

## Particulars

### About Your Organisation

#### 1.1 Name of your organization

Unilever

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#### 1.2 What is/are the primary activity(ies) or product(s) of your organization?

- Grower
  - Processor and/or Trader
  - Consumer Goods Manufacturer
  - Retailer and/or Wholesaler
  - Bank and/or Investor
  - Social and/or Development NGO
  - Environmental and/or Conservation NGO
  - Supply Chain Associate
  - Affiliate
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#### 1.3 Membership number

4-0001-04-000-00

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#### 1.4 Membership category

Consumer Goods Manufacturers

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#### 1.5 Membership sector

Ordinary

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**Consumer Goods Manufacturer****1. Operational Profile**

1.1 Please state your main activity(ies) within the palm oil supply chain. Please select the option(s) that apply to you

- End-product manufacturer
- Food goods manufacturer
- Ingredient manufacturer
- Home & personal care goods manufacturer
- Own-brand manufacturer
- Manufacturing on behalf of other third-party brands
- Biofuels manufacturer
- Other

Other:

**2. Palm Oil and Certified Sustainable Palm Oil Use**

2.1 Please include details of all operations using palm oil, owned and/or managed by the member and/or all entities that belong to the group.

The scope of communications concerns all relevant Unilever operations as defined as those Supply Chain entities listed on the RSPO Company profile and updated from time to time.

2.1.1 In which markets do you manufacture goods with palm oil and oil palm products?

Applies globally

2.1.2 In the market(s)/country(ies) where you operate, do you calculate how much palm oil and oil palm product there is in the goods you manufacture?

Yes

2.2 Volumes of palm oil and oil palm products purchased

2.2.1 Total volume of crude and refined palm oil used in the year (tonnes)

507,131.00

2.2.2 Total volume of crude and refined palm kernel oil used in the year (tonnes)

132,732.00

2.2.3 Total volume of palm kernel expeller used in the year (tonnes)

0.00

2.2.4 Total volume of other palm-based derivatives and fractions used in the year (tonnes)

398,314.00

**2.2.5 Total volume of all palm oil and oil palm products used in the year (tonnes)**

1,038,177.00

**2.3 Volume of palm oil and oil palm products used in the year in your own brand products that are RSPO-certified (in tonnes):**

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.3.1 Book and Claim from Mill / Crusher	-	-	-	-
2.3.2 Book and Claim from Independent Smallholder	12395	961	-	-
2.3.3 Mass Balance	353221	41446	-	229805
2.3.4 Segregated	53619	20550	-	-
2.3.5 Identity Preserved	-	-	-	-
2.3.6 Total volume	419235	62957	-	229805

**2.4 Volume of RSPO-certified palm oil and oil palm products sold to 3rd party RSPO certified companies (in tonnes)**

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.4.1 Book and Claim from Mill / Crusher	-	-	-	-
2.4.2 Book and Claim from Independent Smallholder	-	-	-	-
2.4.3 Mass Balance	-	-	-	-
2.4.4 Segregated	-	-	-	-
2.4.5 Identity Preserved	-	-	-	-
2.4.6 Total volume	-	-	-	-

**2.5 According to the information you have provided in this questionnaire, your company has not reached 100% sustainable palm yet by using the four supply chain models (Book and Claim, MB, SG, IP). Do you have plans to immediately cover the gap by using RSPO Credits?**

No

**2.5.1 When do you plan to cover the gap by using RSPO Credits?**

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**2.5.2 Please explain why**

We started using RSPO certified palm oil in 2009. From 2012-2015, 100% of our palm oil volumes were covered by a combination of RSPO segregated and mass balance oils and GreenPalm certificates. In 2016, we stopped buying GreenPalm certificates and we brought forward our target for purchasing 100% physically certified crude palm oil (CPO) to 2019 as part of a refresh of our Sustainable Palm Oil Sourcing Policy.

Unilever's 2018 target for sustainable palm oil from physically certified sources was set at 80%. We achieved our target by sourcing 81% of our palm oil from physically certified sources.

We are on track to achieve our target of 100% physically sustainable palm oil for our core volumes by 2019. The situation for palm kernel oil and its derivatives is different and we are developing a glidepath to achieve 100% sustainable palm kernel oil.

