

Particulars

About Your Organisation

1.1 Name of your organization

Unilever

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

- Oil Palm Growers
 - Palm Oil Processors and/or Traders
 - Consumer Goods Manufacturers
 - Retailers
 - Banks and Investors
 - Social or Development Organisations (Non Governmental Organisations)
 - Environmental or Nature Conservation Organisations (Non Governmental Organisations)
 - Affiliate Members
 - Supply Chain Associate
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1.3 Membership number

4-0001-04-000-00

1.4 Membership category

Ordinary

1.5 Membership sector

Consumer Goods Manufacturers

Consumer Goods Manufacturers

Operational Profile

1.1 Please state what your main activity(ies) is/are within manufacturing

- End-product manufacturer
- Food Goods
- Home & Personal Care Goods
- Own-brand-Manufacturer

Operations and Certification Progress

2.1.1 In the markets where you operate, in which do you manufacture goods with palm oil and oil palm products?

- Applies Globally

2.1.2 Do you have a system for calculating how much palm oil and oil palm products you use?

Yes

2.1.3 Does this system only cover your own-brand or all the brands you manufacture?

own-brand

2.1.4 In the markets where you operate, in which do you calculate how much palm oil and oil palm product there is, in the goods you manufacture?

- Applies Globally

2.2.1 Total volume of Crude and Refined Palm Oil used in the year (Tonnes)

242,702

2.2.2 Total volume of Crude and Refined Palm Kernel Oil used in the year (Tonnes)

250,279

2.2.3 Total volume of Palm Kernel Expeller used in the year (Tonnes)

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2.2.4 Total volume of other palm-based Derivatives and Fractions used in the year (Tonnes)

888,288

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

1,381,269

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 & Claim	2,603.00	293.00	-	-
2.3.2 Mass Balance	111,426.00	66,387.00	-	259,216.00
2.3.3 Segregated	27,009.00	2,844.00	-	103,432.00
2.3.4 Identity Preserved	-	-	-	-
2.3.5 Total volume	141,038.00	69,524.00	-	362,648.00

2.4 Volume of RSPO certified sustainable palm oil and oil palm products sold to other 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 & Claim	-	-	-	-
2.4.2 Mass Balance	-	-	-	-
2.4.3 Segregated	-	-	-	-
2.4.4 Identity Preserved	-	-	-	-
2.4.5 Total volume	-	-	-	-

2.5 What is the percentage of RSPO certified sustainable palm oil and oil palm products in the total volume used by your company in the following regions:

2.5.1 Africa	20%
2.5.2 Australasia	7%
2.5.3 China	--
2.5.4 Europe	86%
2.5.5 India	--
2.5.6 North America	44%
2.5.7 South America	71%
2.5.8 Indonesia	68%
2.5.9 Malaysia	--
2.5.10 Middle East	38%
2.5.11 Rest of Asia	63%

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

2011

Comment:

We obtained our first supply chain certificate in 2011 for 23 factories in Europe under Unilever Supply Chain Company (USCC). As we continue to increase our uptake in physical certified palm oil for our products, we have expanded the scope of our supply chain certification and now have certificates awarded for the majority of our manufacturing sites in Australia, Latin America, Southeast Asia, North Asia, North America, Africa, and Europe, and will continue the certification process for our sites globally.

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

2009

Comment:

We started using RSPO certified palm oil in 2009. From 2012-2015, all our volumes were covered by a combination of RSPO segregated and mass balance oils and GreenPalm certificates.

In 2016 we refreshed our Sustainable Palm Oil Sourcing Policy, which we first launched in 2013, and brought forward our target for purchasing 100% physically certified palm oil to 2019.

3.3 Date 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

Comment:

Unilever is committed to reaching 100% physically certified sustainable palm oil by 2019 – we believe that knowing where our palm oil originates from is an important prerequisite for long term transformation of the palm oil industry.

