.

Together with Rainforest Alliance, the KTDA and IDH, by the end of 2011 we had trained 250,000 Kenyan smallholder tea farmers – around half the total in the country. Nearly 45,000 more have also been trained in Rwanda, Sri Lanka and Indonesia and in a separate initiative in Turkey, Lipton reached another 5,000 smallholders.

To achieve certification, farmers must adopt sustainable practices and invest in a range of improvements, including protective suits for workers dealing with agrochemicals, wastewater treatment equipment and micro hydroelectric schemes.

These improvements can bring benefits to the farmers such as increased yields and improved crop quality.

Our involvement ranges from providing introductory training to helping smallholders achieve certification through guidance and practical advice. In this way we are supporting the Millennium Development Goals for poverty reduction and a sustainable environment.

BRAND SPOTLIGHT

MUFINDI - HELPING TO PROTECT A GLOBAL BIODIVERSITY HOT SPOT



The Lipton Tea Estate in south west Tanzania is formed of over 300 small tea gardens in a mosaic with 12,000 hectares of natural forest. The Mufindi forest has been identified as part of one of the world's most valuable hot spots for biodiversity and is home to many rare species of birds, chameleon, frog, butterflies, orchids and mistletoe.

The forest is important for the profitability of the estate because the trees minimise erosion on steep slopes. They also help maintain the microclimate and water supply needed by the crop, which is irrigated during the dry season using harvested rain-water.

The farm and forest are surrounded by 15 villages with a population of about 150,000 people. The forest trees have been severely depleted for firewood and building material.

Tea farmers know how to propagate trees, so it made sense for the Lipton farm to partner with the Tanzanian Forest Conservation Group to help villages establish tree nurseries and plant trees on their

own farms. These trees, when mature, will provide supplies of firewood for cooking and heating, and offer opportunities for agroforestry.

At the heart of the programme are Village Natural Resource Committees (VNRCs). These train villagers in skills such as assessing forest disturbance and understanding ecology. VNCRs also act as a focus for village experimentation with new stoves and improved cooking methods developed to reduce the amount of wood fuel used.



THE CERES PROJECT TAKING THE LEAD IN SUSTAINABLE SUNFLOWER SOURCING

As leaders in the area of Sustainability Unilever is seeking to procure all of its agricultural raw materials sustainably by 2020 and Project Ceres is one initiative aimed at achieving this. Ceres, the Roman goddess of Agriculture, is the name given to a ground breaking new sourcing project in South Africa using supplier partnerships to produce Sustainable Sunflower Oil for use in the company's local margarine business.

In the absence of any suitable certifications for sustainable Sunflower oil, Ceres has adopted the methodology of Unilever's Sustainable Agriculture Code (USAC) to provide farmers with guidelines on how to farm sustainably. Unilever, in partnership with their supplier, Central Edible Oils (CEOCo) and an enthusiastic group of farmers in the province of Limpopo have established a contract farming framework with the aim of growing Sunflower seed in a sustainable manner whilst also attempting to improve the harvested yields through specific hybrid seed selection and good agronomic practices.

During the course of the 2011/2012 season farmers have worked closely with CEOCo to implement sustainable practices on their farms and have undergone assessments of those practices to set a baseline and determine progress against it. The progress actually made has been fantastic across the entire group of farmers. With detailed improvement action plans and assistance from CEOCo all is on track for the entire group of farmers to be certified as sustainable within the very first year of the programme.

News of the project's success has enticed global Leaders from Unilever's Procurement Function to visit the programme to see the progress for themselves, visitors include the Vice President for Africa and Asia, Vikram Agarwal as well as the Chief Procurement Officer, Marc Engel.

"Project Ceres improves the commercial viability of sunflower oil farming by using a better seed variety and it also allows us traceability back to farm level," said Vikram Agarwal on his visit to the farms. South Africa is actually leading in this space, it is the first country in the world that will produce sustainably sourced Sunflower Oil," said Marc Engel after touring the Limpopo farms.

