

Department for Environment, Food and Rural Affairs

UK statement on sustainable palm oil

## 3 years on progress report

November 2015

### Contents

|  |   |
|--|---|
| What is palm oil? .....  | 2 |
| What is sustainable palm oil? .....  | 2 |
| What progress has been made? .....   | 3 |
| Who is involved? .....   | 4 |
| Next steps .....   | 4 |
| Progress statement from each organisation that signed up in October 2012 and 2013..... | 5 |

In October 2012, UK sector associations with a significant membership interest in the supply or use of palm oil made a statement of their various commitments to sourcing sustainable palm oil under the overall heading “The United Kingdom is working towards achieving 100% sourcing of credibly certified sustainable palm oil by the end of 2015”. This is the 3rd update of the progress made by the organisations involved since the publication of the first progress report in November 2013.

## What is palm oil?

Palm oil is the world’s most used vegetable oil. It is a cheap and efficient commodity. Palm oil and palm kernel oil are widely used as frying fats and in biscuits, margarine, snacks and bakery products. They are also used in the production of biodiesel, in animal feed, in soaps and other cleaning products and in cosmetics. Palm kernel meal is used widely in animal feed. Fractions and derivatives of palm oil and palm kernel oil also have a wide range of uses.

The UK statement covers both palm oil and palm kernel oil, and the relevant sectors are also working to encourage sustainable sourcing of other palm products including palm kernel meal and palm derivatives.

## What is sustainable palm oil?

There is no one definition of sustainable palm oil. For the energy and transport sectors sustainability is legally defined in the EU Renewable Energy Directive and Fuel Quality Directive. Other sectors are free to use their own definitions. The contributions from the sector associations explain what sustainability means for them.

In practice, the market for sustainable palm is dominated by the Roundtable for Sustainable Palm Oil (RSPO) and so the term commonly means product certified to RSPO standards and criteria. There are 4 supply chain models for RSPO Certified Sustainable Palm Oil (CSPO)

- **Identity preserved** - The Identity Preserved (IP) supply chain model assures that the RSPO certified oil palm product delivered to the end user is uniquely identifiable to a single RSPO certified mill and its certified supply base. All supply chain participants must ensure that the RSPO certified oil palm product is kept physically isolated from all other oil palm sources throughout the supply chain (including other RSPO CSPO).
- **Segregated** - The Segregation (SG) supply chain model assures that RSPO certified oil palm products delivered to the end user come only from RSPO certified sources. It permits the mixing of RSPO certified palm oil from a variety of sources.
- **Mass balance** - The Mass Balance system allows for mixing of RSPO and non-RSPO certified palm oil in the supply chain provided that overall site quantities are controlled. It works through supply chain certification system with 3rd party auditing. The Mass Balance (MB) supply chain model administratively monitors the trade of RSPO certified oil palm products throughout the entire supply chain, as a driver for mainstream trade in sustainable palm oil. MB can only be operated at site level

(mass balance credits cannot be transferred from site to site). It helps to actively promote the physical supply chain in RSPO certified palm oil. There is a chain of custody of supply chain certification and 3rd party auditing, which allows end users to claim that their product contributes to the production of certified sustainable palm oil.

- The Mass Balance (MB) supply chain model administratively monitors the trade of RSPO certified oil palm products throughout the entire supply chain, as a driver for mainstream trade in sustainable palm oil. MB can only be operated at site level (mass balance credits cannot be transferred from site to site). The Mass Balance supply chain model allows each participant within the supply chain to demonstrate their commitment to sustainable palm oil production and to actively promote the trading of RSPO certified palm oil. The Mass Balance system allows for mixing of RSPO and non-RSPO certified palm oil at any stage in the supply chain provided that overall site quantities are controlled.
- **Book and claim (GreenPalm)** - CSPO produced by the certified mill can be converted into GreenPalm certificates. One GreenPalm certificate represents 1 metric ton of CSPO. GreenPalm certificates are offered on a web-based market and can be purchased by manufacturers, retailers and any other users of oil palm based ingredients who want to support the production of CSPO and do not have reasonable access to physical supply chains. The CSPO that is produced and supported enters the global supply chain as non-certified palm and the buyer of certificates continues to source oil palm based ingredients that may or may not be certified.

