

Palm Oil Sustainability

Definition of Palm Oil

Oils derived from palm fruits are the most produced vegetable oils in the world and are extensively used in consumer goods. Palm oil is the edible vegetable oil derived from the mesocarp (reddish pulp) of the fruit of the oil palm, it is not to be confused with palm kernel oil derived from the kernel of the same fruit.

While palm oil is mainly used in food products, palm kernel oil is mostly used in the oleo chemical industry. However, in the following paragraphs, the words "palm oil" also cover the palm kernel oil. Growing demand for the oils has led to increased destruction of forested areas and peat lands with resulting impacts on biodiversity, climate change and the land rights of local peoples. As a result a number of European Member States including Belgium, France, Germany, the Netherlands and the United Kingdom have established national commitments concerning the importation of sustainable palm oil¹. This information letter outlines the current options concerning the sourcing of sustainable palm oil and derivatives for use in the manufacture of flavourings.

Sustainable Palm Oil

There is no one definition of sustainable palm oil, however the market is currently dominated by the Roundtable for Sustainable Palm Oil (RSPO). There are currently four supply chain models for RSPO Certified Sustainable Palm Oil (CSPO)² as summarised below.

- **Identity preserved:** CSPO is segregated and a batch of certified palm oil can be traced from farm to factory to retailer.
- **Segregated:** certified palm oil is kept segregated from non-certified palm oil, but is blended with other batches of CSPO and cannot be traced back to a specific plantation.
- **Mass balance:** Certified palm oil is mixed with conventional palm oil, but quantities are monitored administratively so that claimed volumes are matched.
- **Book and claim (Greenpalm):** Certified palm oil is not kept apart. Instead producers earn certificates, which they then sell to users (retailers, manufacturers) so that claimed volumes are matched.

Further information on how to source these certified materials is available on the RSPO website <http://www.rspo.org/>.

¹ <http://www.rspo.org/certification/national-commitments>

² UK Statement on sustainable palm oil 2 year on progress report December 2014 www.gov.uk/defra

EFFA encourages its members who use palm oil in their flavorings to make a commitment to progress towards 100% sustainable supply. It must be recognized however that challenges remain, particularly in the sourcing of sustainable palm oil derivatives³.

Palm Oil Derivatives

The primary derivatives of palm oil are liquid palm olein and solid palm stearin which are further fractionated and processed into a wide range of oleochemicals including natural and synthetic fatty acids, fatty alcohols, esters derived from these, aldehydes and glycerine, all of which have undergone some form of chemical step. The bulk of these derivatives are used for non-food applications including cosmetics, cleaning products, candles etc. and a small volume is used as raw materials for the manufacture of food additives and flavourings.

The derivative market is dominated by non EU countries⁴ and the supply chain for these products is highly complex. As a result it is recognized that there is currently a lack of availability of certified sustainable palm oil derivatives on the marketplace⁵. The RSPO together with users and manufacturers has founded a derivatives working group which has created a methodology for calculating the theoretical amount of parent oil that was used to manufacture certain categories of oleochemical derivatives⁶. This provides a mechanism for some derivatives to be traded with Greenpalm or mass balance certification. It must be noted however that these models assume that certified palm may be mixed with conventional palm and therefore it should also be assumed that individual batches of these derivatives may originate from both sustainable and non-sustainable sources. For this reason it may be not possible to confirm whether palm oil derivatives used to manufacture a flavouring are exclusively from sustainable sources.

Conclusion

The European flavouring industry supports the development of sustainable supply chains for palm oil derivatives and encourages its members to source certified materials where available, especially for direct use of palm oil and primary derivatives. However it is not possible for the flavouring industry alone to significantly influence the market. Given the highly complex derivative supply chain and the very small impact the flavouring substances derived from oleochemicals have on the overall palm oil market it is advisable to not make any “free from” palm oil claims unless a disclaimer is applied that excludes flavouring substances.

If you have further questions, please do not hesitate to contact EFFA at info@effa.eu or your respective national association.

EFFA Secretariat – 25 September 2015

³ <http://www.sustainablepalmoil.org/refineries-manufacturers/refineries/palm-oil-derivatives/>

⁴ <http://www.sustainablepalmoil.org/refineries-manufacturers/refineries/palm-oil-derivatives/>

⁵ UK Statement on sustainable palm oil 2 year on progress report December 2014 www.gov.uk/defra

⁶ CPET Newsletter July 2015