

Sustainable Palm Oil Toolkit

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List of abbreviations

CPO Crude Palm Oil

CSPO Certified Sustainable Palm Oil

FFB Fresh Fruit Bunch

GHG Greenhouse Gas

HCS High Carbon Stock

HCV High Conservation Value

HCSA High Carbon Stock Approach

HRD Human Rights Defender

NGO Non-Governmental Organisation

P&C Principles and Criteria

RSEP RSPO Smallholder Engagement Platform

RSPO Roundtable on Sustainable Palm Oil

RSSF RSPO Smallholder Support Fund

SCCS Supply Chain Certification Standard

STA Smallholder Trainer Academy

WWF World Wide Fund for Nature

What is palm oil?

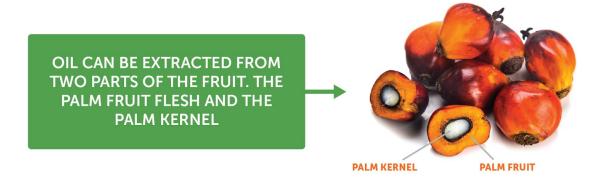
Palm oil is an edible vegetable oil produced from the fruit of the oil palm tree (*Elaeis guineensis*). It takes about three to five years for the oil palm tree to reach its full commercial potential and its productive commercial life is between 20 and 30 years. The oil palm will continue to produce fruit its entire life, however harvesting can become increasingly difficult, as the trees can grow up to 20 metres, and yields decline slowly as the tree ages.



Palm oil is made from the pulp of the fresh fruit that grows in big bunches nestled between the branches (known as palm fronds) of the oil palm trees.

There are two distinct types of oil that can be extracted from the oil palm fruit. The primary product is palm oil, obtained from the orange or yellow-coloured flesh of the fruit, which has many useful properties. The other type of oil that can be extracted is palm kernel oil, which is from the seed of the fruit.

Both palm oil and palm kernel oil have very different properties. Generally, palm oil is used for edible purposes, such as cooking and frying, while palm kernel oil is used for non-edible purposes, such as in cosmetics, soaps, and detergents.



Where is oil palm grown?

The oil palm tree originates from West Africa and only grows in the tropics, roughly 10 degrees above and below the equator. The trees are grown on oil palm plantations, as well as small-scale family

farms.



Today, Indonesia is the largest oil palm grower in the world, followed by Malaysia. These two countries alone make up about 85% of the world's total palm oil supply. Thailand is the third largest producer, where almost 70% of farmers are small-scale farmers, commonly known as 'smallholders'.



Interesting fact: Oil palm trees need less land than other vegetable oil crops. Other vegetable oil crops such as soy, sunflower and rapeseed actually use between 4-10 times more land than oil palm trees to get the same amount of oil.

How does palm oil get from the tree to you?

The palm oil supply chain is a big network and it involves many steps along the way before it gets to products on the supermarket shelves, and into your home. We'll explain more about the types of products that contain palm oil in the next section but here are a few examples:



Generally, once the Fresh Fruit Bunches (FFBs) have been harvested from the oil palm trees, within 24 hours, they are transported to the mill. The palm fruits will then go through a sterilising process. After that, the fruits are stripped from the bunch, and pressed to extract the Crude Palm Oil (CPO).

The CPO is then transported to refineries where it is refined, and eventually the palm oil is sent to manufacturing facilities, where it will be used as raw materials for food products, oleochemicals, and biofuels.

The palm kernels are processed for oil recovery using a solvent extraction process for seed oils.



What products contain palm oil?

Palm oil is an extremely versatile oil that has many different properties and functions, making it widely used in many of the everyday items found on supermarket shelves, ranging from pizza and chocolate to shampoo and toothpaste.

Palm oil has excellent cooking properties that can be maintained under high temperatures, and is used to give fried products a crispy and crunchy texture. In Asian and African countries in particular, palm oil is widely used as cooking oil for frying.