## What progress has been made?

We have come a long way since the launch of the UK Statement in October 2012 and the positive 2014 consumption analysis figures support the evidence that industry has made significant progress since 2012.

Building on the previous Annual Consumption Analysis reports of 2012 and 2013 the Central Point of Expertise on Timber (CPET) conducted a review of 2014 UK purchases of palm oil supported through the recognised RSPO supply chain models (Identity Preserved, Segregated, Mass Balance and GreenPalm).

This third annual review concluded that collectively the imports of segregated and mass balance certified sustainable palm oil and purchases of GreenPalm certificates by UK companies in 2014 were equivalent to an estimated proportion 72% (increasing from 55% in 2013) or 93% (increasing from 71% in 2013) of UK palm oil imports (excluding derivatives and finished goods) depending on the baseline trade data used.

Further details of total UK palm oil consumption and imports plus an explanation about the different data sources used can be found in the [latest annual review](#).

There is still more to be done collectively in the UK but there are reasons to be optimistic with plans by the European National Initiatives to work more closely together to achieve 100% sustainable supply chains in Europe by 2020 and the Consumer Goods Forum announcing a new set of guidelines on sourcing sustainable palm oil which should help UK businesses, SMEs and Government procurers to continue to make further progress. In-roads are also being made in some sectors in terms of securing sufficient supplies of

certified sustainable derivatives and fractions but there is still considerable work required to obtain certified supplies across the whole supply chain.

## **Who is involved?**

The organisations who have signed up to the statement represent Government, oil processors and distributors, food and drink manufacturers, retailers, animal feed manufacturers, contract catering and hospitality sector, renewable energy sector, cleaning products industry, speciality chemicals sector, and NGO's including WWF and ZSL.

A progress statement from each of the organisations involved is included below. The organisations have started from different places and they face different challenges. It is recognised that some sectors are making rapid progress whilst others are finding the transition more difficult.

## **Next steps**

Stakeholders met in October 2015 at the 8<sup>th</sup> UK Roundtable Sustainable Palm Oil meeting to discuss progress, achievements and challenges including future plans and direction of the group post 2015, as the current commitment is finishing at the end of December. Defra plans to meet with interested parties in the next few months to discuss options further.

Defra intends to produce another report in 2016 showing UK Consumption for Sustainable Palm Oil and a Fourth Progress Report, both covering performance in 2015.

## **Progress statement from each organisation that signed up in October 2012 and 2013**

A slightly different approach was taken this year on how to report achievements, progress and remaining challenges for the Third Progress Report. Sectors were asked specific questions to report on key developments and successes from their sector organisation since December 2014, alongside an overview of progress made since October 2012.

Where possible the signatories have also tried to give a summary of their percentage levels of sourcing of Sustainable Palm Oil in their sector.

### **Agricultural Industries Confederation (AIC)**

Since Autumn 2014 a number of companies represented on key Agricultural Industries Confederation (AIC) feed sector committees have committed to using sustainable palm oil through the purchase of GreenPalm certificates via the Book and Claim scheme. In the majority of cases this is achieved by asking their fat blend suppliers to purchase GreenPalm certificates to cover the volume of palm oil in the products they purchase from them.

Discussions on sustainable palm oil have also been held with the Feed Fat Association who supply the majority of the products containing palm oil to the compound feed industry, who in turn discuss this topic with their customers.

In October 2012 the use of sustainable palm oil by the industry would have been very low but it is now estimated that it exceeds 75% and by the end of 2015 is likely to be even higher.

The current challenge is still around the lack of focus on a feed material that makes up a very small proportion of the products used by the industry. This is exacerbated by the fact that many feed manufacturers purchase a blended oil which reduces the visibility of the palm oil itself.

### **British Association for Chemical Specialities (BACS)**

The British Association for Chemical Specialities (BACS) is a trade association whose members operate in the speciality chemicals sector of the chemicals supply chain. BACS has around 125 members, from multi-nationals to SMEs and sole traders, including chemical manufacturers, ingredient suppliers, product formulators, distributors, retailers and service providers, and operates a range of sector groups to cater for the diversity of members' interests.

