





# CONTENTS

<b>1.</b>	Foreword	<b>4</b>
<b>2.</b>	Highlights	<b>5</b>
<b>3.</b>	Task Force on Sustainable Palm Oil	<b>6</b>
<b>3.1</b>	Use of Palm Oil	<b>6</b>
<b>3.2</b>	Sustainable Palm Oil	<b>6</b>
<b>3.3</b>	Objectives and Activities of the Task Force on Sustainable Palm Oil	<b>8</b>
<b>4.</b>	Monitoring	<b>11</b>
<b>5.</b>	General Results	<b>13</b>
<b>6.</b>	Results by sector	<b>14</b>
<b>6.1</b>	Association of dutch producers of edible oils and fats (vernof)	<b>14</b>
<b>6.2</b>	Food industry	<b>16</b>
<b>6.2.1</b>	Federation of the Dutch Food and Grocery Industry (FNLI)	<b>17</b>
<b>6.2.2</b>	Dutch Association for the Convenience Food Industry (AKSV)	<b>18</b>
<b>6.2.3</b>	Association of Dutch Margarine Producers (BNMF)	<b>19</b>
<b>6.2.4</b>	Dutch Potato Processors' Association (VAVI)	<b>20</b>
<b>6.2.5</b>	Dutch Association for the Bakery and Confectionery Industry (VBZ)	<b>21</b>
<b>6.3</b>	Dutch Central Food Retail Association (CBL)	<b>22</b>
<b>6.4</b>	Dutch Feed Industry Association (Nevedi)	<b>23</b>
<b>7.</b>	Evaluation and challenges	<b>24</b>
<b>Appendix 1</b>	The palm oil supply chain for food products	<b>26</b>
<b>Appendix 2</b>	Facts & Figures	<b>27</b>
<b>Appendix 3</b>	Overview of the organisations with offices in the Netherlands that are members of the RSPO and/or Greenpalm	<b>28</b>

# FOREWORD

We present with great pleasure the second annual report of the Task Force on Sustainable Palm Oil. Since the first report was published in 2012 on the activities and results of 2011, many initiatives have been undertaken to reach the goal of purchasing 100% sustainable palm oil for food and feed applications in the Netherlands by the end of 2015.

The Task Force on Sustainable Palm Oil was founded in 2010 as an initiative of the Product Board for Margarine, Fats and Oils. It is a collaboration of all the Netherlands-based links in the palm oil supply chain. The aforementioned objective was established in the Manifesto that was presented to the then State Secretary of Economic Affairs, Agriculture and Innovation, Henk Bleker. Since the start of the Task Force, all partners have worked hard on making the palm oil supply chain sustainable.

Last year we also saw a lot of activity at the international level. In several member states of the European Union, national initiatives similar to the Task Force were launched or were in the start-up phase. We think this is a necessary development for a broad-based initiative such as making the palm oil supply chain sustainable.

We present this report with justifiable pride: the result for 2012 is impressive, and shows that the participants in the Task Force take the objective seriously and are enthusiastically working towards reaching it. Therefore, acknowledgements to the Task Force and its supporters is in order, even though it is clear that we not quite there yet. Much remains to be done, but we are definitely on the right track. We are confident that future efforts will continue to be directed at making the Dutch palm oil supply chain sustainable.

May 2013

Frans Claassen  
Director  
Product Board for Margarine, Fats and Oils

Eddy Esselink  
Chair  
Task Force on Sustainable Palm Oil



# HIGHLIGHTS

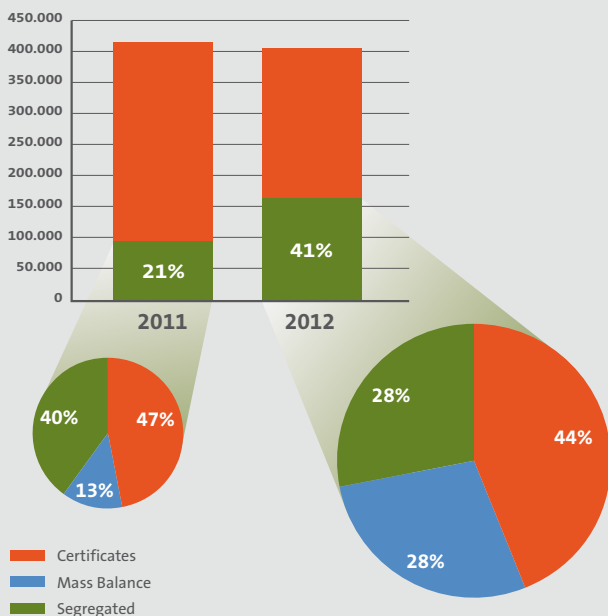
The second year of the Task Force on Sustainable Palm Oil's existence brought about the following highlights:

- 41% of the palm oil, palm kernel oil and derivatives (hereinafter 'palm oil') used in the Dutch food industry is sustainable.
- The amount of palm oil used for food production in the Netherlands has largely remained unchanged, as has its distribution over the sectors.
- Of the total amount of sustainable palm oil purchased, 44% was bought by means of certificates. 'Mass Balance' as well as 'Segregation' both accounted for 28% of the total volume (see p. 7 for an explanation of the trade options used).
- In 2012, 18 companies in the Netherlands joined the Roundtable on Sustainable Palm Oil (RSPO). By the end of 2012, a total of 99 companies in the Netherlands had joined the RSPO, of which 38 companies had become Supply Chain Certified. Furthermore, 70 companies became members of GreenPalm in 2012.

## Share of sustainable palm oil

■ Sustainable palm oil  
■ Conventional palm oil

Volume (tonnes)



# TASK FORCE ON SUSTAINABLE PALM OIL

## 3.1 USE OF PALM OIL

Palm oil is extracted from the fruits of the oil palm. Oil palms are native to Africa but are now mainly cultivated in Indonesia and Malaysia. Besides being extracted from the fruits, oil is also extracted from the palm kernel ('palm kernel oil'). Palm oil and palm kernel oil are used in about 60% of supermarket products. Both oils are popular because of their unique properties and numerous potential applications. Palm oil is solid at 20°C, making it suitable for products that require a certain spreadability or melting behaviour. The yield of palm oil per hectare is high compared to other vegetable oils: about ten times higher than that of soy, eight times higher than that of sunflower, and six times higher than that of rapeseed. Palm oil is used in a variety of products including margarines, biscuits, sauces, snacks, deep-frying fat, milk substitutes and animal feed, but also has several applications in personal and household care products, as well as technical applications. The palm oil supply chain for the food industry is shown in Appendix 1.

Palm oil is the most produced and used vegetable oil in the world. Over the last decade, global palm oil production has doubled (see Appendix 2). It is expected that because of the growth in population and rise in prosperity in the coming years, the demand for palm oil will continue to increase. Meeting this growing demand can partly be achieved by increasing the yield per hectare, and partly by increasing acreage. However, these developments could pose a threat to humans and nature, unless it is produced sustainably. For sustainable palm oil, deforestation of primary forest or areas with a high degree of biodiversity is not permitted, the rights of local residents and workers must be respected and the habitat of endangered species must be maintained.