As it is semi-solid at room temperature, palm oil can be made into a smooth and creamy, spreadable texture. The absence of smell and colour also makes palm oil a perfect ingredient in many recipes, including baked goods like cookies. Additionally, palm oil can give products a longer shelf-life, naturally, as it is resistant to oxidation.



Is palm oil bad for nature and the environment?

When grown unsustainably, oil palm agriculture can have damaging impacts on the environment, potentially destroying the habitats of unique animal species, such as chimpanzees, elephants, gibbons, orangutans, and tigers, as well as tropical rainforest tree species like kempas, ramin, and meranti.

The Roundtable on Sustainable Palm Oil (RSPO) acknowledges that issues such as deforestation, labour rights, and damaging effects on nature and the environment are not uncommon in the agricultural sector, including palm oil, particularly when grown unsustainably.

However, when grown sustainably and in line with the RSPO standards known as the 'Principles and Criteria' (P&C), a space is created where palm oil agriculture and the environment can co-exist, primary and secondary forests are protected, and the habitats of wildlife are not harmed. In fact, a recent study of the first detailed Life Cycle Assessment (LCA) study comparing RSPO certified and non-certified palm oil production showed that RSPO certified sustainable palm oil has 35% lower global warming impact and 20% lower biodiversity impact from land use changes than non-certified palm oil produced in Indonesia and Malaysia.¹

Achieving a sustainable palm oil supply chain that respects biodiversity, natural ecosystems, deforestation, local communities, and workers in palm oil producing countries is indeed a global challenge.

One of the most urgent issues facing palm oil producing countries is deforestation and protecting peatlands, as well as the associated destruction of biodiversity. This has been a key area of focus and discussion for RSPO and its stakeholders, and was incorporated into the RSPO 2018 P&C by including the High Carbon Stock Approach (HCSA).

Does land clearing for palm oil cause haze?

Haze is an annual problem during drier summer months when monsoon winds blow smoke from fires mostly from Indonesia. Every year, thousands of hectares of land - forests or peats - are being cleared across the globe to make way for palm oil plantations. Under a practice called slash-and-burn, farmers cut down part of the vegetation on a patch of land and then set fire to the remainder. When the fire is started on peats, it is extremely difficult to control or stop. These fires produce a thick smog and release a huge volume of greenhouse gases.

RSPO

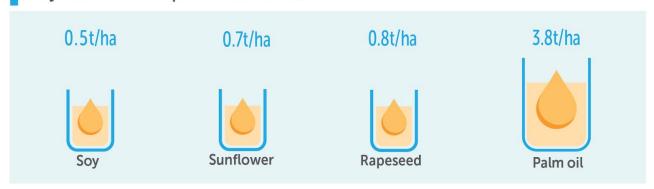
¹Comparative Life Cycle Assessment of RSPO-Certified and Non-Certified Palm Oil https://lca-net.com/publications/show/comparative-life-cycle-assessment-of-rspo-certified-and-non-certified-palm-oil /

Why can't we simply replace palm oil with other oils?

Although using other vegetable oils (such as sunflower, soybean, or rapeseed) seems like a practical solution, it would actually create similar, if not larger, environmental and social problems.

The success of the oil palm is due to the fact that it produces very high yields per unit area. At a global average of 3.3 tonnes of oil per hectare, the oil palm produces a higher per-hectare yield than any other oilseed crop and is thus the most efficient in terms of its land footprint. Palm oil is also relatively cheap and has a range of unique characteristics. For some products, it would be very difficult to find technical substitutes for palm oil.² As it currently stands, oil palm produces about 35% of all vegetable oil on less than 10% of the land allocated to oil crops.³

Comparison of global oil yields by crop plant Oil yields in tonnes per hectare (t/ha)



Source: International Union for Conservation of Nature (IUCN), 2018

The International Union for Conservation of Nature (IUCN), in its *Oil Palm and Biodiversity* report, stated that given other oil crops require up to nine times more land to produce the same amount of oil as the oil palm tree, its replacement would significantly increase the total land area used for vegetable oil production to meet global demand.⁴