In 2016, we conducted a review of our palm oil sourcing, and as a result, changed our definition of sustainable palm oil. GreenPalm certificates were previously included in our definition of sustainable palm oil, which we now define as physically certified palm oil only, as laid out in our 2016 Sustainable Palm Oil Sourcing Policy.

With our commitment to 100% physically sustainable palm oil by 2019, we are phasing out our purchase of GreenPalm certificates, except for GreenPalm Independent Smallholder certificates. Instead, we will invest \$50 million that would have been spent on GreenPalm certificates in a palm transformation fund to accelerate the availability of physically certified palm oil and invest in more targeted approaches to transform the palm oil sector.

We plan to invest over a five year period, with the express purpose of both: i) increasing the availability of sustainable palm oil to Unilever in order to meet our challenging sustainable palm oil sourcing targets, and ii) driving transformational change in the wider palm oil industry.

3.4 Date 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

Comment:

As per our refreshed Sustainable Palm Oil Sourcing Policy, our target is 100% physically certified palm oil (mass balance, segregated or equivalent standard independently verified by a third party) by end 2019, with a glide path of: 50% by 2017, 80% by 2018 and 100% by end 2019. The policy can be found here: https://www.unilever.com/Images/unilever-palm-oil-policy-2016_tcm244-479933_en.pdf

3.5 In which markets where you operate do these commitments cover?

Applies Globally

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

No

3.7 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 brands?

No

Trademark Related**4.1 Do you use or plan to use the RSPO Trademark on your own brand of products?**

Yes

Please state which product range(s) and market(s) you intend to apply the Trademark and when you plan to start using the Trademark.

Year: 2017

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 supply chain

1) In 2016, Unilever revised our Sustainable Palm Oil Sourcing Policy in response to shifts in consumer expectations and progress made on palm oil in the industry. We actively invited input from a range of NGOs, suppliers and other key stakeholders in the process. Our 2016 policy brings forward our certified palm oil target of 100% to 2019, and further strengthens our commitments to go beyond current RSPO standards. As the largest end user of certified palm oil by volume, Unilever will continue to increase our purchase of RSPO physically certified palm oil globally. Our policy also requires palm oil to a known catchment area attached to a mill; calls for transparency from suppliers about their supply chains, breaches and any new plantations; requires our suppliers and their third party suppliers to comply with our policy principles throughout their entire supply chain. We also require independent third-party verification for all high-risk mills identified in our supply chain and have developed a grievance mechanism in the event that supplier non-compliance is identified. Our approach is to engage with our supplier if a grievance has been raised against them, and where we can, to help them address any breaches of their policy or practices. Where a supplier refuses to remediate the breach, Unilever will take appropriate steps to address this in a manner that upholds our commitment to the five principles outlined in our policy.

2) Unilever continues as an active member on the board of the RSPO. In 2017, we will represent the consumer goods and manufacturers category on the Principles and Criteria taskforce review. We continue to actively participate as the chair of the Claims and Communication working group, the smallholder group and have been invited to participate in the Human Rights Working Group.

3) Unilever remains on the executive committee of the High Carbon Stock approach group. In November 2016, the HCSA and HCS+ convened at the mill level and reached an agreement on a single set of principles for implementation of companies' commitments to 'no deforestation' in their palm oil operations and supply chains. We have been involved in this discussion from the beginning and are committed to supporting the convergence of a globally-agreed standard that is meaningful and practical, and encourage all growers and users of palm oil to adopt this methodology and move to implementation. We are in the process of updating our Sustainable Palm Oil Sourcing Policy defining High Carbon Stock (HCS) forest as using the HCS Approach Toolkit 2.0, a unified global methodology for protecting natural forests and identifying lands for responsible commodity production released by a coalition of industry and NGO partners in March 2017.

4) As part of our continued commitment to physically certified palm oil, we will continue to obtain RSPO supply chain certification for our factories. We began this journey in 2011. We have more than 60 factories certified across Australia, Latin America, Southeast Asia, North Asia, North America, and Europe, and will continue to expand our scope of certification in 2017.

