

# **BIAZA Palm Oil Procurement Guidance**



Produced by the Palm Oil Subgroup of the BIAZA Environmental Sustainability and Climate Change Working Group

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# **Executive Summary**

This document has been compiled by BIAZA's Palm Oil Subgroup and provides BIAZA members with the necessary information to help in establishing their own palm oil procurement policy.

It discusses the negative environmental and social impacts of unsustainable palm oil production, and presents the options which are available to palm oil users in order to minimise their contribution to these issues. Namely:

- Removing unsustainable palm oil from your supply chain
- Switching to physical certified sustainable palm oil (Identity Preserved, Segregated or Mass Balance supply chain options)
- Buying RSPO Credits, where other options are not yet available (recommended as a temporary solution only)

Sustainable palm oil procurement is described in seven easy steps and templates for audit processes have been made available as case studies along with a range of useful websites and resources are also included.

This document aims to help BIAZA members to make informed procurement decisions, and to feel confident in sharing strong messages with their staff and their visiting public. In leading by example and in informing our visitors, the BIAZA community have the potential to play a significant role in reducing the demand for unsustainable palm oil within the UK and Ireland, hence mitigating the environmental impacts of this growing industry.

# **Introduction**

The negative impact that unsustainable palm oil production is having on species and habitats is now well-documented. BIAZA fully supports positive steps being taken to limit these impacts and aims to encourage and facilitate a collaborative and participatory approach in reducing and mitigating these pressures. With this in mind, BIAZA supported the UK commitment for 100% certified sustainable palm oil (CSPO) by 2015 and will continue to support actions to increase the supply of sustainable palm oil being brought into the UK (See full BIAZA position statement, Appendix 1).

A number of BIAZA members have already taken steps to ensure unsustainable palm oil is removed from their supply chains, and some have made commitments to source only CSPO. BIAZA members are also actively developing public engagement on this issue, raising public awareness of the problems and increasing support for the solutions. Additionally, as large tourist and visitor attractions whose spending is over £500 million annually both on and offsite there is 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.

# Problems associated with palm oil

Palm oil is one of the most widely used ingredients in the world, and its production is driven by consumer demand for a broad range of products, including foodstuffs, cosmetics, cleaning products, and fuel.

Production of palm oil however can have serious negative environmental and social impacts. Millions of hectares of tropical rainforest have been destroyed in recent years to make way for oil palm plantations – most notably in Malaysia and Indonesia, and more recently becoming a global issue with increased production in West Africa and South American countries such as Colombia and Ecuador. This large-scale deforestation has huge implications for climate change due to the release of greenhouse gases from peat soils, as well as for many threatened species, including Sumatran tigers and both Bornean and Sumatran orangutans, which are being pushed closer to extinction as their habitat is destroyed and they come into increasing conflict with humans.

Palm oil production also causes social conflict when small farmers, local communities, and indigenous peoples lose the rights to their land. There have been numerous reports of workers' rights being violated by plantation owners. Human health has also been impacted through the annual fires which occur across Indonesia where land is cleared to make way for new plantations. The smoke from these fires spreads across southeast Asia causing health issues along with further habitat destruction.

# What are the keys ways in which you can make a difference?

# 1. Ask for certification of your palm oil products

In recent years, a number of accreditation schemes have been established which aim to identify sources of palm oil where steps have been taken to minimise the negative impacts of conventional production. The most widely recognised certification standards for sustainable palm oil have been developed by the Roundtable on Sustainable Palm Oil (RSPO) and are based on a set of principles and criteria that include the protection of primary forest and areas of high conservation value as well as the rights of local communities, plantation workers, and indigenous peoples.

When it is necessary to purchase palm oil products, the best option is to buy products that use RSPO Certified Sustainable Palm Oil (CSPO) rather than non-CSPO. By demanding that only CSPO be used in these products, retailers put pressure on manufacturers to source fully traceable sustainable palm oil, which in turn encourages oil palm growers and millers to adopt best practices for sustainability and increase their production of CSPO to meet this demand.

Ask your suppliers if their products contain certified sustainable palm oil and look out for the RSPO Trademark logo.

There are 4 RSPO CSPO supply chains, in order of decreasing traceability:

- Identity Preserved (IP, where CSPO is traceable to the mill where it was first processed).
- Segregated (where CSPO is kept separated from all noncertified palm oil throughout the entire supply chain).
- Mass balance (where certified palm oil is mixed with non-certified palm oil, and records of proportions of each are maintained and reported). This option is a compromise but may be useful as a temporary solution.
- Book and Claim (see RSPO Credits below), where physical supply chain options are not available.

For more information on CSPO visit www.rspo.org.

## 2. Buy RSPO Credits – Book and Claim supply chain

The Book and Claim system is very different from the other models as there is no requirement for physical traceability (CSPO does not have to be segregated or tracked) through the palm oil supply chain. Through the PalmTrace system and the Book and Claim supply chain, an RSPO-certified producer can trade one RSPO Credit for every tonne of palm oil they produce. RSPO-certified producers sell RSPO Credits to end users directly; redeeming RSPO Credits allows end-users to claim

support for specific volumes of sustainably produced palm oil and can claim to having 'contributed to the production of RSPO-certified sustainable palm oil'. It is the most flexible and cost effective way for end-users to claim their support of sustainable palm oil, but end-users cannot make claims about the actual physical content of their products.