## 3.2 SUSTAINABLE PALM OIL

Sustainable palm oil is certified according to the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) or an equivalent to this standard. The RSPO is the international platform where civil society organisations, industry and retail work together towards making global palm oil production and trade sustainable. Criteria have been established on this platform that guarantee economic, social and environmental sustainability. Although RSPO-certified palm oil has been on the market since 2008, sales remain behind production despite the increase in demand. In 2012, 52% of the sustainable palm oil was actually sold as sustainable palm oil (see Figure 1). To accelerate the transition to sustainable palm oil, the Product Board for Margarine, Fats and Oils (MVO) established the Task Force on Sustainable Palm Oil in 2010. On this platform, palm oil refiners, food and feed manufacturers, and retailers have committed themselves to the goal that all palm oil destined for the Dutch food and feed market be sustainable by the end of 2015.

Sustainable palm oil is traded according to one of the four trade options approved by the RSPO: 'Book&Claim', 'Mass Balance', 'Segregation' or 'Identity Preserved'. These trade options are explained in the box on page 7.

CSPO Market Uptake by Year

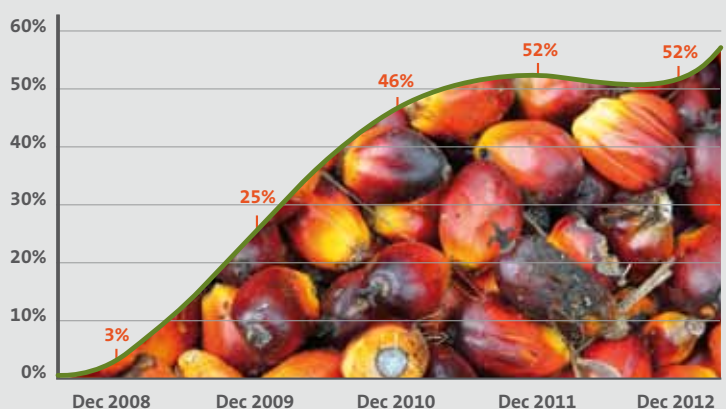


Figure 1: Percentage of sustainable palm oil sales on the market.

Source: [www.rspo.org](http://www.rspo.org)

## RSPO TRADE OPTIONS:

There are four different ways to buy RSPO-certified sustainable palm oil:

- **Book&Claim (B&C):** The organisation GreenPalm facilitates the so-called Book&Claim system. End users of palm oil products such as palm oil, palm kernel oil or derivatives can buy GreenPalm certificates for sustainably produced palm oil products. A certificate represents the production of one tonne of certified sustainable palm oil products. Plantations that are certified according to the RSPO standards can offer and sell GreenPalm certificates. Only companies that are GreenPalm and/or RSPO members can claim use of the certificates. The supply chain is not tracked. For more information visit [www.greenpalm.org](http://www.greenpalm.org).
- **Mass Balance (MB):** Sustainable palm oil from certified sources is mixed in with conventional palm oil but monitored administratively.
- **Segregation (SG):** Sustainable palm oil from various certified plantations is separated from conventional palm oil throughout the entire supply chain.
- **Identity Preserved (IP):** Sustainable palm oil from one single certified oil mill is separated from conventional palm oil throughout the entire supply chain.

## WHAT IS RSPO SUPPLY CHAIN CERTIFICATION?

Companies that are part of the sustainable palm oil supply chain must be certified by an independent certification body. In this way the RSPO guarantees that all the links of the supply chain meet the requirements. What is verified during the RSPO Supply Chain Certification process is – in the case of Segregation – whether a company is capable of keeping sustainable palm oil or palm products separate from conventional palm oil (products) and – in the case of Mass Balance – whether the company adequately keeps track that the volume claimed never exceeds the volume purchased. For more information visit [www.rspo.org](http://www.rspo.org).

## USE OF LOGO AND TRADEMARK

Under certain conditions, a logo or trademark for sustainable palm oil can be used in advertisements, brochures, websites, news reports and products.

Book&Claim: members who have bought GreenPalm certificates can state on the packaging of the product that the manufacturer contributes to the production of by RSPO-verified sustainable palm oil.



This is the logo of the RSPO. This logo may be used under certain conditions for communications materials such as on websites and in newsletters. This logo is not intended for the packaging of products that contain palm oil.

RSPO members who are Supply Chain Certified and have a trademark license may, depending on the trade option, claim this on the packaging provided that at least 95% of all palm oil ingredients in the product are RSPO-certified.

For IP or SG, the following trademark is used:



For MB, the following trademark is used:



For the complete list of conditions visit [www.greenpalm.org](http://www.greenpalm.org) and [www.rspo.org](http://www.rspo.org).



### 3.3 OBJECTIVES AND ACTIVITIES OF THE TASK FORCE ON SUSTAINABLE PALM OIL

All Netherlands-based links of the palm oil supply chain are represented in the Task Force, namely refiners, food and feed manufacturers and retailers. The Product Board MVO is the chair and runs the secretariat of the Task Force. The members have been working on promoting the production and use of sustainable palm oil since 2010. All members have committed themselves to the goal that all palm oil used in the Dutch food and feed industry be sustainable by the end of 2015. To achieve this goal, the members prepare an action plan annually. These action plans are evaluated in the annual report. The Task Force has the following members<sup>1</sup>:



#### Action Taken

In 2012, work was primarily done on informing companies and encouraging the use of sustainable palm oil both in its physical form and in the form of certificates. At the beginning of the year, the members agreed to the action plans for 2012, and the achievements were reported at each subsequent Task Force meeting. The Task Force also acts as a platform for the exchange of knowledge, experiences and obstacles for the transition to sustainable palm oil. In close connection with RSPO working groups, solutions were discussed for the obstacles encountered when purchasing or using sustainable palm oil.

#### Information

Throughout the year, the Task Force organised meetings at various companies and industry associations to inform them about developments in the field of sustainable palm oil. Information was provided on how



sustainable palm oil can be purchased, which claims may be made, and current developments within the RSPO. The Fact Sheet 'Sustainable Palm Oil: The Norm in

2015' was distributed at these meetings. This fact sheet explains the importance of sustainable palm oil, and offers pointers on how to make the switch to sustainable palm oil. The fact sheet also provides a step-by-step approach describing how sustainable palm oil can be purchased.

The newsletter 'Facts on Fats' (Vette Feiten) was published each quarter with information on the latest developments in the field of sustainable palm oil and the RSPO.

#### International collaboration

At the beginning of 2012, the Belgian Alliance for Sustainable Palm Oil (BASP) was founded (see box). The BASP has a similar approach as the Task Force and has formulated the same objective, namely to make the palm oil used for food, feed and other products in Belgium sustainable. In France and Germany efforts are being made to launch similar initiatives. In the UK a slightly different approach has been taken. The British government has published a 'National Statement' in which the various initiatives of the sectors are described.