5) 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 the greatest opportunities for social and economic empowerment that goes hand in hand with forest protection. We will continue working with several partners to support smallholder inclusion. A brief summary is provided below, however please refer to question 9.1 for more details on our smallholder projects.

a) PT Perkebunan Nusantara III (PTPN 3) – We began our partnership in 2013 with PTPN 3, The Sustainable Trade Initiative (IDH), and RSPO on a smallholder pilot project surrounding our Sei Mangkei palm oil processing facility in North Sumatra (Unilever Oleochemicals Indonesia (UOI)). We have worked with 63 farmers to participate in the RSPO certification program with the target of certification by mid-2017. We hope to be able to expand this project to neighboring smallholders in the landscape around UOI.

b) PT Perkebunan Nusantara V (PTPN 5) – We signed an MOU with PTPN 5 in August 2016 to develop a traceability and certification mechanism and to potentially provide training and support towards RSPO and ISPO certification. We are also working with World Resources Institute (WRI) to conduct a baseline study for feasibility of this project for PTPN 5's smallholder supply base. We are aiming to reach around 800 independent smallholders and at least 500 plasma smallholders.

c) Yayasan Inovasi Bumi (Inobu) –With Inobu, the district of Kotawaringin Barat, and the provisional government of Central Kalimantan, we are working to map independent smallholders and provide training on RSPO good management practices with the goal of certification in 2017 for more than 600 independent smallholders around 1,400 hectares of land. If proven successful, we are looking to expand this in the neighboring district.

d) Amanah Association – In partnership with WWF Indonesia, Unilever supported the certification of 360 smallholder farmers in Riau Province. An association of independent smallholders in Indonesia to become RSPO certified.

6) As part of our revised policy, we require our suppliers to provide traceability to known sources, which we define in our policy as the ability to trace palm oil to a known catchment area that is attached to a mill, including dedicated plantations, plasma smallholders and independent smallholders. We are working with UTZ Certified and the PalmTrace platform to capture traceability information from our suppliers. In 2016, we have achieved 73% traceability and have mapped around 1,300 mills in our supply chain. We will continue to work with our suppliers to further our traceability progress. In partnership with UTZ, the traceability information we capture in PalmTrace includes not only RSPO certified volumes, but also conventional volumes. This allows us to have visibility into all the mills in our supply chain so that we can further identify risk. We see PalmTrace as playing a key role as the industry-wide traceability platform.

7) We will continue working with WRI and the Global Forest Watch (GFW) tool to conduct risk assessments of the mills in our supply chain. For mills identified as high risk according to environmental parameters in GFW including deforestation, peat land, and fire severity, we will continue to engage with our suppliers to conduct independent third-party assessments and recommendations on appropriate action plans as necessary. We have conducted three assessments in 2016, however see a shared value in industry collaboration to maximize efficiency. We will continue working with our stakeholders, including growers and users, on how we can share the verification results in an effort to create greater transparency and collectively work with suppliers on implementing measures to address risk.

8) Unilever continues to co-chair the RSPO board; we take an active leadership role in the RSPO and to push for change among members, especially at the buyer end of sustainable palm oil, through co-chairing the Consumer Goods Forum, where we have challenged our peers to step up on their own commitments. With the launch of our new palm oil policy, we require compliance to stricter standards, and believe the industry can do more collectively to advocate for deforestation commitments. Through our involvement in the RSPO Trade & Traceability Standing Committee and Smallholder Working Group, we are driving greater adoption and integration of social criteria in RSPO's standards. Most importantly, with the International Union of Food Workers (IUF), we are working on working conditions and bringing about long-term solutions to ensure workers' rights are respected.