This method is often used by businesses that do not yet have the necessary RSPO certification or supply chains required for physical CSPO, and so is often a viable option for businesses using fractions and derivatives of palm oil, for whom a certified segregated physical supply might not be available, or for those importing finished goods containing palm oil.

The RSPO PalmTrace system also enables palm oil smallholders, and land locked producers without a route to export, to benefit from demand for sustainable palm oil, by earning a premium for their certified production methods while continuing to sell locally. RSPO Credits is their only means of selling their sustainable



production, covering costs of RSPO certification and allowing future investment to facilitate improvement.

As a supply chain method that supports and incentivizes sustainable palm oil production, RSPO Credits remains a vital part of the 100% certified benchmark for business's palm sourcing.

Find out more about RSPO Credits and PalmTrace.

# 3. Boycotting palm oil?

Some stakeholders feel that accreditation schemes are not yet robust or transparent enough to ensure that certified palm oil is truly sustainable. Many are therefore taking a precautionary approach, choosing to avoid the use of palm oil altogether until there is greater confidence in the market. This can be an effective approach in ensuring zero use of unsustainable palm oil until an entirely ethical and environmentally friendly method of production is established and supported by a robust and transparent system of certification. However it is unlikely, due to the amount of derivatives of palm oil used in various products, that organisations could be completely palm oil free.

,The counter-argument however is that the production of palm oil is a significant source of employment and economic development in developing countries in the tropics and it is currently the most productive commercial vegetable oil crop per hectare, future increases in production seem inevitable. Therefore it is imperative that producers are engaged to strongly reduce their negative impacts. Europe buys only around 11% of the world's palm oil, and therefore many believe that a boycott in the UK would have no impact on preventing unsustainable practices continuing, with unsustainable palm oil being sold still to countries such as India and China.

Since vegetable oils are largely interchangeable, some stakeholders feel that boycotting palm oil may also not be a practical solution as it will serve to drive demand for less productive oil crops such as sunflower, rapeseed, and soya bean, which may have a worse environmental impact in the long term. By working with accreditation schemes, stakeholders are able to help improve their reliability, and the drive to encourage suppliers to move towards Certified Sustainable Palm Oil (CSPO) sourced palm oil has as one of its key aims the objective of increasing the supply of CSPO sourced palm oil. This will negate the argument that there is limited supply so there is no choice but to purchase non sustainable palm oil. In the first half of 2014 production sales of CSPO palm oil grew by 48% but the production is still higher than what is bought in the market.

While the decision to boycott or not lies with individual retailers, you may find that it is simply not feasible, given that palm oil is present in one form or another in over 50% of the packaged products sold in most supermarkets. It may be more practical to create a policy which represents a reasonable compromise, as it enshrines a firm commitment to sourcing CSPO and drives demand in the market, which will ultimately compel producers to adopt best practices for sustainable production in oil palm plantations.

For these reasons, BIAZA feel that supporting sustainable palm oil whilst working to improve standards is the most responsible solution.

# 4. Engage your supply chain to make a difference

It is important for all BIAZA members to actively engage with supply chains as this will drive demand for sustainable palm oil. Informed procurement of products containing palm oil will place pressure upon suppliers and ultimately growers to adopt best practices for sustainability. Establishing policies and procedures to eliminate unsustainable palm oil is not as daunting a task as it might seem, and we provide here a simple step-by-step guide to help you through the process.

# 5. Communicate!

Whatever option you choose, by communicating a clear message to your staff, suppliers, and customers about your position on palm oil and *why* you are taking action to achieve a sustainable and ethical supply chain, you will raise awareness of the issues related to palm oil production and thereby strengthen the demand for CSPO.

## Who else is doing this?

Many retailers have already made progress in sourcing CSPO. ASDA, Carrefour, Morrison's, Sainsbury's, and Tesco, among others, have commitments in place to source only CSPO in their own-brand products.. However, pressure also needs to be focused on third-party suppliers to take control of their supply chains and improve

transparency and sustainability. On the manufacturing side, several global brand leaders, notably Unilever and Nestle (UK), have made significant progress towards using CSPO, as have United Biscuits, Royal Friesland Campina, Burton's Foods, Cadbury, Premier Foods, and Remia. There are many different tools and scorecards available which have been produced to make it easy for consumers to find out which companies are meeting their targets and which are lagging behind. You can find some of these in our resources section here: www.biaza.org.uk/resources/sustainability.

# Developing sustainable palm oil procurement standards: 7 easy steps

The guidelines presented here are based on a case study of ZSL's palm oil procurement strategy and first-hand experience of implementing this throughout operations at ZSL London Zoo and ZSL Whipsnade Zoo as part of an ISO14001 Environmental Management System (EMS). This strategy covers a range of departments within ZSL, including internal catering, external catering, retail, animal department, and estates which would be commonly found in other Zoos and Aquaria. Within Zoos and Aquaria the main procurement areas where palm oil is found is within food in catering and retail, animal feeds and cleaning products. These procurement categories will form the core focus of your efforts when switching to sustainable palm oil. If your organisation already has an EMS in place, this procedure should fit easily within that system.

