BASP

Progress report 2018

"Despite its relatively small size, Belgium is an important country for the import and use of palm oil."

BASP

Progress report 2018

Contents

Foreword 03

Chapter I — Palm Oil: a highly efficient crop 04

Introduction 04

Palm oil in the world 04

Palm oil in Europe 06

Palm oil in Belgium 08

Chapter II — BASP 10

A What is BASP? 10

B Mission, vision, commitment 10

C Achievements & challenges 12

Chapter III — The Way Forward 15

Chapter IV — Attachments 17

A Definitions 17

B BASP Charter December 2015 18


“We are aware of this ongoing negative impact where palm oil is being produced unsustainably. BASP shares the widespread concern about these issues.”

Foreword

‘Palm oil, an indispensable resource for a sustainable future’

Palm oil, palm kernel oil, and their derivatives are important renewable raw materials. Palm oil is a nutritious, versatile raw material, and the most land-use efficient among vegetable oils. Global consumption continues to increase, and palm oil is currently the most used vegetable oil in the world, with total EU use trumping the global production of many vegetable oils (Figure 1, p. 4). Clearly, it would be difficult to imagine our world without palm oil. The best alternative to palm oil is sustainable palm oil. Therefore, BASP is contributing to transitioning the sector to 100% sustainability. And with success: since December 2015, BASP member companies have achieved their aim of using only RSPO-certified sustainable palm oil (Round Table for Sustainable Palm oil) in their food products for the Belgian market.

However, unsustainably produced palm oil is still available on the market. Unsustainable palm oil production is that associated with deforestation or the expansion of peatlands, production contributing to climate change, biodiversity loss, soil erosion and water pollution and/or linked to human rights abuse. We are aware of the ongoing negative impact where palm oil is being produced unsustainably. BASP shares the widespread concern about these issues.

While supporting the call to end deforestation, BASP warns against boycotting palm oil entirely. This would mean shifting problems onto another commodity. As destructive as unsustainable production of palm oil can be to the environment, the only way forward is for the industry to transition towards 100% certified sustainable palm oil. No other crop can yield even a third as much oil per hectare planted.

In fact, the global increase in palm oil use does not cause an equal increase in land use. Palm oil producers are investing heavily to increase the yield (Figure 2, p. 5). In addition, palm oil farmers are increasingly looking to use degraded land and land previously used for cattle, for example, to end deforestation.

Despite its relatively small size, Belgium is an important country for the import and use of palm oil. Many Belgian food companies are making use of palm oil in their recipes and products in our export-oriented country. Therefore, it is crucial that Belgian decision makers and stakeholders gather together in constructive dialogue on how to continue to move forward towards the use of sustainable palm oil in Belgium and beyond.

In an environment where trade issues are at the center of the global debate, the transition towards sustainable palm oil cannot be treated as a solely technical issue. Decisions made here or in the producing countries have a global impact. We are facing fundamental choices. If we want to continue to feed the world sustainably, an inclusive debate involving all stakeholders is necessary. BASP has highlighted some key policy interventions where policy makers can make a difference. It reaches out to other stakeholders to act together.

Sustainable palm oil may be elusive, but it is possible – and, in fact, it may even be necessary for the future of the planet.

Jelmen Haaze
Secretary General BASP
7 December 2018

Chapter I

Palm Oil: a highly efficient crop

Introduction

What is palm oil?

Palm oil (PO) is made from the pulped fruit of the palm tree, originally found in West Africa but now cultivated in many tropical regions around the world including Indonesia and Malaysia. This tropical fruit the size of a large olive is reddish because of its high-beta carotene content. The fruit has a single seed or kernel, which is pressed to produce palm kernel oil (PKO). Palm oil and palm kernel oil differ in their fatty acid composition. For this reason, the first is mostly used in food and the second by the oleochemical industry.

How is it used?

In Europe, palm oil is mostly used as an ingredient in food preparations. It has been fundamental in the elimination of trans-fat from the European diet, a substantial contribution to healthy living. It is also used because it contributes to the good texture and long shelf life of food products. With a saturated fat content of about fifty percent, it is lower in saturated fats than other oils with comparable use.

Outside Europe, palm oil is used directly as a heat-resistant cooking oil or even for sauces. The high carotene content, which gives palm oil its orange-red color, helps the body make vitamin E, an important element when combating malnutrition in developing countries. Palm oil also has many applications in personal and household care products and in animal feed.

Palm oil is also being used in the production of biofuels. For Europe, the European Parliament has decided to cap the use of crop-based biofuels and phase out high forest risk feed stock by 2030.[1]

BASP took note of this initiative but maintains its focus on the food industry. The current report thus covers the food industry and its commitments.

Sustainable palm oil is the only way to go!

Palm oil is the most widely used vegetable oil in the world. It is an important source of income for small farmers in Southeast Asia and Africa, making it a lever against poverty and for rural development. Small farmers are responsible for roughly 30 to 40% of total palm oil production and see their income increase spectacularly when they switch to palm oil cultivation. However, the rapid development of oil palm cultivation has also led to deforestation. The challenge today is to ensure that palm oil is produced sustainably by tackling the excesses of palm oil production and supporting any improvement. That is why deforestation must be fully combated, the rights of the inhabitants and local workers must be respected, and the environment in which the population and endangered animals live must be preserved. This needs to be achieved through an integrated approach, mobilizing all stakeholders, namely producers, refineries, NGOs, governments, industrial users, distributors and consumers, to work together towards a sustainable palm oil market.