**2.6 What is the percentage of RSPO Certified Sustainable Palm Oil in the total palm oil used by your company in the following regions:****2.6.1 Africa**

55%

**2.6.2 Oceania**

52%

**2.6.3 Europe**

97%

**2.6.4 North America**

82%

**2.6.5 Latin America**

60%

**2.6.6 Middle East**

58%

**2.6.7 China**

48%

**2.6.8 India**

41%

**2.6.9 Indonesia**

76%

**2.6.10 Malaysia**

0%

**2.6.11 Rest of Asia**

60%

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**3. Time-Bound Plan****3.1 Year of first supply chain certification (planned or achieved)**

2011

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**3.2 Year expected to/or started to use any RSPO-certified sustainable palm oil and oil palm products in your own brand products**

2009

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**3.2.1 If target has not been met, please explain why.**

We started using RSPO certified palm oil in 2009.

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**3.3 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from any supply chain option in your own brand products.**

2012

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**3.3.1 If target has not been met, please explain why.**

We started using RSPO certified palm oil in 2009. From 2012-2015, 100% of our palm oil volumes were covered by a combination of RSPO segregated and mass balance oils and GreenPalm certificates. In 2016, we stopped buying GreenPalm certificates and we brought forward our target for purchasing 100% physically certified crude palm oil (CPO) to 2019 as part of a refresh of our Sustainable Palm Oil Sourcing Policy.

We are on track to achieve our target of 100% physically sustainable palm oil for our core volumes by 2019. The situation for palm kernel oil and its derivatives is different and we are developing a glidepath to achieve 100% sustainable palm kernel oil.

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**3.4 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) in your own brand products.**

2019

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**3.4.1 If target has not been met, please explain why.**

We are on track to achieve our target of 100% physically sustainable palm oil for our core volumes by 2019. The situation for palm kernel oil and its derivatives is different and we are developing a glidepath to achieve 100% sustainable palm kernel oil.

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**3.4.2 Which markets do these commitments cover?**

Applies globally

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**3.5 Does your company use RSPO-certified sustainable palm oil and oil palm products in goods you manufacture on behalf of other companies?**

No

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**3.6 Does your company have a Time-Bound Plan to only use RSPO-certified sustainable palm oil and oil palm products in the goods you manufacture on behalf of other companies?**

No

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**3.7 When do you expect all products you manufacture to only contain RSPO-certified sustainable palm oil and oil palm products?**2019

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**4. Trademark Use****4.1 Do you use or plan to use the RSPO Trademark on your own brand products?**No

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**4.2 Please select the countries where you use or intend to apply the Trademark.**--

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**4.2.1 Please state the year that you started using the RSPO Trademark or the year you plan to start using the RSPO Trademark.**--

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**4.3 Please explain why**

- Challenging reputation of palm oil
  - Confusion among end-consumers
  - Costs of changing labels
  - Difficulty of applying for RSPO Trademark
  - Lack of customer demand
  - Limited label space
  - Low consumer awareness
  - Low usage of palm oil
  - Risk of supply disruption
  - Others
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**Other:**Low consumer awareness of RSPO & Lack of customer demand for RSPO

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**4.4 Have you uploaded information and images of products using the RSPO Trademark to the RSPO mobile app?**

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**5. Actions for Next Reporting Period**

### 5.1 Outline actions that you will take in the coming year to promote the use of RSPO-certified sustainable palm oil and oil palm products along the supply chain.