1. Develop a palm oil procurement policy that clearly outlines your organisation's commitments and timeframes.

This should include a communication strategy for encouraging others to become more ethical consumers of palm oil and to highlight your company's commendable efforts in this regard. If possible, have it signed off by someone senior in your organisation as a sign of your commitment to sustainable palm oil. As an example, see <u>ZSL's Palm Oil Policy</u> (page 13) and <u>Chester Zoo's Palm Oil Position Statement</u> (page 15).

2. Carry out a review of all products potentially containing palm oil that are procured by the different departments within your organisation. Check whether suppliers have a sustainable palm oil policy.

Be aware that many products contain 'hidden' palm oil in the form of palm oil byproducts or palm oil simply labelled as vegetable oil in the ingredients list.

For more information on what to look out for, refer to ZSL's guide on <u>uses of palm oil</u> in food and non-food products (page 17). This document is related to products used by ZSL and is provided as a case study example. You may wish to develop something similar for your own organisation.

As part of its UNLESS project to engage and inform consumers on the environmental issues associated with palm oil production, Philadelphia Zoo has produced a more detailed list of <u>common names for palm oil and palm oil derivatives</u> (page 19), which can be very useful when checking product ingredients for palm oil.

Given the large number of products that contain palm oil, you may decide to take a step-by-step approach, initially committing to a review of the food items you procure, leaving cleaning products and other groups to a later stage.

The product review is a simple process of gathering information on the use of palm oil by all of your suppliers. It is suggested that the following information be recorded:

- The name of the supplier
- The individual companies whose products they supply
- The types of products supplied
- Do these products contain palm oil? (as of date...)
- Does the supplier have a policy on sustainable palm oil? (as of date...)
- What are the supplier's key commitments to sustainable palm oil? (as of date...)
- Is this in line with your organisation's policy? (as of date...)
- The name, position, and email/telephone number of a key contact
- Date of last contact

All of this information can be stored in a simple tabular framework such as an Excel spreadsheet or you can use <a href="Chester Zoo's Audit Form">Chester Zoo's Audit Form</a> (page 21).

To help you manage your supply chain for sustainability, you may wish to consider joining an organisation such as <u>Sedex</u>, which provides a platform for information-sharing on labour standards, health & safety, the environment, and business ethics.

# 3. Inform suppliers of your palm oil procurement policy.

Once information has been gathered on the uses of palm oil by your suppliers and their commitments regarding CSPO, you will want to inform them of your own CSPO procurement policy. Ideally you should discuss the policy with them and identify the changes in your requirements of them as suppliers. For large-scale suppliers we suggest that you may wish to involve them in the development of your strategy, and in turn motivate them to generate one of their own. For all suppliers this is an opportunity to encourage them to publicly commit to sourcing CSPO within a stated timeframe, if they have not already done so.

It is important to ensure that your supplier is aware that **sourcing from RSPO members and/or purchasing RSPO Credits does not equate to purchasing CSPO**. Suppliers will need to provide certification from the RSPO, or if they are not RSPO members, certification from their palm oil supplier – as proof that they are sourcing and using sustainable palm oil in their products. Simple membership of the RSPO does not imply certification but that a company has made a time-bound commitment to becoming more sustainable.

For an example of how suppliers can be approached, see ZSL's <u>sample email for contacting suppliers</u> (page 20) and <u>Chester Zoo's questionnaire for suppliers</u> (page 21) which has been provided as a resource for BIAZA members and is available as a fillable form on the BIAZA website.

4. Review suppliers' commitments to CSPO and ensure that they are in line with your policy requirements.

Records of all your suppliers' and manufacturers' policies and commitments relating to palm oil should be collated and maintained, updating them as and when new companies are brought into your procurement. Include this information in the same simple table used for step 2 – <u>Chester Zoo's audit form</u> has been provided as a resource for BIAZA members on page 22 and as a fillable form on the <u>BIAZA</u> <u>website</u>. Company commitments can be tracked by consulting their <u>RSPO Annual</u> <u>Communication of Progress (ACOP)</u> available publicly on the RSPO website.

# 5. Change suppliers.

Once suppliers been informed of your new policy on CSPO procurement, if a company does not, or is unable to, adhere to your procurement policy, contractual obligations must be fulfilled and an alternative supplier found. However, always try and encourage suppliers to commit to sustainable palm oil in the first instance, and where possible offer assistance to facilitate this change. Be aware that it may take them some time to understand the issues surrounding the palm oil supply chain and to make the transition to CSPO.

# 6. Formalise this process and develop a palm oil procurement procedure.

Once this process has been tested, outline all the necessary steps to ensure that your organisation complies with its palm oil policy and the standards it wants to maintain in the long term. Develop this into a procedure and issue to all relevant staff.

## 7. Monitor, measure, and report on your success

It is important to set achievable targets and key performance indicators (KPIs) by which to measure your own success and identify where improvements are necessary. KPIs within your policy could include the percentage of your suppliers who are committed to CSPO or the percentage of products that contain CSPO. Reviews must be carried out periodically to ensure that suppliers have not changed their commitments.

Corrective action must be taken to address any failures identified, and your corrective action process should be outlined in your procedure. Bear in mind that companies can change ingredients so it is important to continue to monitor products that have a high chance of containing palm oil?

Important note on claims: Communicating your success to the public is an important step to raise awareness about the issues and let the public know that you are committed as an organisation. If you are an RSPO member, you can use RSPO rules on communication and claims to assist you. If your organisation is not a member, you cannot claim to be RSPO certified or use 'sustainable palm oil' wording on your ingredients lists if you create your own food product packaging. However, you can state in your public policy that you are only sourcing sustainable palm oil from your suppliers.

