

Use of RSPO ACOP Data as a Tool for Engagement

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Efeca & CPET

- Efeca, founded in 2009, works on responsible sourcing of commodities
- Focus on monitoring and reporting
 - Regulations, market requirements, voluntary commitments
 - Range of tools: earth observation data, surveys, impact studies
- In 2012 became delivery partner for CPET, the Central Point of Expertise on Timber, expanded to cover palm oil and woodfuel

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Need for Improved Reporting & Monitoring



- Plethora of private sector initiatives, many with 2020 commitments linked to forest commodities – palm oil and others.
 - Zero/net/gross deforestation
 - Going beyond certification – wider sustainability issues (RSPO +, HCS etc)
 - Certification schemes adapting to changing landscape, broadening scope of application
- Public sector
 - EU FLEGT action plan for commodities, New York Declaration on Forests, SDGs
 - Member State commitments, bi-lateral agreements, eg Amsterdam declaration for palm oil
 - REDD +, other landscape drivers, climate change funds (NORAD)

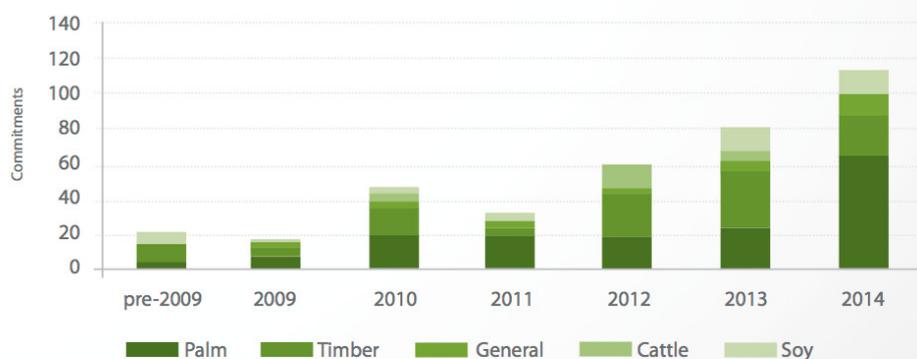
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Deforestation Reduction Commitments



Number of Commitments to Reduce Deforestation from Company Supply Chains

Source: Courtesy of Supply Change, a project of Forest Trends. 2015. www.supply-change.org



CPET and the UK Palm Oil Commitment

- UK Government funded Central Point of Expertise on Timber, and Palm Oil and Woodfuel, CPET
- CPET supports stakeholders in sourcing CSPO – workshops, newsletters, hotline, data templates, guidance notes, eg Food and Drink Federation 5 Step Guide
- CPET measures annual progress to meeting the target – Annual Consumption Report (ACR) – for previous 4 years

