Journal of Oil Palm, Environment & Health

Abstracts

International Palm Oil Sustainability Conference 2020

MODULE 1: AGRICULTURAL COMMODITIES AND SUSTAINABILITY CERTIFICATION

Journal of Oil Palm, Environment and Health (JOPEH) is an Open Access online forum to share knowledge that focuses on oil palm cultivation, palm oil production and applications. This will include the impacts resulting from such activities, particularly those related to the environment. JOPEH will also feature articles related to issues and policies that affect any of the above palm oil industry activities. JOPEH is targeted to reach a wide spectrum of readers. The contents of the Journal will be in the form of original research papers, short communications, editorials, viewpoints and comments. Due to its wide array of topics, JOPEH will be useful to researchers, academicians, policy makers, practitioners and the general public who are associated with or have an interest in palm oil and the global oils and fats industry.

MODULE 1: AGRICULTURAL COMMODITIES AND SUSTAINABILITY CERTIFICATION (14 - 22 SEPTEMBER 2020)

The International Palm Oil Sustainability Conference 2020 (IPOSC 2020) is MPOC's biannual conference that highlights the sustainability challenges and opportunities in the Malaysian palm oil industry to all stakeholders. This year, the 6th IPOSC 2020 will be hosted by MPOC on a virtual platform, comprising two modules, in response to the COVID-19 pandemic affecting us globally.

Virtual IPOSC 2020's Module 1 will feature presentations from sustainability experts from the agriculture, research and palm oil sectors who will share their views on efforts by global agricultural commodities towards achieving sustainability and carbon neutrality. How the recent COVID-19 has impacted these efforts, will be included. The topics include:

- Agricultural Commodities and Sustainability – What Lies Ahead Post COVID-19
- European Green Deal, Agricultural Commodities and Sustainability
- Integrating Sustainability and Carbon Neutrality in Palm Oil's Supply Chain
- Increasing the Demand for Sustainable Certified Palm Oil – What is the Missing Link?

The complete set of IPOSC 2020 Module 1 presentations and videos can be accessed at the event website, www.iposc.org.my

ABSTRACTS AND PRESENTERS' PROFILE

- 1** Drivers of Palm Oil Sustainability: Current Advances and Future Challenges
- 2** Agricultural Transformation, Inclusive Growth and Palm oil in Malaysia: Challenges of Sustainability from a Developmental Perspective
- 3** Sustainable Deforestation-Free Commodities
- 4** Increasing the Demand for Sustainable Certified Palm Oil - What is the Missing Link? (MPOCC)
- 5** Integrating Sustainability and Carbon Neutrality in Palm Oil's Supply Chain - IOI's Perspective
- 6** Sustainability in the Palm Oil Industry: The New Business-As-Usual
- 7** Integrating Sustainability and Reducing Climate Change Impacts in Palm Oil's Supply Chain - Sime Darby Plantation's Perspective
- 8** Integrating Sustainability and Carbon Neutrality in Palm Oil's Supply Chain - Cargill's perspective
- 9** Increasing the Demand for Sustainable Certified Palm Oil - What is the Missing Link? (RSPO)
- 10** Integrating Sustainability and Circular Economy in Palm Oil's Supply Chain - Neste's Perspective

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11:13-28

doi:10.5366/jope.2020.03

1. Drivers of Palm Oil Sustainability: Current Advances and Future Challenges

Kalyana Sundram

Malaysian Palm Oil Council (MPOC)