- 1) Unilever's commitment to sustainable palm oil is reflected in our Sustainable Palm Oil Sourcing Policy. Our policy drives our efforts, across our global operations, to achieve 100% physically certified palm oil (RSPO mass balance, segregated, or equivalent) for core volumes as part of our vision of transforming the palm oil industry. At the heart of our Policy is our commitment to the principles of 'No deforestation, No development on peat, No exploitation of people and communities' (or 'No NDPE'). We operationalize our policy through active promotion of the RSPO standard, through participation in the RSPO board and working groups and through the extensive activities detailed below:
- 2) Unilever and the Indonesian government-owned palm oil plantation company and RSPO member PT Perkebunan Nusantara (PTPN) signed a Memorandum of Understanding (MOU) to work together. We jointly support palm oil mills and smallholder farmers to produce palm oil according to RSPO certification and NDPE standards in PTPN operations in Indonesia. This produce-protect partnership will also help farmers to increase their yields and improve their livelihoods. As part of the partnership, PTPN will provide Unilever access to its mills and its supplying farmer base. Unilever will support the mills and farmers to obtain RSPO certification through a combination of dedicated resources, funding and technical expertise. This will ensure smallholder farmers are better positioned to enter the palm oil supply chain, as they will be able to increase their productivity while producing palm oil to the right standards to protect people and planet.
- 3) Unilever is committed to improving the livelihoods and incomes of smallholder farmers. We see the opportunity for social and economic empowerment of smallholders to go hand in hand with forest protection. We work with partners on projects that support independent smallholder RSPO certification through direct investment in programs and through the purchase of independent smallholder certificates. A brief summary is provided below, however, please refer to question 9.2 for more details.
  - a) PT Perkebunan Nusantara III (PTPN 3) - We began our partnership in 2013 with PTPN 3, The Sustainable Trade Initiative (IDH), and RSPO on an independent smallholder pilot project surrounding our Sei Mangkei palm oil processing facility in North Sumatra - Unilever Oleochemicals Indonesia (UOI). In 2017, the first independent smallholder farmer group in North Sumatra consisting of 63 farmers on 207 hectares became RSPO certified. We are planning to scale-up the certification program to more than 500 independent smallholder farmers in this landscape in the next two years.
  - b) PT Perkebunan Nusantara V (PTPN 5) - We work with PTPN 5 to increase the sustainable palm oil production of smallholders and develop a traceability and certification mechanism that would potentially provide smallholders with training and support towards RSPO and ISPO certification. We have engaged World Resources Institute (WRI) Indonesia, who has conducted a baseline study for the feasibility of the smallholder traceability and certification program. They have also mapped over 1,000 smallholders that are part of PTPN 5's mill supply base and are in the process of certifying 1,000 independent smallholder farmers by the end of 2019.
  - c) Yayasan Penelitian Inovasi Bumi (Inobu) - With Inobu, the district of Kotawaringin Barat, and the provisional government of Central Kalimantan, we are working together to map independent smallholders and provide training on RSPO good management practices with the goal of certification for more than 600 farmers on around 1,400 hectares of land. In October 2017, the first group, consisting of 190 independent smallholders part of the Tani Subur Cooperative, achieved RSPO certification through this program. This is the first independent smallholder farmer cooperative to be RSPO certified in all of Kalimantan (Indonesia-Borneo).
  - d) Amanah Association - In partnership with WWF Indonesia, Unilever supported the certification of 360 smallholder farmers in Riau Province in 2013. Amanah was the first group of independent smallholders in Indonesia to become RSPO certified and currently has more than 500 smallholder farmer members in its association. Unilever will continue to purchase independent smallholder certificates in support of Amanah.
- 4) In 2016 we stopped buying GreenPalm certificates choosing instead to repurpose that the budget that we would have spent on GreenPalm certificates and invest it in partnerships to increase the availability of physically certified sustainable palm oil from mills and smallholders. We are investing directly in projects with strategic suppliers, with smallholders and in jurisdictional approaches. In 2017, we committed to contribute to the &Green Fund for investments in deforestation-free agriculture. The &Green Fund aims to protect 5 million hectares of forests and peatlands by 2020.
- 5) As mentioned in 3.1, as part of our continued commitment to physically certified palm oil, we now have more than 100 factories RSPO supply chain certified across Australia, Latin America, Southeast Asia, North Asia, North America, Africa, the Middle East and Europe.
- 6) Unilever continues to take an active leadership role in RSPO at board level, in several RSPO working groups and committees: we are chair of the Claims and Communications working group, participate in the Principles and Criteria (P&Cs) taskforce review representing the consumer goods and manufacturers category, and are also a member of both the Smallholder Working Group (SHWG) and the Smallholder Interim Group (SHIG). We are actively involved in the Curriculum Development Committee for the RSPO Smallholder Academy tasked with advising RSPO on curriculum design, content selection and generation, and content review. We are also active in the Human Rights Working Group and Labor Taskforce, and recently joined the Jurisdictional Approach working group. Through our active involvement in the RSPO across these groups, we are striving for change among members and are seeking to enable greater adoption and integration of environmental and social criterion and implementation in the industry.
- 7) Unilever is a founding member and current steering committee member of SASPO (Support Asia in Sustainable Palm Oil). SASPO was formed in 2016 and is the first business initiative in ASEAN focusing on sustainable palm oil, with the aim of increasing availability and usage of CSPO in Asia through education and awareness activities for businesses and consumers. SASPO also aims to lower the barriers for businesses to adopt sustainable sourcing policies through capacity building and works with businesses, particularly small-and-medium enterprises (SME), to implement their sustainable sourcing policy with time-bound plan.

