

Industry body raises concerns over HUL's decision to reduce palm oil content in soaps

Our Bureau
Mangaluru

The Asian Palm Oil Alliance (APOA) has expressed concerns over the reported plans of Hindustan Unilever Ltd (HUL) to reduce the palm oil content in its soaps by 25 per cent.

In a letter to Rohit Jawa, Chief Executive Officer and Managing Director of HUL, Atul Chaturvedi, Chairman of APOA, it cited media reports that mentioned HUL's decision to reduce palm oil content in its soaps by 25 per cent.

Chaturvedi said this decision, which has been attributed to increased palm oil prices and environmental considerations, has significant implications for both the industry and sustainable development efforts.

Acknowledging that palm



oil prices are currently higher than before the pandemic, he said this increase is primarily due to rising input costs.

RISING INPUT COSTS

Palm oil prices are influenced by other edible oil prices, such as soyabean oil and sunflower oil. "To single out palm oil for unwarranted criticism appears a bit unfair and uncalled for. Moreover, commodity prices are influenced by demand and supply factors and palm oil is no different," he said.

Numerous studies in Indonesia, Malaysia and Ghana highlight palm oil's pivotal role in uplifting smallholder livelihoods and reducing poverty. Moreover, initiatives such as India's National Mission on Edible Oils - Oil Palm (NMEO-OP) underscore palm oil's critical contribution to economic empowerment.

He said replacing palm oil with cheaper substitutes undermines global efforts to secure living wages for workers and incomes for farmers.

Stating that HUL's environmental rationale warrants careful scrutiny, he said the efficiency of oil palm cultivation in terms of yield per hectare and resource use efficiency remains unmatched by alternatives. HUL has been a stalwart in promoting sustainability certifications like RSPO (Roundtable on Sustainable Palm Oil), yet redu-

cing palm oil use may undermine these efforts and jeopardize smallholder incomes, he said.

SEEKING EVIDENCE

Stressing the need to support smallholders, APOA suggested increasing procurement from smallholder farmers and aligning with NMEO-OP objectives to support sustainable livelihoods.

APOA recommended that HUL invest in joint initiatives with producers to enhance sustainability practices, including research into sustainable farming techniques and community development.

APOA's recommendation also asked the company to communicate its commitments to sustainable palm oil to stakeholders clearly, countering misinformation and supporting informed decision-making.