Report outcomes

## Useful weblinks, resources and references

#### Information

The Roundtable on Sustainable Palm Oil website: www.rspo.org

The Guardian - The Palm Oil Debate (and other useful articles and infographics)

ZSL's Sustainable Palm Oil Transparency Toolkit:

http://www.sustainablepalmoil.org/SPOTT/

UK Government statement on Sustainable Palm Oil:

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

Central Point of Expertise of Timber (CPET's) newsletters (contain guidance, news items and helpful information on sustainable palm oil):

https://www.gov.uk/government/collections/cpet-sustainable-palm-oil-newsletters

# Sourcing guidelines

Conservation International and WWF US - Sustainable Sourcing Guide for Palm oil users: <a href="www.conservation.org/publications/Documents/CI\_Palm-OilSourcing-Guide.pdf">www.conservation.org/publications/Documents/CI\_Palm-OilSourcing-Guide.pdf</a>

CPET guide – Appendix 11

#### Scorecards and product lists

Chester Zoo's Sustainable Palm Oil Shopping List

https://www.actforwildlife.org.uk/get-involved/take-conservation-action/take-the-sustainable-palm-oil-challenge/shopping-list/

The Rainforest Foundation UK's palm oil product guide:

http://www.rainforestfoundationuk.org/palmoil

WWF Palm Oil buyers' scorecard:

http://wwf.panda.org/what\_we\_do/footprint/agriculture/palm\_oil/solutions/responsible\_ purchasing/palm\_oil\_buyers\_scorecards/palm\_oil\_buyers\_scorecard\_2016/

#### Research papers

Hansen, J. 2013. Sustainable food procurement in British and Irish Zoos. British Food Journal, 116, 10. Pp1636-1651:

http://repository.essex.ac.uk/10451/1/Hanson\_Holt\_BFJ.pdf

# **Campaigns and Communication**

Chester Zoo's Sustainable Palm Oil

# http://www.chesterzoo.org/support-us/palm-oil

Zoos Victoria Don't Palm Us Off Campaignhttps://www.zoo.org.au/get-involved/act-for-wildlife/dont-palm-us-off

**Cheyenne Mountain Zoo Palm Oil Crisis Campaign** 

http://www.cmzoo.org/index.php/conservation-matters/palm-oil-crisis/

# Appendix 1: Sustainable production of palm oil: 2016 BIAZA Statement

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. The resultant deforestation is known to contribute to increased levels of greenhouse gases and additional pressure on endangered species. BIAZA fully supports positive steps being taken to limit these impacts. With this in mind, BIAZA supported the UK commitment for 100% certified sustainable palm oil by 2015 and will continue to support actions to increase the supply of sustainable palm oil being brought into the UK. Alongside this, BIAZA urges certification bodies such as the Roundtable on Sustainable Palm Oil (RSPO) to further enhance evidence of biodiversity benefits within their schemes and move towards conflict free palm oil.

BIAZA members are advised to take steps to ensure unsustainable palm oil is removed from their supply chains by sourcing products containing only certified sustainable palm oil. BIAZA members are also 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. Zoos are large visitor attractions whose spending is over £500million annually both on and off site. This gives BIAZA members a significant opportunity to influence their supply chain, especially in catering foodstuff, animal feed, retail products and cleaning materials.

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

- Encouraging every member to develop their own commitments and policies on sourcing sustainable palm oil
- Enhancing capacity to remove unsustainable palm oil from their supply chain
- 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 less unsustainable palm oil future.
- Engaging with RSPO and other certification schemes to improve the credibility of certified sustainable palm oil.

The BIAZA palm oil subgroup sits under the Environmental Sustainability and Climate Change Group and is tasked with taking these actions forward. For more information on BIAZA please visit our website; www.biaza.org.uk

# Appendix 2: ZSL's palm oil policy (2016)

The Zoological Society of London's (ZSL) mission is 'to achieve and promote the worldwide conservation of animals and their habitats'. ZSL is committed to ensuring that its mission and values are reflected in our procurement practices.

ZSL recognises that unsustainable palm oil production has serious negative environmental and social impacts. However, ZSL also recognises that the palm oil industry plays an important role in employment and economic development for many countries, and is currently the most efficient vegetable oil crop in terms of yield per hectare. Due to these factors, ZSL believes that transforming the market to a sustainable supply of palm oil that protects wildlife is the most practical solution.

As such, where ZSL procures products containing palm oil, it is committed to sourcing only certified sustainable palm oil (CSPO) where available, as a minimum defined by the Roundtable on Sustainable Palm Oil (RSPO) Principles & Criteria (available via <a href="http://www.rspo.org/certification">http://www.rspo.org/certification</a>).