Furthermore, a study by WWF Germany found that if palm oil was to be replaced by rapeseed, sunflower, coconut and soya oil, Germany would need five times as much cropland: 1.85 million hectares instead of 397,781 hectares. The already existing pressure on natural areas such as forests, wetlands and savannahs would be exacerbated by palm oil substitution.⁵

In its palm oil report, WWF Germany also stated that in many cases, only coconut oil could replace palm oil; however, an additional 309 million tonnes of greenhouse gas emissions would be generated, mostly in Asia, as a result of land use change. In addition, the loss of biodiversity resulting from palm oil substitution would equate to the species diversity contained in more than 640,000 hectares of tropical ecosystems or more.⁶

⁶ WWF, Palm Oil Report Germany - Searching for Alternatives, Deutschland, Berlin, December 2016.



² WWF, Palm Oil Report Germany - Searching for Alternatives, Deutschland, Berlin, December 2016.

³ IUCN, *Palm oil and biodiversity*, https://www.iucn.org/resources/issues-briefs/palm-oil-and-biodiversity.

⁴ "Saying 'no' to palm oil would likely displace, not halt biodiversity loss - IUCN report", June 26, 2018, https://www.iucn.org/news/secretariat/201806/saying-no-palm-oil-would-likely-displace-not-halt-biodiversity-loss---i ucn-report.

⁵ WWF, Palm Oil Report Germany - Searching for Alternatives, Deutschland, Berlin, December 2016.

Besides that, palm oil is an important crop for the Gross Domestic Product (GDP) of emerging economies and there are millions of smallholder farmers who rely on oil palm cultivation for their livelihood and to provide for their family.

Therefore, boycotting palm oil is not a realistic or sustainable solution. The best solution is to switch to *sustainable palm oil* rather than replacing palm oil with other vegetable oils.



Interesting fact: It is estimated that more than 3 million smallholder farmers make a living from palm oil globally. In Malaysia and Indonesia alone, smallholders account for about 40% of total global palm oil production.



What is the RSPO?

The RSPO is a not-for-profit, international membership organisation that unites stakeholders from the seven sectors of the palm oil industry - oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation non-governmental organisations (NGOs), and social or developmental NGOs - to develop and implement global standards for sustainable palm oil production. Such representation gives equal rights to each stakeholder group to bring group-specific agendas to the Roundtable and work together towards a common goal.



When and why was RSPO established?

In 2001, WWF commenced exploring the possibilities for a 'roundtable on sustainable palm oil'. The result was an informal cooperation among Aarhus United UK Ltd., Golden Hope Plantations Berhad, Migros, Malaysian Palm Oil Association, Sainsbury's, and Unilever, together with WWF in 2002.

In response to the urgent and pressing global call for sustainably produced palm oil, the RSPO was formed in 2004. The seat of the association is located in Zurich, Switzerland, while the secretariat is currently based in Kuala Lumpur, Malaysia, with a satellite office in Jakarta, Indonesia.







Some of the logos of the groups and organisations that started the RSPO

RSPO's vision and mission

Vision

To transform markets to make sustainable palm oil the norm

As a part of the RSPO membership, all members are required to commit to the spirit of shared responsibility, where the RSPO, as a system, is a facilitator of a solution, not a fixer. This supports the notion that the vision of RSPO is to transform markets to make sustainable palm oil the norm (not just to transform sustainable palm oil production).

Mission

RSPO aims to unite palm oil's key stakeholders and create a sense of shared responsibility among growers, manufacturers, refiners, retailers, investors, and NGOs, as well as governments and consumers. We do this via four key missions:

- To advance the production, procurement, finance, and use of sustainable palm oil products
- To develop, implement, verify, assure, and periodically review credible global standards for the entire supply chain of sustainable palm oil
- To monitor and evaluate the economic, environmental, and social impacts of the uptake of sustainable palm oil in the market
- To engage and commit all stakeholders throughout the supply chain, including governments and consumers.