E-mail: kalyana@mpoc.org.my

Abstract

The palm oil industry has registered significant advances since the 1970s when the commodity began to make an impression in the global oils and fats markets. Today it ranks among the most consumed of the 17 different competing oils and fats. This progressive rise up the ladder has also come with a hefty price to the industry straddled with a myriad of controversies, critics and accusations of unsustainable operations throughout the supply chain. The industry voluntarily responded to these challenges by adopting certification systems, which themselves although heavily scrutinized have not escaped adverse criticisms. In the face of these and pressured by emerging green lobbies in the West and particularly in the European Union, legislations are actively been proposed and adopted against palm oil. Most notable was the EU (Biofuel / Renewable Energy) Delegated Act. Following closely are the recent additional initiatives that try to wrap palm oil with deforestation, biodiversity loss, climate change and human rights inadequacies. The presentation briefly examines these cocktails of challenges while laying down how the palm oil industry is coping with the drive towards achieving sustainability, within the United Nations sustainable development goals. Additionally, some areas of improvements and ways forward are also suggested while concluding that it could be timely to institute similar sustainability certification systems for all global oils and fats produces.

Datuk Dr. Kalyana Sundram is currently Chief Executive Officer, Malaysian Palm Oil Council (MPOC). Following his postgraduate studies from University of London, and research stints in USA, Australia, Netherlands and at MPOB, he has clocked 37 years in palm oil research and industry. These include various aspects of oils and fats process technologies, nutrition, biomedical applications and technical marketing. He is a fellow of the Malaysian Academy of Sciences, Fellow of the Nutrition Society and member of several international professional associations.

Datuk Dr. Sundram is primarily acknowledged for his work on palm oil and has served on international expert consultations and committees at FAO/WHO, IUNS and MPOB. He publishes extensively and holds 21 patents. He has coordinated more than 170 research and promotion projects on palm oil including health, sustainability and wildlife conservation. Currently he heads MPOC with focus on palm oil promotion and marketing, addressing the anti-palm oil campaigns and uses science-based outputs to communicate on palm oil.

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

2. Agricultural Transformation, Inclusive Growth and Palm oil in Malaysia: Challenges of Sustainability from a Developmental Perspective

Isabelle Tsakok

E-mail: hello@isabelletsakok.com

Abstract

Malaysia's palm oil (PO) complex is a great success story. However, PO's very success makes it controversial. Sustaining it is both an environmental and a social challenge. Environmentalists point to PO's contribution to climate change through deforestation, and GHG emissions; loss of biodiversity and threat to rare species. The EU categorizes PO from large plantations as unsustainable, and blacklists PO as a high emitting biofuel, to be phased out in the EU by 2030. Labor rights activists accuse the PO complex of exploiting labor and dispossessing indigenous peoples of their communal land.

The stakes are high for Malaysia, and for the world. For Malaysia, the PO complex contributes around 6% of its GDP. For the world, PO expansion can be either a major source of deforestation and GHG emissions—or a major contributor to Malaysia's UNFCCC and Paris Agreement (2015) commitment on climate change, as well as a powerful engine of agricultural transformation and inclusive growth.

The PO sustainability challenge is viewed too much in Eurocentric terms. Malaysia should view PO sustainability as an integral component of its challenge of achieving high income status through sustainable and inclusive development, within a climate change world. Collaboration, not trade war, is the answer. Together is the only way to effectively reduce GHG emissions and limit global warming. Climate change is our existential threat. We must all fight this common enemy.

To achieve sustainable PO and its developmental priorities, Malaysia has potent options, including: exploiting the substantial productivity reserve in both the PO complex and in the wider agri-food system; turning waste into re-usable resources; empowering smallholders to embrace certification; adopting climate-smart agriculture for productivity and resilience; and lifting the bottom 40% through financial and technical support.

Sustainability through productivity, technology, and social empowerment is the win-win approach for Malaysia and the world.