# Specifically, ZSL is committed to:

- Ensuring that any food products sold by ZSL, which contain palm oil, are manufactured and prepared with CSPO only as procured through one of the following approved RSPO supply chain options:
  - 1. Identity preserved
  - 2. Segregated
  - 3. Mass balance
  - 4. Book and claim
- Undertaking regular reviews to identify the use of palm oil in other products.
   Specifically, ensuring that all palm oil in processed animal feed and cleaning products is CSPO by 2018.
- Reviewing this Policy every two years as a minimum, or in response to substantive emerging issues to ensure this is still relevant and reflects ZSL's stance on palm oil.
- Increasing public awareness of the debate surrounding palm oil and the role that sustainable palm oil plays.
- Reviewing our suppliers to ensure either their compliance with our policy or their education and engagement on our stance and conservation activities.
- Working to improve the wildlife conservation credentials of the RSPO standard and of global production in general.

In some instances, suppliers may produce products, which contain non-CSPO, but they must not supply these specific products to ZSL. In these cases, suppliers will be made aware of this Policy and ZSL will work with suppliers to encourage the use of CSPO across all their supply chains.

ZSL will ensure that its staff and external agents and contractors are kept aware of this Policy and their individual responsibilities. ZSL reserves the right to terminate its relationship with a supplier in the case of a breach of this Policy. ZSL will make this Policy publicly available on the sustainability pages of the ZSL website.

# Appendix 3: Chester Zoo's Palm Oil position Statement (September 2015)

Chester Zoo's mission is to be a major force in conserving biodiversity worldwide. We recognise that an ever increasing demand for natural resources is putting tremendous pressure on ecosystems and wildlife globally. We are committed to improving environmental performance, including sustainable resource use, in all of our business operations.

Chester Zoo is concerned about the deforestation, loss of biodiversity and greenhouse gas emissions which result from the unsustainable production of palm oil. We recognise the importance of the role of the palm oil industry to the economy in developing countries and acknowledge that as the cheapest to produce, most high yielding and versatile vegetable oil on the market, transforming the market to a sustainable and traceable supply of palm oil is the most responsible path. We believe boycotting palm oil would increase demand for other less efficient edible oils and have even greater environmental impacts.

Creating a market for Certified Sustainable Palm Oil (CSPO) is the first step to ensuring that the palm oil industry impacts as little as possible on the biodiversity of the regions it is grown in. The Roundtable on Sustainable Palm Oil (RSPO) has set the most widely recognised certification standards; we support this scheme but urge the RSPO to further enhance the scheme to move swiftly towards 'deforestation free' through a traceable and transparent process. We are encouraged by advanced schemes such as RSPO+ and the Palm Oil Innovation Group (POIG).

Our ethical business policy sets out guidelines for our own sustainable procurement. We have taken steps to remove unsustainable palm oil from our supply chain through annual supplier audits which ensure we meet our policy to use and sell food products which contain only sustainable palm oil.

Chester Zoo is committed to supporting the market transformation to a fully sustainable palm oil supply through engaging with various stakeholders locally, nationally and globally to find solutions to this conservation problem and to continue to influence many sectors in the palm oil supply chain and promote the use of sustainable palm oil, whilst also encouraging manufacturers and suppliers we work with to take steps beyond the criteria of RSPO. Through our field conservation programmes, we will partner organisations who are committed to protecting the biodiversity of areas impacted by unsustainable palm oil production and are working

with companies on the ground in palm oil producing countries to achieve sustainable production.

We recognise that increasing the demand for CSPO is essential and remain committed to actively promoting and raising awareness of sustainable palm oil use to a wider audience through our education and marketing channels and through Chester Zoo's Sustainable Palm Oil Challenge.

\*Our position statement refers to food products, animal feed, cleaning and personal care products. We will continuously review this policy.

# Appendix 4: ZSL's internal guide to uses of palm oil (case study example – August 2012)

# Use of palm oil within the food sector

Palm oil is predominantly used in confectionary, breads, pastries, margarines, and spreads. In December 2014, a new EU law on the provision of Food Information to Consumers (FIC), adopted by the Council of the European Union on 29 September 2011, came into effect. Under the new legislation, which applies to all member states of the European Union, the types of vegetable oil used in food products must be stated explicitly on the label. This means that manufacturers can no longer hide palm oil in their ingredients under the generic term 'vegetable oil'. However, retail and catering staff and their suppliers should be aware of the various guises in which palm oil and its fractionates could still be listed, mainly:

- Vegetable oil
- Palm oil kernel
- Palmitate
- Saturated fat content 50% or > then good chance it's palm oil
- Margarine highly likely to be derived from palm oil
- Cocoa butter equivalent (CBE)
- Cocoa butter substitute (CBS)
- Palm olein
- Palm stearin

Although E471 (Emulsifier) and other food additives can be derived from palm oil, it is unlikely that certified sustainable oleochemical derivatives will be widely available in the near future, therefore we recommend focusing initially on tackling the use of palm oil as a vegetable oil. This should be done by requesting either certification

evidence of current use of CSPO or a signed policy or time-bound action plan outlining a company-wide commitment to sourcing only CSPO by 2020.

If a company does not use palm oil, you should still request a position statement from them which adheres to your procurement policy in order to cover potential future use.

# Use of palm oil within the non-food sector

## **Cleaning products:**

Cleaning products contain oil-based chemical derivates in the form of oleochemicals; however, because oleochemicals are rarely differentiated based on the original feedstock, traceability is currently a major challenge. Some key industry players have begun working with their manufacturers and suppliers to identify the sources and encourage sustainable and responsible production and procurement practices. We recommend prioritising the purchase of products from those suppliers who source CSPO.