RSPO Impact



19%
Proportion of global palm oil certified by RSPO



4,780RSPO members from around the world



160,256 Individual smallholders with RSPO membership



15.65 million tonnes
Volume of RSPO-certified
sustainable palm oil



96 countries
RSPO members come from every corner of the world



452,933 ha RSPO-certified, smallholdersmanaged area

*Data as of 31 March 2020

For the most recent data, visit www.rspo.org/impact/



What are the RSPO Principles and Criteria?

The RSPO P&C are the global guidelines for producing palm oil sustainably. The RSPO has defined seven principles and 40 practical criteria to define sustainable production of palm oil, which all companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO).

The RSPO P&C ensures that fundamental rights of previous land owners, local communities, plantation workers, and smallholder farmers and their families are respected and fully taken into account. Furthermore, any new land clearing after 15 November 2018 must be preceded by a High Conservation Value-High Carbon Stock Approach (HCV-HCSA) assessment and there is to be no new planting on peat. Other criteria with regard to social and human/labour rights have also been significantly strengthened in the latest standard.

The use of fire to clear land is also completely banned under RSPO's standards. Palm oil growers must also have fire prevention and control measures for the areas directly managed by the unit of certification and engage with adjacent stakeholders on fire prevention and control measures. RSPO also prohibits the planting of oil palms in peat of any depth. Using satellite technology, RSPO has been actively monitoring all detected fire hotspots within RSPO certified and non-certified concessions in Malaysia and Indonesia. RSPO's interactive map application GeoRSPO is publicly available and displays relevant data relating to members' concessions and land cover, including any active hotspots.

In line with the best practices of <u>ISEAL Alliance</u>, the global membership association for credible sustainability standards, of which RSPO is a member, the P&C must be reviewed every five years and subsequently submitted for adoption by the General Assembly of RSPO.

Now in its third cycle, the 2018 P&C was ratified and adopted at the 15th Annual General Assembly by RSPO members on 15 November 2018.

The RSPO 2018 P&C contain seven principles for growers to be RSPO certified:



RSPO's other certification standards

In addition to the P&C, RSPO has two other certification standards:

- RSPO Supply Chain Certification Standard (SCCS) to ensure the integrity of the trade in sustainable palm oil, i.e. palm oil sold as sustainable palm oil has indeed been produced by certified plantations
- RSPO Independent Smallholder Standard (ISH Standard) Adopted by RSPO members in November 2019 with the aim of improving smallholder livelihoods and increasing smallholder inclusion through a simplified approach to certification.

All of RSPO's certification systems involve third-party certification bodies. With these rigorous certification, a system of accreditation for certification bodies, an open and transparent grievance mechanism, supply chain certification to the end user, and traceability, provided via the PalmTrace system. That said, we are always working to further improve our systems.

What does it mean to buy a product that is RSPO certified?

RSPO certification ensures that all users and consumers are contributing to the production of certified sustainable palm oil, and thereby reducing the negative social and environmental impact of conventional oil palm cultivation.

To ensure the integrity of the trade in sustainable palm oil (i.e. palm oil sold as sustainable palm oil has indeed been produced by certified plantations), all actors throughout the supply chain are audited by third-party certification bodies. Independent and accredited third-party auditors, along with RSPO consensus-based decision making that includes all the key oil palm stakeholders, play a key role in certification, within a transparent system.

In addition, the establishment of an independent Complaints Panel and Assurance Task Force further demonstrates RSPO's commitment towards transparency and accountability.

What is the RSPO Trademark?

The RSPO Trademark was introduced in June 2011. It enables RSPO members to proactively demonstrate their commitment to CSPO and other sustainable palm-derived products. It's also a significant move to bring RSPO members closer to consumers.

Members can use the trademark in on-pack communications for products that contain RSPO certified sustainable palm oil. These ingredients must be sourced and be in compliance with one or more of the RSPO supply chain systems.

Since its launch, the RSPO Trademark has grown from 12 to 60 countries and it now appears on over 400 consumer products. The increase in RSPO Trademark use globally shows that many organisations are supporting sustainable practices.



RSPO Trademark



What are the various types of Certified Sustainable Palm Oil (CSPO)?