The main palm products used by British Association for Chemical Specialities (BACS) members are palm derivatives, with palm kernel oil being the dominant source of the derivatives used. The supply chain for the processing and further processing steps carried

out by multiple derivative producers to manufacture a large range of derivatives is highly complex and suppliers are not yet able to provide users with confirmation that all the oils the materials are derived from are from sustainably managed plantations.

## **British Hospitality Association (BHA)**

The BHA represents over 40,000 hotels, serviced apartments, clubs, restaurants, food service, attractions and leisure companies. As the 'hub' for Hospitality and Tourism, the BHA's thought leadership, market know-how, intelligence and expertise, deliver a powerful voice to government, as well as reliable advice, valuable connections and strategic support to business.

Over the last year, the BHA has produced an overview and step by step guide on sourcing sustainable palm oil for the hospitality industry for members to gain practical advice on how to move towards sourcing sustainable palm oil.

At this stage in time the BHA are unable to calculate exactly where the sector is in achieving the 100% goal. As food service is towards the end of the supply chain, the BHA is aware that to be able to achieve 100% certified sustainable palm oil, there will need to be a cooperative effort between numerous industries and sectors

## **British and Irish Association of Zoos and Aquariums (BIAZA)**

During 2015 the British and Irish Association of Zoos and Aquariums (BIAZA) has made considerable progress in raising awareness about palm oil amongst its members and providing information and guidelines to support members in both the procurement of sustainable palm oil and in communicating the issue to the public. This has been achieved through the production of procurement guidelines, awareness and campaign materials, and communications in the members' magazine and refreshing of the palm oil section to the website. Further information is available at [www.biaza.org.uk/climate-change-and-sustainability/palm-oil](http://www.biaza.org.uk/climate-change-and-sustainability/palm-oil), but the procurement and campaign materials are available only in the members section of the website.

The BIAZA palm oil subgroup has progressed significantly since signing up to the UK statement in October 2013. The group have produced materials (mentioned above) and assisted members with their policies and increased their knowledge of palm oil. The group organised a conference to further inform and guide members with sustainable procurement, and a number of members have changed their policies to adopt sustainable practices.

Being a membership organisation, BIAZA guides members on best practice and has provided, and will continue to do so, guidelines for members on creating policies and procuring CSPO. However, achieving 100% CSPO is not a policy which BIAZA has adopted for its members although it does advocate this as best practice. At the last questionnaire, around 60% of members surveyed were working towards a sustainable palm oil policy. BIAZA will be surveying members again at the end of 2015 and will provide an update on numbers for the 2015 Progress Report.

Although good progress has been made in the sector, challenges still exist for those members looking to source CSPO, such as understanding the palm oil content use in the animal feed sector is prohibitive to reaching 100% CSPO. The animal feed sector is very much behind the food sector in terms of knowledge of palm oil and its derivatives use and obtaining accurate information from our suppliers is therefore another major challenge.

## **British Retail Consortium (BRC)**

Leading British Retail Consortium (BRC) members<sup>1</sup> sourcing palm oil aim to be using 100% certified sustainable palm oil by the end of 2015<sup>2</sup>. Reports show that by the end of 2014, BRC members were sourcing 91% sustainable palm oil, 87% of which was physically certified sustainable palm oil.

Many BRC members provide Annual Communications of Progress (ACOP) reports to the RSPO. As members of the RSPO they engage in the development of solutions and advocacy to support strong standard development and uptake of sustainable palm oil. There is strong UK retailer representation on the RSPO Board of Governors.

Sustainable palm oil requirements are often built into product specifications and many members hold final production facility RSPO supply chain certificates and confirmation from suppliers that ingredients are certified.

There has been a lot of progress in terms of volumes and availability of certified sustainable palm oil in the UK, even across the derivatives used by retailers. In food and non-food products there is now availability of the main derivatives by volume (eg. Sodium lauryl ether sulfate, a detergent and surfactant found in many personal care products) as certified sustainable.