## 6. Non-Disclosure of Information

**6.1 Information in the sections above are mandatory declarations in your ACOP. For confidentiality purposes, members may choose not to display volume data in Section 2 publicly; however, RSPO reserves the right to utilise the member's data on an aggregate basis for sectoral and total analysis. Please check this box if the member chooses to have the data in Section 2 displayed publicly.**

Yes - Display Publicly

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## 7. Application of Principles & Criteria for all member sectors

**7.1 Related to company's procurement or operations, do you have organisational policies that are in line with the RSPO P&C? Select all relevant options.**

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### 7.1.A Water, land, energy and carbon footprints

File: --

Link: <https://www.unilever.com/sustainable-living/reducing-environmental-impact/>

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### 7.1.B Land use rights

File: --

Link: [https://www.unilever.com/Images/responsible-sourcing-policy-interactive-final\\_tcm244-504736\\_en.pdf](https://www.unilever.com/Images/responsible-sourcing-policy-interactive-final_tcm244-504736_en.pdf)

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### 7.1.C Ethical conduct and human rights

File: --

Link: [https://www.unilever.com/Images/unilever-human-rights-policy-statement\\_tcm244-422954\\_en.pdf](https://www.unilever.com/Images/unilever-human-rights-policy-statement_tcm244-422954_en.pdf)

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### 7.1.D Labour rights

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Link: [https://www.unilever.com/Images/responsible-sourcing-policy-interactive-final\\_tcm244-504736\\_en.pdf](https://www.unilever.com/Images/responsible-sourcing-policy-interactive-final_tcm244-504736_en.pdf)

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### 7.1.E Stakeholder engagement

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Link: <https://www.unilever.com/sustainable-living/reducing-environmental-impact/sustainable-sourcing/transforming-the-palm-oil-industry/our-approach>

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### 7.1.F None of the above. Please explain why.

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**7.2 What best practice guidelines or information has your organisation provided in the past year to facilitate the uptake of RSPO-certified sustainable palm oil and oil palm products? What languages are these guidelines available in?**

As mentioned in question 5.1, our Sustainable Palm Oil Sourcing Policy drives our efforts to achieve 100% physically certified palm oil for our core volumes as part of our vision of transforming the palm oil industry. It applies throughout our global operations and underpins our target of sourcing 100% physically certified palm oil for our core volumes by 2019.

At the heart of our Policy is our commitment to the principles of 'No deforestation, No development on peat, No exploitation of people and communities'. Often referred to as 'NDPE', this is the focus of multi-sector efforts to transform the palm oil industry.

We aim to build a supply chain that delivers more efficient land use and forest protection, while increasing our positive social impact, with a focus on the inclusion of smallholders and women to support improvements in their productivity and incomes. This commitment is embodied in the Five Principles for Sustainable Palm Oil that we require all our suppliers to meet. Our policy is available in English.

Related link:

[https://www.unilever.com/Images/unilever-palm-oil-policy-2016\\_tcm244-479933\\_en.pdf](https://www.unilever.com/Images/unilever-palm-oil-policy-2016_tcm244-479933_en.pdf)

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## 8. Greenhouse Gas (GHG) Footprint

**8.1 Are you currently reporting any GHG footprint?**

Yes

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**8.1.1 Please upload your publicly available GHG report**

File: --

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**8.1.1.1 OR please insert the URL to the GHG section of your corporate website.**

Link: <https://www.unilever.com/sustainable-living/reducing-environmental-impact/greenhouse-gases/index.html>

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**8.2 Please explain and justify why you are not calculating your GHG footprint. Please include any future plans you may have to calculate your GHG footprint.**

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**8.3 What methodology are you using to calculate your GHG footprint?**

Unilever calculates its GHG footprint across the full life cycle (ingredients sourcing to consumer use and disposal) using a methodology that is compliant with international standards for Life Cycle Assessment (ISO 14040 series). The methodology has been peer reviewed by an external panel and the results are annually assured by our external auditors (PwC) for public disclosure. Our approach and GHG target have been accepted by the Science based targets initiative.

