



UNILEVER SUSTAINABLE PAPER & BOARD PACKAGING SOURCING POLICY

FREQUENTLY ASKED QUESTIONS

Unilever's Sustainability Ambitions

- **What is Unilever's "sustainability strategy"? What about other renewable materials that Unilever source, are they all coming from sustainable sources to date?**

Our long-term aim is to buy all our agricultural raw materials from sustainable sources. In 1998, we developed Good Agricultural Practice guidelines for five of our key crops – palm oil, tea, tomatoes, peas and spinach. Our guidelines track progress against 11 sustainable agriculture indicators (water, energy, pesticide use, etc.)

We focus our efforts on crops where we purchase significant volumes; where we have the greatest impact, and therefore the opportunity to make a difference.

Unilever has a number of sustainability programmes in key crops such as tea, dairy, fruit and vegetables (see <http://www.unilever.com/sustainability/environment/agriculture/default.aspx>).

Our Sustainable Agriculture programme has been in place for over 10 years, and in 2009 Unilever was named sustainability leader in the Food & Beverage sector of the Dow Jones Sustainability Index for the eleventh consecutive year.

- **Do you have sustainable sourcing commitments for other renewable materials, as well?**

Yes, Unilever has made global commitments on the following renewable materials.

Palm Oil

We have a public commitment to sourcing all our palm oil from certified sustainable sources by 2015, and we are taking strides toward achieving this goal. You can check the progress we are making on sustainable palm oil on our website:

<http://www.unilever.com/sustainability/environment/agriculture/sustainablepalmoil/default.aspx>

Tea

Lipton has committed to source the tea for all its tea bags from Rainforest Alliance certified farms by 2015. Already, 80% of Lipton Yellow Label and PG Tips sold in Western Europe comes from Rainforest Alliance certified farms.

More than 30 tea estates have already achieved Rainforest Alliance certification, including Unilever's own estates in Kenya and Tanzania.

Soy

Unilever is a member of the Roundtable on Responsible Soy, which seeks to implement agreed principles and criteria for responsible production.

The Policy

- **What does “virgin” fibre mean?**

“**Virgin Fibre**” is fibre extracted from a plant of some sort, the most common being wood fibre from trees. In some cases trees are planted in forest areas with the purpose to get fibres for paper and board production, and in other cases wood is coming from timber industries and forest thinning. Typically fibre used for paper making is from timber that cannot be used for other purposes e.g. immature trees removed to let other trees mature (thinnings) and sawmill waste. Once this virgin fibre has been made into paper it can be recycled several times (typically 5 – 7).

- **Why are you not promoting to use material from Forest Stewardship Council (FSC) certified forests only?**

There are a number of reasons that prevent us from accepting only FSC certification. Firstly, there is not sufficient amount of certified material on the market. Secondly, FSC certification scheme at present is challenging to achieve for small forest owners.

- **The Policy accepts as certified both, FSC and national schemes endorsed by the Programme for the Endorsement of Forest Certification (PEFC). Does Unilever consider both certification schemes as equal? How are you going to ensure that PEFC and PEFC endorsed schemes certified products meet your minimum bar of “non-controversial sources”?**

As mentioned in the Policy, Unilever will give preference to sourcing FSC certified virgin paper or board wherever available and viable to do so, and recognizes FSC certification scheme as the most comprehensive Forest Management Certification Scheme globally. However, current supplies of FSC paper and board are not sufficient to satisfy all our demands in the volumes and qualities we require. In these cases where FSC is not available, we will rely on other certifications schemes under the condition that our “Non-controversial Sources” requirements are met, as included in our Implementation Guidelines. The requirements to achieve this will vary according to the level of “risk” associated to the timber harvesting country of origin. Rainforest Alliance is assisting us in developing tools and criteria to address all these aspects on a case by case basis.

- **Why don’t you accept other existing schemes, as well?**

After studying all the possibilities and consulting the available information and stakeholder views of other systems, we have concluded that currently there are no other existing forest certification schemes that could address our concerns. We will review regularly our policy and our implementation guidelines so in case new forest certification systems gain credibility and we find that could fit in our Policy’s requirements we will accept it.

- **What is Unilever’s definition of “recycled” material?**

Fundamentally “recycling” means giving material a second life rather than simply disposing of it. The recycled material used for our packaging comes from two main sources. “Post consumer waste” is packaging which has been used i.e. it has served its purpose. This represents around 85% of material used in our recycled packaging. The other (minor) source of recycled material is “post industrial”. This is material which for one reason or other was not used directly for the packaging. The most common form of post industrial waste is “clippings”, which is waste that is generated when packaging is cut to shape. As both post consumer and post industrial waste would be disposed of by sending it to landfill if not recycled, we do not differentiate between them.