1 European External Action Service. (25/06/2018). Phasing-out of Crop-Based Biofuels by 2030 in the EU RED II. https://eeas.europa.eu/delegations/indonesia/47321/phasing-out-crop-based-biofuels-2030-eu-red-ii_en

Palm oil in the world

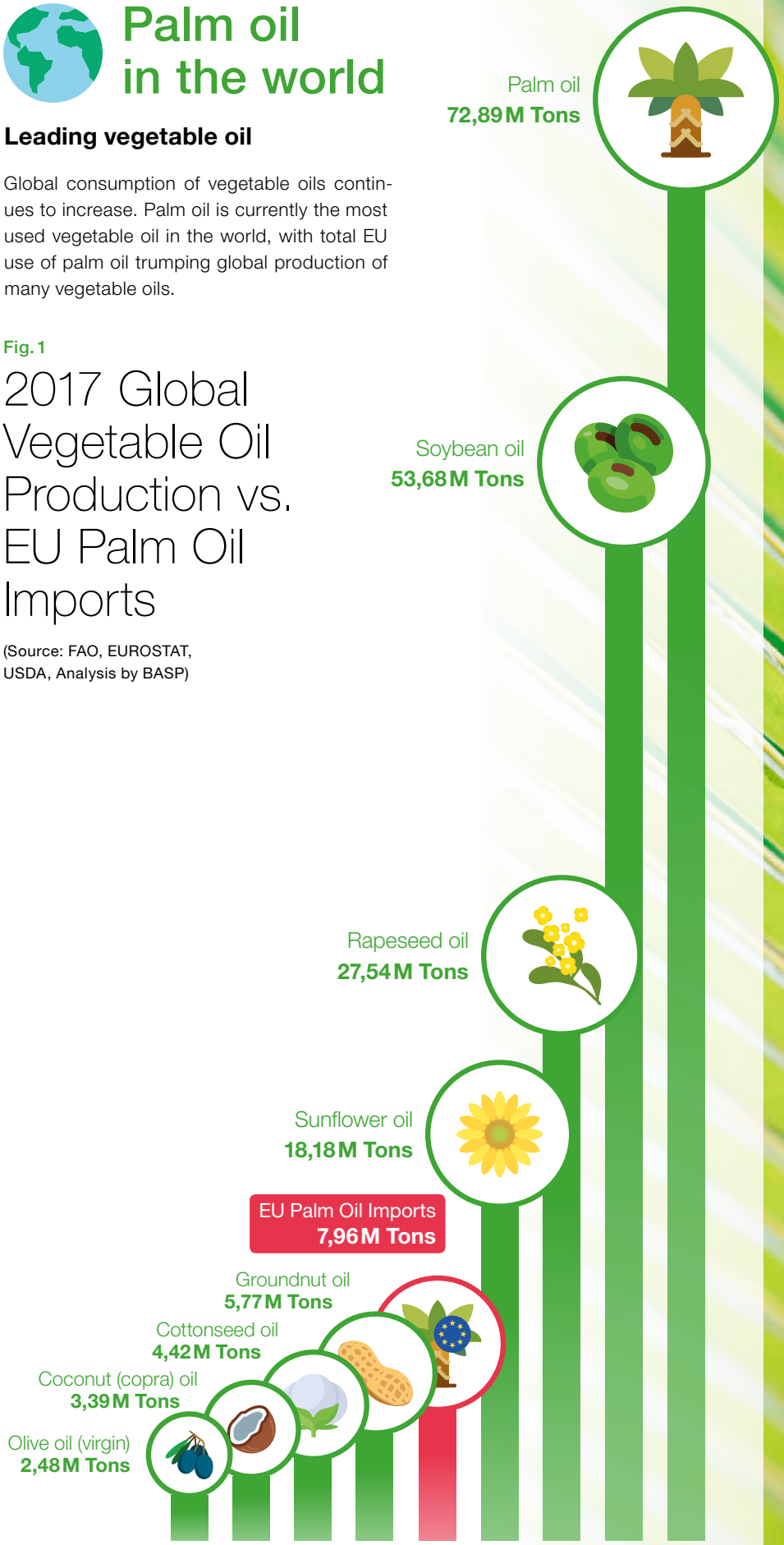
Leading vegetable oil

Global consumption of vegetable oils continues to increase. Palm oil is currently the most used vegetable oil in the world, with total EU use of palm oil trumping global production of many vegetable oils.

Fig. 1

2017 Global Vegetable Oil Production vs. EU Palm Oil Imports

(Source: FAO, EUROSTAT, USDA, Analysis by BASP)



High efficiency induces high demand

It is by far the most efficient among the vegetable oils. An oil palm produces new fruits 12 to 15 times a year, which means that one oil palm can produce between 45 and 50 liters of oil annually for at least 25 years.

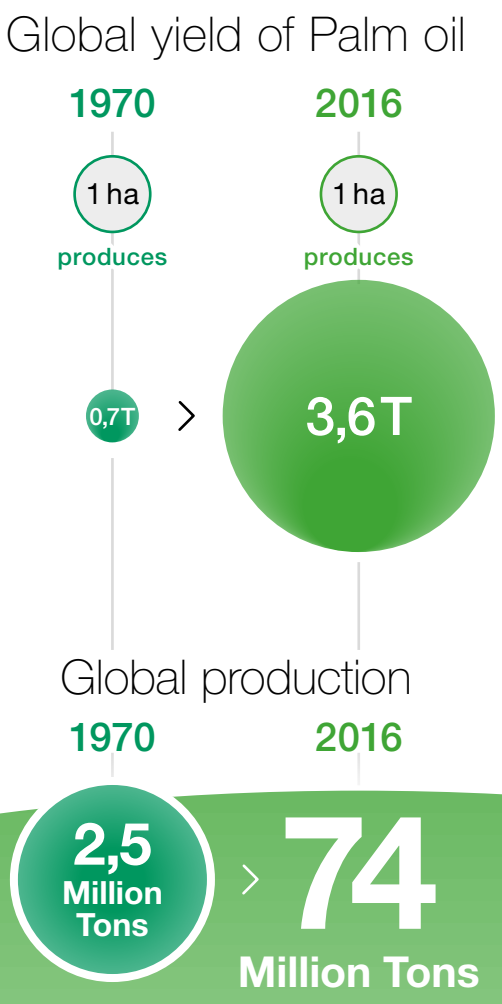
Thanks to the high yields, and specific properties of palm oil as explained above, the product is well suited to meet global demand. When we take into consideration these qualities and then see that the EU alone uses more palm oil than the total global production of many vegetable oils, it becomes clear that replacing it is impossible. We must all work together to transform the supply chain.

When considering the use of land over the past decades, the palm oil yield went from 0.7 tons/ha to 3.6 tons/ha, meaning that the crop needs significantly less space for a large production. This is the highest yield per hectare of all edible oils: roughly 10 times higher than that of soya, 8 times higher than that of sunflower and 6 times higher than that of rapeseed. This also makes it extremely difficult to replace palm oil: every alternative would significantly increase land use.

Improving productivity through scientific development and better plantation management, particularly for smallholders, will be doubly beneficial: it will increase income and help to meet the global demand for palm oil. To develop a sustainable food system that can cater for the estimated 10 billion people by 2050, land use considerations and improving yield are crucial. It is therefore essential to support research and innovation and train farmers (particularly smallholders).