9) 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 believe our scale is an opportunity for us

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 to eradicate forced labor focusing on migrant workers in palm oil in Indonesia and Malaysia and particularly on three core principles of freedom of movement, employer pays for recruitment and no coercion to work/no debt to repay. 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) Unilever works to encourage other companies to adopt sustainable palm oil practices through the Consumer Goods Forum (CGF). At the COP 21 climate negotiations in Paris in December 2015, Unilever with other CGF members signaled an intent to preferentially source palm oil from jurisdictions that have adequate no deforestation policies in place, otherwise known as a 'Production Protection' approach. Following this commitment, our first example of this is in the district of Kotawaringin Barat, Central Kalimantan, Indonesia where we are working with Inobu, the provincial government of Central Kalimantan and the district government of Kotawaringin Barat to source sustainable palm oil at a village level, as mentioned in number 5) above. More info here: <https://www.unilever.com/news/news-and-features/Feature-article/2017/We-are-driving-a-new-approach-to-sustainable-palm-oil.html>.

11) Unilever's CEO continues to provide leadership in the Tropical Forest Alliance (TFA) that will focus on the solutions to stop deforestation, and will engage with governments, private sector and NGOs to work collectively together. Our Chief Sustainability Officer has also been appointed vice-chair of the TFA Steering Committee. We co-lead the sustainability working group in Consumer Goods Forum and contributed to the published CGF guide for sustainable palm oil sourcing. The CGF companies recently committed to support the produce and protect paradigm in support of a jurisdictional landscape approach to sustainability.

12) Unilever is working to develop a pilot program to support our objectives of enhancing livelihoods and building inclusive models for smallholders within our supply chain. This program will allow us to build on supplier relationships and industry investments for sustainable production from smallholders. The program will provide smallholder farmers with greater access to inputs and services to help improve productivity, profitability and livelihoods through a connected framework. Unilever and our partners would benefit from integrated landscape and industry-level smallholder programs, which would drive greater access to sustainable supply from smallholders. We are in the process of developing a pilot project with partners in Indonesia in 2017.

13) In 2016, Unilever made a decision to exit GreenPalm certificates and to accelerate physically certified palm oil volumes. This is in response to the risk related to NGO perception of the use of GreenPalm certificates as greenwashing. The \$50 million in funds that were earmarked for GP certificates will be reinvested in a palm transformation fund over a 5 year period. The purpose of the fund is to accelerate the availability of physically certified palm oil so we can meet our 2019 target and scale up direct sourcing from smallholder farmers, and to drive transformational change towards sustainability at landscape level in the wider palm oil industry.

As part of this, in January 2017 we announced a \$25 million investment in the Tropical Forests and Agriculture Fund, a joint initiative of IDH and the Norwegian Government. This Fund aims to protect over 5 million hectares of forests and peatlands through de-risking private capital investments into large deforestation-free production and protection initiatives, and will have robust standards for social and labor issues and human rights.

Reasons for Non-Disclosure of Information

6.1 If you have not disclosed any of the above information, please indicate the reasons why

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- Others:

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Application of Principles & Criteria for all members sectors

7.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:

- Water, land, energy and carbon footprints
Uploaded file: --
Related link: <https://www.unilever.com/sustainable-living/reducing-environmental-impact/greenhouse-gases/>
- Land Use Rights
Uploaded file: --
Related link: https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014_tcm244-409819_en.pdf
- Ethical conduct and human rights
Uploaded file: --
Related link: <https://www.unilever.com/sustainable-living/enhancing-livelihoods/fairness-in-the-workplace/understanding-our-human-rights-impacts/>
- Labour rights
Uploaded file: --
Related link: https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014_tcm244-409819_en.pdf
- Stakeholder engagement
Uploaded file: --
Related link: https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014_tcm244-409819_en.pdf
- None of the above

7.2 What best practice guidelines or information has your organization 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, in 2016, we revised our Sustainable Palm Oil Sourcing Policy to reflect our strengthened commitments to certified sustainable palm oil, NDPE requirements, and smallholder inclusion. Our 2016 policy brings forward our physical certified palm oil target of 100% by 2019, and further strengthens our commitments to go beyond current RSPO standards. Our policy applies to our suppliers and their third-party suppliers, and provides guidelines towards our commitment to certified sustainable palm oil, to which we expect all suppliers to comply. In particular, we expect our suppliers to provide traceability information in PalmTrace on their mill coordinates, and also require that suppliers disclose any grievances or new plantings for their concessions or the concessions at group level.