Dr. Tsakok is a development practitioner, policy analyst, researcher and teacher. She holds a PHD in Economics from Harvard. As retired World Bank staff and consultant, she has focused on issues of agricultural transformation, food security, and poverty reduction. She has taught courses on agricultural policy at the World Bank; Renmin University of China; at SIPA, Columbia University, and at the Policy Center for the New South in Morocco. She has worked in most regions of the developing world, including Asia. Her latest book publication is *Successful Agricultural Transformation: What it Means and What Makes it Happen* (Cambridge Univ. Press)

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

3. Sustainable Deforestation-Free Commodities

Frans Claassen

European Palm Oil Alliance (EPOA), Netherlands

Email: claassen@mvo.nl

Abstract

The European Commission set out its vision and ideas for how the continent can help to protect – and restore – the world's forests. What does this mean for the palm oil industry, and what do we think here at EPOA? We set out our stance on this crucial issue in a recent position paper. In summary, let me, as chair of EPOA - the European Palm Oil Alliance a business initiative of palm oil refiners and producers, explain what we think:

Sustainable deforestation-free palm oil contributes to the SDGs

Palm oil is the most widely used vegetable oil in the world because of its functional benefits, versatility and widespread availability. Palm oil is also the most important cooking oil for millions of people around the world, who often live in poverty. Plus, it represents many people's way out of that poverty, as they can earn a living by producing it. At EPOA we believe that sustainably produced palm oil is a key food ingredient that fits in a nutritionally balanced diet and helps feed the world, protect biodiversity and improve socio-economic development. So sustainable produced palm oil contributes to the UN Sustainable Development Goals (SDGs). In Europe and worldwide, food and non-food manufacturers will continue to need and use palm oil, so it must be produced and consumed in a sustainable way, without deforestation.

We've come a long way already

Since the turn of the century many different voluntary and national mandatory sustainability initiatives have been introduced with success in the palm oil industry. Although we still face enough challenges, we can also proudly say that the palm oil industry is a frontrunner in the development of sustainability within agriculture worldwide.

Challenges and opportunities

We should not forget that all palm oil and Palm Methyl Ester (PME) used in the European Biodiesel market are all certified sustainable due to mandatory RED requirements.

Next to that, 86 per cent of the palm oil imported for food, feed and oleochemicals in Europe is certified sustainable due to voluntary commitments – a great success. But we also acknowledge there's still much more to do. Frontrunners in the palm oil supply chain are paying the additional price while many European Food and Retail companies are not yet using certified sustainable palm oil, or not using physical certified sustainable palm oil.

Due to incomplete, false and misleading information campaigns of several NGOs and media we face an unbalanced image of sustainable palm oil in Europe. This has resulted in a trend where several food companies and retailers due to commercial reasons are moving away from palm oil and are promoting palm oil free products.

At the same time we also see leading food companies and retailers, like Ferrero, Unilever, Upfield and Tesco that support sustainable palm oil and are increasingly communicating on the use of certified sustainable palm oil.

We acknowledge that there are limits to what voluntary measures can achieve on the demand side and on the production side as well.

The EU Farm to Fork (F2F) strategy and the EU communication to Protect and Restore the World's Forests both offer opportunities and challenges to further improve sustainable production and consumption. It is also important that these new policies should stop the unbalanced image of palm oil and acknowledge the importance of sustainable palm oil for implementing the UN SDGs.

Use mandatory due diligence

One of the regulations EPOA wants to see introduced in the EU is a mandatory due diligence for companies using palm oil and other vegetable oils. We believe that this will create a level-playing field and a consistent framework for all companies. These checks and balances should be non-discriminatory, so also be introduced for other commodities like soy, beef, cocoa, etc.

The EU must avoid shifting sustainability issues to other commodities. Let's get a fair, wide-ranging regulatory framework in place for all production and consumption that is related to deforestation.

Be constructive

The EU shouldn't use regulations as barriers for trade or burdens for already vulnerable and in many cases smallholder producers. As palm oil industry we need to be bold about our sustainable ambitions and practices and communicate on the progress made. The EU plays a decisive role in sharing truthful information and prevent misleading green labelling and end the use of free-from palm oil claims. This is crucial for transparency and the credibility of the EU and the legislation and regulations adopted. As EPOA, we remain alert to misleading claims and will continue to act proactively when we believe misleading communication and/or claims are being used.

