

Wednesday 7 April 2010

Gavin Neath, SVP Communications and Sustainability, on sustainable palm oil

Corporate Centre, London

So Unilever is announcing today that it has purchased a sufficient quantity of Green Palm certificates to cover all of the volumes of palm oil that it uses in Europe and in Australia and New Zealand. Last year we bought over 180,000 tonnes of Green Palm certificates – about 15% of our total volume.

This year, in 2010, we will double that amount to something like 400,000 tonnes worth of Green Palm certificates, which will get us well more than a third of our total usage. And, as you know, our ultimate goal is to be in 100% sustainably produced palm oil by 2015.

At the moment there is no such thing as a segregated supply chain of certified sustainable palm oil coming from south East Asia. These supply chains will develop but they don't exist today. Some will come on stream in the near future but it will take time for the industry to organise itself in such a way that you can trace the palm oil that goes into a particular product all the way back to the plantation on which it was grown.

So in the absence of those segregated supply chains, what companies like ours have to do to incentivise the growers to grow in a much more sustainable way – to grow their crops in a much more sustainable way – is to buy these Green Palm certificates.

One Green Palm certificate equals one tonne of sustainable palm oil and the money, or the price premium, that we pay for those Green Palm certificates goes back to the grower and is an incentive for him to expand the amount of acreage which he is cultivating in a sustainable fashion.