#### **Animal feed:**

Palm oil and palm kernel meal is a component of animal feed used for commercial livestock (such as cattle, sheep and pigs), pet food, as well as domestic and commercial fish food.

Currently there is little awareness of sustainability of palm oil in the feed industry, though there is evidence that this is starting to change. Palm Kernel Meal is often described as a by-product, and some have argued that for this reason sustainability concerns are not an issue. However, there are indications that this is changing, for example, in November 2010, GreenPalm (now known as RSPO Credits) introduced tradeable certificates for Palm Kernel Meal (PKM).

When procuring animal feed which contains palm-derived ingredients, make your suppliers aware that certification is now available for the sector and encourage them to cover their usage of palm kernel meal with RSPO Credits.

# Appendix 5: Common names for palm oil and palm oil derivatives

# These ingredients are definitely palm oil or derived from palm oil:

Cetyl Palmitate

Elaeis Guineensis

Epoxidized Palm Oil (UV cured coatings)

Ethylhexyl Palmitate

Hydrated Palm Glycerides

Octyl Palmitate

Palm Oil

Palm Fruit Oil

Palm Kernel

Palm Kernel Oil

Palm Stearine

Palmate

**Palmitate** 

Palmitic Acid

Palmityl Alcohol

Palmitoyl Oxostearamide

Palmitoyl Tetrapeptide-3

Palmolein

Saponified Elaeis Guineensis

Sodium Kernelate

Sodium Palm Kernelate

Sodium Palmate

# These ingredients are either derived from palm oil or coconut oil:

Cetyl Alcohol

Fatty alcohol sulphates

Isopropyl or Isopropyl Palmitate

Sodium Dodecyl Sulphate (SDS or NaDS)

Sodium Isostearoyl Lactylaye

Sodium Laureth Sulfate (in almost everything that foams)

Sodium Lauryl Sulfate

Sodium Lauryl Sulfoacetate

# These ingredients are often derived from palm oil, but could be derived from other vegetable oils:

"Other vegetable oils" (palm oil may be included under this term)

Cocoa Butter Equivalent (CBE)

Cocoa Butter Substitute (CBE)

Emulsifiers (some can be palm oil derived)

Glyceryl Stearate

Sodium Lauryl Lactylate

Steareth -2

Steareth -20

Steareth-21

Stearic Acid

# Appendix 6: ZSL's email to suppliers (case study example)

The text below is a sample email for contacting suppliers regarding their use of palm oil. It can be used for guidance and amended according to your specific policy on palm oil procurement:

Dear X,
Following a review of its supply chains as part of its sustainable procurement strategy, <i>Company name</i> has developed a policy on palm oil which it is outlining to all its suppliers.
As from 2017, Company name will only purchase products that contain RSPO-certified sustainable palm oil (CSPO) or from suppliers that have made a public commitment to source only RSPO-certified sustainable palm oil (CSPO) by 2020 at the latest.
This will require either a signed policy document and/or time-bound action plan from suppliers, even if their products do not contain palm oil.
By committing to sourcing products which contain certified sustainable palm oil (CSPO), Company name is committed to its mission (example from ZSL) 'to promote and achieve the worldwide conservation of animals and their habitats' and is encouraging companies to join them.
Thank you for your help in advance.
Kind regards,

# Appendix 7: Chester Zoo's Sustainable Palm Oil Questionnaire

# PALM OIL AUDIT QUESTIONNAIRE

This short questionnaire is designed to establish:

- · which of the products you supply to us contain palm oil
- · where the palm oil is sourced from
- what your plans are to move towards a target of 100% sustainably sourced palm oil.

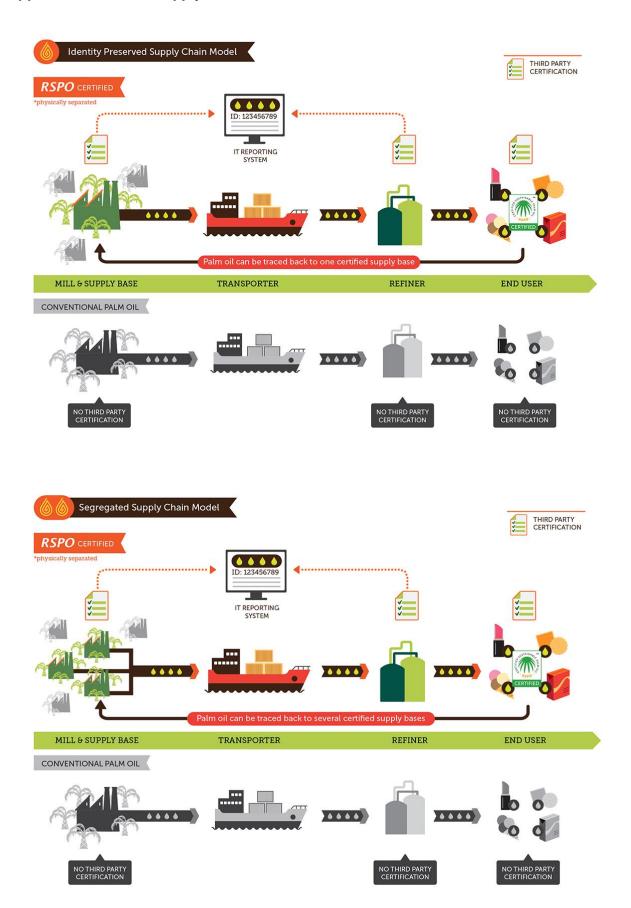
See Appendix 1 for a breakdown guide of the uses of palm oil and a list of the common names and derivatives that palm oil is traded under.