The palm oil supply chain, from the tropics to its use as an ingredient in retail products, is complex. RSPO ensures transparency and credibility of the sustainability claim of the palm oil supply chain through its SCCS and P&C. Any certified oil palm products can be traded through any of the four supply chain models that are approved by RSPO:

RSPO SUPPLY CHAIN CERTIFICATION STANDARD (SCCS)



Note: The Certified Sustainable Palm Oil (CSPO) may contain in various forms of raw materials or products.



How do the RSPO standards help protect nature, the environment and people?

Biodiversity



- To minimise the negative impact of palm oil production on the environment, the RSPO P&C prohibits deforestation or damage of any area(s) required to protect or enhance HCV areas or High Carbon Stock (HCS) forests, including secondary and peat forests, for oil palm plantations. Incorporating the HCSA, there are now requirements for the identification, maintenance, and enhancement of HCV and HCS forests. As at 30 March 2020, the total HCV set-aside area identified and managed by RSPO members within their certified concessions amounts to 214,840 hectares.
- The RSPO also established a No Deforestation Joint Steering Group (NDJSG) with the HCSA to oversee implementation of the standard and engagement with stakeholders in High Forest Cover Landscapes.
- Besides that, the RSPO has a New Planting Procedures (NPP), which consists of a set of assessments and verification activities that must be conducted by growers prior to new oil palm development. As at 30 March 2020, the total area subjected to NPP is 1,570,030 hectares across 16 countries.
- Through the P&C 2018, the RSPO also requires grower members to estimate and monitor Greenhouse Gas (GHG) emissions from existing plantations and new developments. As at 30 March 2020, a total of 1.2 million tCO2eq GHG emissions was avoided, which is equivalent to the annual emission of 236,567⁷ cars removed from the road. This was contributed by avoiding HCV and conservation set-aside areas during new development.

RSPO

⁷ https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Human rights



- The 2018 P&C ensures that adequate protection to the rights of workers (and their families) on plantations are in line with international and local standards, including International Labour Organisation (ILO), Sustainable Development Goals (SDG) principles, United Nations (UN) Guiding Principles on Business and Human Rights (2011), ILO Conventions on Forced Labour, Abolition of Forced Labour, Minimum Age, Worst Forms of Child Labour, and more.
- The RSPO requires members to have a formal policy on the protection of children, a
 documented process requiring stricter evidence of age screening, and training for
 company staff on child protection in both plantations and smallholder plots.
- All RSPO members are required to pay all workers a decent living wage, including those
 on piece rates or quotas, which will be calculated based on the Global Living Wage
 Coalition (GLWC) methodology. RSPO also prohibits payment of recruitment fees, debt
 bondage, and passport withholding. All overtime work must also be voluntary.
- Through the 2018 P&C, the RSPO also requires members to adopt a policy for the protection of human rights defenders, whistleblowers, complainants, and community spokespersons by RSPO members. In addition, the RSPO has established the Human Rights Defender (HRD) Hotline for at-risk individuals who have reported in good faith and on reasonable grounds against an RSPO member or affiliate.

Smallholder farmers



- Smallholder farmers are significant contributors to a sustainable oil palm industry. In Indonesia and Malaysia alone, they account for about 40% of total global palm oil production. However, smallholders generally suffer from lower yields due to lack of awareness and training on best agricultural practices, hence the RSPO wants to support more smallholders to become certified in order to produce more oil using less land, improve livelihoods, and reduce the risk of land conversion, which threatens forest, wildlife, and biodiversity.
- The RSPO provides support to smallholders in several ways, such as through the RSPO Smallholder Strategy, the RSPO Smallholder Engagement Platform (RSEP), and the RSPO Smallholder Support Fund (RSSF). Furthermore, the RSPO Independent Smallholder Standard was adopted in November 2019, as a simplified approach to certification that would present a lower burden for entry into the RSPO certification system.
- The Smallholder Trainer Academy (STA) was also launched in 2019 to help build the
 capacity of smallholders through access to high quality training, training guides and
 materials on practical tools, and agricultural best practices, etc. The STA aims to build a
 global community of master trainers and help smallholders to move towards more
 sustainable livelihoods.
- Through RSPO best management practices, certified smallholders are now reducing or eliminating the use of harmful pesticides and chemicals, replacing them with more ecologically sound alternatives. Most importantly, the farming communities learn the importance of protecting their natural resources. They acquire the tools and resources to do so through collaborations with RSPO members.