Each quarter the representatives of all current and future national initiatives assemble to share the experiences, progress and stumbling blocks, led by RSPO's communication agency Hill+Knowlton.

<sup>1</sup> New members are welcome to join.



Belgian Alliance for Sustainable Palm Oil  
Belgische Alliantie voor Duurzame Palmolie  
Alliance Belge pour une Huile de Palme Durable

In January 2012, the Food Sectors have officially launched the Belgian Alliance for Sustainable Palm Oil, a platform whose objective is to encourage the transition towards a sustainable market of palm oil by the end of 2015 and to stimulate the demand of Sustainable Palm Oil (SPO) while its supply is already available.

The founder signatories are the professional association of the Belgian potato trade and processing industry (BELGAPOM), the Royal Belgian association of the biscuit, chocolate, pralines and confectionery industry (CHOPRABISCO), the Belgian food industry federation (FEVIA), the federation of big bakeries Belgium (FGBB), the Belgian trade association of manufacturers and importers of products for bakeries, pastry, chocolate, and ice products (UNIFA), the Belgian Margarine association (APIM) and the oil companies Cargill and Fuji. In the course of 2012, the FEED (BEMEFA / APFACA) and the NON FOOD (DETIK) sectors have also joined the Belgian Alliance, as well as a palm oil producer company (SIPEF).

The BE Alliance is active on the first hand in organising information sessions for companies to ease their process towards SPO and furthermore to relay the bottlenecks they face towards the ad hoc RSPO Committees and on the other hand in building a European network of national initiatives in order to promote the SPO when palm oil is used.

For more information: [www.sustainaBELpalm.be](http://www.sustainaBELpalm.be)

### **Mission Southeast Asia**

At the end of 2012, the Task Force members travelled to Malaysia, Singapore and Indonesia on a working visit. During the visits to a number of companies and discussions with the relevant authorities, the members were informed about the sustainability developments in the local palm oil sector. This visit was meant to reinforce the commitment with respect to sustainable palm oil and to gain more insight into the main challenges the entire sector faces, from small-scale farmers to plantations, industry, retailers and NGOs. The importance of cooperation along the supply chain for the purpose of sustainability during the travel was frequently emphasised.

The trip was organised by the Product Board MVO together with the Dutch embassy in Malaysia. The participants visited palm oil plantations, palm fruit mills, palm kernel mills and refineries, and held discussions with representatives from the industry and research institutes in Malaysia and Indonesia. The visit and the discussions brought a better understanding of the complexity of the palm oil supply chain, the process of making it more sustainable, and the many applications of palm oil and derivatives.

Furthermore, a visit was also made to the RT10 – the annual conference of the RSPO – and discussions were held with the industry, farmers and (local) NGOs. More than 800 visitors from 37 countries came to learn more about the growing global support for the RSPO. The members are convinced that the working visit and the ensuing discussions help to reaffirm the joint commitment.

### **Dialogue**

The Task Force on Sustainable Palm Oil spent the past year working closely with civil society organisations and the government. The Task Force places great value on a constructive dialogue with organisations such as the World Wildlife Fund, OxfamNovib and Solidaridad. Via MVO, the Task Force on Sustainable Palm Oil participates in the Tripartite Discussion on Sustainable Palm Oil between government, industry and NGOs.

## **The European initiatives in global perspective by Darrel Webber, Secretary General of the RSPO**

Sustainable palm oil production and business practices are no longer an option but a 'must' for the long-term good of the industry. RSPO is committed to drive palm oil production towards higher global standards with the support from all actors that span the value chain; not only from plantation owners but also from producers, processors, traders, consumer goods manufacturers, retailers, banks and investors, and NGOs.

Close collaboration between all these players is crucial in advancing the uptake of certified sustainable palm oil globally and in Europe. This is showcased by exemplary initiatives such as the Dutch Task Force on Sustainable Palm Oil. Thanks to the Task Force, the Netherlands has made impressive progresses in the market transformation process.

Similar initiatives are now emerging in other European countries. In 2012, the UK launched a national statement in which the government and all the palm oil using industries announced their commitment to work towards sustainable palm oil. Business stakeholders, NGOs and government bodies are also active in the promotion of national commitments in France and Germany.

Meanwhile, general consumer awareness of palm oil sustainability challenges is growing in Europe. This emphasises the urgency to educate all stakeholders on the benefits of sustainable palm oil production and consumption. The RSPO Trademark will play an increasingly important role in this respect. Highly reputed consumer brands such as L'Occitane, Jordan and Carrefour are now using the RSPO Trademark on their packaging and more are expected to follow soon.

In collaboration with initiatives such as the Dutch Task Force on Sustainable Palm Oil, RSPO will focus on increasing the number of producers and buyers of certified sustainable palm oil and educating all stakeholders – including the general public – on the benefits of sustainable palm oil production. We have a vision: to make certified sustainable palm oil the norm. We want to share it as broadly as possible.

Darrel Webber  
Secretary General, Roundtable on Sustainable Palm Oil  
January 2013

# MONITORING

This report presents the results achieved by the Task Force on Sustainable Palm Oil in 2012. The focus of the report is on the progress in the transition to the ultimate goal of the Task Force: the use of 100% sustainable palm oil by the Dutch food and feed industries in 2015. In terms of monitoring, four key indicators were looked at:

1. The amount of RSPO-certified sustainable palm oil purchased by the Dutch food industry relative to the total amount of palm oil purchased by this industry. Both the total percentage of sustainable palm oil and the share by sector are reported. Any reference made here in this report to palm oil also includes palm kernel oil and any derived products.
2. The amount of sustainable palm oil purchased by means of certificates ('Book&Claim') and the purchase of products through the physical trade options ('Mass Balance', 'Segregation' and 'Identity Preserved'; see the box on p. 7).
3. The number of, and the increase in the number of companies in the Netherlands that are members of the RSPO and/or GreenPalm. The number of new members listed on the RSPO and GreenPalm websites was counted and compared to the total number of members (March 2013). An overview of the companies with a location in the Netherlands that are members of the RSPO and GreenPalm is given in Appendix 3.
4. The increase in the number of companies in the Netherlands with RSPO Supply Chain Certification.

## MONITORING THE PURCHASE OF SUSTAINABLE PALM OIL

For monitoring the purchase of sustainable palm oil through one of the physical trade options ('Mass Balance', 'Segregation' or 'Identity Preserved'), a methodology was developed in close cooperation with the Dutch palm oil refiners. The Dutch palm oil refiners provide data on the sale of (sustainable) palm oil to the Dutch food industry ('domestic supplies'). This information was supplemented with the total amount of palm oil imported and exported (Intrastat and customs data) by companies in the Dutch food industry. These figures were aggregated and reported by sector.

For monitoring the purchase of GreenPalm certificates, an analysis was carried out of which GreenPalm members have production sites in the Netherlands. Next, the number of certificates purchased in 2012 was calculated. To measure the purchase of GreenPalm certificates by companies with production sites both in the Netherlands and abroad, an estimate was made, in consultation with the companies concerned, of the number of certificates used for production in the Netherlands. At the time of publication, it was still possible for companies to redeem the certificates for 2012. The reference date for 2012 is the same used for the 2011 annual report.

