

**Press release: Unilever joins IDH coalition in backing Aceh Tamiang district (Indonesia) in its bid to become a sustainability leader**

**Aceh Tamiang, 16 December 2020** – Unilever and IDH have committed a combined investment of over 1.5 million euros to support the district of Aceh Tamiang in its goal to become one of the greenest commodity-producing regions in Indonesia. Last year, stakeholders from Aceh Tamiang established a production, protection and inclusion (PPI) compact. The compact's three-year program will increase forest protection and reforestation, improve monitoring, support smallholder farmers to increase its sustainable palm oil productivity by 30 percent, and finally to protect an area within the Leuser Ecosystem.

“Unilever’s commitment will bring us one step closer to our green vision for Aceh Tamiang. We are committed to protecting the forest, increasing the productivity and yield of sustainable palm oil and improving smallholders’ livelihoods. The support from Unilever, as well as from PepsiCo and Musim Mas, shows that this is not only important for our district, but also to the international community,” said Head of Aceh Tamiang District, H. Mursil.

Together with a coalition of stakeholders from Aceh Tamiang, Unilever will assist in improving sustainable production for 13,000 hectares of agricultural land, conserve 100,000 ha of high conservation value (HCV) / high carbon stock (HCS) forest and enhance the livelihoods of 1,500 independent smallholder farmers and 100 community members, based on the SourceUp approach for sustainable sourcing. This will help palm oil companies to supply buyers cost-effectively with 100% responsible palm oil.

“We are very proud to support this initiative,” said Dave Ingram, Chief Procurement Officer at Unilever. “This investment is testament to our commitment to support smallholder farmers – the true stewards of the land - and to protect and restore natural habitats in urgent need of protection – such as the Leuser Ecosystem.”

The Aceh Tamiang landscape covers an area of more than 214,699 ha in which 30 percent of that intersects with the Leuser Ecosystem (~79,500 ha). In this district, oil palm plantation covers approximately 71,000 ha, consisting of 50,000 ha of private concessions and 21,000 ha of areas cultivated by smallholder farmers. This is unusual for palm oil-producing areas, as the smallholder farms cover a large area appropriately to private concessions. The project area where Unilever will be focusing in is in the sub-district of Semadam, Aceh Tamiang District.

“Aceh Tamiang plays an increasing role as a sourcing area for many palm oil companies and traders. Sustainability has become a critical issue to ensure palm oil is produced sustainably with good agricultural practices (GAPs) and leave no threat to the Leuser Ecosystem. On the other hand, more than 30% of palm oil in the district is produced by independent smallholder farmers, leaving it more challenging as they possess limited knowledge on good agriculture practices, sustainability and own land with unclear legal statuses,” said Fitriani Ardiansyah, Chairman of Yayasan Inisiatif Dagang Hijau (IDH), an organisation that facilitates the Aceh Tamiang PPI compact.

Lack of knowledge of GAPs and limited access to high-quality agricultural inputs are some of the biggest barriers commonly identified in smallholder farming practices. The current productivity for a smallholder farmer is approximately 14 tons of fresh fruit bunches (FFB)/ha, which is far below the average national FFB production per hectare (around 20

– 22 tons FFB/ha). This low productivity results in insufficient livelihoods and incentivises expansion into forested areas.

To ensure forest protection, especially the buffer zone of the Leuser Ecosystem, Unilever and Leuser Conservation Forum, locally known as FKL, facilitated by IDH, will implement a restoration pilot project. This project will use agroforestry-based models to offer local communities alternative livelihood options to oil palm farming, in order to prevent encroachment into the forest and Leuser Ecosystem. The model would advocate for a social forestry model to ensure local communities obtain appropriate land tenure for this area.

At least 500 hectares are planned to be rehabilitated through an agroforestry approach. Continuous training on agroforestry, planting seedlings and GAPs will be provided to communities living around the restoration areas. It is expected that at least 100 community members will receive training and continuous assistance for the agroforestry approach. The training will be conducted at a nursery facility and aims to reach at least 50 women.