There are still a number of barriers to reaching 100% sourcing of sustainable palm oil, partly due to its presence, often in very small quantities of derivatives, in thousands of products from a huge range of supply chains. Some minor derivatives are still not available as RSPO certified forms. This is particularly the case for derivatives used in non-food products, e.g. palm kernel oil based oleo chemical derivatives used in the household, health and beauty/personal care sectors. Challenges remain with ensuring chain of custody of certified palm oil through the supply chain as many smaller suppliers find the RSPO accreditation costs and process a barrier to becoming certified. This is a major concern where the ingredient in the end product is minor or a derivative. Many retailers are working collaboratively to strengthen the RSPO standard to ensure it reflects emerging knowledge on the value of high carbon stock forests and peatland and effectively promotes human rights within palm oil production. There is widespread recognition that

---

<sup>1</sup> BRC Members in support of this commitment are those that are members of the RSPO and have signed up to A Better Retailing Climate.

<sup>2</sup> The 2015 target refers to palm oil and palm kernel oil.

improving traceability from refinery to plantation is an essential step in giving retailers assurance that these requirements are being met, and UK retailers are actively supporting.

## **Business Services Association (BSA)**

The Business Services Association (BSA) is a policy and research organisation that brings together all those who are interested in delivering efficient, flexible and cost-effective services across the private and public sectors. Membership includes large contract catering service providers operating in schools, hospitals, prisons, military bases and workplaces in every region of the UK.

The BSA launched their statement in October 2012 and over the past 3 years has increased communications to members on issues around sourcing sustainable palm oil and work being undertaken through the UK Statement. Members have put palm oil high up the agenda and have met with CPET to discuss sustainable palm oil over the last year.

The BSA has had regular discussions with members over supply chain traceability, their complex supply chains and circulated information on implementing a sustainable palm oil roadmap to their supply chains. BSA members continue to recognize the importance of promoting sustainability in the way services are delivered.

The main issue contract caterers face as they endeavor to move towards 100% sourcing of sustainable palm oil is the complexity of supply chains and, therefore, the traceability of ingredients, particularly when they are a component part of complex products. Suppliers are working towards meeting the Government Buying Standards (GBS) on sourcing sustainable palm oil for food and catering products which come into effect by the end of 2015 and more assistance would be helpful in some instances.

## **Chilled Food Association (CFA)**

The Chilled Food Association represents manufacturers of chilled prepared foods, predominantly supplying the major multiples in the UK's retail market under retailers' own labels.

The UK's £12bn chilled prepared food sector has always been a minor user of palm oil. Nonetheless CFA members primarily supply the major multiples with predominantly own label foods and deliver their customers' aspirations.

CFA members are on track to meet the 2015 target with members reporting that they are currently within a percentage point or two of 100% sustainable palm oil (SPO).

CFA members' sites are predominantly RSPO certified and it worth noting there has been a significant shift from Green Palm Certificates to one of the other RSPO supply chain models. The main challenges for the CFA now are that some palm oil derivatives are still not yet available as mass balance supplies.



## **Federation of Wholesale Distributors (FWD)**

The Federation of Wholesale Distributors (FWD) is the member organisation for UK wholesalers operating in the grocery and foodservice markets supplying independent retailers, caterers and private businesses. Our members manage the distribution of goods around the UK with a total value of over £28billion. They make a significant contribution to the UK economy, employing 70,000 people directly, and support employment in associated industries by supplying 1million SMEs around the country.

FWD published its statement of intent on its website in October 2012. FWD members producing food sold under their own brand banner are committed to using only sustainable palm oil by 2015. Progress towards this continues to be made but is slow.

FWD foodservice members with public sector contracts are committed to compliance with the Government Buying Standards. FWD will continue to work with its members to move towards 100% procurement of sustainable palm oil. We will continue to raise awareness of the sustainable palm oil pledge among our members through our communications and meetings.

## **Food and Drink Federation (FDF)**

Food and Drink Federation (FDF) members continue to demonstrate their commitment to sourcing certified sustainable palm oil (CSPO). Our latest member survey shows huge progress has been achieved by UK food and drink producers since the national ambition launched in 2012.

At that time, only a handful of companies had achieved 100 per cent use of CSPO. We now find that more than 85 per cent of palm oil users buy only CSPO and this figure will exceed 90 per cent by the end of 2015. Many large buyers and a growing number of small and medium sized enterprises (SMEs) have gone further and now use only Roundtable on Sustainable Palm Oil (RSPO) certified Segregated or Mass Balance palm oil in their products. For large companies, this is the case both in the UK and at production sites elsewhere in Europe<sup>3</sup>.