Multilateral approach

The EU is not the only market that imports forest-risk commodities. We believe the EU should engage with other sizable importers of forest-risk commodities beyond Europe, which is essential to have impact on a global scale. The F2F strategy is an opportunity for the EU to start the development of international standards for sustainable production and consumption. But this can only be effective if EU regulatory and non-regulatory measures and sustainability standards are:

- supported by sound, scientific evidence
- developed after multilateral and multi stakeholder discussion and
- built upon existing private and national sustainability standards that have driven supply chain transformation over the last decade and which includes environmental, social and economic policy aspects.

Promote good governance

At EPOA we acknowledge the importance of national mandatory standards like MSPO and ISPO and initiatives in producing countries to produce sustainably and stop deforestation, and believe the EU should do the same. We would like to stress that each region of the world moves at a different speed, with its own challenges and opportunities. In our opinion positive impact in producing countries can only be achieved when good governance both on forest protection and agricultural production as well as support to producers (and particular towards smallholders) is in place.

Support producing countries and farmers on the ground

The EU imports only a part of global palm oil production and 86 per cent of palm oil imported for food, feed and oleochemicals in Europe is already certified sustainable. We believe that if the EU is serious with Protecting and Restoring the World's Forests and promoting sustainable production and consumption, it is necessary for the EU to de-escalate the current political trade tensions on palm oil and develop concrete fruitful policy dialogue and partnership support programs with the producing countries to have impact on a global scale.

EPOA is selected by the European Commission to be part of the Multi-Stakeholder Platform on Protecting and Restoring the World's Forests, which starts its work on 2 October next and where we will present our above mentioned views.

Last but not least: as EPOA we believe in the strength of working together with all palm oil producing countries and alignment of our advocacy activities. We highly appreciate in this respect the multi-year support and cooperation with Malaysia via the Malaysian Palm Oil Council.

Frans Claassen is involved in sustainable palm oil development since 2003 when he was the Dutch Agricultural Counsellor for Indonesia, Malaysia and Singapore. As a graduate (1990) in Agricultural Economics of the Wageningen University he started his career as policy advisor within the Ministry of Agriculture. From 1996 – 2005 he worked as an Agricultural Counsellor at the Royal Netherlands Embassies in Beijing, P.R. China and Jakarta, Indonesia (2000 – 2005). At the end of 2005 he returned back to The Netherlands and became managing director of MVO – the Netherlands oils and fats industry and started the Dutch Alliance for Sustainable Palm Oil. Since 2012 he Chairs the European Palm Oil Alliance (EPOA). Frans is married with Angela and has a son (24) and daughter (22).

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

4. Increasing the Demand for Sustainable Palm Oil – What is the Missing Link?

Chew Jit Seng

Malaysian Palm Oil Certification Council (MPOCC)

Email: ceo@mpocc.org.my

Abstract

The demand for sustainable products was created a few decades ago on concerns over deforestation and forest degradation. The push was initially for FSC certified timber products.

Soon after, the initiative became a platform to drive sustainability concerns about other commodity products. This led to the world's first multi-stakeholder sustainability roundtable in the early 2000s on palm oil (RSPO), over similar concerns plus issues on biodiversity loss, forest fires, environmental pollution, haze and lack of FPIC before oil palm development.

Issues with compliance to regulatory requirements became louder too as the certification systems in place did not fully cover the European energy markets as major users of palm oil. As a result, EU legally compliant certification systems were developed for Germany (ISCC DE) and expanded further to cover the wider EU countries and commodities (ISCC EU & ISCC Plus).

As the EU based certification systems were deemed as potential market barriers to palm oil trade, major producers Indonesia and Malaysia also started national certification schemes as a fall-back situation in case the EU demands became too stringent and less business friendly.

Although these national schemes were often seen as less stringent, nevertheless the potential impact on the ground is much greater being backed by the respective governments to cover the entire industry unlike the voluntary market driven systems.

