

Department for Environment, Food and Rural Affairs

UK statement on sustainable palm oil

1 year on progress report

November 2013

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“The United Kingdom is working towards achieving 100% sourcing of credibly certified sustainable palm oil by the end of 2015”

In October 2012 UK sector associations with a significant membership interest in the supply or use of palm oil made a statement under this heading of their various commitments to sourcing sustainable palm oil¹. This is an update of the progress made in the past year by the organisations involved.

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, and soaps and other cleaning products and cosmetics. Palm kernel meal is used widely in animal feed. Fractions and derivatives of palm 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. The RSPO has 4 approved supply chain models for its certified palm oil

- **Identity preserved** - The oil delivered to the end user is traceable to the particular mill and its supply base.
- **Segregated** - The oil delivered to the end user comes only from certified sources. Oils from different certified sources can be mixed.

¹ <https://www.gov.uk/government/publications/sustainable-production-of-palm-oil-uk-statement>

- **Mass balance** - Certified oil is tracked throughout the supply chain. It can be mixed with non-certified oil but the volumes of each are tracked and the correct proportions are sold as certified and non-certified.
- **Book and claim** - Certificate trading, where an oil mill can gain credits for volumes of certified oil produced and sell these to an end user. This is independent of the physical supply chain.

What progress has been made?

Alongside this statement we are publishing estimates for 2010, 2011 and 2012 of

- total UK palm oil consumption
- amounts of RSPO certified segregated and mass balance palm oil imported, and
- amounts of GreenPalm book and claim certificates purchased by UK companies.

The details are set out in the attached report.² Over the past 3 years

- Total UK palm oil consumption decreased between 2009 and 2010, and it has since remained steady.
- The amounts of RSPO certified segregated and mass balance palm oil have increased steadily each year.
- There has been a slight decrease in the amount of certified oil supported through purchase of Greenpalm book and claim certificates.

Overall, it is clear that the UK is moving in the right direction, with a steady increase in consumption of certified sustainable palm oil.

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 WWF.

A progress statement from each of the organisations involved is included below. The organisations have started from different places and they face different challenges. Some are making rapid progress, and others are finding the transition more difficult.

² For further details see CPET report – [UK Consumption of Sustainable Palm Oil](#)

This year three new organisations have signed up to the UK statement. These are the British and Irish Association of Zoos and Aquariums (BIAZA), the Chilled Food Association (CFA), and the Zoological Society of London. Their statements are also below.

Next steps

There is still plenty to be done. Areas of focus for further action on sustainable palm oil are the hospitality sector, animal feed, small and medium sized enterprises and palm oil derivatives.

New Statements from Organisations Joining in November 2013

British and Irish Association of Zoos and Aquariums (BIAZA) The British and Irish Association of Zoos and Aquariums (BIAZA) is a conservation, education and wildlife charity. Founded in 1966, it represents over 100 member organisations including all the significant zoos and aquariums in Britain and Ireland.

BIAZA and its members are deeply concerned by the negative impacts unsustainable palm oil production is having on species and habitats and fully supports positive steps being taken to limit these. With this in mind, BIAZA supports the UK commitment for 100% certified sustainable palm oil by 2015 and alongside this urges certification bodies such as the RSPO to further enhance evidence of biodiversity benefits within their schemes. Due to the severity of this threat to biodiversity BIAZA would also like to see suppliers being encouraged to switch to 100% segregated certified sustainable palm oil before 2015 wherever possible.

A number of BIAZA members have already taken steps to ensure unsustainable palm oil is removed from their supply chains as well as developing public engagement on this issue, raising awareness of the problems and increasing support for the solutions. With over 22 million people from a wide range of demographics visiting BIAZA zoos, aquariums and similar sites every year (over a third of the entire UK population), BIAZA members provide a valuable resource for public and wider engagement on palm oil. As large tourist and visitor attractions whose spending is over £500 million annually both on and offsite there is also a significant opportunity for BIAZA members to influence their supply chain, especially within key procurement areas where palm oil is found in zoos and aquaria including food within catering and retail sections, cleaning products and animal feeds.