Having successfully achieved their original commitments, leading businesses have published revised targets accompanied by detailed action plans to source palm oil that exceeds standards set by the RSPO. For example, companies have set out aims to ensure increased traceability along supply chains, to develop national capacity, strengthen engagement with smallholder farmers and reduce deforestation caused by unsustainable production of palm oil.

To achieve this, our members are working with multiple stakeholders, including the UN Development Programme, Governments, NGOs, suppliers and multi-stakeholder platforms

---

<sup>3</sup> Detailed statistics on CSPO use by UK manufacturers are not available because many large buyers operate centralised procurement operations across the EU.

on new initiatives to support the palm oil sustainability agenda and drive systemic change across the whole supply chain.

FDF continues to encourage and support food and drink producers on sourcing sustainable palm oil. Working with the Central Point of Expertise on Timber (CPET), FDF produced a step-by-step guide to help manufacturers of all sizes source 100 per cent CSPO. We have added to this resource with a supplier questionnaire template and detailed supporting Q&A: <https://www.fdf.org.uk/sustainable-palm-oil.aspx>.

Challenges remain for food and drink manufacturers, including the ongoing lack of availability of complex fractions and derivatives of palm oil and palm kernel oil. For certain palm oil products, the focus on establishing segregated supply chains has not allowed sufficient time for different supply chain models to develop. As a result, certified versions of these ingredients are not even available via Mass Balance.

RSPO membership and chain of custody audit requirements can be a barrier to small businesses engaging and communicating publicly on their use of sustainable palm oil. Manufacturers already face multiple customer audits and their uptake of sustainable palm oil could be aided by addressing the overall cost and disruption of audit requirements imposed on food and drink producers.

## **Federation of Wholesale Distributors (FWD)**

The Federation of Wholesale Distributors (FWD) is the member organisation for UK wholesalers operating in the grocery and foodservice markets supplying independent retailers, caterers and private businesses. Our members manage the distribution of goods around the UK with a total value of over £28billion. They make a significant contribution to the UK economy, employing 70,000 people directly, and support employment in associated industries by supplying 1million SMEs around the country.

FWD published its statement of intent on its website in October 2012. FWD members producing food sold under their own brand banner are committed to using only sustainable palm oil by 2015. Progress towards this continues to be made but is slow.

FWD foodservice members with public sector contracts are committed to compliance with the Government Buying Standards. FWD will continue to work with its members to move towards 100% procurement of sustainable palm oil. We will continue to raise awareness of the sustainable palm oil pledge among our members through our communications and meetings.

## **National Edible Oils Distributors' Association (NEODA)**

The National Edible Oils Distributors' Association (NEODA) is the trade association representing edible oil and fat refiners, processors, distributors and other sundry activities within the UK.

All NEODA refiner/processor members have RSPO membership, are committed to sustainability and offer a full range of certified products. NEODA members are committed to supporting the UK Statement initiative of working towards achieving 100% sourcing of certified sustainable palm oil by the end of 2015.

Members will continue to offer sustainable palm oil, (under whatever name or format it is sold), packed and distributed by members, from an approved RSPO supply chain. The key challenge continues to be to encourage uptake and expand the market to accelerate the progress towards meeting the commitments of sustainability by 2015.

## **Renewable Energy Association (REA)**

The Renewable Energy Association (REA) is a UK trade association representing British renewable energy producers and promoting the use of renewable energy in the UK. Our members include producers and suppliers of liquid and gaseous renewable fuels for the transport, power and heat sectors.

The REA has been and continues to be an enthusiastic supporter of the UK Sustainable Palm Oil initiative. In the transport sector, /as far as we are aware, renewable transport fuel producers do not use palm oil for the production of renewable fuel. The negligible quantities of palm oil biodiesel recorded are imported and blended by fuel suppliers.

Provisional statistics released by the Department for Transport on 6 August 2015 for the year April 2014 - April 2015 show that the share of all renewable fuels in transport fuel in the UK was 3%. Within this 3%, 1.2% came from palm oil (0.04% of total fuels). All of this has been sustainably sourced as biofuels must meet mandatory sustainability criteria in order to count towards the UK's renewable energy targets.