Looking ahead to the future of the project Ashton Eastman, Regional Procurement Manager, Commodities adds: "With the first year almost behind us and a great level of progress made, we now need to cement in our sustainability achievements and look to the expansion of the programme in other areas of the country."

The Ceres Project Team includes:

Amit Choudhury, South African Procurement Director;
Ashton Eastman, Africa Commodities Manager and Project Leader;
Peter Lovelace, MD CEOCo;
Peter Swanepoel, Ops Director CEOCo



CARGILL SUMMIT FOCUSING ON SUSTAINABILITY

Recently, Unilever and Cargill came together to discuss a topic that is critical to the long-term success of both companies: sustainability. Key members from our procurement, R & D and marketing teams visited Cargill's headquarters in Minneapolis for a four-day event aimed at finding pragmatic solutions to the complex challenges of sustainable agriculture.

Unilever's Sustainable Living Plan addresses how we aim to grow in size while protecting the environment and making a positive impact on society. Cargill is also committed to responsible sourcing and environmental stewardship as they strive to be the global leader in feeding people.

"We frequently invite customers to visit Cargill to talk about new projects, but rarely do we host an event on a topic as huge as sustainability," said Pat Bowe, Executive Vice President and Food Ingredients & Systems (FIS) platform leader. "Unilever is a true leader in this area, and we have a lot we can learn from each other."

Learning was at the centre of the summit, which kicked off with two-day "Learning Journeys" across Minnesota and parts of Wisconsin and Iowa. There were more than 75 participants, including farmers, representatives from other Cargill customers such as General Mills, as well as from NGO partners like Rainforest Alliance, WWF and The Nature Conservancy (TNC).

TNC Director of Agriculture David Cleary was part of the Learning Journey group that visited General Mills' Agriculture Research Facility in Le Sueur, Minnesota. There, the group saw how General Mills is minimising the amount of land needed to grow corn for its Green Giant® brand, as well as an innovative oat breeding programme and a bee habitat.

"This is exactly what TNC likes to see," David said of the collaborative approach of the summit. "The better we can all understand each other, the more likely we are to find practical solutions."

"Cargill is a great partner," said Dirk Jan de With, Vice President Ingredients and Sustainability. "We know we can't reach our goals on our own; we need industry and non-governmental organisation (NGO) partners. This summit is about exploring new joint business opportunities through a tangible plan to accelerate our sustainable sourcing commitments."

As a result of the week together Cargill and Unilever made a joint commitment to accelerate the implementation for eight commodity crops.



SUSTAINABLE AGRICULTURE METRICS

WHAT ARE THEY ALL ABOUT?

One of the questions we are often asked is how we can tell whether our sustainable agriculture programme actually makes a difference 'on the ground'. The data that you and your farmers provide through our sustainable agriculture metrics enables us to demonstrate the tangible benefits of your work.

THE METRICS & WHAT THE METRICS REPORT CAN SHOW YOU

We collect data to enable the calculation of the following metrics:

1. **More with Less** – the area of land potentially saved from cultivation by improving yield
2. **Biodiversity** – the area of natural habitat protected and/or improved for biodiversity
3. **Soil Health** – the area of land under sustainable soil management
4. **Livelihoods** – the number of farmers and farm workers who benefit from a decent wage
5. **Nitrogen Balance** – kg Nitrogen from fertiliser lost to the environment
6. **Water Use** – volume of water used both directly (irrigation etc.) and indirectly (to dilute pollution)
7. **Chemical Use** – chemicals applied in each World Health Organisation (WHO) class
8. **Greenhouse Gas footprint** – kg CO2 equivalents produced by farming operations

Each metric can be calculated either by volume (i.e. per tonne raw material produced) or by area (i.e. per hectare land used) and can be shown in either metric or imperial units.

