

Sustainable palm oil: Unilever takes the lead

On 1 May 2008, Unilever Group Chief Executive Patrick Cescau announced that all Unilever's palm oil will be certified sustainable by 2015. He also told the audience at the Prince of Wales' May Day Climate Change Summit in London that Unilever was supporting the call for an immediate moratorium on any further deforestation in Indonesia for palm oil plantations.

Before this announcement, Unilever had been targeted by pressure group Greenpeace as part of a campaign to highlight the environmental impact of the global increase in demand for palm oil.

Unilever shares Greenpeace's concerns. The soaring global requirement for palm oil – for both food and fuel – is contributing to the destruction of the world's rainforests, with devastating implications. As one of the largest consumers of palm oil, we have a duty to act responsibly towards the areas of the world where this commodity is grown and processed.

Taking positive steps

In fact, we have been working with scientists and environmental advisers for a decade to find the best way to protect the valuable ecosystems in Indonesia and Malaysia where the vast majority of palm oil is produced. In 2004, at the instigation of the World Wide Fund for Nature (WWF), we took a leading role in setting up the Roundtable on Sustainable Palm Oil (RSPO), a body we currently chair.



"We are only part of the solution, of course, but we want to be an agent for positive change as we have been in tea, fish and other areas."

Patrick Cescau, Unilever Group Chief Executive

With a palm oil certification programme recently agreed by the RSPO, Unilever will begin using Certified Sustainable Palm Oil (CSPO) later in 2008, as soon as it becomes available as a tradeable commodity. For the palm oil we use in Europe, we have pledged to have fully traceable supply chains in place by 2012.

To achieve this we will continue to work closely with governments, suppliers, NGOs and other users of palm oil and will make every effort to ensure that the RSPO applies effective sanctions to suppliers who persist in unlawful deforestation practices.

Our commitment to sustainable palm oil

- We will begin using Certified Sustainable Palm Oil in 2008, as soon as it is available as a tradeable commodity
- In Europe, we will have fully traceable supply chains in place by 2012
- All of our palm oil will be certified sustainable by 2015
- We support the call for an immediate moratorium on any further deforestation in Indonesia for palm oil.

Building commitment to a lasting solution

Unilever has a long history of using palm oil in its products. The company buys around 1.6 million tonnes of palm oil and its derivatives each year, accounting for approximately 4% of the world's supply. Palm oil ingredients are used in many of our brands, from margarine to soap.

Global palm oil consumption is soaring, partly due to increasing demand from developing markets such as China and India, and partly due to the rising call for biofuels. So far, much of this growth has not been sustainable: plantations have been created or expanded by clearing rainforest, taking a huge toll on both the local habitat and climate change.

For the past decade we have been taking action. Palm oil has an extremely complex supply chain. The palm oil ingredients we use are grown, farmed, crushed, refined and processed first in their country of origin, then transported by tanker to Europe where they are refined and processed further.

Living up to our promises

To be able to promise that the raw materials in our products are from certified, genuinely sustainable producers, we need to be able

to prove, to ourselves and to consumers, that that really is the case – and that supply chains are rigorously audited.

“This is a ground-breaking development that could make all the difference to the future of the rainforests.”

HRH The Prince of Wales

Back in 2004 Unilever was one of the founders of the global Roundtable on Sustainable Palm Oil (RSPO), which now has more than 300 members – including growers, processors, manufacturers, retailers, banks and NGOs – and represents more than 40% of global palm oil production. RSPO recently agreed criteria for the sustainable production of palm oil. In 2007 it launched a certification programme and the first Certified Sustainable Palm Oil (CSPO) will be available later this year.

Unilever has pledged that by 2015, 100% of its palm oil will be certified sustainable. We hope that, through leading by example, our actions will prompt more widespread responsible behaviour in the palm oil industry.

Unilever uses **4%** of the world's supply of palm oil

We buy about **1.6 million** tonnes of palm oil each year

Palm oil is a key ingredient in many of our brands, from margarine to soap



But we alone cannot change the world. The creation of a sustainable supply chain will involve determined effort by governments, NGOs, the industry itself and a range of other interested parties.

Combined, their efforts will not only protect the environment, but also have the potential to increase yields by up to 50%. This will help the economies of producing countries and the livelihoods of those involved in the industry, and could well provide for the increasing demand – for consumer products at least – with no need to expand the existing plantation areas.

“These are ambitious targets and Unilever's readiness to take a leadership role in establishing secure, certified supply chains for palm oil is particularly significant.”

Jonathon Porritt, environmental campaigner and member of Unilever's Sustainable Development Panel



Palm oil: at a glance

A vegetable oil extracted from the fruit of oil palm trees, which have an economic life of about **25 years**

Oil palms grow in equatorial conditions in Asia, Latin America and Africa; more than **75%** of the world's supply comes from Malaysia and Indonesia

Around **38 million** tonnes were produced in 2007

Production grows by **6%–10%** every year, mainly due to its use in biofuel production and the rising demand from China and India

Since the 1990s the area of land used for palm oil cultivation has increased by about **43%**

A track record of sustainable development

Sustainability has long been a key priority for Unilever, not only to secure our supply chain, but also to ensure we act responsibly and meet the growing concerns of our customers and consumers worldwide.

In the mid-1990s we committed to sourcing all our fish from sustainable fisheries. In partnership with the World Wide Fund for Nature (WWF), we created a new institution: the Marine Stewardship Council (MSC). A decade on, the MSC has become the global authority on what constitutes a sustainable source for fish.

A fair deal for tea farmers

In 2007 we committed to buying all our tea from sustainable sources, transforming the tea industry and improving the crops, income and livelihood of 2 million people across three continents. Our Lipton and PG Tips brands became the first teas to carry the Rainforest Alliance logo.

Although both these initiatives were ambitious, our pledge to source all of our palm oil sustainably is of a far greater magnitude, requiring us to work in partnership with governments, NGOs, growers and industry peers. But it is one we are equally determined to make a success.



TO FIND OUT MORE

about our activities in sustainability and see a video on the palm oil issue, visit www.unilever.com

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