Fig. 2

Yield & production of Palm oil, evolution from 1970 to 2016



Palm oil in Europe

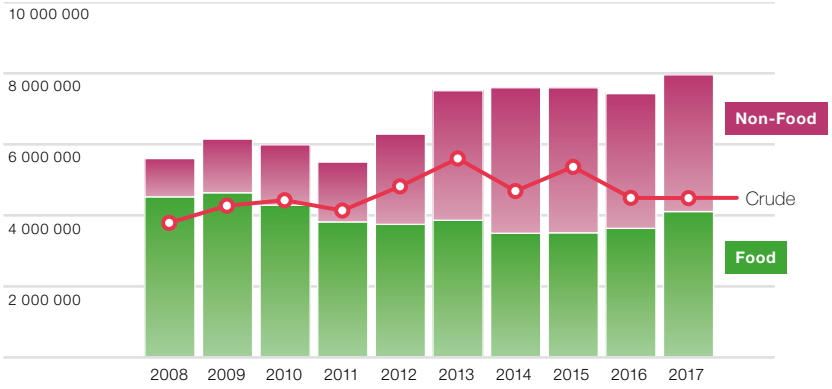
On average, total imports of palm oil and palm kernel oil[2] in Europe has been increasing (Figure 3).

Since 2013-14, imports have been stable, with palm oil for food reaching a low in 2014, and non-food use has plateaued following a sharp increase between 2011 and 2013. In particular, the period from 2011 to 2013 saw a significant increase, driven by the European Biofuel policy.[3] Most of the palm oil imported is crude palm oil, which is then refined in Europe (Figure 4). However, in recent years the proportion of crude oil has declined.

Fig. 3

Food and Non-food use in Europe (palm oil + palm kernel) vs. Crude oil

(Source: EUROSTAT, Analysis by BASP)



Early insights for 2018

For the first eight months of 2018, palm oil imports for food and non-food did not significantly differ from average.

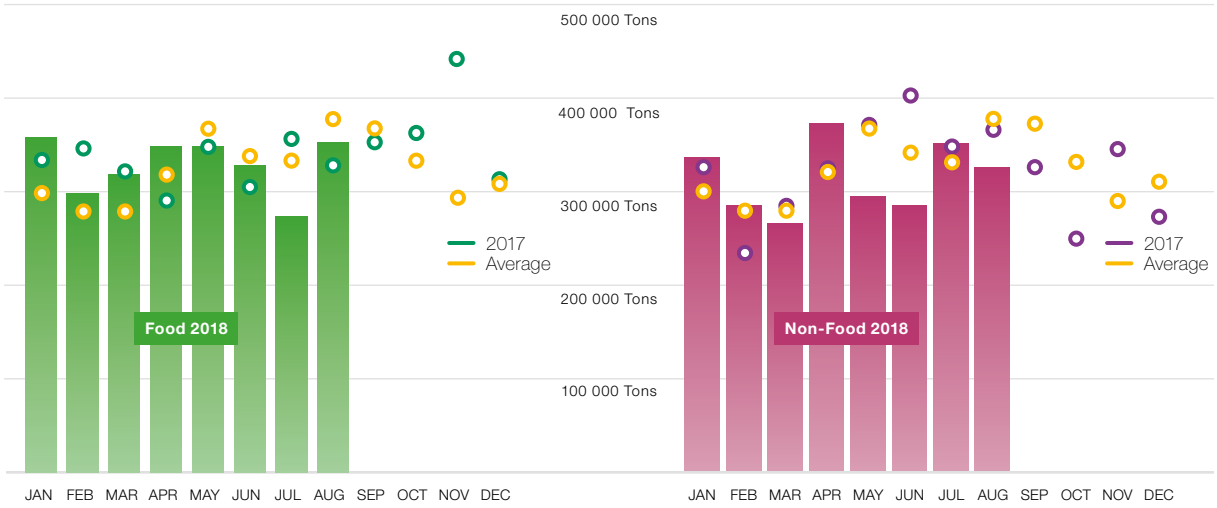
Looking at the figures below (Figure 5 and Figure 6), the 5-year average monthly EU palm oil imports are shown in red (plus or minus two standard deviations in the thin, dotted red lines). Some seasonality is observed, with higher imports from April-May to September-October.

Last year's imports are shown in light blue, and the 2018 imports until August are displayed in blue. This year's imports thus far do not significantly differ from the 5-year average. Only November 2017 was above average. There is no clear explanation for this.

Fig. 4

Palm Oil EU imports per month

(Source: EUROSTAT, Analysis by BASP)



2 Palm kernel oil statistics include imports of babassu oil as this data is not collected separately.

3 Commission Communication of 8 February 2006 entitled 'An EU Strategy for Biofuels» [COM (2006) 34 final – Official Journal C 67 of 18 March 2006]. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Al28175

Palm oil in Belgium: competitive importance

As a founding member of the European Union, and located in the heart of Europe, Belgium is a strategic choice for many companies looking for a gateway into Europe. Sixty percent of Europe's purchasing power is within a 550 km radius of Brussels. It is not surprising that the port of Antwerp is Europe's second-largest port. In addition, the now united ports of Ghent and Terneuzen also feature among Europe's top ten ports.

At the center of Europe, Belgium is an export-driven country! Our food products are known and loved all over the world.

With sixty percent of its citizens born outside Belgium, Brussels is the second most international city in the world, after Dubai. It is also host to the European Institutions, the NATO headquarters, and more embassies than any other city in the world.

For the palm oil sector too, Belgium is at the forefront of sustainability. It was the first country in Europe to establish a national palm oil initiative, as early as 2012. Today, we are calling for more collaboration to have a greater impact on the supply chain.