By collecting data over a number of years we hope to show improvements over time (i.e. an increase in the number for metrics 1-4 and a reduction in the number for metrics 5-8) as a result of implementing sustainable practices. It's our way of showing the impact that your hard work is really having.

We can look at the metrics at various levels: by supplier, individual farm, geographical region, raw material etc. and see where improvements are greatest. Suppliers can also look at their performance, and that of their farmers, to see the impact their sustainability work is having.

Metrics reports at both supplier and farmer level can be found on the Quickfire reporting site. In the future we hope to add the ability to produce graphs to show change over time. Please contact Muddy Boots (details can be found on the back page of this magazine) if you want to know more about accessing and using metrics data.

BIODIVERSITY TAKE A CLOSER LOOK

We understand from the farmer assessments we have received from you that one of the hardest topics to address in our Sustainable Agriculture Code is often on farm biodiversity.

Knowing this we have put together a short brochure that talks you through what biodiversity is, why it's so important to Unilever and what role your farmers play as custodians of land. You can download your copy by [clicking here](#).



SPECIAL FEATURE

FROM SOURCING TO SUSTAINABLE SOURCING

Anshu Dyutiraj is the Procurement Manager - Fruits and Spices, responsible for sourcing fruits and spices for Unilever globally as the portfolio lead.



WHAT IS YOUR KEY PRIORITY?

This year we are aiming to buy 10% of our volumes from sustainable sources. Next year our aim is to achieve 40%, followed by 80% in 2014 and reach our 100% target in 2015. So far we are on target and are focusing our efforts on working with Control Union to design and implement field training programmes for suppliers and their farmers.

HOW HAS THE ROLE CHANGED?

Unilever's priority on sustainability means we have to make a step change in the depth of engagement we have with suppliers. This is because SAC compliance through Quickfire demands not only traceability to fields but also requires improvement plans, related documentation and audits. This means we have to work very closely to help our strategic suppliers meet these requirements as soon as possible.

Internally the new organisation is very aligned. We work closely alongside the Procurement Operation Sustainable Sourcing team. This ensures one way of working with speed and learnings across geographies and categories.

We also need to look at creating a new framework which connects farmers to the consumers. At one end we are investing in the future of sustainable farming and at another end identifying and eliminating costs which offer no consumer benefit to ensure a value proposition.

WHAT ARE THE CHALLENGES?

The fruits processing industry holds a very small share of the fruit market – which is primarily for fresh fruit. So we need to look for fields that can be segregated or create a commercial case for SAC adaptation beyond Unilever requirements.

We are sourcing more than 30 varieties of fruits and most of them have a short harvest season. Fruit growing areas are geographically distributed and in most cases not even connected. This multiplies the number of markets, suppliers and fields from where our fruit comes from. Rolling out the requirements of the SAC to farmers requires the tracking of practices in a large number of small to medium size fields.

We need to pull forward our engagement with suppliers and farmers from the end of the season to the beginning of the season to secure sustainable supplies in season. This builds on relationship at one end but we will also need to define contingency for crop failure closer to harvest time as well as on-going innovations in the sustainability journey.

WHAT DOES THIS MEAN FOR SUPPLIERS?

These are new challenges and we are keen to work with suppliers to create consumer relevant solutions. We see the need for the proactive participation of suppliers in innovation to support category growth plans. Consolidation of business with aligned suppliers offers an opportunity to grow business even faster than Unilever's growth by increasing share in our business. We are open to facilitating our key suppliers evaluating investment in high growth geographies.



“To facilitate a quicker roll out of sustainability we will simultaneously work on reducing complexity in specifications of raw material that we buy and aggregate business to create scale wherever possible.”

...your partner for good



Muddy Boots Software Ltd
t: +44 (0)1989 780540
www.muddyboots.com

Technical Support
t: +44 (0)1989 780540
e: support@muddyboots.com

Anna Powell
Unilever Account Manager
t: +44 (0)1989 780540
e: a.powell@muddyboots.com

Microsoft
GOLD CERTIFIED
Partner