- **How do you choose which fibres you use for an application, virgin or recycled?**

We start by looking at the application and what the packaging is required to do. Where safety regulations demand a virgin material then the choice is very simple. Where there is a choice it will be the best material for the application and the material that is most readily available, as not all materials are available everywhere. If we have a choice and recycled material is available delivering the performance required then we will give preference to recycled material.

- **How are you monitoring progress against your ambitious milestones?**

We require our suppliers to do a self-assessment and report on progress via internet enabled tool. The assessment data will be accessible to Rainforest Alliance for verification. We will also audit our suppliers’ self assessment on a regular basis using 3rd party auditors.

- **Is there sufficient certified material available to achieve your 2020 milestone?**

Based on information from FSC and PEFC (full statistics can be found on <http://www.fsc.org/publications.html> and www.pefc.org/index.php/about-pefc/who-we-are/facts-a-figures) the certified forest area is continuously growing globally.

Our ambition will be to prompt our suppliers and their supply chain back to the forest towards a credible and acceptable certification that will have beneficial impacts on the ground.

Thus, with the statistics on our side and the strong efforts we will make in order to move all our supply chain towards certified or recycled sources, we believe our goal will be achieved.

Implementation guidelines

- **What sources have been used to define the Country Exception List?**

To comply with our Country Exception List we have consulted the publicly available information on the issues that affect our Policy (illegal logging; violation of traditional and civil rights; forests where high conservation values are threatened or forests being converted to plantations or non-forest use)

The sources used have been:

- NEPCon Global Risk Registry: <http://globalforestrisk.nepcon.net/>
- WWF GFTN: <http://gftn.panda.org/>
- Greenpeace: <http://www.greenpeace.org.uk/tags/illegal-timber>
- EIA/Lacey Act: http://www.eia-global.org/forests_for_the_world/lacey.html
- ILLEGAL-LOGGING: <http://www.illegal-logging.info/>

- **Non-controversial sources: What is a „Supplier’s own Risk Assessment of the country or district of origin (forest)”? A document? Could you please provide an example?**

During our annual audits, we will expect from the selected suppliers to have a full report in place for the district of origin of the fibre (country, region or forest management unit), proving that the source is “low risk” for each of the controversial categories (civil and traditional rights violations, threatened high conservation values or forest conversion), by confirming the following:

- There is no UN Security Council ban on timber exports from the country concerned (www.globalwitness.org and www.un.org).
- The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber); (www.usaid.gov).
- ILO (International Labour Organization) country office confirms that there is no evidence of child labour or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned and, when applicable, that there is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned (www.ilo.org ; local NGOs).
- District of origin of source material is not included in the WWF Global 200 (<http://www.worldwildlife.org/science/ecoregions/item1847.html>) and is not considered a “Biodiversity Hotspot” (<http://www.biodiversityhotspots.org>)
- A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion. (I.e. Country has signed to the Convention on Biological Diversity <https://www.cbd.int/information/parties.shtml> ; Reliable Local and Global Environmental NGOs, etc.)
- There is no net loss AND no significant rate of loss (> 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question. (<http://www.fao.org/forestry/41256/en/> ; Google Earth, Local ENGO)

Please note that compliance with legality shall be demonstrated in all cases and that this option (a supplier’s own risk assessment report) will not be enough for countries included in the Country Exception List, where third party certification will be required.

- **Non-controversial sources: What do you mean by „regarded as equivalent by 3rd party audit initiated by Unilever”? Who are the approved 3rd parties? What standards will they follow?**

When FSC Controlled Wood certification is not available for some acceptable reason and the forest is not engaged in a stepwise approach towards FSC certification, we may accept other third party verifications, which will be studied on a case by case basis. In these cases we will ask an independent auditor entitled for forest management certification (FSC or PEFC approved certification body) to audit compliance with the following categories:

- Wood is not harvested in violation of traditional and civil rights;

- Wood is not harvested in forests where high conservation values are threatened;
- Wood is not harvested in forests being converted to plantations or non-forest use

The standards that will be used as a reference in those cases are those suggested by the FSC Controlled Wood standard (FSC-STD-40-005 v.2) Annex 2 for the categories mentioned above.

- **Do you accept other Legality Certifications?**

Currently we will only accept as reliable legality verification schemes those mentioned in our Implementation Guidelines document. We have selected these after studying all the different options in the market with the help of Rainforest Alliance. A crucial document consulted in order to determine which legality verification systems could be reliable enough has been Greenpeace's Legality Verification System's Assessment (<http://www.greenpeace.org/raw/content/international/press/reports/lvs-assessment.pdf>), from January 2008. As with the rest of the Implementation Guidelines, we will be open to accept (or no longer accept) legality verification systems based on their performance.

Labeling

- **Are you going make use of FSC and PEFC on pack logos?**

Yes, where possible, we plan to use FSC and PEFC logos on product packaging in line with the implementation guidelines and in full compliance with the policy requirements. We believe this approach increases transparency for our consumers and customers, and will help to raise awareness on the importance of certified material for consumers while increasing logo recognition.