With these strengths in mind, BIAZA is committed to support and assist its members by;

- Enhancing capacity to remove unsustainable palm oil from their supply chain by 2015.
- Encouraging every member to develop their own commitments and policies on palm oil.
- Developing a collaborative statement signed by members confirming their commitments, mobilizing action within zoos and aquaria nationally.
- Leading an increase in communication on palm oil and raising public awareness and support for a positive change toward a more sustainable palm oil future.

A BIAZA palm oil subgroup has been formed to take these actions forward. For more information on BIAZA please visit our website; www.biaza.org.uk

Chilled Food Association (CFA) *The Chilled Food Association represents manufacturers of chilled prepared foods, predominantly supplying the major multiples in the UK's ca. £10.5 billion retail market under retailers' own labels. CFA membership is granted only to those businesses demonstrating commitment to CFA's various hygiene and other guidelines and compliance with hygiene standards as demonstrated by successful audit (to either British Retail Consortium (BRC) or International Food Safety (IFS)), together with provision of other information confirming appropriate operation of food safety management systems.*

Whilst the use of palm oil is generally very limited in chilled prepared foods, resulting in the chilled sector not being a significant user the CFA is committed to using certified sustainable palm oil or Greenpalm certificates to cover all relevant products. CFA Members supply major UK multiples who are already committed to only sustainable palm oil usage by 2015, if not before, dependent on the retailer's policy. CFA Members producing the small numbers of chilled foods sold under their own brands are also committed to only sustainable palm oil usage by 2015. We are fully supportive of the use of only sustainable palm oil/fats and therefore of the proposed Statement of Intent.

Zoological Society of London (ZSL) The Zoological Society of London (ZSL) is an international scientific, conservation and educational charity whose mission is to promote and achieve the worldwide conservation of animals and their habitats.

ZSL has identified the irresponsible production of palm oil as a major threat to biodiversity and has a target to ensure industry transparency and best practice for natural resource use in production landscape. ZSL has worked on palm oil and biodiversity since 2001 both in the field and at the policy level and is working with the Roundtable on Sustainable Palm Oil (RSPO), industry, government and other stakeholders to ensure that the palm oil industry adopts and implements a sustainable model that safeguards biodiversity.

ZSL supports the UK commitment to 100% certified sustainable palm oil (CSPO) by 2015 and urges all stakeholders in the palm oil supply chain to comply; encouraging companies, where possible, to do so sooner and with 100% segregated CSPO. As an organisation, ZSL – to including ZSL London Zoo and ZSL Whipsnade Zoo – is also committed to sourcing products which contain 100% CSPO. We have obtained commitments from all our suppliers to procure only sustainable palm oil by 2015 and we are encouraging our suppliers to improve on this. We urge all other UK-based companies and organisations to do likewise through their supply chain and we are committed to raising public awareness of the importance of sustainable palm oil.

ZSL has also created an online resource – the Sustainable Palm oil Platform <http://www.sustainablepalmoil.org/> – to increase the information available on sustainable palm oil.

Progress statement from each organisation that signed up in October 2012

The **Agricultural Industries Confederation (AIC)** has been in discussion with its members regarding the commitment to move to using sustainable palm oil by 2015 and has also been communicating this to the feed industry customers, through their industry associations.

AIC has been monitoring the development of the sustainable palm schemes throughout the year and has met with GreenPalm to discuss potential opportunities for the feed industry.

It has been liaising with the UK Feed Fat Association to discuss the possibility of an all industry solution through the feed fat suppliers/blenders industry and it is pleased to report that the first Green Palm certificates were purchased by the feed industry during the last year.

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.

The **British Hospitality Association (BHA)** is the National Trade Association for the hospitality industry whose membership includes major Hotel chains, restaurants and contract caterers such as Hilton, IHG, Mitchells and Butler, Dominos, Whitbread, Sodexo, Baxter Storey as well as small and medium sized enterprises.

