Unilever background

- Based in Rotterdam, Netherlands
- One of leading consumer product companies
- Employs 163,000 people in 100 countries
- Products sold in over 170 countries
- 264 manufacturing sites worldwide
- 50% of the raw materials that they use for their products come from agriculture and forestry.
- They “buy approximately 12% of the world’s black tea, 6% of its tomatoes and 3% of its palm oil.”
- Unilever is part of a complex web of various stakeholders throughout a multi-billion dollar supply chain,

Unilever supply chain at farm

Our task

- In order to reach their goal of reducing their environmental impact, Unilever must work at the farm level
- They traditionally have not worked directly with most of their raw material suppliers
- Unilever asked us to develop some high-level strategies and frameworks with which the company can use to prioritize and make decisions about where to begin implementing sustainability measures across its vast supply chain

The Sustainability Stakeholder Ranking Tool

is a way to think through the sustainability dynamics at play throughout the supply chain at the farm level, and a qualitative effort to capture:
- Stakeholders’ perspectives on sustainability at the farm level;
- Sustainability-related categories; 
- The relative importance of each of these categories to the various stakeholders; and
- The way in which sustainability categories may differ across different crop categories.

The tool is used by allocating 100 points across the various sub-categories which then sum to the category (at the bottom):

<table>
<thead>
<tr>
<th>STANDARDS</th>
<th>the Consumer</th>
<th>the Business</th>
<th>the Farmers</th>
<th>the Suppliers</th>
<th>Unilever Shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nutrient Management</td>
<td>15 15 15 15</td>
<td>15 15 15 15</td>
<td>15 15 15 15</td>
<td>15 15 15 15</td>
<td>15 15 15 15</td>
</tr>
<tr>
<td>Crop rotation</td>
<td>0 3 3 3 3</td>
<td>0 3 3 3 3</td>
<td>0 3 3 3 3</td>
<td>0 3 3 3 3</td>
<td>0 3 3 3 3</td>
</tr>
<tr>
<td>Organic fertilizers</td>
<td>0 5 5 5 5</td>
<td>0 5 5 5 5</td>
<td>0 5 5 5 5</td>
<td>0 5 5 5 5</td>
<td>0 5 5 5 5</td>
</tr>
<tr>
<td>Physical Testing</td>
<td>0 6 6 6 6</td>
<td>0 6 6 6 6</td>
<td>0 6 6 6 6</td>
<td>0 6 6 6 6</td>
<td>0 6 6 6 6</td>
</tr>
<tr>
<td>Social/Environmental</td>
<td>0 8 8 8 8</td>
<td>0 8 8 8 8</td>
<td>0 8 8 8 8</td>
<td>0 8 8 8 8</td>
<td>0 8 8 8 8</td>
</tr>
</tbody>
</table>

- Allocations are done based on the perspective of the various stakeholders...
- For example, when considering the importance of nutrient management at the farm level, the consumer is not aware of nor cares about any of the sub-categories within this category.
- As a result, the consumer does not “spend” any of their 100 points in this category.
- This can be contrasted with the farmer for whom nutrient management is vitally important to the sustained fertility of his or her farm.
- As such the farmer “spends” 5 points on preventing soil erosion, 3 point on each of crop rotation, organic fertilizer, chemical fertilizer, and soil and plant testing and measurement.

Other supply chain sustainability verification schemes

- First, Unilever must ask itself – what do we want to verify, and for whom?
- Third party certification schemes for food
- The five most recognized by US consumers
- Verification mechanisms (non-certification)
  - Work with trust-based networks like agroecology
  - Build long-term relationships with your suppliers/ farmers

Recommendations

- Ask yourselves “What are we trying to prove about our supply chain, and to whom?
- Develop tools like the Sustainability Stakeholder Rating Tool (SSRT) to begin to prioritize supply chain action;
- Consider your toolbox: third party certifications, trust-based schemes, technical tools like LCA and SSRT.