Do you supp	oly products to us that contain contain palm oil or derivatives?	Yes	No
If 'yes', plea	se state which products		
Are all prod	ucts containing palm oil from a sustainable source?	Yes	No
If yes, pleas	e state the supply source you obtain palm oil from (Please tick all that apply);		
Segregat	ted		
H '	Preserved		
Mass Ba			
Book and	d Claim		
Please prov	ide RSPO/CSPO certificates relating to the products you supply		
	acts that you supply to us, state that they use palm oil e packaging or the product itself?	Yes	No
Do you use	RSPO / CSPO trademarks on your products or its packaging?	Yes	No
Does your o	company have a palm oil policy and/or a time bound plan to source 100% CSPO?	Yes	No
If yes, pleas	e give details.		
	ike someone from Chester Zoo to contact you about how ecome a Sustainable Palm Oil partner?	Yes	No
If so please	state a contact name and number		
Name			
Address			
Email			
Phone			

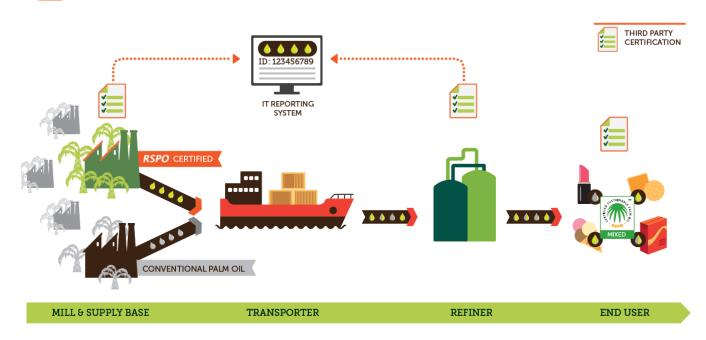
# SUPPLIER PALM OIL AUDIT

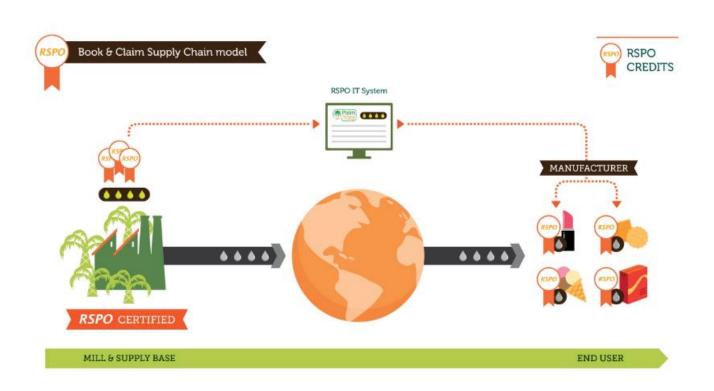
Supplier Name	Does the supplier use palm oil in any product supplied to your business?	Are all products supplied to your business from a sustainable source?	Segregated	Identity Preserved	Mass Balanced	Book & Claim	Do all products supplied to your business state that they use palm oil either/or on the product or its packaging?	Does the supplier use RSPO/CSPO certification on its products and/or packaging?	Has the supplier provided RSPO/CSPO certification for all products supplied to your business?	Date the certification expires?	Does the supplier have a tome-bound plan to be fully compliant with RSPO/CSPO ?	Date of Supplier Audit
Catering												
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
Cleaning												
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes 🔽	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	
	Yes	Yes					Yes	Yes	Yes		Yes	

# Appendix 10: RSPO Supply Chains



# Mass Balance Supply Chain Model





# Appendix 11: CPET Palm Oil Guide

# What can your business do?

Switching to sustainably produced palm oil helps buyers source their products responsibly.

No one definition of sustainable palm oil exists, but different schemes have been developed, including the Roundtable on Sustainable Palm Oil (RSPO). RSPO is a not for profit association of businesses and NGOs who have together developed sustainable production standards and a certification system to bring CSPO to market. Many businesses have committed to source only RSPO certified palm oil.

This simple guide sets out a step-by-step process to help food and drink manufacturers of all sizes get started on the journey of sourcing sustainable palm oil. It aims to help identify, prioritise and manage key palm oil supply chain risks and plan a strategic and actionable approach to sourcing palm oil more sustainably.

# 1) Check and map your use of palm oil

#### **Questions to consider**

- Which of your products might contain palm oil?
- What are the exact palm oil ingredients and quantities in your products?
- Is palm oil a critical ingredient for your business?
- Who are your immediate suppliers?
- Who supplies them? Think about suppliers all the way back to source.
- Can your suppliers provide accurate information on palm oil ingredients?