For Malaysia, the MSPO certification scheme introduced in 2013, was made mandatory on 1st January 2020 and all industry players including smallholders are required to obtain the MSPO certification as a requirement to renew their business operation licenses. As the smallholders need more time, resources and technical support to meet the certification requirements, the timeline for compliance has been extended to the following year i.e. 2021.

Mr Chew is an industry veteran with a 45 years long career spanning agronomy, field R & D, estate management, standards setting and sustainability certification management. Highlights include leading the initial RSPO NI process and representing the industry in P&C reviews, RSPO BoG alternate member, Co-Chair ISCC TC SEA and NKEA Palm Oil Lab leader. He completed MSc in Plantation Management at UPM and holds post-graduate diploma in strategic management and diploma in management from UTM & MIM. He is presently the CEO at the Malaysian Palm Oil Certification Council (MPOCC).

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

5. Integrating Sustainability and Carbon Neutrality in Palm Oil's Supply Chain –

IOI's Perspective

Surina Ismail

IOI Corporation Berhad, Malaysia

Email: surina@ioigroup.com

Abstract

Disastrous heat-fuelled wildfires, catastrophic typhoons and hurricanes, and extensive droughts and floods have raised and widened global warming worries. These extreme weather events are seen as the most influential factor shifting public views regarding the need to address climate change. Within these state of affair, agricultural activities have been under scrutiny as one of the contributors of climate change through deforestation and unsustainable method of land clearance such as with fire. Globally, 11% of greenhouse gas (GHG) emission has been attributed to agricultural activities such as livestock and crop production and amongst these activities, oil palm cultivation, regardless of facts, has unfortunately garnered negative attention as one of the major contributors to GHG emission.

To negate such accusations, the oil palm sector has been at pains to cultivate its oil palm based on acceptable and knowledge-based sustainable approach. However, different interpretations of sustainability and misunderstanding of what is actually happening on the ground at the point of production together with the needs of the palm oil producing countries have created conflicting ideas with perceived Western values and requirements. Considering these perceptions, sustainable production and use of palm oil along the supply chain has become increasingly affected by global market forces that require businesses to balance their planetary and societal responsibilities with the expectations of various stakeholders. There is no doubt that the challenges related to the sustainable production of palm oil and its supply chain with regards to its impact to climate change and carbon neutrality are complex. Thus, this herculean task is not a task to be taken single-handedly. IOI, for one, realizes that this journey cannot be travelled alone but with smart "Partnerships" and innovative solutions to help create a more resilient, carbon neutral sustainable future. This matter will be explored in this paper.

Dr. Surina Ismail currently holds the position of Group Head of Sustainability, IOI Corporation Bhd. In this capacity, she is responsible for Corporate Sustainability which includes embedding the sustainability culture within the Group as well as aligning the Group Business strategy and sustainability policies together with their implementation for the whole IOI Group (Plantation & Manufacturing Divisions).

Her field of technical experience includes the rubber & oil palm industry, the oleochemical and petrochemical industry, the coating industry specifically UV Coatings, and Nanotechnology with emphasis on nanocarbon and nanomaterial. She holds several patents in this field and has been invited to be keynote speakers and present technical papers related to her field of technical expertise.

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jopeh.2020.03

6. Sustainability in the Palm Oil Industry: The New Business-As-Usual

Perpetua George

Wilmar International Ltd, Singapore

Email: perpetua.george@wilmar.com.sg

Abstract

Wilmar is among the world's leading agri-businesses. Since 2004, Wilmar has always strived to be at the forefront of sustainability in the palm oil industry. Efforts to transform its business towards becoming more responsible and sustainable started in the 2000s, and in 2008 the company obtained its first Roundtable on Sustainable Palm Oil (RSPO) certificate.

The Wilmar sustainability trajectory is one that is shared with palm oil industry. The initial sustainability wave from the 2000s was on building and strengthening internal company compliance. The second wave of sustainability from 2013 was extending commitments to include suppliers' compliance. The current wave, where 2020 is a key target year, is focussed on benchmarking deforestation as a key indicator for recognition of sustainability status. This trajectory is shared by a large segment of the palm oil industry, and is indicative of its acknowledgement of sustainability as relevant for performance advancement and business relevance.