The sale of sustainable palm oil according to one of the physical trade options and purchases of certificates were then combined. Since monitoring concerns the supplies of the refiners and the purchase of certificates, although these figures do not correspond to all the palm oil consumed in the Netherlands, they do represent all the palm oil processed by the Dutch food industry.



## SECTORS

For this report, we have subdivided the Dutch food industry into the following sectors:

- Potato processing industry: pre-fried, chilled and frozen potato products.
- Bakery and confectionery: cakes and pastries, bread substitutes, confectionery/sweets, chocolate, crackers and toast, dry savoury snacks and nuts, sweet spreads and bakery ingredients.
- Margarine industry: bakery/industrial/consumer margarine, reduced-fat margarine, frying and roasting products, and edible oils and fats (including deep-frying oil for consumers and the hospitality sector).
- Sauce manufacturers: sauces.
- Convenience food industry: meat snacks, salads, meal components, pizzas and ready-to-eat meals.
- Dairy / Milk replacers: infant formula, coffee creamers, ice cream and other dairy products.
- Other miscellaneous food products: fried onions, bread crumbs, batter, tempura batter, popcorn, cereal and corn flakes.
- Feed Industry: compound feed, premixes, humid feedstuffs and milk feed products for calves.

It is important to mention that the refiners report on the supplies to these sectors. This also concerns supplies to companies that are not members of an industry association. Since the AKSV also monitors progress among its members, and only focuses efforts on those companies, Section 6.2.2 is devoted to the data retrieved from the AKSV members. These deviate from the data that the refiners report for the entire convenience food industry.

## SCOPE

Monitoring helps to give an idea of how much sustainable palm oil is purchased by the food industry in the Netherlands for processing. Food products that are produced in the Netherlands and subsequently exported also fall within the scope of the monitoring.

This monitoring excludes palm oil:

- which is processed by companies outside of the Netherlands in products sold on the Dutch market;
- which is imported to the Netherlands, but then exported without further processing;
- which is purchased to generate energy; these products must satisfy sustainability criteria set by the European Directive for Renewable Energy, and therefore they fall outside of the scope of the Task Force on Sustainable Palm Oil;
- which is used for technical and oleochemical applications. In the future it is possible that this sector will be more explicitly involved in the Task Force.



# GENERAL RESULTS

## SUSTAINABLE PALM OIL

In 2012, the Dutch food industry processed 407,000 tonnes of palm oil in the Netherlands. Of this amount, 165,000 tonnes or 41% was purchased by one of the RSPO-approved trade options: Mass Balance, Segregation, Identity Preserved or Book&Claim. This volume can be subdivided into the contributions of various sectors (see Figure below).

The amount of palm oil used for the production of food products in the Netherlands largely remained the same.

## TRADE OPTIONS USED

Of the total amount of sustainable palm oil purchased, 44% was bought with certificates. Additionally, 28% was sold via the Mass Balance trade option and 28% via Segregation (see Figure page 5). The share of Identity Preserved was so small that it was added to Segregation.

## RSPO/GREENPALM MEMBERSHIP

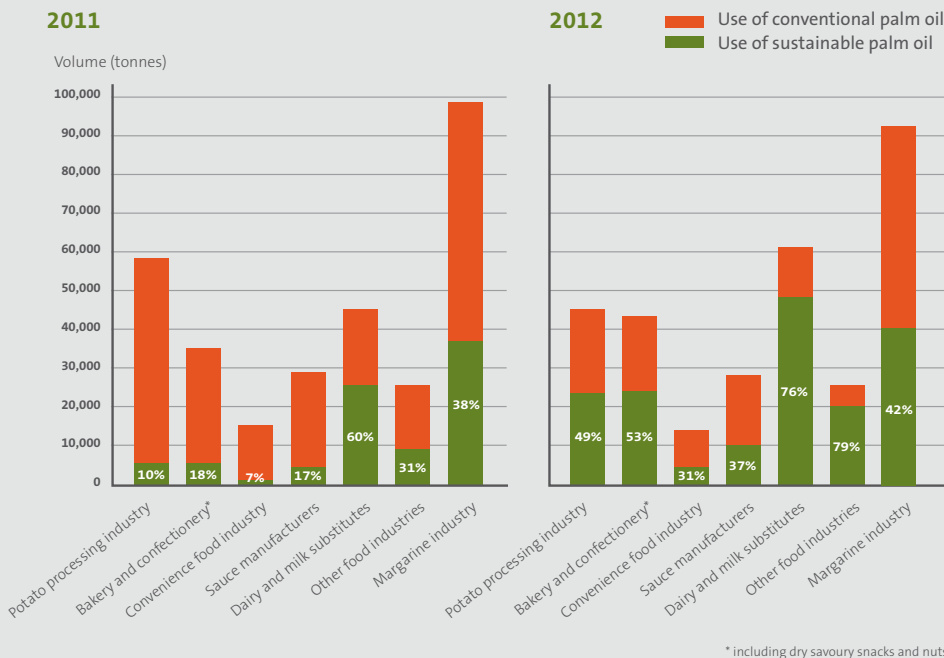
In 2012, 18 companies in the Netherlands became members of the RSPO. This brings the total number of Dutch RSPO members to 99 of the 1,164 total members worldwide, which is around 8%. The membership application for one company was still pending at the end of the year.

Furthermore, a total of 70 companies are members of GreenPalm, which is more than double the number of members in 2011 and almost 12% of the 587 GreenPalm members worldwide.

## SUPPLY CHAIN CERTIFICATION

In total, 38 companies with production sites in the Netherlands are Supply Chain Certified. This is roughly 17% of the 220 certified companies worldwide. The Supply Chain Certification of two companies was still pending at the end of 2012. In 2011, 16 companies were Supply Chain Certified.

### Share of Sustainable Palm Oil in the Dutch Food Industry<sup>2,3</sup>



- The figure for 2011 deviates slightly from that in the annual report of last year because the sectors are defined differently. For example, calf milk replacers are now included in the feed industry, while last year it was reported under dairy/milk substitutes. Also, the figures for 2011 were re-submitted by refiners, whereby the total volume was slightly greater than previously reported.
- The feed sector is preparing to certify all palm oil used for the Dutch animal feed according to the criteria determined by the RSPO.

# RESULTS BY SECTOR



## 6.1 ASSOCIATION OF DUTCH PRODUCERS OF EDIBLE OILS AND FATS (VERNOF)

The Association of Dutch Producers of Edible Oils and Fats (VERNOF) represents the interests of seven companies that produce vegetable oils, fats and proteins and that refine vegetable and animal oils and fats in the Netherlands. The members of VERNOF supply refined palm oil, palm oil fractions and derivatives to, among others, the food and feed industry.