Fig. 5

Net Food Use Per Country

2013 2014 2015 2016 2017 (EUROSTAT, Analysis by BASP - Sorted per 2017)

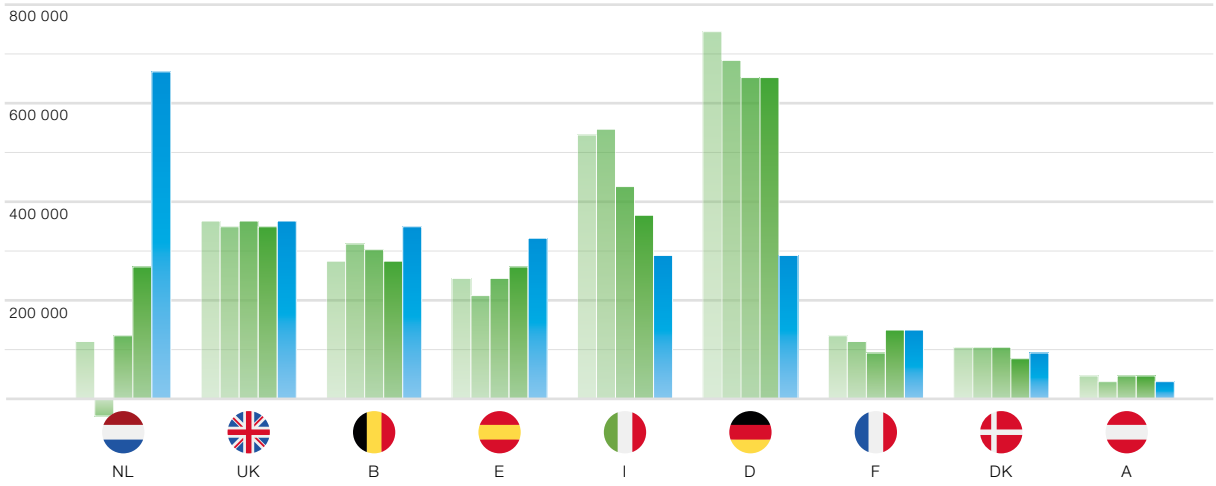
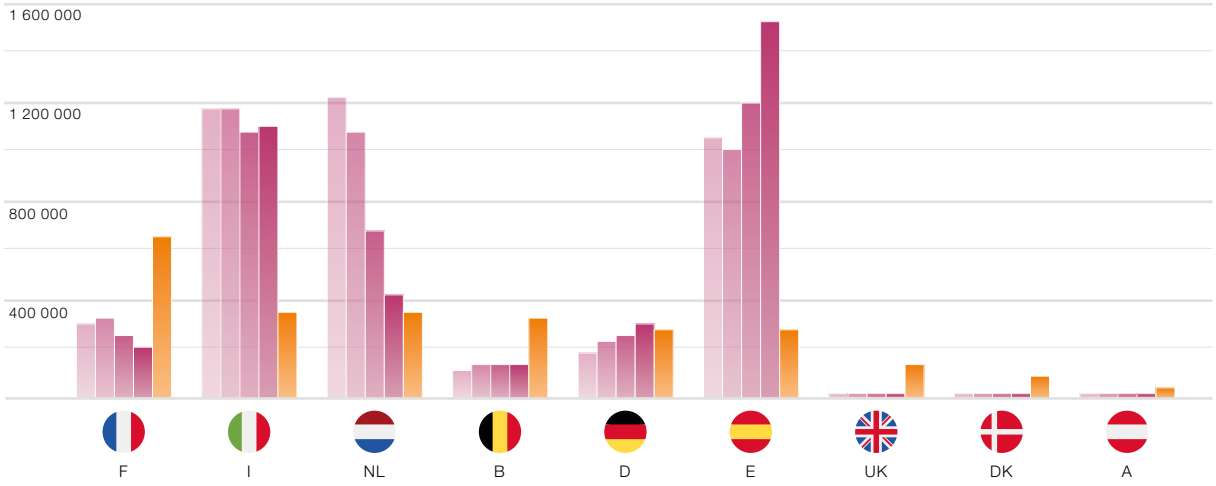


Fig. 6

Net Non-Food Use Per Country

2013 2014 2015 2016 2017 (EUROSTAT, Analysis by BASP - Sorted per 2017)



Belgium: one of the largestpalm oil users in Europe

BELGIUM WITHIN THE EU

Home to a traditionally strong and export-oriented food industry, with well-known brands that are liked beyond its borders, it is not surprising that Belgium is a key player in this sector.

We also notice that for most countries palm oil use has been more or less stable. In 2017, the strong variation in the Netherlands, home to one of the largest palm oil harbors in the world supplying much of Europe, can probably be explained by the late introduction of export statistics. This could then also explain the significant drop for Germany in 2017.

There was a significant decline of palm oil use for food in Italy, where there has been polemical debate on palm oil in recent years. Non-food palm oil use is still high in Italy, where, together with Spain it is the largest consumer. Most of the non-food use is for energy production.

FOOD/NON-FOOD AND LAND USE

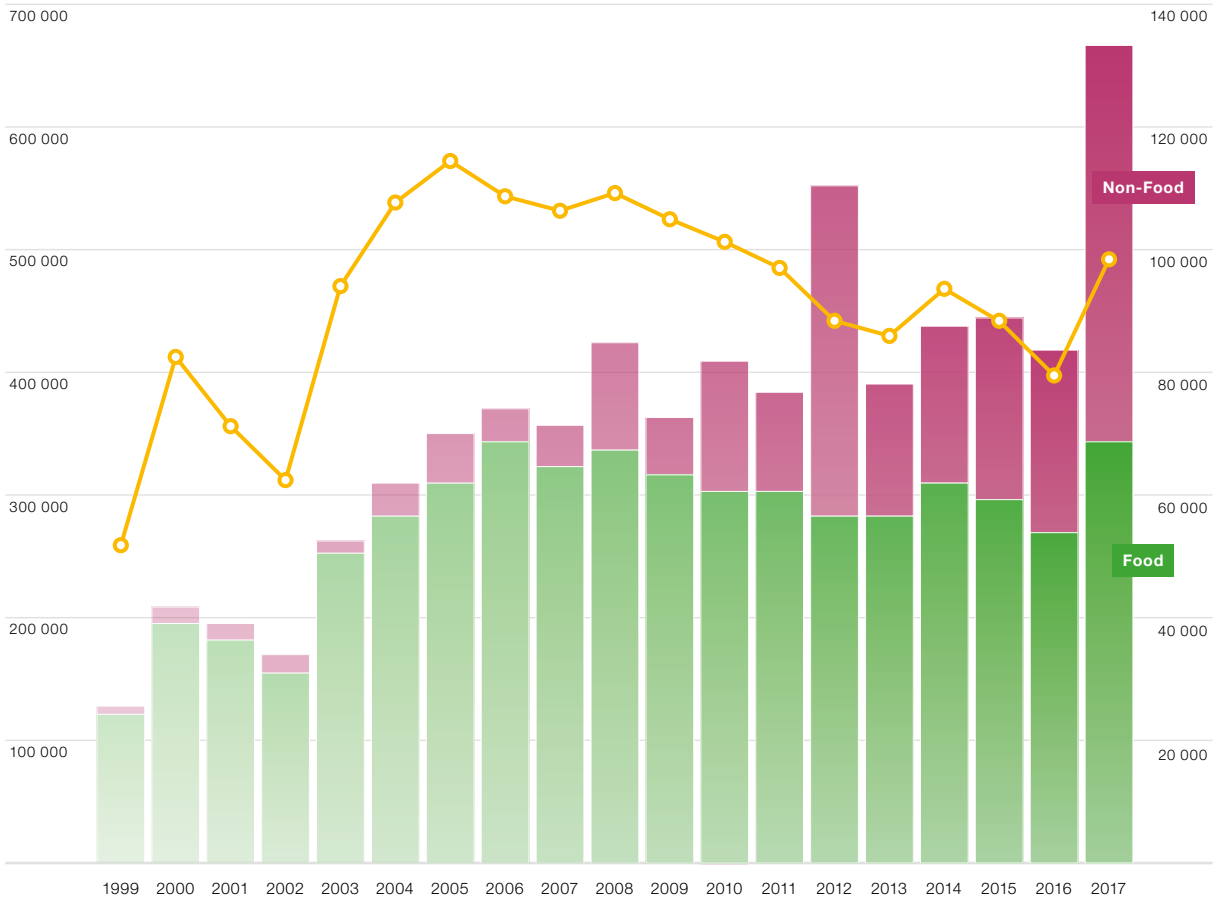
Looking at the food/non-food ratio for Belgium, it becomes clear that although non-food use is increasing on average, palm oil use in Belgium is primarily for food products. In general, palm oil use is more stable in the food sector than the non-food sector. It is hard to reformulate a good, known, and loved recipe but when the price of palm oil drops below that of crude mineral oil (in general all vegetable oils are more expensive than mineral oil), mineral oil is replaced on a large scale by a vegetable alternative. This was for example the case in 2012. It is not clear what explains the peak in 2017.