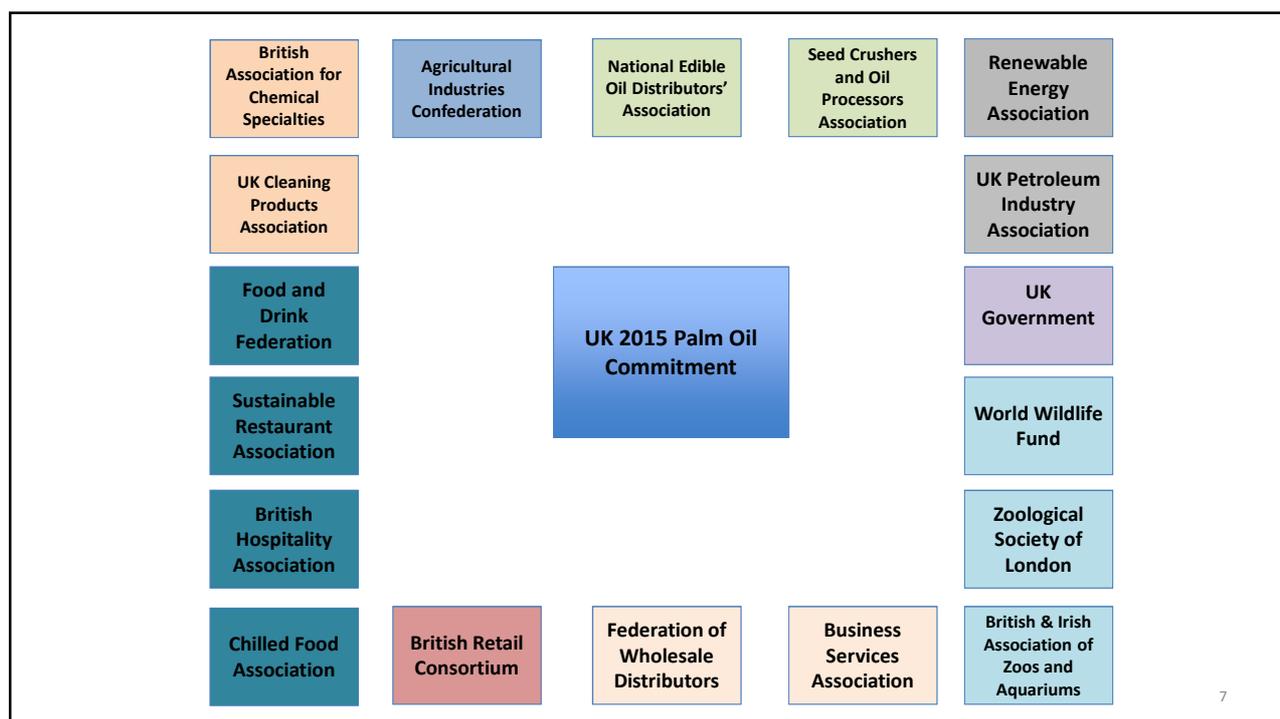


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The UK Palm Oil Commitment

- In 2012, Defra published the UK Statement on Sustainable Production of Palm Oil
 - “The UK is working towards achieving 100% sourcing of credibly certified sustainable palm oil by the end of 2015”
- Signed by trade associations for key palm oil using sectors , NGOs and Government
- The Netherlands, Belgium, France, Germany, Denmark and Sweden also launched sustainable palm oil initiatives
- Now until 2020: the Amsterdam Declarations on palm oil and deforestation

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Aims of Annual Consumption Report



- Track progress in sustainable palm oil consumption through:
 - Imports and sales of CSPO by UK refiners, as a proportion of total sales of palm oil and palm kernel oil in the UK
 - Purchases of GreenPalm certificates
 - Supplemented by RSPO ACOP data for UK Retailers and CGM
 - though this is not included in the total palm oil tracked as could represent double counting in some areas
- Does not include derivatives or imported finished goods – difficult to track

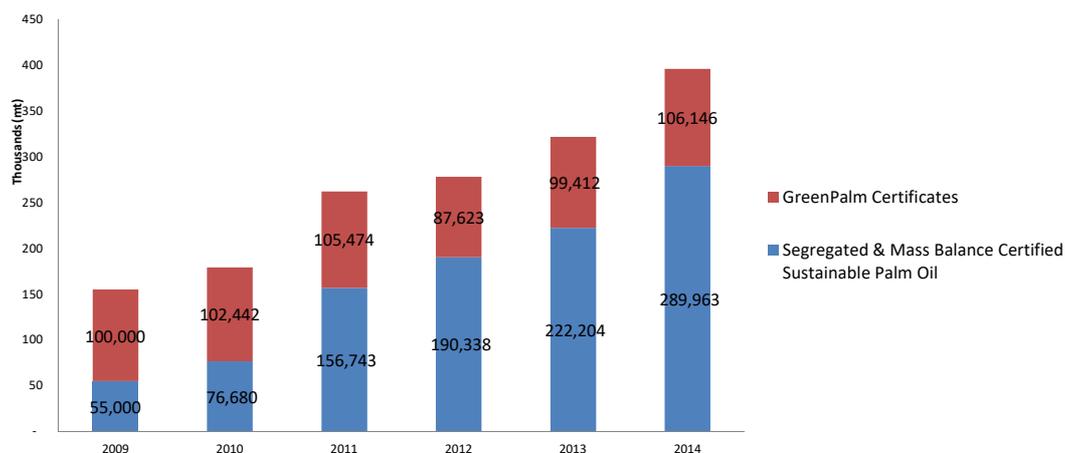
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2014 Findings

- Volume of sustainable palm oil in the UK continued to increase:
 - **396,109 metric tonnes (mt) in 2014** from:
 - 289,963 mt of Certified Sustainable Palm Oil (CSPO)
 - 106,146 mt of GreenPalm certificates
- CSPO is 72% of all UK imports and palm oil and palm kernel oil, using Oil World baseline data
- CSPO is 93% of all UK imports and palm oil and palm kernel oil, using FEDIOL data

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2014 Findings



Certified Sustainable Palm Oil purchases in the UK supported by RSPO supply chain mechanisms, from the 2009 baseline figure (Source: CPET analysis of UK refinery data, 2015)

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2014 Trends



- 2014 - an increase of 30% for Segregated (SG) and Mass Balance (MB)
- For Greenpalm a 13% increase
- Overall CSPO consumption more than doubled 2009 - 2014

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RSPO ACOP 2015



- Progress in finished goods - ACOP 2014-15
 - Reported downstream consumption of palm oil & sustainable palm oil
 - Consumer goods manufacturers – 558,981 tonnes up from 224,293 last year
 - Retailers – 55,675 tonnes up from 52,816 last year