### ACTION TAKEN IN 2012

VERNOF's objective for 2012 was to continue stimulating the demand for sustainable palm oil and to ensure an adequate supply of certified palm oil products. Their priority was to continue encouraging the physical flow of sustainable palm oil as an alternative to sustainable palm oil through certificates. To this end, VERNOF has contributed the following:

1. The Netherlands exports a large portion of palm oil after refining. VERNOF members actively contributed to advancing the use of sustainable palm oil in export countries. VERNOF members were involved in international deliberations on sustainable palm oil via the Product Board for Margarine, Fats and Oils (MVO). Besides a Dutch delegation, representatives from Belgium, the UK, France, Germany, Italy and Switzerland were also present. VERNOF members also co-organised two information sessions on sustainable palm oil in Belgium. These sessions were given in support of the Belgian Alliance for Sustainable Palm Oil.
2. Sime Darby, IOI and Wilmar welcomed members of the Dutch Task Force on Sustainable Palm Oil to their palm oil plantations, palm fruit mills, palm kernel mills and palm oil refineries during a working visit to Malaysia, Singapore and

Indonesia. During this visit the members were informed about the complexity of the palm oil supply chain and the many applications of palm oil and derivatives. Furthermore, the visit provided more insight into how the entire sector, from small-scale farmers to plantations, industry and retailers, are working together in close consultation with NGOs to make the palm oil supply chain sustainable.

3. VERNOF members are active in the various consultative bodies of the RSPO:
  - a. Some VERNOF members participate in the Standing Committee on Trade and Traceability (T&T). In the past year work was especially done on:
    - Incorporating a new "Supply Chain" manager at the RSPO.
    - Providing help to strengthen the coordination between the RSPO and the service provider UTZ.
    - The migration of all trade-related data to a new version of the online trade tracking system of UTZ, (RSPO eTrace).
    - The formulation of requirements for an entirely new online trade tracking system.
    - The development of a standard for group certification of industrial consumers of palm oil.
    - A comparison between the RSPO Supply Chain Certification and the requirements of BRC.
  - b. Some VERNOF members participate in the Standing Committee on Communications and Claims (C&C). The main results of this committee for the reported year are:
    - More neutral reporting on sustainable palm oil in the European press.
    - A proactive approach by the communication agency Hill+Knowlton and cooperation with various industry organisations in order to improve the image of sustainable palm oil.
    - Consent from the European Commission for the RSPO standard under the Directive for Renewable Energy.

## **VERNOF Company in the Spotlight: Sime Darby Unimills**

*More than 40% of all palm oil products that Sime Darby Unimills in the Netherlands supplied in 2012 were based on certified sustainable palm oil. A third of all palm oil-containing oil mixtures were eligible for an RSPO claim. Compared to 2011, Sime Darby more than doubled the supply of sustainable palm oil products in the Netherlands with an RSPO claim.*

- A framework for developing national initiatives to stimulate demand for sustainable palm oil (initiated by MVO and the Task Force on Sustainable Palm Oil).
  - Delivery of the first 65 licenses for the RSPO trademark.
  - The first steps towards creating awareness about sustainable palm oil in China and India.
- c. Sime Darby / Unimills is, as a member of the Advisory Board of the RSPO, involved in an initiative to improve the involvement of small-scale palm fruit cultivation with the RSPO: the 'Smallholder Acceleration and REDD+Partnership (SHARP)'. Smallholders play an important role in helping the production volume of sustainable palm oil grow. This is the reason behind Sime Darby initiating this project in 2011. The project is a collaboration of progressive organisations including companies such as Sime Darby, Olam, GAR, Rabobank, Carrefour, and NGOs such as Solidaridad and Conservation International. It has the following goals:
- Improving the living conditions of smallholders.
  - More security in the food supply through higher yields per hectare.
  - Preventing deforestation.

Sime Darby / Unimills strives to ensure that the certified palm oil from smallholders is made available to consumers in Europe. In 2012 the Sustainable Trade Initiative (IDH) pledged financial support and expertise to this project. The first workshops on promoting small-scale palm oil cultivation were held in Liberia in November 2012.

(For more information: [www.sharp-partnership.org/about-sharp/objects/pdfs/sharp-concept-note](http://www.sharp-partnership.org/about-sharp/objects/pdfs/sharp-concept-note))

- d. AAK and IOI are board members of the RSPO. The results of this board from 2012 are:
- A successful RT10 that reflected on the success of the RSPO over the last ten years: more than a thousand members in fifty countries, with more than 14% of global palm oil being sustainably produced.
  - Starting the process of evaluating the RSPO Principles and Criteria.
  - Strengthening the position of the RSPO in China and India, which together account for about two thirds of the global palm oil consumption.

4. VERNOF set out in 2012, just as it did in 2011, to provide monitoring of the national consumption of sustainable palm oil. Within this framework, VERNOF members shared supply information last year with MVO, who carries out the secretariat duties of the Task Force on Sustainable Palm Oil. This system allows the percentage of sustainable palm oil relative to the total flow, aggregated by sector/trade option/quarter, to be followed. A similar system is being developed for the Belgian market, in support of the Belgian Alliance for Sustainable Palm Oil.

## **2012 RESULTS**

All VERNOF companies were already members of the RSPO and are Supply Chain Certified, which remained unchanged in 2012. The total Dutch consumption of palm oil by the food industry remained virtually unchanged at 407,000 tonnes in 2012 and 414,000 tonnes in 2011.

## **PROSPECTS FOR 2013**

VERNOF's plans for 2013 are:

1. To continue stimulating and facilitating the use of sustainable palm oil in the Netherlands and in Europe by expanding the sustainable palm product portfolio.
2. To continue contributing to the monitoring of the market uptake of sustainable palm oil in the Netherlands and Belgium.
3. To work on a plan to harmonise the monitoring within Europe.
4. To ensure that in 2013 all responsible commercial and logistics managers involved in purchasing palm oil are kept informed of developments in the field of RSPO certification.
5. To stay active within the RSPO. The priorities for 2013 are:
  - a. Standing Committee T&T:
    - Starting the group certification of industrial consumers of palm oil, and lowering other possible barriers for small and medium enterprises (SMEs).
    - Strengthening the B2B marketing via the RSPO.
    - Decision-making on an integrated (physical and certificates) online trade tracking system.
  - b. Standing Committee C&C:
    - Monitoring and actively managing the perception of sustainable palm oil in the European market in cooperation with the European Palm Oil Alliance (EPOA).
    - Actively working together with and encouraging (European) national initiatives.

- Establishing a monitoring system in collaboration with European palm oil companies to allow the market uptake to be measured.
- c. Small Holder Acceleration & REDD+ Partnership (SHARP):
- Ensure that sustainable palm oil from small-scale cultivation finds its way into the supply chain.

## 6.2 FOOD INDUSTRY

Palm oil is used in the Dutch food industry mainly by the:

- Convenience food industry, represented by the AKSV;
- Margarine industry, represented by the BNMF;
- Potato processing industry, represented by the VAVI;
- Bakery and confectionery industry, represented by the VBZ;
- Sauce Manufacturers, represented by the Dutch Association of Sauce Manufacturers (NVSF –not a member of the Task Force) and
- Producers of dairy and milk substitutes.

