

# COMPANIES: Unilever & Cargill – Greening a Supply Chain



## PRACTICE

**Partnering with suppliers on sustainable farming practices that reduce energy use and carbon footprint**

## PROBLEM

Unilever plans to double the size of its business while halving the environmental impact of its products by 2020, as part of its Sustainable Living Plan. Unilever also has a target to sustainably source 100 percent of its agricultural raw materials by 2020. To reach its goals, Unilever must partner with suppliers to, among other things, ensure good soil and fertilizer management. (Poor soil and fertilizer can dramatically raise emissions in the climate change of the excess nitrogen-dioxide that is released from over-fertilizing.) In 2010, Unilever adopted a sustainable agricultural code, which asks its suppliers and the farmers who supply them to adopt sustainable practices on their farms.

## DESCRIPTION

Unilever partnered with its supplier Cargill (Refined Oils in Europe) to build a sustainable supply of oilseed rape, which is an ingredient in dressings and spreads like mayonnaise. In 2008, the companies initiated a pilot project in the Salzgitter region of Germany (the world's largest producer of rapeseed) to assess the sustainability of farming practices and establish criteria for sustainable oilseed rape.

The first step was for Cargill to map the Unilever supply chain from farm to end-product in the Salzgitter region. Unilever and Cargill then prepared a questionnaire with the following sustainability criteria:

- Value chain
- Energy
- Water
- Social capital
- Local economy
- Soil fertility and health
- Soil loss
- Nutrients
- Pest management
- Biodiversity

Cargill then partnered with a farmer cooperative to perform the pilot study, selecting farms of different sizes and soil qualities. Cargill and Unilever worked together to verify the farmers' oilseed rape production against the Unilever sustainable agriculture code.

## RESULTS

In 2012, Cargill supplied the first-ever sustainable verified rapeseed oil to Unilever with an initial consignment covering five percent of Unilever's rapeseed oil needs. In the next three years, Cargill's European refined oils and grain and oilseed businesses will be able to meet all of Unilever's sustainable rapeseed oil needs. Another positive outcome of the pilot study was that Cargill and Unilever now have established a repeatable model that can be applied to drive sustainability within other oilseed crops in the future.

Through this commitment on rapeseed, Unilever, Cargill and farmers agreed on annual improvement plans beyond those required by European good agricultural practice regulations. This will include optimizing agricultural inputs and agreeing on biodiversity action plans to support environmental and habitat enhancement. Such actions will involve increasing available habitat for insects, including wild bees.

## RESOURCES

**Unilever Sustainable Agriculture Code -**

[http://www.unilever.com/images/sd\\_Unilever\\_Sustainable\\_Agriculture\\_Code\\_2010\\_tcm13-216557.pdf](http://www.unilever.com/images/sd_Unilever_Sustainable_Agriculture_Code_2010_tcm13-216557.pdf)

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