



WWF

GUIDE

2014

Palm oil

Responsible purchasing of palm oil: a guide for manufacturers and retailers

Why do we need sustainable palm oil?

Many products found on retail shelves contain palm oil or its derivatives, including chocolate, baked goods, processed foods, cosmetics, pharmaceuticals, detergents and many others. Palm oil is a highly efficient crop and versatile oil, accounting for 65 per cent of all vegetable oil traded internationally. Global production of palm oil has increased tenfold since 1980, driven largely by population growth and rising incomes. Conservative estimates see at least a further 50 per cent growth by 2050.

The impacts of this rapid expansion of palm oil have been both positive and negative. On the one hand, oil palm has contributed to unprecedented economic growth and rural development especially in Southeast Asia. On the other hand, it has been a major driver of deforestation, destroying the habitats of critically endangered species, displacing local communities and contributing to harmful climate change. Palm oil buyers have a key role in ensuring that the future expansion of the industry has only positive impacts.

What can companies do?

By purchasing certified sustainable palm oil (CSPO) from responsible growers, companies can help stop the destruction of forests in Southeast Asia (the source of 85 per cent of the world's palm oil), Africa and Latin America. CSPO is palm oil that has been produced in plantations that

are developed and managed according to robust environmental, social and economic standards. By buying CSPO, manufacturers and retailers reinforce the incentives for their suppliers, and the palm oil growers they buy from, to act more sustainably.



PALM OIL AND DEFORESTATION

Recent expansion of palm oil plantations, especially in Southeast Asia, has replaced tropical rainforests which contain some of the world's most biologically diverse ecosystems and are home to endangered species such as orang-utans, elephants, rhinos and tigers. Oil palm plantations have also been linked to social impacts, including loss of land, air pollution, a decline in ecosystem services such as water quality, and disregard for the rights and interests of local communities.



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Who certifies sustainable palm oil?

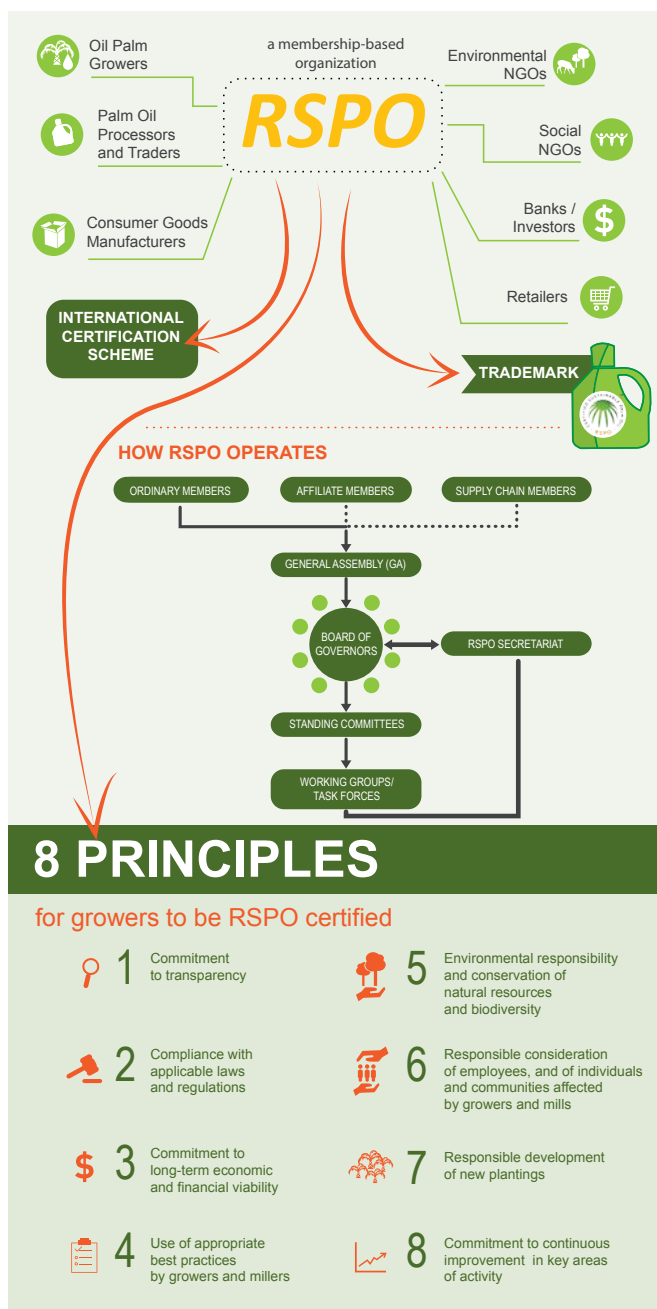
WWF believes that the **Roundtable on Sustainable Palm Oil (RSPO)** is the most credible, global standard for certifying the sustainability of palm oil. The RSPO is a not-for-profit association that unites stakeholders from across the palm oil industry to develop and implement global standards for CSPO production and trade. It includes environmental and social non-government organisations, such as WWF and Oxfam, as well as oil palm producers, processors and traders, consumer goods manufacturers, retailers, banks and investors. The RSPO website offers a range of useful information, including **guidance** for sourcing sustainable palm oil and an online **market directory** of where to source it.