Another key driving factor is the demand from major consumer brand companies, that continue to be the focal point of campaigns by the NGO community on palm oil. These campaigns repeatedly drive messages targeted towards consumers and the general public, which influence palm oil procurement policies of the consumer brand companies.

Considering these factors, operationalising sustainability practices and showing proof of compliance is the new business-as-usual. Sustainability can no longer be considered a trend, and it is now a key requirement for palm oil companies to remain competitive and relevant in today's global marketplace. Adopting the new business-as-usual includes maintaining sustainability-related certifications, reporting on traceability, increasing transparency, and ensuring supply chain compliance, among others.

There are clear supply chain demands for sustainability-compliant volumes, which leads us towards vast opportunities by strengthening both the Indonesian and Malaysian certification schemes that will allow the industry to deliver them.

Perpetua "Pep" George has a career spanning work in forest conservation, sustainable production consulting, the FMCG industry, and oil palm plantations. Previously working for Unilever, Proforest, and WWF - she is currently the General Manager for Group Sustainability in Wilmar International.

Her current responsibilities cover the implementation of sustainable practices in Wilmar's plantation operations and spearheading the sustainable transformation of their supply chain. She is an active participant in wider engagement with stakeholders within the partnerships and initiatives that Wilmar belongs to such as the Roundtable for Sustainable Palm Oil, PONGO Alliance, the Tropical Forest Alliance, and the Sabah Jurisdictional Approach Steering Committee.

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

7. Integrating Sustainability and Reducing Climate Change Impacts in Palm Oil's Supply Chain - Sime Darby Plantation's Perspective

Rashyid Redza Anwarudin

Sime Darby Plantation Berhad, Malaysia

Email: rashyid.redza@simedarbyplantation.com

Abstract

Palm oil is undeniably the world's most widely used edible oil. It is ubiquitous, versatile and has become essential. Palm oil trade has increased exponentially in recent decades and the global debate on the sustainability of the crop has continued to evolve. This holds especially true for Malaysia and Indonesia, the world's largest producers of palm oil, with a combined contribution of nearly 85% to global production.

As a major industry player and having been in business for over 100 years, Sime Darby Plantation is no stranger to these challenges. Our corporate footprint is large – we have a presence in 16 countries and manage over 583,000 hectares of planted areas in Malaysia, Indonesia, Papua New Guinea and Solomon Islands. While our business has created positive impact and livelihoods for people in the region and beyond, we are mindful of issues faced and believe that we can be a part of the solution.

This paper presents Sime Darby Plantation's perspective on sustainability which we believe should be pursued in a way that adds value to any organisation, through initiatives encompassing the people, planet and prosperity pillars.

The following key themes will be discussed in this paper:

- Environmental Performance, which includes Deforestation, Peatland Management, Biodiversity and Conservation, Fire and Haze, Carbon Management and Climate Change Resilience
- Supply Chain Sustainability, which includes Transparency and Traceability within the sector's extended and complex supply chains, and empowerment of smallholders and their roles within the sector

This paper also discusses our efforts to go above and beyond of what is required of us and our aspirations to move the needle in raising the industry standards, in collaboration with all stakeholders.

Rashyid has over 19 years of experience in corporate and advisory roles within multiple industries. He is currently part of the Sustainability team at Sime Darby Plantation Berhad, the largest producer of Certified Sustainable Palm Oil (CSPO) globally.

Prior to joining Sime Darby, he spent 15 years in corporate advisory roles around strategy, sustainability, corporate responsibility, programme management and change management across multiple industries. This include plantation, forestry, property, telecommunications, automotive, oil & gas and public sectors. He was part of the regional leadership team for the Sustainability and Climate Change service line of the PwC South East Asia Consulting practice.