Our policy is available in English.

Uploaded files: --

Related Link: https://www.unilever.com/Images/unilever-palm-oil-policy-2016_tcm244-479933_en.pdf

GHG Emissions**8.1 Are you currently assessing the GHG emissions from your operations?**

Yes

Related link: <https://www.unilever.com/sustainable-living/reducing-environmental-impact/greenhouse-gases/>

8.2 Do you publicly report the GHG emissions of your operations?

Yes

Related link: <https://www.unilever.com/sustainable-living/reducing-environmental-impact/greenhouse-gases/>

Support for Smallholders

9.1 Are you currently supporting any independent smallholder groups?

Yes

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's 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:

PT Perkebunan Nusantara (PTPN) 3:

In North Sumatra, Unilever has been working with PTPN 3, IDH Sustainable Trade Initiative, 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, we have engaged with 63 farmers (including 19 women farmers) on 207 hectares part of UD Lestari smallholder group, who are participating in the RSPO certification program. 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, we have set up the Internal Control System (ICS) for farmers and conducted the necessary RSPO training for these farmers on subjects that include Good Agriculture Practices (GAP) and Best Management Practices. The farmers have already been audited by TUV Rheinland and have closed all gaps found based on the assessment. We hope that the farmers will obtain their RSPO certificates in the middle of 2017.

PT Perkebunan Nusantara (PTPN) 5:

In Riau, Unilever officially signed a MoU with PTPN 5 in August 2016 to work together in increasing the sustainable palm oil production of smallholders. The MoU states that the two parties would be partnering in developing a traceability and certification mechanism for oil palm smallholders and would potentially be providing them with training and support towards achieving RSPO and ISPO certification. We are also 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 aiming that around 800 independent smallholder farmers and at least 500 plasma smallholders will participate in the program. Though we are currently starting with the supply base of one mill, plans are being developed to expand this project to the other 12 mills of PTPN impacting more than 5,000 smallholder farmers. We have involved various partners to support us in this endeavor, which would include SPKS (Oil Palm Smallholder Association) and Daemeter Consulting.

Yayasan Inovasi Bumi (Inobu):

In Central Kalimantan, Unilever is advancing in 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 topics such as on good agriculture and management practices. Together with Inobu, more than 600 farmers on around 1,400 hectares part of the Tani Subur Cooperative are currently on track to obtain RSPO certification in 2017. If this pilot proves to be successful, activities can potentially be expanded to other areas in this district and the neighboring district of Seruyan, affecting more than 12,000 independent smallholder farmers on 20,000 hectares of land.

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.

Challenges

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?