This section describes the main activities of the Task Force members listed above. To avoid duplication, individual companies that are members of both the FNLI and one of the product group-specific industry associations (AKSV, BNMF, VAVI and VBZ) are only described in the text on the industry association.

Some companies are highlighted to give an impression of the types of activities that individual companies are undertaking and the results achieved in the past year. We would like to emphasise that these featured companies are merely examples of the full range of companies who are actively committed to sustainable palm oil.



### 6.2.1 FEDERATION OF THE DUTCH FOOD AND GROCERY INDUSTRY (FNLI)

The Federation of the Dutch Food and Grocery Industry (FNLI) is the umbrella organisation of food producers and industry organisations within the Dutch food industry (food and non-food). The FNLI is the voice of companies and industry associations and the contact for trade partners, NGOs, the government, politics and the media. The Federation serves the interests that transcend the individual companies and promotes good relations between the Dutch food industry and European umbrella organisations and institutions of the EU.

The main FNLI sectors and industries that use palm oil (or fractions or derivatives of palm oil) include the margarine industry, the potato processing industry, the bakery and confectionery industry, the sauce industry, the convenience food industry but also the dairy industry (eg coffee creamers, fat powders and ice cream). The non-food use palm oil is mainly in personal hygiene products, which, like last year, will be excluded from this annual report. The FNLI has been a member of the RSPO since 1 September 2009.

#### Action Taken in 2012

The FNLI was focused on providing information on sustainable palm oil to its members in 2012. During company visits and periodic communication with members, the importance of sustainable palm oil was emphasised, and by distributing the Fact Sheet on Sustainable Palm Oil, companies have gained insight into the options for purchasing sustainable palm oil. Moreover, in conversations with companies the FNLI attempted to uncover questions and obstacles concerning sustainable palm, which were then passed on to the Task Force. The experiences of SMEs received extra attention because improving their options for purchasing certified palm oil is on the agenda of the RSPO, and should remain so.

#### *FNLI Companies in the Spotlight: Trio Bewust and Royal Wessanen*

- *Trio Bewust (subsidiary of CSM Benelux) began covering all palm oil in its margarines with GreenPalm certificates in September 2012.*
- *Royal Wessanen became RSPO Supply Chain Certified in 2012 and is now working towards its goal of 100% sustainable palm oil for its organic products by the end of 2014.*

The FNLI gave sustainable palm oil more attention within the broader objective of raw material sustainability, to keep the information for members clear and concise. Members were also approached in 2012 about the importance of conserving biodiversity, and the role played by the sustainable production of raw materials. To give an idea of the extent to which companies are already working on transitioning to (raw material) sustainability, the website [www.DuurzamerEten.nl](http://www.DuurzamerEten.nl) was launched. Dozens of companies throughout the entire agri-food chain use this as a platform to share what they are doing to make their production processes more sustainable.

#### 2012 Results

In 2012, 53 FNLI members were members of the RSPO and 42 were members of GreenPalm. This is a significant increase compared to 2011, when 32 were members of the RSPO and 25 were members of GreenPalm. 21 companies are Supply Chain Certified and one company's application for certification is pending. FNLI members utilise all trade options for sustainable palm oil.

#### Prospects for 2013-2015

The FNLI will continue providing information to its members in 2013. In addition, the FNLI wants to work on combining tools and action plans for the purpose of sustainably produced raw materials purchased by its members. Via the Task Force, the FNLI will continue to stimulate the improvement and clarification of the options available for SMEs to purchase sustainable palm oil.



## 6.2.2 DUTCH ASSOCIATION FOR THE CONVENIENCE FOOD INDUSTRY (AKSV)

The AKSV is the industry association for manufacturers of convenience foods such as croquettes, meatballs, oriental snacks, salads, sandwiches, pizzas and ready-to-eat meals. The association's mission is to help the industry grow, to promote the common interests of its affiliated members, to optimise the business environment, to improve competitiveness and to increase the market share of affiliated businesses. The 35 members of the AKSV represent around 80% of the market and are in a representative reflection of the Dutch convenience food industry in size and spirit. The sustainability efforts of the AKSV are expressed as caring for People, Profit and Planet. The balance between the three Ps is the basis for continuity.

Most AKSV members are SMEs. The main products in which palm oil is processed are:

- liquid deep-frying fats which are used for the pre-frying process for the purpose of snack production;
- fried noodles, fried rice, and pasta products.

Fractions of palm oil in certain raw materials, such as spice mixes, bouillon, anti-dusting agents, seasonings, etc., are not included given their very low percentage.

### Action Taken in 2012

The meeting of the AKSV members in November 2012 was entirely devoted to sustainability. The Chair of the Task Force on Sustainable Palm Oil gave a presentation on the activities and objectives, and answered questions from members. It was agreed that members who have yet to process sustainable palm oil will strive to transition as soon as possible. This topic is regularly on the agenda of the meetings of the board and of the members, and the meetings of the Quality and Environment Committee. All AKSV members that use palm oil are committed to only purchasing sustainable palm oil by the end of 2015. The AKSV also periodically surveys its members on the progress in transitioning from the use of conventional palm towards sustainable palm oil and has a good grasp of the progress and the obstacles that the members encounter.

### 2012 Results

The AKSV purchased a total of 3,079 tonnes of palm oil in 2012. Of this, 2,478 tonnes were sustainable (80%). In 2012, some members stopped processing palm oil under pressure from their customers and now use other vegetable oils which have a better fatty acid composition. There is one member who switched to 100% sustainable palm oil in November 2012. Two members buy certificates via Book&Claim. They account for 96% of the total volume of sustainable palm oil by AKSV members.

From the AKSV, one company is a member of the RSPO, two members purchase palm oil according to the Segregation trade

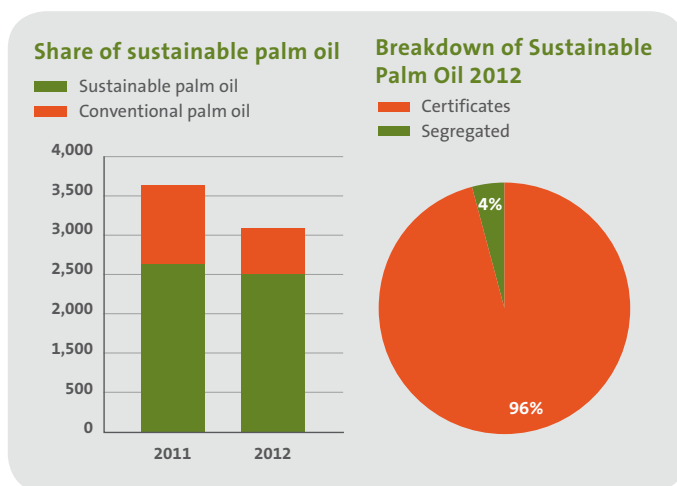
### AKSV Company in the Spotlight: VSI

VSI is RSPO-certified and in 2012 made the conscious decision to switch to completely sustainable (IP and SG) palm oil. Palm oil is commonly used in the production of bars, in relatively low amounts.

option, with which they cover 100% of their volume. No members buy palm oil through Mass Balance.