The BHA launched its statement in October 2012 and has continued to raise awareness of its members by arranging for CPET (the Government's sustainable palm oil advice providers) to speak to BHA members in June 2013 to discuss procurement and palm oil supply issues. Our contract caterers who provide catering and support services in the public sector are committed to compliance with the Government Buying Standards. The BHA will continue to work with its members to move towards 100% procurement of sustainable palm oil but in doing so we recognise the barriers created by the complexity of supply chains and the need to ensure complete traceability. We will continue to raise awareness amongst our members particularly small to medium enterprises through regular communication within our business update and website and membership meetings.

Leading **British Retail Consortium (BRC)** members sourcing palm oil aim to use 100% certified sustainable palm oil (CSPO) by the end of 2015 in their own label products. As of 2011-2012, BRC members were sourcing 92% sustainable palm oil, 58% of which was physically certified as either mass balance (MB), identify preserved (IP) or segregated (SG).

BRC members support the uptake of physical CSPO to accelerate supply chain transformation to sustainable palm oil. When physically certified material is not available, GreenPalm certificates are currently accepted as a means to offset production. If used as a temporary substitute to stimulate demand, these certificates can help to bridge the transition to sustainable production as long as users actively pursue and set targets around the adoption of physical CSPO within their supply chains.

BRC Members actively promote the uptake of physical certified sustainable palm oil (CSPO), in their supply chains and are working with suppliers to increase sourcing of certified physical palm oil, palm kernel oil and their derivatives into own label products.

Actions taken by retailers to support take up of physical CSPO includes:

- Use of RSPO trademark on-pack and/or website
- Public commitments and company policies specifying preference to RSPO where practical
- Delivery of supplier training on retailers' own palm oil sourcing policy and sourcing strategy
- Communication about sustainable palm oil and RSPO through websites, internal/external events and other media (i.e. publications, in-store magazines)

Challenges - Even though retailers are making excellent progress in achieving the 2015 goal, there are two significant barriers that are restricting the rate of uptake:

1. RSPO membership requirements for SMEs Claims about certified sustainable palm oil can only be made if all suppliers in the supply chain are certified to the RSPO Supply Chain Certification Standard (SCCS). To be eligible for this certification, suppliers must also be RSPO members. However, for hundreds of small and medium suppliers, as well as those that are only using a very small amount of palm oil, the resources associated with RSPO membership and certification are operationally and cost prohibitive. The effect of this policy is that there is a break in the supply chain, meaning claims about sustainability cannot be made and the CSPO effectively gets 'lost' in the supply chain, resulting in the underreporting of CSPO in the market (or 'claims leakage'). A revised SCCS system that allows for tiered membership appropriate to these companies would help to address these issues.

2. RSPO auditing system The real (and reported) rate of CSPO uptake is limited by the number of suppliers certified to the RSPO standard. Barriers to certification include associated audit costs and the availability of qualified auditors. However, greater harmonization of the RSPO standard to other supply chain schemes as well as to complementary standards, such as the BRC Global Standard for Food Safety, could reduce these barriers. Given the potential impact, we would therefore encourage the RSPO and its Members to allocate sufficient resources and support to the relevant RSPO

working groups to help them move forward in their thinking and make continual progress towards delivering such a system.

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 year has increased communications to members on issues around sourcing sustainable palm oil and work being undertaken through Defra including the UK National Statement. For example, sustainable palm oil has been included on the agenda of meetings of our Contract Catering and Hospitality Committee and we have circulated the CPET newsletters to all member companies, raising awareness of the helpline and resources available to companies. The BSA also brings sourcing of sustainable palm oil in to wider discussions around Government Buying Standards and traceability within supply chains.

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.

Many **Food & Drink Federation (FDF)** manufacturers are also RSPO members with long-standing public commitments to sourcing 100% certified sustainable palm oil (CSPO) by 2015 or sooner. RSPO's 2012-13 Annual Communication of Progress (ACOP) shows UK food and drink manufacturers are making clear progress towards achieving their commitments.