## **Getting Started**

- Find more information here:
   http://www.sustainablepalmoil.org/
   http://wwf.panda.org/what\_we\_do/footprint/agriculture/palm\_oil/
   https://www.gov.uk/government/groups/central-point-of-expertise-on-timber
- Use expertise from both within your business and outside, such as your trade association and other intelligence sharing networks, to help gather the relevant information
- Identify which of your products might contain palm oil
- Send out a questionnaire to suppliers on ingredients, amounts and sources of palm oil used in products, with a deadline
- Set up a system for storing data from suppliers using systems such as Sedex, SAP, and Ecodesk, or just a simple Excel spreadsheet
- Build a picture of your palm oil supply chain

# **Key Deliverables**

- Report detailing which of your products contain palm oil
- A visual and statistical map of your palm oil supply chain
- Improved awareness of palm oil use among key decision makers

# 2) Identify impacts, risks & opportunities

#### **Questions to consider**

- What are leading F&D companies and your direct competitors doing?
- Are your suppliers and your palm oil ingredients subject of media or other concern?
- What unique challenges do your suppliers face?
- What commitments have your customers made on selling products containing palm oil? Is it possible they will extend commitments on own-brand to branded products?
- Are your suppliers and customers active members of palm oil sustainability organisations such as RSPO or working with organisations such as TFT and WWF?
- Which of your suppliers are key? Are there alternative suppliers you could use?
- What are the risks of your business continuity, integrity, market presence, and reputation?
- With changes to on-pack labelling entering into force in 2014 making palm oil use more transparent to consumers, do you want to be able to make positive sustainability claims on your products?

# **Getting Started**

- Find out what commitments your suppliers and customers have in place on sustainable palm oil
- Engage your company in the topic ensure improved awareness of key environmental, social and economic impacts surrounding palm oil
- Identify opportunities for potential collaborative activities with existing suppliers and customers

# **Key Deliverables**

 Understanding of key risks and opportunities impacting on the competitiveness of your business

# 3) Make a commitment to sourcing certified sustainable palm oil (CSPO)

#### **Questions to consider**

- What are the different types of CSPO available?
- Will you face difficulties sourcing certified versions of any ingredients?
- What are the right commitments for your company?
- Do you have sufficient resources to manage and deliver your commitment?
- Does your commitment align with customer/consumer expectations?
- What will it cost to source CSPO?
- Do you need to be a member of RSPO?
- Do you want to make claims about CSPO in your products?
- Do you want to commit to only own brand? Or branded products too?

# **Getting Started**

- Get senior management buy-in identify how best to gain interest from senior management and seek formal sign-off of the company's strategy
- Map out who will manage the sourcing commitment within your business
- Understand the different types of certified palm oil available: http://www.sustainablepalmoil.org/standards-certification/
- Make a commitment to buying sustainable palm oil
- Consider joining the RSPO or organisations that help businesses source sustainable palm oil: <a href="http://www.rspo.org">http://www.rspo.org</a>

# **Key Deliverables**

- Senior management buy-in
- A time-bound commitment to source sustainable palm oil

# 4) Develop a roadmap to achieve your commitment

#### Questions to consider

- What are your specific goals and timeframes and how will you achieve them?
- Which certified supply chain option(s) are right for your company?
- How can you engage your suppliers in the roadmap development?
- Who is responsible for delivering different parts of your action plan?
- Do you have processing or manufacturing sites that could be certified as part of a sustainable palm oil supply chain?
- What are the benefits and costs of certifying your sites?
- What would you need to do to have these sites certified?

## **Getting Started**

- Consider devising measurable performance indicators along with improvement targets for suppliers and a Code of Practice for new suppliers where appropriate
- Communicate your commitment to suppliers
- Engage suppliers in roadmap development
- Agree a roadmap that clearly outlines your goals and timeframes
- Develop a system for monitoring progress
- Learn how to get your sites RSPO certified if relevant: http://www.rspo.org/files/docs/rspo\_factsheet\_scc.pdf

#### **Key Deliverables**

A roadmap that has been communicated to suppliers

# 5) Implement, track, review and communicate

#### **Questions to consider**

- Can your current suppliers supply CSPO, or ingredients made with CSPO?
   Can they supply sufficient volumes?
- What should your sourcing strategy be, considering value and volume among your products?

- What can you do if your current suppliers can't source CSPO?
- Are you doing what you need to do to get your sites certified, if relevant?
- How are you tracking your progress?
- If your suppliers/sites encounter a difficulty in meeting their commitments, how do you agree a practical solution?
- How are you communicating results to your suppliers and customers?
- How can you go further?

# **Getting Started**

- Ask suppliers to supply CSPO
- Consider buying Book & Claim (GreenPalm) certificates as a first step: http://www.greenpalm.org
- Consider buying from certified RSPO member growers that are even going beyond the basic requirements of the RSPO Principles & Criteria
- Consider investing in traceable supply chains of CSPO:
   <a href="http://www.rspo.org/files/begin/howtobegin/index.html">http://www.rspo.org/files/begin/howtobegin/index.html</a>
   <a href="http://www.wwf.se/source.php/1544267/RSPO%20SCCS%20factsheet.pdf">http://www.rspo.org/files/resource\_centre/keydoc/16%20en\_RSPO\_certification\_systems.pdf</a>
- If your suppliers can't comply, identify alternative options for sustainable products
- Agree a realistic solution with your suppliers when problems occur
- Formalise your buying process map out relevant roles and responsibilities
- Report outcomes and communicate your progress to employees, customers and suppliers with transparency
- Set a timetable to review your progress and commitment
- Market your efforts and raise awareness

# **Key Deliverables**

- CSPO sourced to meet your commitments
- Report for customers and suppliers
- Certified sites if relevant
- Greater awareness of your sustainability credentials in the marketplace