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

8. Integrating Sustainability and Carbon Neutrality in Palm Oil's Supply Chain – Cargill's Perspective

Yunita Widiastuti

Cargill Tropical Palm, Indonesia

Email: Yunita_Widiastuti@cargill.com

Abstract

With a global footprint and presence in major food and agricultural supply chains around the globe, Cargill is committed to protecting the earth's vital natural resources and reducing its environmental impact.

This presentation will look at Cargill Tropical Palm (CTP) and its efforts in achieving sustainability and carbon neutrality across the entire supply chain, and how these efforts have been impacted in the ongoing COVID-19 pandemic. The presentation will also describe CTP's sustainability efforts across several fronts, namely; climate change; land use, farmer prosperity; food waste; and water resources, with, and detail the progress and indicators in each field.

Through deliberate, measured steps, CTP is building a responsible palm oil supply chain but we recognize we first need to restore trust in the sustainability of palm oil. Transparency of CTP's actions will be fundamental to restoring this trust.

Through this presentation, we will describe how reaching our goal will require us to tackle issues at scale. We discuss the steps taken over the past decade to improve the sustainability of the palm oil industry, as well as the lessons learnt along the way.

Fundamentally, Cargill exists to nourish the world in a safe, responsible and sustainable way. We connect those who grow food to those who consume it. As we do so, we are deeply focused on our essential work of nourishing the world in a safe, responsible and sustainable way.

Yunita Widiastuti has been working at Cargill since March 1998. She is currently the Head of Sustainability for Cargill Tropical Palm, CTP. Her primary role is to lead and champion sustainability strategies and programs for the whole CTP locations (10 entities located in South Sumatera and West Kalimantan) to ensure full compliance to all sustainability requirements and initiatives for both existing plantation and new development. Prior to her current role, she was handle various roles; Program Assurance Manager, Environmental Health & Safety Coordinator, Quality Assurance Supervisor and Laboratory Technician. Through formal trainings and courses, Yunita has expertise and experience as Accredited/Certified Corporate Global EHS Auditor, Lead Auditor for ISPO, Lead Auditor for RSPO SCCS, Lead Auditor for ISO 9001 and Lead Auditor for ISO 14001, RSPO P&C, ISCC and RFS. She is also currently active and involved in various RSPO Task Forces, Working Groups and Head of sustainability for GAPKI (IPOC) Sumatera Selatan.

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

9. Increasing The Demand For Certified Palm Oil – What Is The Missing Link?

Salahudin Yaacob

Roundtable on Sustainable Palm Oil (RSPO)

Email: Salahudin.yaacob@rspo.org

Abstract

The call for making sustainable palm oil the norm is proven to be a moving target. The volume of CPO produced globally has been almost doubled since 2004 when RSPO was established. Commercial oil palm plantations are now being established not only in Malaysia and Indonesia, but also in many countries in Africa and Latin America, resulting in higher production of global CPO. With increased awareness on good practice and the need to reduce impacts on people and environment, fortunately many of those new plantings are done following the required standards.

RSPO has grown tremendously as a membership organization. With close to 5000 members, the organization is at the forefront of promoting sustainability in the industry. The grower members are generating around 15 million MT of CSPO, of which around 50 % are being taken up through the RSPO trading system. Some significant volume are also being taken up by the market through other schemes. Around 70 % of the markets in the US and Europe are taking up CSPO, but progress are very slow in other major markets such as India and China. Mediocre uptake of CSPO is also observed in the producing countries such as Malaysia and Indonesia.

Awareness on sustainability is still very weak resulting in minimum pull from market such as India, China. Demand for CSPO in producing countries are almost nonexistence. RSPO has come up with the concept of shared responsibility where the consuming RSPO members must have a time bound plan in sourcing and using CSPO. Such concept not only provide a level playing field, but more importantly create natural demand for CSPO. Last but not least, the government need to play their role in encouraging the production and uptake of CSPO.