WWF believes that the RSPO is the only independent, international standard and institution capable of transforming the global palm oil market. The RSPO is the benchmark for other standards and the minimum standard that responsible users of palm oil should adopt. At the core of the RSPO are eight principles addressing the key impacts of palm oil production (see graphic). WWF encourages retailers and manufacturers to join the RSPO, and to purchase CSPO as part of a time-bound action plan.

Recently, a range of other approaches to sustainable palm oil have emerged. These include standards developed by national governments and industries, such as the Indonesian Sustainable Palm Oil (ISPO) standard (based on legal compliance) and the Malaysian Sustainable Palm Oil (MSPO) standard. These standards can help ensure adherence with minimum good practice and legality but currently lack the wide acceptance, rigor and independence of the RSPO.

At the same time some palm oil growers, traders, manufacturers and retailers have committed to build on the RSPO principles and criteria in an effort to deliver more ambitious environmental and social outcomes. For example, the **Palm Oil Innovation Group (POIG)** aims to verify performance against a set of best practice indicators that build on the RSPO standard. These include additional measures and safeguards around issues such as greenhouse gas emissions, hazardous chemicals and traceability.

The table overleaf illustrates the actions and commitments that palm oil buyers can take in order to minimise their impacts and support best practice. The core of such a policy is a time-bound commitment to purchase CSPO. Building on the foundation of the RSPO, responsible brands should also demand best practice from their CSPO suppliers.



SOURCE: RSPO

A framework for responsible purchasing of palm oil

The commitments, actions and communications described below cover the use of palm oil products by any company, including palm oil, palm kernel oil, and any derivatives and fractions. They include disclosure of palm oil use, time-bound plans to move to 100 per cent sustainable palm oil, and regular reporting on progress toward this goal.

COMMIT

Make a public statement on palm oil and sustainability that demonstrates your commitment to source more responsibly.

- Publicly acknowledge the environmental and social impacts of palm oil.
- Announce your intention to start sourcing palm oil more responsibly.
- Join the RSPO and participate actively.
- Inform your suppliers of your plans to source sustainable palm oil and encourage them to join the RSPO also.

ASSESS

Assess your supply chain and start buying certified sustainable palm oil (CSPO).

- Develop systems to identify products containing palm oil and its derivatives, and relevant suppliers.
- Request documentation from your suppliers as to their sources of palm oil.
- Start buying physical CSPO (identity-preserved, segregated or mass balance) and cover the rest of your needs with book & claim/GreenPalm certificates.

ACT

Develop and implement a time-bound plan for the responsible sourcing of palm oil.

- Make a time-bound public commitment to purchase 100 per cent physical CSPO from responsible growers that are already or very close to 100 per cent RSPO certified and are demonstrating best practice (e.g. see [POIG Charter](#)).
- Develop a robust system to monitor progress.
- Seek assurance from your suppliers that they can meet your needs.
- Purchase increasing volumes of physical CSPO, where available.