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**9. Support for Oil Palm Smallholders****9.1 Are you currently supporting any oil palm Independent Smallholder groups?**

Yes

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## 9.2 How are you supporting them?

Unilever is globally committed to improving the livelihoods and incomes of smallholder farmers and is working to do this in palm oil where we see enormous opportunities for social and economic empowerment that goes hand in hand with forest protection.

Developing an effective strategy and approach on smallholders is central to Unilever, the market transformation and long-term procurement objectives. Working with partners, Unilever is aiming to support and empower 25,000 smallholder farmers in various priority landscapes by 2030. Below are the main smallholder projects we are currently working on:

### 1. Unilever and PT Perkebunan Nusantara (PTPN) 3:

In North Sumatra (Batubara District), Unilever has been working with PTPN 3, IDH Sustainable Trade Initiative, De Guru Consulting, and the Roundtable on Sustainable Palm Oil (RSPO) on an independent smallholder pilot project surrounding Unilever's Sei Mangkei palm oil facility (Unilever Oleochemicals Indonesia - UOI).

As an initial step to this project, in July 2017, Unilever supported 63 independent smallholder farmers to become RSPO certified (including 19 women farmers) on 207 hectares as part of the UD Lestari smallholder group. This is the first independent smallholder group to have been RSPO certified in the province of North Sumatra. We hope that this number will increase as neighboring smallholders see the benefit for RSPO certification in the surrounding landscape of UOI. Together with our partners, various trainings were conducted on topics including Good Agriculture Practices (GAP), Best Management Practices (BMP), High Conservation Value (HCV) areas, work health and safety requirements, and the RSPO P&Cs. We are currently planning the scale-up plan to certify more than 500 independent smallholder farmers in this landscape in the next two years.

### 2. Unilever, PT Perkebunan Nusantara (PTPN) 5, and the World Resources Institute Indonesia:

In Riau (Rokan Hulu District), Unilever officially signed an MOU with PTPN 5 in August 2016 to work together to increase the sustainable palm oil production of smallholders. The MOU states that the two parties would partner to develop a traceability and certification mechanism for oil palm smallholders and potentially provide them with training and support towards achieving certification based on the RSPO P&Cs and the Indonesian Sustainable Palm Oil (ISPO) initiative. We are engaging with the World Resources Institute (WRI) Indonesia in the program and have signed a three-year MOU to work with them on this project. WRI and partners have now conducted a baseline study for the feasibility of the smallholder traceability and certification program and have mapped over 1,000 smallholders as part of the supply base of the PTPN 5 mill. We are currently certifying 1,000 independent smallholder farmers targeted for the end of 2019. Though we are starting with the supply base of one mill, plans are being developed to expand this project to the other mills of PTPN 5, impacting more than 5,000 smallholder farmers. We have involved various partners to support us in this endeavor including the SPKS (Oil Palm Smallholder Association) and Daemeter Consulting.

### 4. Unilever, Yayasan Penelitian Inovasi Bumi (Inobu), and the RSPO:

In Central Kalimantan (Kotawaringin District), Unilever is advancing our jurisdictional smallholder project with Inobu. Working specifically in the district of Kotawaringin Barat, together with our partners we are mapping independent smallholders and conducting various RSPO trainings on good agriculture and best management practices. Together with Inobu, we are working with 600 farmers on around 1,400 hectares to obtain certification based on the RSPO and ISPO P&Cs. If this pilot proves to be successful, activities can potentially expand to other areas in this district and the neighboring district of Seruyan, reaching more than 12,000 independent smallholder farmers on 20,000 hectares of land. In October 2017, the first group, consisting of 190 independent smallholders part of the Tani Subur Cooperative, achieved RSPO certification through this program. This is the first independent smallholder farmer cooperative to be RSPO certified in all of Kalimantan (Indonesia-Borneo). The group of farmers also received ISPO certification in 2017. In addition to this farmer group, another group in a nearby village consisting of around 400 farmers will be RSPO certified in 2018.