Committed to making a difference and doing the right thing, Salahudin has chosen a path that allows him to do just that, within an area that he has the expertise for.

Salahudin Yaacob joined the Round Table on Sustainable Palm Oil (RSPO) in 2011 as its Technical Director. Salahudin brings with him more to 20 years of experience with a number of reputable private and non-governmental organizations.

Prior to joining RSPO, Salahudin worked for SGS the world largest certification body. His role was to manage the country affiliate's Natural Resource Certification Section operating the forestry and oil palm certification programme. He is a qualified Lead Auditor for forest management and chain of custody certification under the FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forest Certification schemes) and MTCC (Malaysia Timber Certification Council) certification schemes with more than 20 years of experience at national, regional and international levels. He was also

involved in RSPO and ISCC (International Standard for Carbon Certification) certification since the start of those certification schemes. He has verified and audited various forestry and oil palm plantation operation and its processing facilities in SEA countries, China, India, Europe, Africa and Latin America.

Salahudin holds a Masters of Philosophy in Environmental and Natural Resources Management from University Malaya. Trained as botanist, he has worked towards the promotion of responsible management of the environment and natural resources across the region involving private business establishment, government agencies and Non-Governmental Organisations (NGO).

Through his many years of experience, Salahudin has gained a strong foothold of the audit system as well as the overall management and operation of certification scheme, assurance, oversight and its M&E. Salahudin is also a committee member of a number working groups at national and international levels that focused on eco-labelling, forest certification, sustainability and oil palm certification. During his free time Salahudin enjoys reading, sports and outdoor activities.

Responsibilities in his current position at RSPO include strengthening engagement with local authorities, reaching out to Non-Governmental Organisation and Civil Societies as well as providing value added relations with industry players particularly the RSPO members.

Abstract: International Palm Oil Sustainability Conference (IPOSC 2020)

Module 1 - Agricultural Commodities and Sustainability Certification

Journal of Oil Palm, Environment & Health 2020, 11: 13-28

doi:10.5366/jope.2020.03

10. Integrating Sustainability and Circular Economy in Palm Oil's Supply Chain

Päivi Makkonen

Neste Corporation, Finland

Email: paivi.makkonen@neste.com

Abstract

Neste is the world's largest producer of renewable diesel and sustainable aviation fuel refined from waste and residues, introducing renewable solutions also to the polymers and chemicals industries. We are in the business of combating climate change. Our portfolio of more than 10 sustainable renewable raw materials are traceable back to their place of origin. In recent years, Neste has focused on increasing the use of waste and residue raw materials formed in industrial processes, such as waste animal fat or fatty acid distillates, such as PFAD. They account for approximately 80% of our annual renewable raw material usage. Sustainably-produced, fully traceable and certified palm oil accounts for the rest, approximately 20%.

Neste has a strict process to ensure that all our suppliers are committed to our sustainability requirements. Our Supplier Code of Conduct, that we renewed in 2020, strengthens our approach to environmental impact and climate change. Our renewable raw material suppliers are additionally required to meet the requirements of the Neste Responsible Sourcing Principle.

Neste's traceability dashboard provides detailed information on key aspects of our palm oil and palm fatty acid distillate (PFAD) supply chains. In 2017 we set a new public target to map our PFAD supply chain 100% to oil palm plantations by 2020, reaching 71% in 2019.

Our overall approach to sustainability due diligence is to work with our suppliers to drive positive practices and mutually enhance sustainability performance through continuous engagement, collaboration, and improvement.

Päivi Makkonen is currently Head of Supply Chain Sustainability at Neste. Neste is the world's largest producer of renewable diesel and renewable jet fuel refined from waste and residues. Before joining Neste in November 2019, she worked in the forest industry in various sustainability management positions for over 10 years, most recently as VP Sustainability at Metsä Group. Prior to her role in sustainability, she has held several technical marketing and sales positions in the paper and pulp industry.