When plotting the land footprint next to palm oil use, the effect of yield increase is visible. While palm oil use in Belgium is mainly stable, the land footprint decreases. This again demonstrates the importance of research & innovation and education of (smallholder) farmers.

Fig. 7

Belgium: Food & Non-Food, Metric Tons

Land Footprint (ha) (Source: EUROSTAT, FAO, Analysis by BASP)



Chapter II

BASP

A What is BASP?

BASP was created in 2012 by various actors of the sustainable palm oil sector. The Alliance's mission is to contribute to promoting the use of sustainable palm oil where this is not yet the case. Furthermore, the BASP supports the RSPO's mission and supports member companies in making sure that by 2020 all food products they produce containing palm oil, and destined for the Belgian market, contain only sustainable palm oil. The aim is not only to describe but also to explain the state of the palm oil sector in Belgium and its commitments.

BASP members

BASP members can be divided into member companies and sector members.

- **Member companies** have a specific commitment to 100% certified sustainable palm oil, which is monitored by BASP. When BASP was established in 2014, only 69% of palm oil used for the food products in Belgium was certified sustainable. During 2015 this rose to 85% and from December 2015 onwards, the member companies only sourced 100% certified sustainable palm oil for use in their products destined for the Belgian market.
- **Sector members** have co-signed the BASP Charter and are committed to increasing awareness, informing, and motivating their members to support the Alliance in reaching 100% sustainable and deforestation-free palm oil. In addition, they monitor progress made in their respective sectors and report to the Alliance.

Company Members

Sector Members

B Mission, vision, commitment

Mission

The mission of BASP is 'to increase awareness among members, and companies in general, regarding sustainable palm oil, by encouraging members to use 100% sustainable palm oil and/or encouraging, guiding and supporting members to the highest level of sustainability ("segregated")'.

It does so, among other things, by:

- Promoting use of certified sustainable palm oil
- Striving for an environment that is favorable for the uptake of sustainable palm oil
- Promoting science-based debate
- Creating synergies with other alliances that promote sustainable palm oil
- Recruiting members that can cooperate to achieve this objective

Vision

Companies have ambitious, time-bound targets and are market leaders in sourcing certified sustainable palm oil (CSPO), contributing to fairly governed and well-designed supply chains and a more sustainable livelihood for all.

Commitment

The Belgian Alliance for Sustainable Palm Oil's commitment is based on three foundations:

1. SUSTAINABILITY

Members of the Belgian Alliance are committed to ensuring that by 2020 the food products in which palm oil is processed and which are ultimately intended for the Belgian market only contain sustainable palm oil.

Since December 2015, BASP member companies have succeeded in their aim of using only RSPO-certified sustainable palm oil (Round Table for Sustainable Palm Oil) in their food products for the Belgian market. This required great efforts from the Belgian producers, but the Alliance sees this mainly as an important step towards the application of even stricter criteria for sustainable palm oil in products intended for the Belgian market by 2020. In order to ensure this conversion by 2020, all members have signed a charter with tighter targets (see annex B). The Alliance wants to achieve this long-term objective by means of successive annual plans, in which members find specific objectives to gradually make the transition to fully sustainable palm oil.

By fully sustainable palm oil we mean RSPO-certified palm oil, with the addition of criteria such as the complete protection of all valuable forests and peatlands, balanced traceability of palm oil and the explicit support to small, independent farmers.

According to the BASP sustainaible palm oil is palm oil that:

- Is deforestation free
- Safeguards biodiversity
- Preserves peatlands, regardless of their depth
- Mitigates greenhouse gas emissions by following best practices
- Respects workers' rights as well as local populations and communities, and applies the principle of free, informed and prior consent

Certification is the widest used mechanism to demonstrate compliance to these principles.

The RSPO is the most used certification system for palm oil within the food industry.

2. COOPERATION ACROSS THE ENTIRE CHAIN

A sound transition to sustainable palm oil requires an integrated approach, mobilizing all stakeholders, namely producers, refineries, NGOs, governments, industrial users, distributors and end users, to work together and find solutions to any obstacles that are in the way of achieving the objectives.

Smallholders

An integrated approach also reaches smallholders. Together, they represent up to 40% of total production. Smallholders must be integrated within the sustainable palm oil supply chain. By implementing better management practices and increased yields they will improve their livelihoods, whilst maintaining high standards of sustainability.