In the power and heat sectors the use of bioliquids from palm oil is nil. In both sectors, as in the transport sectors, strict sustainability rules apply.

## **Seed Crushers and Oil Processors' Association (SCOPA)**

The Seed Crushers and Oil Processors Association (SCOPA) is the trade association for companies engaged in oilseed extraction and oil/fat processing in the United Kingdom. SCOPA members have been in the position to supply 100% CSPO since 2012. It is worth noting that SCOPA members are all large multinational companies and long-standing RSPO members and their individual global and national commitments and progress have been publically stated.

SCOPA have seen a significant and growing demand for certified sustainable palm oil (CSPO) this year. There has been a 28% increase in sales of CSPO from SCOPA refiners for the year to June 2015 compared with the same period last year. Certified product represented 75% of total palm oil sales by SCOPA members in the year to June 2015 compared with 60% in the year to June 2014.

SCOPA refiners have been ready to supply 100% CSPO since 2012 and we have seen steep increases in demand for sustainable product in recent months. More challenging has been securing certified sustainable supplies of palm kernel oil and fractions, however there has been significant progress over the last year with these products.

Apart from minor supply glitches with fractions, the main hurdle is demand.

## **Sustainable Restaurant Association (SRA)**

The Sustainable Restaurant Association (SRA) is an organisation whose membership represent a broad spectrum of the hospitality industry including independent restaurants, groups and chains, contract caterers, universities, retail centres, train & aviation caterers all united in their commitment to sustainability. The SRA currently provides members with a factsheet on purchasing sustainable palm oil products and researches alternative suppliers of SPO for member restaurants.

The SRA ran a workshop in early September with CPET for their members on the issues surrounding palm oil cultivation and a walk-through FDF's five step guide to sourcing sustainable palm oil. Other strands of work include the continuation of working one-on-one with members in developing sustainable palm oil sourcing policies and helping them audit their supply chains for use of palm oil (this is a time-intensive task so its commitment is beyond 2015). On 5 October, the SRA took part in the Guardian's roundtable forum discussing consumer understanding and action and its progress towards a sustainable palm oil industry.

The SRA encourages, and assists, restaurants to produce sustainable palm oil sourcing policies to promote their intentions and actions for sustainable palm oil sourcing to their customers, suppliers and fellow restaurants. In that vein the SRA have recently launched a consumer-facing brand called "Food Made Good" which will give members an opportunity to engage with diners directly on palm oil sustainability. Future work includes a new 'campaigns' section on our website and the ability for members to sign up to a campaign.

The SRA feels there are a number of challenges for it being able to report on its progress and as a "small not-for-profit" organisation there is a limited amount of time the SRA can put into activities that are not core to our membership. At our recent palm oil workshop, SRA members also expressed concerns about how low palm oil is on their customers'/clients' sustainability agendas and competing sustainability priorities (as well as price as a major factor). The SRA feel that we can only represent our members and cannot speak for the whole of the hospitality industry and so are limited in the scope of our reporting.

## **UK Cleaning Products Industry Association (UKCPI)**

The UK Cleaning Products Industry Association (UKCPI) is the leading trade association representing UK producers of washing powders and liquids, fabric conditioners, bar soaps, hand and machine dish wash, household disinfectants, air care and polishes and specialist cleaners for use in kitchens and bathrooms. We also represent the interests of the

institutional and industrial (I&I) cleaning sector whose cleaning and hygiene products are used in hospitals, schools, care homes and catering environments.

The majority of members of the UK Cleaning Products Industry Association (UKCPI) are already long standing members of the RSPO. The preferred definition of sustainability for the cleaning products sector is use of one of the four supply chain mechanisms that are approved by the RSPO, i.e. physical purchase of identity preserved, segregated, or mass balance CSPO and purchase of GreenPalm certificates via the Book and Claim scheme. Some members all are already sourcing 100% via RSPO criteria.

In addition some companies are also implementing measures to ensure sources of palm oil and palm kernel oil are certified fully traceable and do not contribute to deforestation. Given the complexity of the palm oil supply chain a target date of 2020 is envisaged for this latter commitment.