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ACR Analysis Challenges



- Estimates of trade data for imports of palm oil and palm kernel oil vary and may be inaccurate
 - Oil World uses EUROSTAT (official trade data) but refines the data
 - FEDIOL uses only EUROSTAT data
 - 21% disparity b/w FEDIOL and EUROSTAT data
 - Tonnage of UK conventional palm oil consumption could be under or overestimated
- Timelines
 - 1 Year Lag time in receiving Oil World, FEDIOL and ACOP data
- Consistency in data
 - Data from UK refiners on CSPO usage – changed from imported to sold in 2013, though difference in figures is likely to be minimal
 - ACOP changing questionnaire – this year we were unable to report on total uncertified for Retailers and CGM

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ACR Analysis Challenges



- GreenPalm certificates for UK RSPO members
 - Represent companies who trade internationally
 - CPET did not include estimates for non-UK certificates
 - Low risk of double counting UK palm oil purchases supported by RSPO certification. This can happen if GreenPalm purchases are used to account for palm oil which previously held a physical claim as Segregated or Mass Balance, having lost the claim during progress down the supply chain (which may be unknown to the buyer)
- Lack of derivatives and palm oil in imported goods
 - Data very difficult to obtain and track

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Stakeholder Survey



- Key challenges noted:
 - Sourcing sustainable palm kernel oil
 - Justifying the price premium for CSPO
 - Tracking derivatives and sourcing CSPO derivatives
 - Increasing market access for smallholder growers
 - Encouraging the UK foodservice industry to source CSPO

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Post 2015 – Next Steps



- Mapping and estimating derivatives trade flows – in the UK and Europe
- Measuring palm oil imported in the UK in finished goods and ensuring its sustainability
- Switching to 100% physical CSPO usage and/or RSPO Next
- Working with international partners to increase the number and transparency of global CSPO supply chains
- Develop a European-wide methodology for measuring and monitoring palm oil usage, potentially with a scorecard approach
- Supply chain training, awareness raising
- Improved monitoring – real-time, satellite based

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European Initiatives



- Engagement with the Amsterdam Palm Oil Declaration
 - In December 2015, a group of national European organisations from Denmark, Germany, the Netherlands, Norway and the UK signed the Amsterdam Declaration in support of a “private sector-driven commitment to 100% sustainable sourcing and increased traceability of palm oil by no later than 2020”
- Second Amsterdam Declaration “Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries” by 2020

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Efeca and Rezatec



- Satellite Remote Monitoring and Reporting platform for Sustainable Commodity Management
 - Satellite imagery with 10x10 m resolution is combined with expert analysis to build a picture of the real-time and historical impacts of production.
 - Management tool for buyers and suppliers to measure progress in sustainable production commitments including Zero Net Deforestation
 - Piloted for 3 years with European Space Agency
 - Useful for commodity traders, plantation owners, consumer goods manufacturers and retailers linked to soy, beef, timber, palm oil, rubber, sugar, coffee, tea, cocoa, minerals or other commodity production

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Further Reporting Initiatives



- WWF Palm Oil Scorecard - looked at the performance of 137 retailers, manufacturers and food service companies on sustainable palm oil in 2015
- SPOTT – ZSL, Global Forest Watch - combines satellite mapping technology with in-depth performance assessments on 25 of the largest publicly listed companies that grow oil palm.
- PALM Risk Tool – Global Forest Watch, Unilever, Proforest and Daemeter - can identify palm oil mills with high historical deforestation and high potential for future deforestation
- Forest Trends' Supply Chain Report - Ecosystem Marketplace, CDP and WWF – captures data from 243 companies describing 307 commitments, snapshot of corporate commitments and performance

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Increasing the Use of ACOP Data



- Opportunities:
 - Increasing demand for monitoring and reporting on progress
 - Public sector, national commitments, wider EU etc
 - Private sector, CSPO and wider deforestation commitments
- Requirements:
 - Improve consistency
 - Ensure members know which metric to report in/ ensure ACOP data checks
 - Provide analysis of headline trends, issues, comparisons
 - Present data in a user friendly, graphic way
 - Make more real-time?

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Discussion - Potential opportunities?



- What information is required and in what format, what frequency?
- How can double counting be addressed?
- How to deal with derivatives?

- What monitoring and reporting outputs are produced?
- Is there a way to share data, analysis and reporting to avoid duplication of efforts and resources? Use of monitoring tools, earth observation data etc.
- Amsterdam Declarations?
- Linking with wider zero deforestation commitments

- How do we drive an increase in the volume of CSPO produced?

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Discussion

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