3. TRANSPARENCY

The Belgian Alliance fully supports the European obligation to state whether palm oil is used in the product on the food product packaging.[4] This is already a major step towards full transparency. Nevertheless, the Belgian Alliance is committed to better informing consumers about all aspects of sustainable palm oil.

C Achievements & challenges

Belgian market results

Since December 2015, BASP member companies have succeeded in their aim of using only RSPO-certified sustainable palm oil (Round Table for Sustainable Palm Oil) in their food products for the Belgian market. Table 1 shows the results[5] on the Belgian market against the RSPO certificates.

For 2017 we went beyond direct members in the reporting. This means that increased volumes were reported. With 16 reporting companies we still note a reported 99% of sustainable palm oil used in products intended for the Belgian market.

Tab. 1
BASP member companies: Use of certified palm oil

	RSPO-certification	Segregated (SG)	Mass Balanced (MB)	RSPO credits
2014	69%	25%	35%	37%
2015	85%	52%	39%	9%
2016	100%	53%	31%	19%
2017	99%	52%	29%	18%

We need to acknowledge the difference between, on the one hand, the statistics as presented here (production for the Belgian market), which can include production outside Belgium, and, on the other hand, the statistics as presented above covering use of palm oil in a certain territory. To achieve a level playing field in Europe with one hundred percent sustainable palm oil in all markets, including price sensitive markets, we need to bring more stakeholders together, including policy makers. The physical supply chain was the initial priority.

Certification

Certification is an important tool to demonstrate compliance and to turn commitments into concrete actions in the field and is mentioned in the BASP Charter, intended to support our members' continued progress. Since primary production often occurs outside the direct control of food processors, certification schemes can be a useful tool to ensure supply chain sustainability. By guaranteeing certain standards, certification schemes provide several benefits that include protecting producers from liability, helping safeguard a brand's reputation, improving market access and providing consumers and producers with information on sustainable farming.

The most well-known certification schemes for palm oil include the International Sustainability and Carbon Certification system (ISCC), the Malaysian–and Indonesian Sustainable Palm Oil schemes (MSPO & ISPO), the Palm Oil Innovation Group (POIG), and the Roundtable for Sustainable Palm Oil (RSPO). For food, the RSPO is the most used system. It is thus the basis of our report.

4 Regulation (EU) No 1169/2011 of the European Parliament and the Council of 25 October 2011 on the provision of food information to consumers, amending regulations. Date of effect: 13/12/2014.

5 Disclaimer on data: 'We are not suggesting that the figures by the BASP members fully reflect the market or entirely cover what can be found in Belgian supermarkets. The figures presented here do, however, represent a positive evolution and they demonstrate concrete actions by companies that recognize the urgent need to transform the entire supply chain. Taking the lead through actions, both in their own supply and by sending a political signal via the Belgian Alliance, they call for urgent joint action and for others to join the alliance. We collect these data because we believe "that what's being measured is being managed". BASP, will continue to play a role in the transition of the palm oil supply chain towards 100% sustainability and will continue to reach out to those companies that today are not yet covered by the BASP ambitions. Palm oil's popularity is on the rise and the only way forward is to convert supply chains towards certified sustainable palm oil. The choice is obvious.'

“Ensure sustainable management of the earth’s natural resources.”

The RSPO Certification System

The RSPO (Roundtable for Sustainable Palm Oil) unites stakeholders of the palm oil supply chain, including producers, users, and NGOs. It has set up two certification systems:

- One that ensures palm oil is produced sustainably and in accordance with its Principles & Criteria;
- The other ensures the integrity of the trade in sustainable palm oil, i.e. that palm oil sold as sustainable palm oil has indeed been produced by certified plantations.

Both systems involve third-party certification bodies. Such rigorous certification systems considerably reduce the risk of consumers using palm oil that is not sustainable.

RSPO distinguishes three levels of certification:

- **RSPO credits:** The supply chain is not monitored for the presence of sustainable palm oil. Manufacturers and retailers can buy credits from RSPO-certified growers, pressers and independent smallholders.
- **Mass Balanced (MB):** Sustainable palm oil from certified sources is mixed with ordinary palm oil throughout the supply chain.
- **Segregated (SG):** Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout the supply chain.

Traceability and deforestation

Since December 2015, BASP members only use RSPO-certified palm oil in their food products for the Belgian market. By 2020, under the guidance of BASP, members want to go further by including even stricter criteria to protect valuable forests and peatlands, achieve full traceability, and provide practical support to smallholder farmers. Belgian Member companies are, therefore, committed to 100% deforestation-free palm oil by 2020, as expressed in the BASP Charter which can be consulted online.

Methods to assess High Conservation Value and High Carbon Stock areas already exist. These approaches, the first protecting earth's biodiversity, and the second contributing to the mitigation of climate change, work together to ensure sustainable management of the earth's natural resources.

Protecting High Conservation Value areas was already part and parcel of the RSPO's Principles and Criteria. At the time of writing the current report, the RSPO Principles and Criteria have been undergoing their five-year review (necessary for RSPO to maintain its ISEAL accreditation). Through a collaborative process, during 2018, its members have been consulted and have suggested revisions. BASP and its members found it important to also include the protection of High Carbon Stock Forests in the 2018 Principles and Criteria and to foresee a way to bring in more smallholder farmers.

The RSPO voted on the revised criteria at its General Assembly on November 15th. The no-deforestation commitment has been accepted as part and parcel of the renewed RSPO Criteria. Starting November 15, 2018, these new standards come into effect and RSPO-certified palm oil must be deforestation free (avoid loss of biodiversity and leave High Carbon Stock Forest untouched), must not expand peatlands (regardless of depth), and the standards will be better suited to include more smallholders.

For the first time, in 2016, BASP requested traceability statistics from member companies. In that year, 64% traceability was declared for Palm Oil used in their food products for the Belgian market. For the 2017 survey, the 16 respondents reported 90% traceability for the EU market.[6] These figures will be systematically monitored in the coming years (see Table 2).