## **UK Government**

The UK Government has been working closely with CPET throughout the year to continue to run the palm oil support service to advise Government procurers, suppliers to Government and other priority sectors, (hospitality, animal feed, small and medium sized enterprises) on the procurement of sustainable palm oil<sup>4</sup>.

CPET has held a number of webinar events for Stakeholders including the BHA, BIAZA, FDF, SRA and other companies based on the FDF 5-step plan to sourcing sustainable palm oil. Additionally CPET assisted the BHA in September/October in launching its guide to sourcing CSPO and helped with a SRA workshop on the issues surrounding palm oil cultivation.

The Government Buying Standard (GBS) for food and catering was amended in October 2012 to include a new requirement to procure palm oil, palm kernel oil and derivatives from sustainable sources. All food and catering products bought by central Government must meet these sustainability requirements by the end of 2015. This commitment is supported by the report by Peter Bonfield “A Plan for Public Procurement of Food and Catering Services” published on 21 July 2014. The Plan provides a toolkit for buyers and sellers which includes a balanced scorecard that describes the requirements suppliers need to meet. It sets out criteria for evaluating bids that relate to farm production standards, nutrition, resource efficiency, social – economic value and quality of service and allows these to be balanced against cost. The Plan has been developed in partnership with the food and drink industry, public procurers, researchers and farmers who continue to work Government to refine the procurement method set out in the Bonfield Report.

Reporting on the Greening Government Commitment (GGC) data on departments’ compliance with the food and catering GBS shows good progress over the last year. A

---

<sup>4</sup> <http://www.cpet.org.uk/palm-oil-folder>

large majority of departments which supplied information and who procure catering services, including Defra, state that they are making good progress towards meeting the commitment to source only sustainable palm oil by the end of 2015, with some already reporting sourcing of 100% sustainable palm oil.

The UK Government also participates in the European Sustainable Palm Oil “national initiatives” group meetings, alongside EU partners and other organisations. This group has developed guidance to others wishing to organise national palm oil initiatives and we contributed input and examples from the UK experience. Defra has taken part in a number of tele-conferences throughout the year and also presented at the European Palm Oil Alliance meeting in Amsterdam on 2 June.

The UK has also been working with the Tropical Forest Alliance, a partnership with governments and companies such as Unilever to promote sustainability in the palm oil, paper, soya and beef industries, as these four commodities account for a large share of global deforestation.

The UK Government continues to work with governments, private sector, scientists and civil society in a range of countries to incentivise sustainable palm oil production and reduce carbon emissions from that sector.

## **UK Petroleum Industry Association (UKPIA)**

The UK Petroleum Industry Association (UKPIA) represents the interests of nine member companies engaged in the UK downstream oil industry on a range of common issues relating to refining, distribution and marketing of oil products, in non-competitive areas. UKPIA's role is to inform its members of proposed legislation and related developments, and to help form and advocate the industry's position. UKPIA is also an authoritative source of information or reference on the UK downstream industry.

The DFT publishes biofuels statistics on its site at <https://www.gov.uk/government/collections/biofuels-statistics>

In the last reporting year (obligation year 6) the statistics showed that palm oil accounted for less than 5% of all biofuel used from all suppliers (UKPIA members and other suppliers) and this met the RED sustainability criteria.

In future obligation years all biofuels supplied will continue to meet the RED criteria and how members choose to meet any targets set is a commercial matter for them.

## **World Wildlife Fund (WWF)**

Since January 2015 WWF-UK have had a new staff member working on palm oil (alongside other agricultural commodities), specifically to work with UK companies on their supply chain sourcing work. In addition, they have worked across the wider WWF network to continue to influence the discussions within the RSPO and within wider policy circles e.g. on the potential EU deforestation action plan agenda.

Over the last 2 years much of WWF's work has been with major grower companies in producer regions (Indonesia and Malaysia). This work has focussed on better management practices and support to move towards RSPO certification. WWF have also published two pieces of work looking at the role that palm oil mills in Indonesia have in driving illegal land use conversion by independent producers that they source raw materials from. This work illustrates the risks within the supply chain but also the need for the industry to implement due diligence along the entire supply chain from field to mill to end user. WWF has had a growing focus on 'new frontiers' for palm oil production, in particular the Congo Basin countries.

