

Unilever's position on: Sustainable sourcing of biofuels

Biofuels (liquid, solid or gas) are fuels derived from biological material such as trees, grass, agricultural waste or organic municipal waste. As the world seeks to tackle the climate crisis, biofuels can appear to be an attractive option in the clean energy transition. However, a widespread shift from fossil fuels to biofuels at scale could have unintended indirect consequences such as threatening local food security or driving deforestation.

Unilever has set ambitious science-based targets for reducing our greenhouse gas emissions. Our goals include eliminating greenhouse gas emissions (GHG) from our own operations by 2030 and reaching net zero across the value chain by 2039.

In our operations, we continuously optimise our energy demand through energy efficiency programs. In 2020 we achieved our target of sourcing 100% renewable grid electricity. Our priority now is to eliminate GHG emissions from heating sources (typically natural gas-burning boilers) across our manufacturing sites globally.

Unilever's long-term aim is for our thermal energy needs to be provided by zero carbon technologies such as electrification, ground or air source heat pumps powered by renewable electricity, green hydrogen or other emerging technologies. Where these technologies are currently unviable or unavailable, we believe that some limited use of biofuels can be acceptable, provided they are used judiciously and with appropriate safeguards in place.

To guide our business in its responsible use of biofuels as transition fuels for thermal energy, we have defined six principles to which we seek to adhere. We will apply these principles to all proposed biofuel projects in our own operations. We will also expect direct suppliers of biofuels, collaborative manufacturing partners and third-party supply chains to share these principles.

The principles are set out below.

Unilever's Biofuel Principles

Biofuels as a transition fuel for thermal energy

Unilever will primarily use biofuels as a transition fuel for thermal energy. We believe that biofuels ideally should not be used for power generation, which is better sourced from renewable power infrastructure, such as wind and solar. This ensures that overall demand for biofuels stays limited. In exceptional cases we may use biofuels in combined heat and power plants where electricity grid supplies are not stable or the carbon intensity of the biofuel for electricity from combined heat and power is lower than that of the corresponding local electricity grid.

No Deforestation

Growing plants for biofuels should not lead to further deforestation. We believe that feedstock for biofuels should not be sourced when there is a material risk that the biogenic material might come from deforested land or converted natural ecosystems.

Local Sourcing

We believe that biofuels should be sourced locally, and that transcontinental trading and shipping must be avoided. Where biofuels are used, we aim to establish short transparent supply chains and source biogenic materials within the region where they are used. This increases the likelihood that the total lifecycle emissions of any biofuels are minimised.

Food Security

Biofuel production should not threaten food security, distort local food prices or create economic hardship for local communities. Therefore, we will not source biofuels that are derived from crops for human consumption such as soybeans or rapeseed (except when mandated by national standards for blending biofuels into transport fuels). Instead, we will prioritise biofuels from wood and agricultural waste or from organic municipal waste, significantly limiting any food security impacts.

Greenhouse Gas Savings

To maximise the reduction in CO₂ emissions resulting from the switch from fossil fuels, we seek to only use the most efficient conversion technologies to turn locally sourced feedstocks into biofuels. Any use of biofuels should offer clear greenhouse gas savings across the entire lifecycle. This will ensure that any use of biofuel serves its overall purpose of reducing total GHG emissions to the atmosphere.

Circularity

Finally, we believe that where there are competing alternative local uses for the biogenic material - for example as animal feed, bedding or as organic input for fields - extra sensitivity is required. If using the material to produce biofuel prevents more circular uses, we will not choose it as feedstock for biofuel in that region.

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