### 5. Unilever, Amanah Oil Palm Independent Smallholders Association:

In partnership with WWF Indonesia, Unilever supported the certification of 360 smallholder farmers in Riau Province in 2013 and committed to purchasing GreenPalm certificates from the group upon certification. This project enabled smallholders to have a positive environmental, economic and social impact while driving sustainable palm oil production. Amanah is the first group of independent smallholders in Indonesia to become RSPO certified and currently has more than 500 smallholder farmer members in its association.

### 6. Unilever, palm oil mill PT Sumer Kencana Indo Palma (PT SKIP):

In Riau, Sumatra, we have been working with PT SKIP to develop a Palm Oil Field School training program for smallholder farmers as part of Unilever's Farm Start Palm Program, developed to enable us to source sustainable palm oil from independent mills in Indonesia by actively addressing the challenges faced by these mills and their smallholder farmers in complying with sustainability standards. The Palm Oil Field School, or Sekolah Lapangan Kelapa Sawit (SLKS), aims to improve the knowledge of smallholder farmers to increase oil palm productivity, profitability and give them access to the knowledge and support they need to commit to NDPE. More than one thousand farmers participated in training through 2018. 2018.

### 7. Purchase of independent smallholder farmers RSPO certificates

We have purchased independent smallholder RSPO certificates from five out of the six independent smallholder groups currently certified in Indonesia in 2017. The groups are Amanah Association, Gapoktan Tanjung Sehati, FPS-MRM, UD Lestari, and KUD Tani Subur. We believe through the purchasing of these certificates that we can directly incentivize and support the livelihoods of independent smallholder farmers.

### 9.2.1 Do you have any future plans to support oil palm Independent Smallholders?

**9.2.2 When do you plan to start your support for oil palm Independent Smallholders?**--

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**10. Challenges****10.1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?**

- Awareness of RSPO in the market
  - Difficulties in the certification process
  - Certification of smallholders
  - Competition with non-RSPO members
  - High costs in achieving or adhering to certification
  - Human rights issues
  - Insufficient demand for RSPO-certified palm oil
  - Low usage of palm oil
  - Reputation of palm oil in the market
  - Reputation of RSPO in the market
  - Supply issues
  - Traceability issues
  - Others
-

**Other:**

The palm oil industry is extremely complex and has many challenges requiring collaborative industry participation - from the farmers and suppliers who provide our palm oil, to governments, businesses, civil society and NGOs. No single organization can deliver sustainability alone, so it is essential for the entire palm oil sector to work together.

We are committed to working with our stakeholders to drive industry transformation and address the challenges we have identified below:

**1) Certification of smallholders**

Smallholder integration into sustainable supply chains is a significant problem, particularly for independent growers. Challenges that prevent farmer inclusion are a lack of farmer aggregation, a lack of adequate support and incentives for certification, unclear land rights and a lack of replanting support. In 2018, we supported smallholders through our partnership programs with PTPN 3, PTPN 5, Inobu, and PT SKIP. We are scaling up our work to map farmers and to provide training on good agricultural practices and NDPE creating avenues for increased RSPO certification. These projects will result in a greater supply of certified sustainable palm oil. We also remain committed to supporting smallholders through the purchase of RSPO smallholder credits.

**2) Human rights issues**

We engage in dialogue with industry stakeholders and governments to accelerate progress in addressing social issues in producing countries. We engage suppliers to improve their social sustainability practices through both bi-lateral and industry meetings. In 2018, as part of the P&C Taskforce, we contributed to the strengthening the certification standard; improving the grievance mechanisms available to workers; and ensuring that any negative human rights impacts are remediated. We continue to support this work through our membership of the Human Rights Working Group and the Labour Taskforce. In 2017 we joined a group of palm oil buyers in collaboration with BSR (Business for Social Responsibility) to take collaborative action through 2018 to build capacity to improve the working conditions and livelihood of palm oil workers in Indonesia focusing on wages, contract status and grievance mechanisms.

