

Efeca template: sustainable palm oil policy

[Company name]'s sustainable palm oil commitment

[Company name] is committed to sustainable sourcing practices and recognises the need to source palm oil in a way that protects the environment and safeguards human rights. [Company name] therefore pledges to procure only sustainably sourced palm oil.

[Note: it will be important to consider the evidence you would like to use or provide to assure that you are procuring only sustainably sourced palm oil. This template is based upon the example of a company that wishes to use RSPO certification as assurance of meeting its goal. Whilst RSPO certification is the most widely used and recognised form of assurance in countries like the UK, other options may be available that your company may wish to use. These are described in the 'context' section below. You can also consider in your commitment which areas of your business you would like it to cover, for example whether it would cover all food and non-food products or just food products.]

1. Context: the importance of sustainable palm oil

[Company name] is committed to sustainable development of sourcing, production, and consumption practices.

Palm oil remains by far the most widely grown and commonly used vegetable oil in the world. Its versatility - solid at room temperature, resistance to oxidation and stable at high temperatures - means it currently represents 35% of all global vegetable oils used worldwide and can reportedly be found in around 50% of products on supermarket shelves. However, the farming of this edible vegetable oil continues to hold negative connotations among many consumers, with unsustainable production and unabated expansion leading to its association with climate change, human rights violations, and the destruction of some of the world's most biodiverse forests.

Palm oil is also one of the most efficient oils, requiring a fraction of the land used by other oil crops, and producing four to 10 times more oil per hectare. Banning palm oil could result in more land-hungry oils taking its place and a loss of income to smallholders and independent farmers who currently account for 40% of global production.

Over the past decade, there has been huge progress towards creating sustainable options for palm oil thanks to the efforts of organisations such as the Roundtable on Sustainable Palm Oil (RSPO). Working with industry, they have developed and implemented new standards for sustainability and certification schemes to ensure compliance whilst the global palm industry has invested heavily in overcoming supply chain and logistics challenges to improve traceability and availability of sustainably produced palm. In the most recent UK Sustainable Palm Oil Initiative progress report, 70% of palm and palm kernel oil brought into the UK could be reported as being certified sustainable palm oil (CSPO).

In addition to the RSPO, there are other options available to industry to verify sourcing of SPO. No Deforestation, no development on Peatland and no Exploitation (NDPE) policies continue to

develop in prominence, as does their capacity for verification through tools such as the Implementation Reporting Framework (IRF). In addition, government-led certification schemes such as Indonesian Sustainable Palm Oil (ISPO) and Malaysian Sustainable Palm Oil (MSPO), whilst less accessible to European industry than the RSPO, play an important verification role in producer countries. International Sustainability and Carbon Certification (ISCC) is another alternative form of certification, however this is commonly used for biofuel products rather than food.

Additional information about palm oil sustainability and the RSPO can be found at www.efeca-resource-hub.com

2. Time-bound action plan

[Below is a suggested timeline for action, or time-bound action plan. The exact targets you would like to include in your policy depend on your ambitions as a company, and level of progress that has already been made in sourcing sustainable palm oil. More information, for example on the different types of RSPO supply chain model you can purchase CSPO through, can be found on Efeca's Sustainable Commodities Resource Hub [here](#), under 'gaining certification'.]

[Company name] commits to the following timeline of action to achieve its goal of procuring only sustainably sourced palm oil:

By [year X] 100% of palm oil volumes used by [company name] will be covered by purchases of RSPO Credits.

By [year Y] 100% of palm oil volumes used by [company name] will be certified as RSPO Mass Balance, with progress being made towards sourcing RSPO Segregated material.

By [year Z] 100% of palm oil volumes used by [company name] will be certified as RSPO Segregated. At this point, the policy will be reviewed to consider how our sourcing of sustainable palm oil can be even further strengthened, for example by exploring options for further improving supply chain traceability.

3. Monitoring, reporting and verification

Our commitment will be achieved by assessing our supply chain to identify if and where procurement needs to be adapted to ensure sourcing of sustainable palm oil. This will be done by engaging with suppliers to work collaboratively to achieve our goal, and monitoring volumes of sustainable palm oil used by [company name] by verifying evidence provided by suppliers, for example of RSPO certification.

Progress towards meeting our commitment will be reported annually in accordance with the timeline for action set out above, and [company name] will endeavour to communicate about the importance of the action we are taking with other businesses and our customers.

4. Procedures

[Internally, it is important that you ensure procedures are in place to inform employees of mandatory steps to implement your policy. Procedures can be in the form of a checklist and can include step-by-step instructions. For more information on taking the actions necessary to

implement your policy, check out the [‘how do I carry out that action?’](#) step of the Efeca Sustainable Commodities Resource Hub.]

5. Compliance guidelines

[You can decide the extent to which you want your suppliers to have a stance on using sustainable palm oil. For example, you may wish to ensure that suppliers only use 100% sustainable palm oil across all operations, or that they have or are developing a time-bound plan towards achieving this, or you may decide not to have a supplier policy at all. This will impact any non-compliance measures you wish to outline in your company’s sustainable palm oil policy. The text below is an example of what could be used here].

[Company name] will work collaboratively with supply to ensure the requirements of our policy can be met or to develop options for supply of sustainably sourced palm oil that meets our requirements. Suppliers will be given an implementation window of [X months] to achieve this, in line with our timeline of action. If suppliers are still unable to provide sustainably sourced palm oil that meets the requirements of our commitment at this stage, [company name] will take appropriate steps to procure from alternative sources.