Tab. 2

BASP member companies: traceability of palm oil to mill level

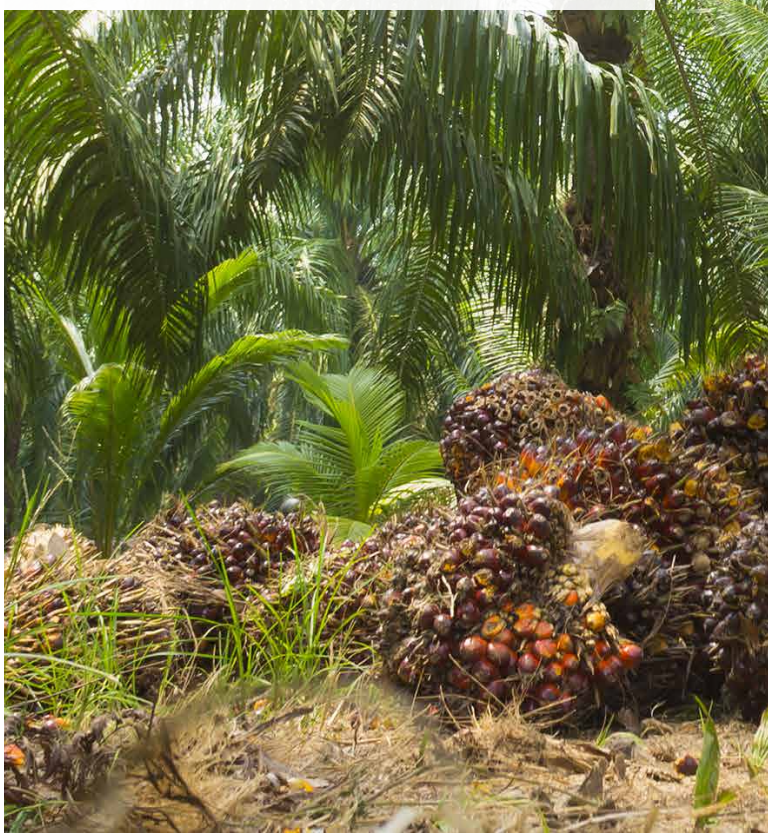
	Traceability Palm oil
2016	64% (BE market)
2017	90% (EU market)

Current Challenges

BASP members are committed to sustainable production as defined in the BASP Charter (see annex B). Important milestones have been reached, with stable use of certified sustainable palm oil for the Belgian market over the past few years and with traceability figures hitting 90%. Now we need to focus on more stringent sustainability criteria, a move towards 100% High Carbon Stock, for instance, and address misconceptions in the market.

For the Belgian market we walk the walk, but we do not yet talk the talk. Talking about palm oil and sharing information on sustainability achievements still represents a major hurdle for companies, due to negative stigma.

It is urgent to address misconceptions in the market, but if 'sustainable palm oil' continues to suffer from a negative image, our member companies will be reluctant to communicate their achievements for fear of reputational damage and backlash from NGO's. We need to build a culture where certified sustainable palm oil is recognized as such, and an environment where companies adhering to the stringent BASP standards are rewarded. This would allow our members to proudly share and explain the actions they are taking.



6 The most used system for traceability is **TFT**. They assist companies in mapping their supply base allowing them to identify the origin of their raw materials.

Chapter III

The Way Forward

Faced with **continuing strong demand for palm oil,** the only way forward seems to be actively promoting sustainable palm oil and convincing companies, NGOs and governments to join us in this quest. The BASP is committed to publishing a yearly progress report and to regularly highlighting achievements by members. This will not only showcase the member commitment, but also demonstrate leadership and inspire every stakeholder in the palm oil sector. As a matter of fact, BASP will also more actively engage with non-members to convince them to take steps towards more sustainable palm oil.

Through this report, the Belgian Alliance for Sustainable Palm Oil invites all stakeholders to gather together, discuss and come up with practical solutions to enable such a change at Belgian, European and global level and to work towards making a culture of sustainable palm oil the norm. BASP therefore reaches out to governments and NGOs alike by publishing a Memorandum text/'Brussels Vision' in which the way forward is described.

"The BASP is committed to publishing a yearly progress report and to regularly highlighting achievements by members. This will not only showcase the member commitment, but also demonstrate leadership and inspire every stakeholder in the palm oil sector."


Faced with continuing strong
demand for palm oil, the only way
forward seems to be actively promoting
sustainable palm oil and convincing
companies, NGOs and governments
to join us in this quest.”

Chapter IV

Attachments

A Definitions

Palm Oil/Palm Kernel Oil. Palm oil **(PO)** is made from the pulped fruit of the palm tree, originally found in West Africa but now cultivated in many tropical regions around the world including Indonesia and Malaysia. This tropical fruit the size of a large olive is reddish because of its high-beta carotene content. The fruit has a single seed or kernel, which is pressed to produce palm kernel oil **(PKO)**. Palm oil and palm kernel oil differ in their fatty acid composition. For this reason, the first is mostly used in food and the second by the oleochemical industry.

Deforestation. According to the Forest and Agriculture Organization (FAO), deforestation implies the long-term or permanent loss of forest cover and implies transformation into another land use. It includes areas of forest converted to agriculture, pasture, water reservoirs and urban areas. The term specifically excludes areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the help of silvicultural measures, unless logging is followed by the clearing of the remaining logged-over forest for the introduction of alternative land uses. Deforestation also includes areas where, for example, the impact of disturbance, overuse or changing environmental conditions affects the forest to an extent that it cannot sustain a canopy cover above the 10 percent threshold. Other definitions of deforestation exist and BASP is in favor of a standardized definition.

Sustainable Agriculture. According to the FAO:[7]

- ✔ Sustainable agriculture needs to improve efficiency in the use of resources
- ✔ Sustainable agriculture requires direct action to conserve, protect and enhance natural resources
- ✔ Agriculture that fails to protect and improve rural livelihoods and social well-being is unsustainable
- ✔ Sustainable agriculture must enhance the resilience of human populations and ecosystems, especially to climate change and market volatility
- ✔ Good governance is essential for the sustainability of both the natural and human system

Peatlands. Peatlands are a type of wetlands, which are among the most valuable ecosystems on Earth. They are critical for preserving global biodiversity, providing safe drinking water, minimizing flood risk and helping address climate change by being the earth's largest natural carbon store8.

Free Prior and Informed Consent (FPIC). it is a specific right that pertains to indigenous peoples and is recognized in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). It allows them to give or withhold consent to a project that may affect them or their territories. Once they have given their consent, they can withdraw it at any stage. Furthermore, FPIC enables them to negotiate the conditions under which the project will be designed, implemented, monitored and evaluated. This is also embedded within the universal right to self-determination.[9]

High Conservation Value (HCV). HCVs are biological, ecological, social or cultural values which are outstandingly significant or critically important on a national, regional or global level. They are classified in six categories depending on the presence of rare or endemic species, provision of ecosystem services, sacred sites or resources harvested by local residents.[10]

High Carbon Stock (HCS). This approach is a methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed. The amount of carbon and biodiversity stored within an area of land varies according to the type of vegetative cover. The HCS Approach stratifies the vegetation in an area of land into six different classes using analyses of satellite data and ground survey measurements. These six classes are: High Density Forest, Medium Density Forest, Low Density Forest, Young Regenerating Forest, Scrub, and Cleared/Open Land. The first four classes are considered potential High Carbon Stock forests.