What can you do to support sustainable palm oil?

We can all do our part to ensure our palm oil is sustainable and deforestation-free to protect wildlife, the environment, and the people in oil palm producing countries. The best way to do this is to buy products and support brands that use RSPO certified sustainable palm oil.

Through your daily purchasing decisions, you can influence manufacturers by asking them to use the RSPO Trademark, if they are not already, or by supporting the companies who are already using the trademark.

- To find out if a company is a member of the RSPO, you can check <u>here</u>.
- Look for the RSPO Trademark logo on your favourite brands or products that you want to purchase. You can also check if a brand is using the RSPO Trademark here.
- The Cheyenne Mountain Zoo Sustainable Palm Oil Shopping App (available at the Apple Store and Google Play) is also a great resource to check if a product contains palm oil that is environmentally friendly and RSPO certified.
- Check the <u>WWF Palm Oil Buyers Scorecard</u> to find out how your favourite brands are performing on responsible purchasing of palm oil.



For more information on how to support sustainable palm oil visit www.rspo.org

Additional resources

RSPO RESOURCES

- RSPO's Work with Zoos and Biodiversity: https://bit.ly/3gaG4pQ
- The RSPO Halting Deforestation & Protecting Peatlands: https://drive.google.com/file/d/1goiYpumWzD0yKDjR1m9xUD7MRnDMNwVj/view
- Uniting to Deliver Deforestation-Free Sustainable Palm Oil: https://www.rspo.org/news-and-events/news/uniting-to-deliver-deforestationfree-sus-tainable-palm-oil-more-critical-than-ever
- More information at https://www.rspo.org

RESOURCES FROM ZOOS & NGOs

- Cheyenne Mountain Zoo Orangutans & Palm Oil: http://www.cmzoo.org/conservation/orangutans-palm-oil/
- Indianapolis Zoo Halloween Candy Shopping Guide: https://www.indianapoliszoo.com/wp-content/uploads/2018/09/Palm-Oil-Candy-List3.
 pdf
- Palm Beach Zoo Palm Oil Awareness:
- https://www.palmbeachzoo.org/palm-oil-awareness
- Taronga Zoo Raise Your Palm: https://taronga.org.au/conservation-and-science/act-for-the-wild/raise-your-palm
- WWF Palm Oil https://www.wwf.org.au/what-we-do/food/palm-oil#gs.2v5o1q
- Zoological Society of London Support Sustainable Palm Oil: https://www.zsl.org/about-us/sustainability-at-zsl/support-sustainable-palm-oil

ARTICLES AND REPORTS

- IUCN report Saying 'no' to palm oil would likely displace, not halt biodiversity loss: https://www.iucn.org/news/secretariat/201806/saying-no-palm-oil-would-likely-displace-not-halt-biodiversity-loss---iucn-report
- National Geographic Palm Oil is Unavoidable. Can it be Sustainable?:
 https://www.nationalgeographic.com/magazine/2018/12/palm-oil-products-borneo-africa-environment-impact/
- Verité Labor and Human Rights Progress in Sustainable Palm Oil Production: https://www.verite.org/rspo-pc/

VIDEOS

- Help Save Our Planet: Demand Sustainable Palm Oil: https://www.youtube.com/watch?v=0MBeUxkuhGw
- Our Planet Jungles: https://www.ourplanet.com/en/explore/jungles/
- RSPO Principles and Criteria: https://www.youtube.com/watch?v=GQ9HN-dyRFg
- RSPO Human Rights: https://www.youtube.com/watch?v=XJr_a0Dz5iw
- WWF video on why consumers should purchase products containing the RSPO trademark: https://www.youtube.com/watch?v=xbws00eLlr0&feature=youtu.be



The RSPO is an international non-profit organisation formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

www.rspo.org



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