A number of leading manufacturers now source 100% CSPO using a range of available supply chain mechanisms and have started to put in place revised targets of sourcing only segregated supplies. Excluding overseas production, UK manufacturers reporting to RSPO sourced around 80% of their palm oil, palm kernel oil, derivatives and fractions sustainably, with more than three quarters of crude palm oil used coming from segregated sources.

FDF continues its efforts to raise awareness among small and medium sized manufacturers and is developing a webinar to inform small and medium sized enterprises about practical issues around sustainably sourcing palm oil.

FDF also participates in an EU-level group including RSPO representatives that looks at national approaches taken in UK, Netherlands, France, Germany, and Belgium. The group has developed a communications document on sustainable palm oil to help other countries seeking to take co-ordinated action on sustainable palm oil consumption.

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. NEODA members are committed to supporting the UK Government's 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.

As previously indicated, NEODA is working towards our objective that post-2015, the NEODA logo cannot be used on palm products unless the oil is from an approved sustainable source.

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. This includes producers and suppliers of biofuels.

Palm oil can be used in biodiesel for transport and in bioliquids for power and heat generation, but its use in the UK has all but ceased. Statistics released on 1 August 2013 from the Department for Transport show that of all of the transport fuel supplied in the UK, 3% came from biofuels (both bioethanol and biodiesel). Within this 3% less than 0.01% was derived from palm oil. This will have been sustainably sourced, since biofuels must meet sustainability criteria in order to count towards the UK's renewable energy targets.

In the power sector the use of bioliquids including palm oil is also almost nil. As in the transport sector, any bioliquid used in the renewable power sector must meet EU wide mandatory sustainability criteria in order to count towards the 15% renewable energy target. Bioliquids are not currently supported in the heat sector via the Renewable Heat Incentive. Government has consulted on including bioliquids in the scheme but again strict sustainability criteria will apply.

The **Seed Crushers and Oil Processors' Association (SCOPA)** members have been committed for many years to moving towards 100% sustainable palm oil sourcing. SCOPA members are all large multinational companies and long-standing RSPO members. Their individual global and national commitments and progress have been publically stated.

We continue to believe that market based mechanisms are the most effective means to drive greater uptake of sustainable palm oil and SCOPA members have continued to promote and encourage the use of sustainable palm oil.

SCOPA members will always respond to market demand and look forward to that demand being for 100% sustainable palm oil. We recognise the challenge of getting the message through to manufacturers, caterers and consumers to drive this demand. SCOPA has put in place a programme to collect data from members on sales of certified sustainable palm oil sourced using physical supply chain options and has provided industry data and statistics to assist the overall mapping of the UK sustainable palm oil market.

The **Sustainable Restaurant Association (SRA)** The SRA issued a press release about its stance on palm oil and our commitment to the 2015 target.

The association encourages restaurants to produce sustainable palm oil sourcing policies that will promote their intentions and actions for sustainable palm oil sourcing to their customers, fellow restaurants and suppliers.

The SRA has produced a fact sheet about sustainable palm oil³ and is distributing it to around all SRA restaurant sites across the UK. The factsheet provides a potted history of the industry and highlights the controversy around the demand for palm oil from unsustainable sources.

The SRA has called upon members to source sustainable palm oil wherever possible by asking suppliers to only use palm oil from RSPO or Greenpalm certified sources.

Moving in to 2014 the SRA will be providing its members with the tools it needs to audit their current purchasing to ensure that unsustainable palm oil products are removed. This pack will include an email template and auditing sheet that suppliers can easily fill in and return. The SRA then intends to produce a template policy on palm for restaurants to use and promote to their customers.

The majority of members of the **UK Cleaning Products Industry Association (UKCPI)** are already long standing members of the Roundtable on Sustainable Palm Oil (RSPO). The preferred definition of sustainability for our sector is use of one of the four supply chain mechanisms that are approved by the RSPO, i.e. includes physical purchase of identity preserved, segregated, or mass balance CSPO and purchase of GreenPalm certificates via the Book and Claim scheme.