Roundtable for Sustainable Palm Oil (RSPO). The RSPO is the largest international label for sustainable palm oil. Created in 2003, it unites all stakeholders in the palm oil supply chain and promotes sustainability thanks to 3 levels of certification (segregated 'SG', Mass Balance 'MB' and 'RSPO credits').

7 http://www.fao.org/sustainable-development-goals/overview/fao-and-the-post-2015-development-agenda/sustainable-agriculture/en/

8 https://www.iucn.org/resources/issues-briefs/peatlands-and-climate-change

9 http://www.fao.org/indigenous-peoples/our-pillars/fpic/en/

10 https://www.hcvnetwork.org/about-hcvf/what-are-high-conservation-value-forests

B BASP Charter December 2015

Belgian Alliance for Sustainable Palm Oil

The Belgian Alliance for Sustainable Palm Oil wants to continue to contribute in a significant way to promoting and using sustainable palm oil where this is not yet the case. The members of the Alliance are committed to transforming the Belgian market into a sustainable palm oil market.

The Alliance supports the Roundtable for Sustainable Palm Oil (RSPO) and bases its commitment on the interest group's standards. In addition, the Alliance recognizes the quality of other certification systems, such as ISCC Plus and Rainforest Alliance, for example, as well as other initiatives such as the Palm Oil Innovation Group.w

The members of the Belgian Alliance are committed to ensuring that by 2020, all foodstuffs containing palm oil and intended for the Belgian market, only contain sustainable palm oil. For the Belgian market, a first step for members consists in only using RSPO-certified palm oil for these products by the end of 2015.

For the Belgian Alliance, sustainable palm oil is:

- ✓ Palm oil **certified** by RSPO in an independent and thorough manner;
- ✓ Palm oil with a **known origin** which, consequently, can be traced; [11]
- ✓ Oil that **does not contribute to deforestation** and preserves:
  - High Conservation Value forests (HCV);
  - High Carbon Stock Areas (HCS); [12]
  - Peatlands, regardless of their depth;
- ✓ Oil that r**educes greenhouse gases** by following good practices (see RSPO 'Best Practices');
- ✓ Oil that **respects workers' rights** as well as local populations and communities, and applies the principle of free, informed and prior consent from the communities;
- ✓ Oil encouraging the **development of independent smallholders** involving them in the supply chain.

By 2020, food companies that are members of the Belgian Alliance for Sustainable Palm Oil, are committed to respecting the criteria outlined above with regard to the palm oil they use in products intended for the Belgian market. In addition, they agree to draft and publish their own action plan or engage in actions with a clear deadline and specific steps, in order to reach the objective for sustainable palm oil by 2020.

They will publish action plans and regular, transparent reports concerning their implementation. On the other hand, federations that are members of the Belgian Alliance, should encourage their members, increase awareness and inform in order to reach the goals mentioned above.

11 We are concentrating our efforts on traceability up to plantation level. When this is not possible in practice, traceability is monitored at least at milling level and a risk analysis is carried out. If the conclusion of the risk analysis indicates the likelihood that fruit at the mill has not been processed in a sustainable manner, it will become necessary to further pursue analysis/traceability at plantation level to take necessary measures for improvement where possible.

12 Forests that constitute High Carbon Stock (HCS) include primary forests, high, medium and low-density forests and regenerated forests. In collaboration with Greenpeace and TFT, 'Golden Agri-Resources' and SMART have developed a system to identify HCS forests. The system has been tested, further developed and standardized under the supervision of the HCS Steering Group. Other definitions may be accepted provided they are scientifically correct and recognized by independent structures. The Belgian Alliance seeks to standardize the definition of 'High carbon stock' (HCS) that is recognized by the RSPO.

A serious transition towards sustainable palm oil requires a comprehensive approach for which all parties, particularly producers, refineries, NGOs, public authorities, industrial users, distributors and end users are invited to work together to find solutions to the possible obstacles to reaching these goals.

The members of the Belgian Alliance for Sustainable Palm Oil call on their subcontractors to publish a policy to combat deforestation, development of peatlands and social conflicts in their supply chains. In addition, they will advocate for strengthening Principles and Criteria within RSPO. Members of the Belgian Alliance will also inform all their (international) clients of sustainable palm oil and will actively promote it.

The Belgian Alliance for Sustainable Palm Oil is committed to carrying out different activities to make the transition to sustainable palm oil easier. It should bring together the different links in the chain beyond the members of the Alliance so that the objectives for sustainable palm oil by 2020 can be achieved through exchanging expertise and developing knowledge.

Particular attention should be given to communities of smallholders that depend on palm oil crops. The Belgian Alliance for Sustainable Palm Oil is committed to encouraging palm oil suppliers to continually support smallholders and encourage them to adopt sustainable production methods.

Ideally, they will take similar initiatives in other European countries.

Standardizing initiatives for sustainable palm oil on a European level will create the necessary market demand and facilitate the transition to sustainable and traceable palm oil by 2020.

All members of the Belgian Alliance for Sustainable Palm Oil are entirely committed to achieving the objectives outlined in this charter.

'Non-food' sector federations that have signed the Belgian Alliance for Sustainable Palm Oil charter, are committed to raising awareness, informing and motivating their members in order to support the Alliance in its goals and in broadening its scope. They will pay particular attention to the traceability of palm oil derivatives. They will encourage their members to adopt procedures that encourage the choice of palm oil derivatives with sustainable characteristics corresponding to the Belgian Alliance's definition. Through the Belgian Alliance, they will announce any progress made by their sectors in this respect.

Philippe Thiry

President of the Belgian Alliance

Françoise Van Tiggelen

General Secretary for DETIC

Belgian Alliance for Sustainable Palm Oil
Attn. Jelmen Haaze - Secretary General
Tervurenlaan 168/12, 1150 Brussels

www.duurzamepalmolie.be
info@duurzamepalmolie.be

www.huiledepalmedurable.be
info@huiledepalmedurable.be

Twitter: SustPalmoil_BE