**3) Reputation of palm oil in the market**

Consumers continue to view palm oil negatively, and quite often, without fully understanding the complexities of the industry or the positive aspects of palm oil. We continue to face consumer pressure, particularly in European markets. Across our global operations, we remain committed to sourcing CPO and PKO sustainably and will progress with our target of purchasing 100% physically certified palm oil for core volumes by 2019.

**4) Supply issues**

RSPO is the platform to help the industry to address company NDPE commitments and is relevant to the sectors striving for continuous improvement. Palm oil user and grower companies continue to receive pressure from NGOs. We continue to engage in constructive dialogue with NGOs, our suppliers and their third parties to meet our policy commitments and to take remedial action where appropriate. We support the RSPO Grievance Process but believe there is still room for RSPO to strengthen the process to enable the timely resolution of grievance. We have a grievance process in place for handling, investigating and resolving social and environmental issues raised within our own supply chains in a timely, transparent and effective manner. We use our own procedure to address supplier grievances and continue to put pressure on these suppliers to ensure they are adhering to our policy commitments.

Grievance procedure - [https://www.unilever.com/Images/palm-oil-grievance-procedure\\_tcm244-510633\\_en.pdf](https://www.unilever.com/Images/palm-oil-grievance-procedure_tcm244-510633_en.pdf)

**5) Traceability and transparency issues**

We believe traceability and transparency play a crucial role in addressing issues across the supply chain. We are the first major consumer goods company to publish our supplier and mill data on our website. We would like that more industry stakeholders follow suit. We are partnering with Aidenvironment to develop a palm oil grower and trader database, that will detail the intricate supply chain links and business relationships of palm oil players and will include concession maps when applicable. This partnership will support us in better understanding and close monitoring of our suppliers, and compliance with our NDPE commitments. Traceability in palm oil, palm kernel oil and palm oil derivative supply chains remain a challenge for the industry: due to complex and long supply chains, significant commodity trading, government-controlled trade, and the large number of refined oleochemicals and derivatives. Traceability enables us to identify and address risks and work towards implementation of NDPE commitments. We are continuing to invest in pilots in farm to mill traceability and in downstream traceability to improve the accuracy and availability of traceability data.

**10.2 In addition to the actions already reported in this ACOP, how has your organisation supported the vision of RSPO to transform the market for sustainable palm oil in other ways?**

- Engagement with business partners or consumers on the use of CSPO
  - Engagement with government agencies
  - Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
  - Promotion of physical CSPO
  - Providing funding or support for CSPO development efforts
  - Research & Development support
  - Stakeholder engagement
  - Others
-

**Other:****1) Engagement with business partners or consumers on the use of CSPO**

Unilever's commitment to sustainable palm oil is reflected in our Sustainable Palm Oil Sourcing Policy. As part of our policy, we require our suppliers to provide traceability to known sources. By enhancing our own and our stakeholders' understanding of where our palm oil comes from, we improve our ability to identify and address risks and build trust in our supply chain. We have been working closely with UTZ (joining forces with Rainforest Alliance) and the PalmTrace platform to capture traceability information from our suppliers. Our traceability has improved to 88% in H1 2018 (from 78% in 2017) and we are making progress on mapping our suppliers, third-party suppliers and mills in our extended supply chain. We currently have visibility of more than 1,600 mills in our extended supply chain and were the first major consumer goods company to disclose our mill data and supplier list on our website in February 2018. <https://www.unilever.com/sustainable-living/reducing-environmental-impact/sustainable-sourcing/transforming-the-palm-oil-industry/improving-the->

We have also contributed to the public Universal Mill List (UML) which was launched in November 2018. This UML was created by the World Resources Institute, Rainforest Alliance, Proforest and Daemeter, it identifies and maps over 1,800 mills across 26 countries to provide a better framework for companies looking to monitor and report on their commitments. The UML on the Global Forest Watch and the RSPO's PalmTrace platform improves the accuracy by which they identify, manage and report mill data.