“We are very pleased that Unilever’s involvement as a major global company is supporting Aceh Tamiang in achieving sustainable development, especially in the plantation sector. This is the reward for the persistence of the government, NGOs and the people of Aceh Tamiang to maintain the remaining forest. This program will certainly help improve the community’s economic livelihood, improve good governance of plantations and of course increase forest protection and forest cover in Aceh Tamiang,” said Rudi Putra, Head of Board Trustees FKL.

### **Note to editors**

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#### **About SourceUp**

Many sustainability issues are beyond the reach of single companies or supply chains. Beyond certifying a single farm or a single commodity, collaboration of producers, local governments and civil society can go much further to improve on (e.g.) forest- and peatland protection, water availability and poverty reduction in production areas.

SourceUp, which has been developed by IDH and its global partners, connects buyers of agricultural commodities to coalitions of stakeholders in production areas, enabling direct collaboration on sustainability and impact. SourceUp allows companies to strengthen their supply chain sustainability program by supporting credible local sustainability action, and the market pull from companies creates incentives for areas to become more sustainable and attract impact investments.

Through monitoring progress on key impact data, made available on the SourceUp online platform, and well documented impact stories, SourceUp provides a simple, effective mechanism for buyers to claim verified, tangible and visible impact while sourcing from Verified Sourcing Areas.

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**[www.sourceup.org](http://www.sourceup.org)**

### **About Yayasan IDH**

Yayasan Inisiatif Dagang Hijau (IDH) is a foundation that supports the development of Green Growth Plans across Indonesia and facilitates market access for local commodities into the global sustainable supply chain. The Green Growth Plans are developed through public-private partnerships using a sustainable landscape and commodity approach and aligned with the UN Sustainable Development Goals (SDGs) and the country's Nationally Determined Contribution (NDC) on Paris Agreement.

### **About Unilever**

Unilever is one of the world's leading suppliers of Beauty & Personal Care, Home Care, and Foods & Refreshment products with sales in over 190 countries and reaching 2.5 billion consumers a day. It has 150,000 employees and generated sales of €52 billion in 2019. Over half of the company's footprint is in developing and emerging markets. Unilever has around 400 brands found in homes all over the world, including Dove, Knorr, Dirt Is Good, Rexona, Hellmann's, Lipton, Wall's, Lux, Magnum, Axe, Sunsilk and Surf.

Unilever's Sustainable Living Plan (USLP) underpins the company's strategy and commits to:

- Helping more than a billion people take action to improve their health and well-being by 2020.
- Halving the environmental impact of our products by 2030.
- Enhancing the livelihoods of millions of people by 2020.

The USLP creates value by driving growth and trust, eliminating costs and reducing risks. The company's sustainable living brands delivered 78% of total growth and 75% of turnover in 2019.

Since 2010 we have been taking action through the Unilever Sustainable Living Plan to help more than a billion people improve their health and well-being, halve our environmental footprint and enhance the livelihoods of millions of people as we grow our business. We have made significant progress and continue to expand our ambition – in 2019 committing to ensure 100% of our plastic packaging is fully reusable, recyclable or compostable by 2025. While there is still more to do, we are proud to have been recognised in 2019 as sector leader in the Dow Jones Sustainability Index and in 2020 - for the tenth-consecutive year - as the top ranked company in the GlobeScan/SustainAbility Sustainability Leaders survey.

For more information about Unilever and its brands, please visit [www.unilever.com](http://www.unilever.com).  
For more information on the USLP: [www.unilever.com/sustainable-living/](http://www.unilever.com/sustainable-living/)

### **About IDH**

[IDH, the Sustainable Trade Initiative](http://www.idhtrade.org) drives the joint design of economically viable approaches to realize green & inclusive growth at scale. In 12 agro-commodity sectors and 12 sourcing areas, IDH convenes companies, Civil society organizations, governments and others in public-private partnerships. Providing co-funding and first loss funds, that leverage the interests of businesses and financial institutions, we drive sustainable production and markets from niche to norm. Together we create impact@scale on the Sustainable Development Goals.

LinkedIn: <https://www.linkedin.com/company/idh-the-sustainable-trade-initiative/>  
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