WWF was a founding member in November 2012 of the Palm Oil Innovation Group (POIG) of NGOs and RSPO member producers who have since developed a Charter based on the RSPO standards and best practice that is being used to verify best practice by palm oil producers.

More recently HCS (high carbon stock) assessments have been the focus of many debates around responsible palm oil and are the basis of many of the company commitments we have been seeing. WWF joined Greenpeace, TFT and a number of companies using the HCS tool to establish a steering group which aims to develop the tool further and eventually to oversee the use of the tool by wider industry to ensure consistency and quality control over how it is used. The steering group also aims to integrate HCS with other tools like high conservation value assessments to ensure they build up into a practical but credible approach to cutting the link between commodity production and damaging deforestation.

Looking ahead a palm oil scorecard will be published in the first half of 2016 that will score companies, beyond their commitments made, but on their actions and achievements to source sustainably certified (RSPO) palm oil. It will therefore begin to assess which companies fully met their 2015 commitments to sustainably sourced palm oil. The scorecard will, for the first time, include a global array of companies which demonstrates the importance of this issue across all markets. The WWF-UK has its own internal procurement policy for palm oil that requires products containing palm oil to be RSPO certified.

WWF-UK supports the current UK sustainable palm oil commitment that signatories of the UK statement made on sustainable palm oil but this now needs to go faster and further given that the commitment ends later this year and may be unlikely to be fully met. All signatories need to review their steps to meet the 100% commitment as soon as possible including pushing the UK palm oil sector to take more urgent action and strive to be a leading example. Also work towards expanding the commitment to include other forms of palm oil, specifically derivatives, and also look to make a similar commitment to other deforestation commodities such as soy.

## Zoological Society of London (ZSL)

ZSL is an international conservation charity that has made significant progress in raising awareness about sustainable palm oil via its Sustainable Palm Oil Platform website ([www.sustainablepalmoil.org](http://www.sustainablepalmoil.org)), which has received over 155,000 views in the last year, representing a 52% increase in traffic on the previous period. ZSL launched the Sustainable Palm Oil Transparency Toolkit (SPOTT), which profiles and scores 26 palm oil producing companies representing over 20% of land under oil palm cultivation. Over 73% of companies improved their scores on SPOTT since the launch by an average of over four points. In November 2015, the website will be redesigned with updated content and assessments of 50 companies representing over 50% of land under oil palm cultivation.

ZSL also serves on the RSPO Board of Governors, and plans to submit resolutions at the 13<sup>th</sup> Roundtable conference in Kuala Lumpur, Malaysia this November. ZSL also regularly attends various meetings on sustainability issues, develops and operates international scientific and conservation projects to protect species and habitats, and engages visitors to its zoos in its own exhibits and scientific events. Reviews of its palm oil procurement procedures and policy are currently under way in time for completion in November/December 2015. ZSL hosted and co-organised a palm oil action conference for the British and Irish Association of Zoos and Aquariums (BIAZA) to inform and guide members on palm oil policy and procurement development and communication with over 40 delegates and guest speakers from AAK, Chester Zoo, CPET, New Britain Oils, Orangutan Land Trust, RSPO and WWF.

ZSL is on target to meet its commitment to sourcing 100% CSPO in all its visitor consumed foods by end 2015 and also hope to achieve this across its entire operations following completion of an internal review.

Although good progress has been made in the organisation, challenges such as understanding the palm oil content use in the animal feed sector is prohibitive to reaching 100% CSPO. The animal feed sector is very much behind the food sector in terms of knowledge of palm oil and its derivatives use, so getting accurate information from our suppliers is therefore a major challenge.

Further information is available via [www.sustainablepalmoil.org/spott](http://www.sustainablepalmoil.org/spott), [www.zsl.org/conservation/regions/asia/sustainable-oil-palm-in-indonesia](http://www.zsl.org/conservation/regions/asia/sustainable-oil-palm-in-indonesia), [www.zsl.org/conservation/regions/asia/sumatran-tigers-in-berbak](http://www.zsl.org/conservation/regions/asia/sumatran-tigers-in-berbak), and [www.zsl.org/about-us/sustainability-at-zsl](http://www.zsl.org/about-us/sustainability-at-zsl).