One member still has contractual obligations until 1 October 2013; from that date, 100% of the palm oil purchased by this company will be sustainable or a switch will be made to rapeseed oil.

The results in the following figures are the results of the AKSV members and not of the entire Dutch convenience food industry. This accounts for the difference in results in Figure 4 on pages 16 and 17.



### Prospects for 2013

The AKSV will again focus considerable attention on sustainability in 2013 through presentations at the meetings of the members and news reports on the AKSV website. To that end, the focus will be strongly aimed at the agreements concerning the purchase of sustainable palm oil.

Various companies focus their policies on sustainability and Corporate Social Responsibility, of which the purchase of sustainable ingredients is one part.

Based on the monitoring, it appears that there are only four companies that still do not purchase sustainable palm oil. The AKSV will continue to approach and inform these companies about the target of reaching 100% sustainable palm oil in 2015. At the meetings of the members in April and November, considerable attention will be focused on the purchasing of sustainable palm oil. Documentation from the Task Force will be distributed and further explained if necessary. The AKSV will aim to improve the options for SMEs to purchase sustainable palm oil in a suitable way for an acceptable price via the Task Force. In addition, the AKSV will continue encouraging customers (retailers, food service and the hospitality sector) through the Task Force to urge companies who are not members to buy only sustainable palm oil.



### 6.2.3 ASSOCIATION OF DUTCH MARGARINE PRODUCERS (BNMF)

The Association of Dutch Margarine Producers serves the (joint) interests of five members who make products such as margarine, reduced-fat margarines, frying and roasting products, and edible oils and fats (including deep-frying oil<sup>4</sup>). The focus of the sector is consumer products, but raw materials/ingredients for other food products (especially bakery margarines and industrial margarine) also fall within the product range.

The main products that contain palm oil (or fractions or derivatives of palm oil) are deep-frying oil/fat, bakery margarines, frying and roasting products and (consumer) margarines.

#### Action Taken in 2012

- The importance of sustainable palm oil was placed on the agenda of the meetings of the board and of the members.
- Sustainable palm oil was placed on the agenda of the European industry association IMACE.
- The Belgian Alliance for Sustainable Palm Oil (BASP) was supported at the start-up.
- The use of sustainable palm oil was promoted for products non-BNMF company brands, such as the house brand products of supermarket chains.
- The Fact Sheet 'Sustainable Palm Oil: The Norm in 2015' was distributed to all members.

#### BNMF Company in the Spotlight: Unilever

Globally Unilever buys about 1.4m tonnes of palm oil and 0.2m tonnes of palm kernel oil per year. At the end of 2012, the company reached its target of 100% certified sustainable palm oil, three years earlier than previously promised. The majority of the palm oil is covered by means of certificates, making Unilever still the world's largest buyer of certificates. Unilever has a new target: sustainable palm oil that is certified and traceable to its origin by 2020.

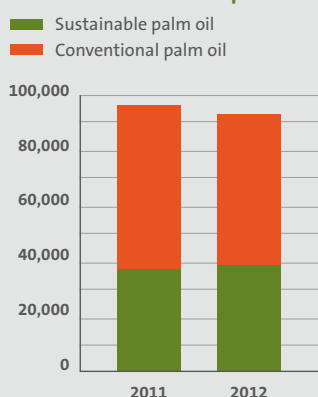
#### 2012 Results

All BNMF members are members of both the RSPO and Green-Palm. The members use three of the RSPO trade options, namely certificates, Mass Balance and Segregation. Four of the five members are Supply Chain Certified. 42% of the palm oil purchased by the margarine industry is sustainable. Of the sustainable palm oil purchased, 13% consisted of Segregation, 12% of Mass Balance and 75% of certificates.

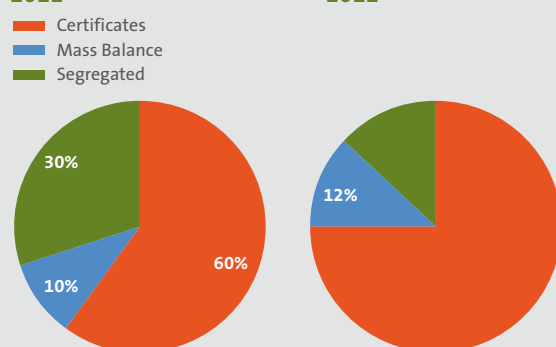
#### Prospects for 2013

The BNMF wants to continue encouraging its members to use sustainable palm oil and where possible to make the transition from certificates to Mass Balance or Segregated palm oil. The change in requirements concerning food information to consumers (FIC) in the European Union may be a further incentive to begin using sustainable raw materials. Sustainable palm oil remains on the agenda of the European industry association.

Share of sustainable palm oil



Breakdown of Sustainable Palm Oil 2011 2012



<sup>4</sup> Deep-frying fats made by BNMF companies are mainly sold to the consumer and to catering establishments. This does not include the deep-frying fats used by the industry (eg AKSV and VAVI companies).



### 6.2.4 DUTCH POTATO PROCESSORS' ASSOCIATION (VAVI)

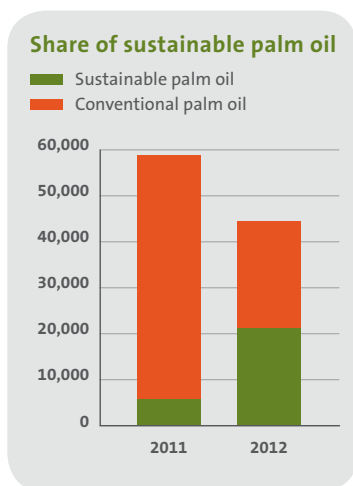
The Dutch Potato Processors' Association serves the interests of the potato processing industry in general and of the members of the VAVI specifically within the Dutch and European context. The members are manufacturers of potato products. Palm oil is used for the production of pre-fried potato products.

#### Action Taken in 2012

Individual members published sustainability reports stating the realisation and the plans for the coming year. The VAVI placed sustainable palm oil on the agenda of meetings of the members and committee meetings in the Netherlands and in Brussels. The VAVI participated in the working visit to Malaysia and Singapore (RT10) along with other Task Force members.

#### 2012 Results

The VAVI has seven members of whom six make pre-fried products; 90% of production (1.9m tonnes) is for the export market. One member has no customers on the Dutch market. The percentage of sustainable palm oil rose from 10% in 2011 to almost 50% in 2012. Most of the sustainable palm oil was covered by means of certificates. Four members are members of the RSPO; one member applied for RSPO membership in 2012.



<sup>5</sup> [www.vavi.nl/rapport.html](http://www.vavi.nl/rapport.html)

### VAVI Company in the Spotlight: Lamb Weston Meijer (LWM)

LWM has been a member of the RSPO since May 2011. In 2012, over a third of the palm oil demand was covered with RSPO-certified palm oil by means of certificates (9,000 tonnes). After switching from palm oil to sunflower oil for all Lamb Weston branded products as of November 2012, the entire palm oil demand for the remaining labels was covered by certificates.