In addition UKCPI and its European body (AISE) is considering making sustainable sourcing of palm oil a key criteria in their pan European Charter (a detergent and cleaning products industry sustainability initiative)⁴. This will mean the vast majority of European production will be engaged.

One member, Unilever, is pushing ahead to further source all its palm oil from traceable certified palm oil by 2020 (i.e. moving on from Greenpalm).

³ <http://www.thesra.org/news-events/publications/>

⁴ <http://www.sustainable-cleaning.com/en.home.orb>

The **UK Government** has set up a palm oil support service (run by CPET) to advise Government procurers, suppliers to Government and other priority sectors, (hospitality, animal feed, small and medium sized enterprises) on how to they should procure sustainable palm oil⁵. There are webpages and a helpline and 2 newsletters have been circulated to interested parties.

In October 2012 the Government Buying Standard (GBS) for food and catering was amended to include a new requirement about sourcing sustainable palm oil, palm kernel oil and derivatives. All food and catering products bought by central Government must meet sustainability requirements by 2015. CPET held a palm oil event to raise awareness about sustainable palm oil procurement for NHS Supply Chain and other Government procurers in Normanton Wakefield on 23 October 2013.

Government is also working with EU partners and organisations participating in the RSPO's "national endeavours" meetings. 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 attended the first RSPO European Summit in Berlin on 3 September to present UK progress and hear about the launch of new palm oil initiatives in France and Germany.

UK Petroleum Industry Association (UKPIA) The Department for Transport (DfT) published statistics in May 2013 covering biofuels used to meet the Renewable Transport Fuel Obligation (RTFO).

All biofuels used for the RTFO have met the Renewable Energy Directive (RED) carbon and sustainability criteria since those standards were introduced in December 2011.

The RTFO have recently reported on the year April 15th 2012 to April 14th 2013 and this data indicates that out of all biofuel used the level of biofuel derived from palm sources to be 0.13%. The report stresses that this data is for fuel to which Renewable Transport Fuel Certificates have been issued up to 15 June 2013 so for that reason it should be viewed as indicative rather than definitive (further information at link below⁶).

World Wildlife Fund (WWF) Internationally the main focus of WWF's work is with major grower companies in producer regions (Indonesia and Malaysia) with a growing focus on 'new frontiers' for palm oil production and in particular the Congo Basin countries. This work is focussed on better management practices and support to move towards RSPO certification. One stream of the work focuses on smallholder production and WWF

⁵ <http://www.cpet.org.uk/palm-oil-folder>

⁶ <https://www.gov.uk/government/publications/renewable-transport-fuel-obligation-statistics-period-5-2012-13-report-4>

Indonesia has helped the first group of independent smallholders to get RSPO certification in Indonesia.

Elsewhere WWF's main focus is on major consumer regions – Indonesia, India, China, EU and US. In particular we work with major multinationals operating in these markets to encourage them to source RSPO certified palm oil. Recent results have included the use of RSPO certified palm oil by Carrefour in their own-brand cooking oil in Indonesia.

Across Europe WWF colleagues are participating in a number of national platforms (France, Germany, Netherlands and Belgium) and working directly with companies to shift their sourcing to CSPO.

WWF will be publishing its international Palm Oil Users' Scorecard in 2013. It will cover EU, US, China, India, Indonesia, Japan and Australia and will cover approximately 100 RSPO members and 50 non-members. The Scorecard will be using RSPO data (from the Annual Communications of Progress) for RSPO members. It will be published at the RSPO annual meeting in November 2013;

WWF released a statement in April on the recent review of RSPO sustainability standards, expressing some disappointment that the new standards fail to clearly address some major issues such as GHG emissions. As part of the solution we will be working with progressive companies within the Palm Oil Innovation Group to encourage them to take proactive steps within the RSPO standards to show that they are acting at the top of their game. Despite our disappointment in the speed of the review we still support the RSPO as the only credible international standard for sustainable palm oil.

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