1) One significant challenge continues to be the negative consumer perception of palm oil. We continue to face consumer pressure particularly for our European markets, however we are buying 100% segregated palm oil for the foods businesses in the region. We are also expanding our purchase of physical certified oil in the form of mass balance for our other global markets towards 100% physical certified palm oil by 2019. 2) We are also seeing greater pressure from NGOs on user and grower companies to adhere to stricter standards on deforestation, and more recently, human and labor rights in direct and third party supply chains. We will continue to engage in constructive dialogue with NGOs and our suppliers and their third parties on meeting these commitments and taking necessary remedial action. Our revised palm oil policy demonstrates our enhanced commitment and supplier requirements, as does our grievance process to address supplier grievances identified in our supply chain. We will continue to put pressure on these suppliers to ensure they are adhering to our policy, and should a supplier refuses to remediate the breach, Unilever will take appropriate steps to address this in a manner that upholds the commitment to our five principles. 3) There are also challenges in mill verification of palm oil supply chains. Mill verification can be resource and time-intensive, and hence there are significant benefits to enabling a more collaborative approach to third-party verifications so that duplication of efforts can be avoided and knowledge-sharing can bring added value. However, verification reports are not shared among industry stakeholders due to confidentiality issues. Greater transparency would allow us and other industry stakeholders to work together to more actively focus on solutions within the industry. 4) Social issues around minimum wage; forced and child labor; undocumented workers; and migrant or temporary workers – particularly in third party supply chains – are some of the key challenges faced by growers and users in the industry. Labor issues are significantly complex in opaque supply chains, and also tend to differ across regions and landscapes, where differences in labor laws may also exist. Lack of transparency on these issues makes it challenging for the industry to identify how best to address them in a way that is effective. We are opposed to and do not tolerate any form of labor abuse. We have identified and engaged on labor issues and will continue to do so working across the industry. While specific issues are important to be raised, and dealt with, we believe we need to step up the discussion and actions to ensure long term sustainable industry-wide change. 5) Traceability continues to be a challenge, and the issues we have previously highlighted remain key factors – supply chain complexities, slow industry onboarding for traceability reporting, purchases through commodities trading, government-controlled palm oil purchases, complexities with oleochemicals and derivatives, and difficulty in tracing palm kernels. To enable greater traceability, part of our sustainable palm oil program is about shortening our supply chain to enable us to get closer to smallholder farmers. We built our processing plant in Sei Mangkei, Indonesia, and will source 100% physical certified palm oil by 2019 latest. We continue to build relationships with selected palm kernel oil suppliers to secure the long-term sourcing of palm kernel oil. 6) Availability of physically certified crude palm kernel oil and its derivatives is still a challenge in the industry given the difficulties in the palm kernel supply chain and the lack of availability of sustainable palm kernels - we require approximately 10% of the total hectares under palm production. We will continue to work closely with our partners to enhance supplies to determine a similar path to 100% certified sustainable by 2019 for palm kernel oil and its derivative sourcing. 7) Smallholders are an integral part of palm oil supply chains and their integration into sustainable supply chains continues to remain a challenge, particularly for independent smallholders where farmer aggregation, incentives for certification, land rights and replanting can be problematic. Through our smallholder partnership programs as previously mentioned with PTPN 3, PTPN 5, and Inobu, we are scaling up our work to provide training on agricultural practices for smallholders, and are creating avenues for increased RSPO certification. These projects will enable greater supply of certified sustainable palm oil in the market, where continued shortage in supply of physical certified palm oil to meet our sourcing requirements remains a critical challenge for us. Some of these challenges remain similar to those we identified last year, showing that transformation of palm oil supply chains towards sustainability takes time, and requires the effort and collaboration of all industry stakeholders to identify and align on key priorities. We need to continue to ensure greater transparency and constant supplier engagement, and must continue to use our leadership role to move our suppliers to adhere to our policy requirements. Engaging in multi-stakeholder conversations and driving industry conversations in the direction of action must also continue so that we do not lose momentum in moving towards a truly sustainable palm oil industry.

2 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

Through our commitment to move away from purchasing GreenPalm certificates and invest in more targeted approaches towards increasing the supply of physically certified palm oil and smallholder inclusion, we will be increasing our focus on more specific areas of engagement where we can have a greater and more direct impact in our supply chain. We will continue to support the drive across the industry for greater visibility and transparency of the palm oil sector's supply chain. We are committed to the continuous improvement in the processes for the identification and remediation of social issues. As stated in question 5.1, we will continue to engage with our key stakeholders – suppliers, NGOs, and other user companies – to ensure we continue the dialogue on moving forward to transform the industry and ensure supplier adherence to our revised policy. Engagement is required across all sectors – governments, businesses, and civil society – as there is a shared responsibility among stakeholders in this transformational journey.

3 Other information on palm oil (sustainability reports, policies, other public information)

- Uploaded files:
[unilever-palm-oil-policy-2016.pdf](#)

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