PROGRESS

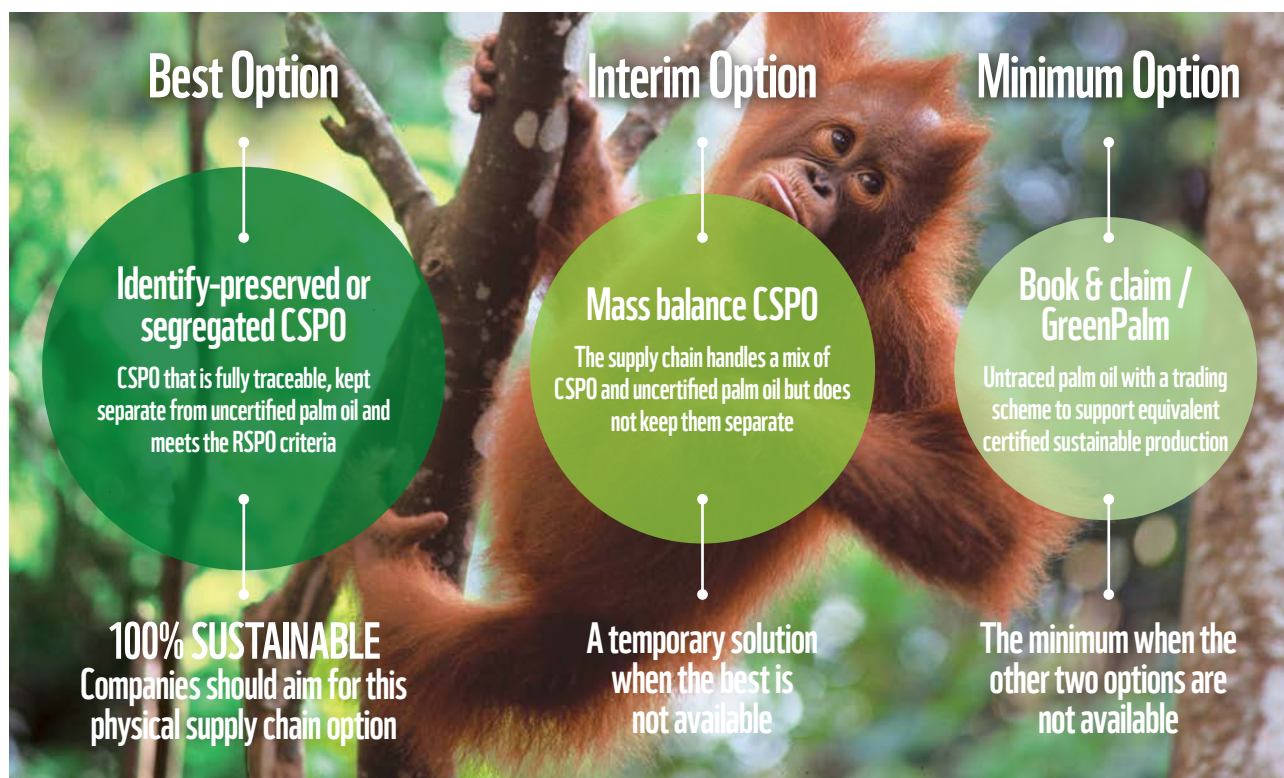
Demonstrate progress towards purchasing CSPO from growers implementing best practice.

- Report progress towards sourcing palm oil from RSPO members that are implementing best practice.
- Communicate progress to customers and other stakeholders.
- Encourage other businesses to follow your example.
- Ensure that unknown or unsustainable palm oil and its derivatives are eliminated from your supply chain.

What supply chains are available for sustainable palm oil?

There are currently four RSPO certified supply chain options that reward RSPO certified growers. Three of them (identify preserved, segregated and mass balance) also guarantee, to different degrees, a physical supply of CSPO to the end user. The fourth option (book & claim/GreenPalm) does not guarantee physical CSPO in the oil you buy but does match your palm oil purchases against a certified supply, allowing a brand to ‘support sustainable production’.

For more information on supply chain options for CSPO, visit http://www.rspo.org/en/RSPO_Supply_Chain_Factsheet



WWF and palm oil

WWF works with major companies and their supply chains to change the way key global commodities are produced, processed and consumed worldwide. By creating demand for more responsible products, significant environmental results can be achieved. WWF focuses its efforts on commodities and sectors with the greatest impact on priority places for biodiversity conservation and humanity’s ecological footprint.

As part of this effort, WWF seeks to ensure that forests of high conservation value (HCV) and habitats of important species are no longer threatened by the expansion of oil palm. WWF believes that this goal can be supported by promoting the use of CSPO, through cooperation with stakeholders throughout the supply chain.

	<p>Why we are here To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature. www.panda.org</p>
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