**2) Engagement with government agencies**

We participate in the Indonesia Palm Oil Platform or Forum Kelapa Sawit Berkelanjutan Indonesia (FoKSBI) launched in 2014 by the Ministry of Agriculture in Indonesia in partnership with the United Nations Development Programme (UNDP) and other organizations. The objectives of FoKSBI are to create a multi-stakeholder National Action Plan for sustainable palm oil, address issues limiting sustainability in the palm oil sector, influence government policy, create a framework for sustainable palm oil and establish partnerships to support sustainability in the Indonesian palm oil sector. Overall, Unilever will continue to drive greater visibility and transparency of the palm oil sector's supply chain through programs that foster smallholder inclusion in the industry, drive implementation of NDPE commitments and to the continuous improvement of processes to identify and remediate social issues. Engagement is required across all levels of governments, businesses, and civil society, as there is a shared responsibility among stakeholders in this transformational journey.

**3) Promotion of physical CSPO**

We committed to 100% physically certified palm oil by 2019 and each year, we report publicly on our progress towards this commitment on our website.

Our ongoing efforts in the promotion of physical CSPO is shared in details under question 5.1.

We also encourage the growth of sustainable palm oil supply through our support in the certification of smallholders, as detailed in question 9.2.

**4) Providing funding or support for CSPO development efforts**

Unilever developed a Farm Start Palm program to enable us to source sustainable palm oil from independent mills and independent smallholder farmers in Indonesia. The program is a partnership with our suppliers that facilitates the inclusion of smallholders into economically, socially, and environmentally sustainable supply chains. Farm Start Palm addresses the challenges faced by smallholders in complying with sustainability standards; providing training to meet those requirements and adopting a stepwise approach to RSPO compliance. The expected outcome of the program is that smallholder farmers improve their agricultural and land-use practices and hence improve sustainability and their own profitability.

**5) Stakeholder engagement**

We work with the World Resources Institute (WRI) and the Global Forest Watch (GFW) tool to conduct risk assessments of the mills in our extended supply chain. By combining our mill data and the geospatial PALM Risk tool on the GFW platform, we've assessed risk using an index of five environmental factors: severity; extent of forest; recent deforestation; peat; and overall risk across these factors. Social indicators are assessed when we conduct desktop diligence and site verification of mills. In 2018, we also collaborated with WRI on a detailed greenhouse gas assessment of our palm supply chain. We continue to work with the consultancies Daemeter and Proforest to identify critical landscapes where we have set up strategic sustainability programs with partners to address risks to forest cover, peat lands and fires. Some of the landscapes or jurisdictions of interest include Aceh, North Sumatra, Riau, Central Kalimantan, Indonesia, and Sabah in Malaysia.

Unilever remains on the Executive Committee of the High Carbon Stock Approach (HCSA) group. We updated our palm oil policy in 2017 to reflect the High Carbon Stock Approach Toolkit 2.0 agreed between the High Carbon Stock Approach (HCSA) and the High Carbon Stock Study (HCS+). We will continue to encourage growers and users of palm oil to adopt this methodology and move to implementation, while recognizing that the next big challenge will be to ensure the application of the High Carbon Stock Approach in highly forested landscapes and with smallholder farmers.

We are committed to driving systematic change in the palm oil industry through coalitions such as the Tropical Forest Alliance, RSPO, New York Declaration on Forests, Banking Environment Initiative and the World Business Council for Sustainable Development. We acknowledge that collaboration and partnership are essential to transform the industry and bring innovation to scale. This participative approach has been our policy from the start, and with our scale, we see it as an opportunity for us to positively influence the rest of the industry on the issues of deforestation and human rights. Additionally, we are working with industry bodies such as the Consumer Goods Forum (CGF) to eradicate forced labor focusing on migrant workers in palm oil in Indonesia and Malaysia and ensure that on three core principles of every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or overworked. We are also members of the Leadership Group for Responsible Recruitment, a collaboration between leading global companies and expert organizations working towards best practices in the responsible recruitment of migrant workers.

**10.3 Please attach or add links to any other information from your organisation on your palm oil policies and activities (e.g.: sustainability reports, policies, other public information)**

- 1) Sustainability report: <https://www.unilever.com/sustainable-living/our-sustainable-living-report-hub/>
- 2) Our strategy for sustainable growth: <https://www.unilever.com/sustainable-living/our-strategy/>
- 3) Our approach towards sustainable palm oil:  
<https://www.unilever.com/sustainable-living/reducing-environmental-impact/sustainable-sourcing/transforming-the-palm-oil-industry/>