#### Prospects for 2013

The objective of the VAVI in 2013 is for 50% of the palm oil purchased to be sustainable. One member has already set out to reach 100% in 2013. There is a tendency in the potato processing industry to replace palm oil with another oil because of health aspects and upcoming labelling requirements. The industry association discussed sustainable palm oil in the sustainability report<sup>5</sup>. In 2013, the report from 2011 will be revised. The topic is on the agenda for meetings of the members and committee meetings in the Netherlands and in Brussels. The VAVI will provide information at meetings and place the subject on the agenda for meetings.



**VBZ Activities in the Spotlight**

- The initiative to establish group certification.

**6.2.5 DUTCH ASSOCIATION FOR THE BAKERY AND CONFECTIONERY INDUSTRY (VBZ)**

VBZ is the industry association for the manufacturers of biscuits, sweets, chocolate and savoury snacks. The industry association came into existence in 2000 after the merger of Verbisco (cake), Nevesuco (sweets) and NSC (chocolate), and has over 120 members from both SMEs and large companies. Palm oil is mainly used in the manufacturing of cakes, pastries and chocolate products.

VBZ promotes social responsibility and an optimal business environment by actively lobbying for the sector with the following strategy:

- support sustainable entrepreneurship;
- vitalise the dialogue with members and stakeholders;
- strengthen the image of the sector;
- take a public position.

**Action Taken in 2012**

The purchase of sustainable palm oil is an explicit part of the VBZ approach in the framework of sustainability. The following activities were carried out in 2012:

- Supervision of members through the Sustainable Bakery and Confectionery Barometer (for which sustainable palm oil is an important mandatory criterion).
- Facilitating interaction (eg Sustainable Entrepreneurship/Quality Platform) to boost the purchase of sustainable palm oil and sustainable entrepreneurship (with both members and stakeholders).
- Working visit to Malaysia and Singapore (RT10) along with other Task Force members.

- Discussion with the Product Board MVO (and members) on starting group certification to promote the purchase of sustainable palm oil by SMEs.
- Information provided to members on joining GreenPalm and the RSPO.

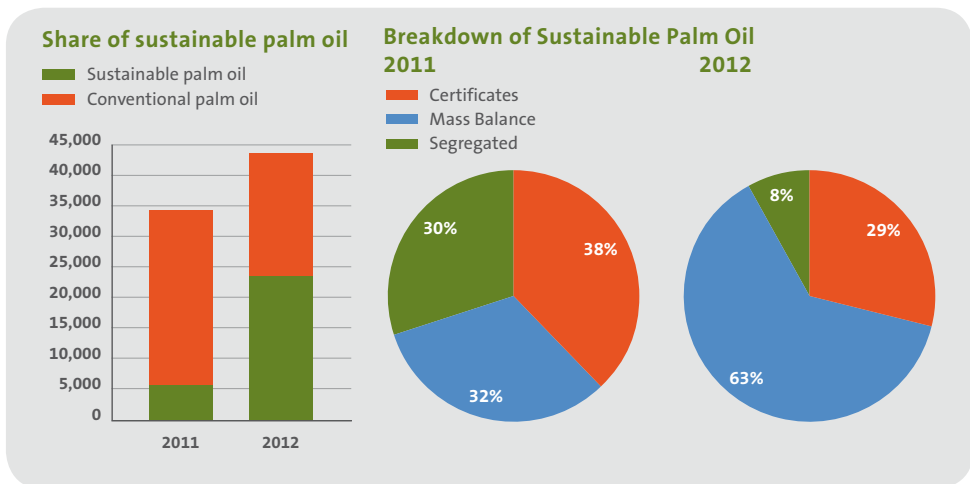
**2012 Results**

The share of sustainable palm oil has risen sharply in this sector, from 18% in 2011 to 53% in 2012. More use was made of physical sustainable palm oil than certificates compared to a year earlier. In particular, the share of Mass Balance grew.

Of the over 100 VBZ members, a total of 27 are members of the RSPO, 21 are members of GreenPalm, and 11 members are Supply Chain Certified. One company applied for Supply Chain Certification in 2012 which is still being processed.

**Prospects for 2013-2015**

- Roll out group certification for SMEs.
- Publish a new version of the Sustainable Bakery and Confectionery Industry Barometer and further implementation/supervision of this in the industry.
- Introductory MVO course for MVO contacts to continue sharing knowledge on, eg, purchasing sustainable palm oil.
- Publish sustainability report to inform and encourage members to take more action.
- Continue facilitating the interaction with members using platform meetings, etc.



## 6.3 DUTCH CENTRAL FOOD RETAIL ASSOCIATION

The CBL serves the collective interests of the supermarket sector and food service companies. 27 companies<sup>6</sup> are associated with the CBL. All Dutch supermarkets associated with the CBL are committed to ensuring that the palm oil in all house brand products will be RSPO-certified by the end of 2015. The supermarkets are tackling this individually. The products of the CBL members that contain palm oil (or fractions or derivatives) vary and range from sauces, biscuits, ice cream and margarine to soap and cosmetics. Sustainable palm oil is part of the CBL Sustainability Agenda. Together with chain partners, governments and civil society organisations, projects are being set up to make the food chain more sustainable.

### Action Taken in 2012

- The importance of sustainable palm oil was placed on the agenda of the members via the Sustainability Working Group and the Consumer Affairs and Quality Steering Committee.
- The importance of palm oil was placed on the agenda of the Food Sustainability Platform.
- The subject was brought to the attention of members through various meetings and presentations.
- Fact sheets and other relevant information on palm oil were distributed to CBL members.
- Participation in the Task Force mission in Malaysia and Singapore (RT10).

### CBL Company in the Spotlight: Jumbo-C1000

*In 2012, Jumbo-C1000 bought 630 GreenPalm certificates. In 2013, Jumbo-C1000 will completely cover the volume used with certificates for sustainable palm oil.*

### 2012 Results

CBL has been a member of the RSPO on behalf of all its members since 2011. In addition to the CBL, Ahold, Lidl and Superunie are individual members. For CBL members, sustainable palm oil (RSPO) forms part of the purchasing terms and conditions of all house brands.

### Prospects for 2013-2015

All CBL members support the Roundtable on Sustainable Palm Oil and still see the importance of the transition to the use of sustainably produced palm oil. The percentage of house brands that make use of sustainable palm oil will increase significantly in the coming years. Individual supermarkets will also switch to sustainable palm oil before 2015. The CBL will both nationally and internationally stimulate the use of sustainable palm oil and bring it to the forefront.

<sup>6</sup> The following companies are associated with the CBL: Albert Heijn, Aldi, Boni Markets, Boon Sliedrecht, C1000, Coop Supermarkets, Deen Supermarkets, Detailresult, Deli XL, EMT Supermarkets, Hoogvliet Supermarkets, Jan Linders, Jumbo Supermarkets, De Kweker, Kruidenier Foodservices, Lekkerland, Lidl Nederland, Metro Nederland, Nettorama, Plus Retail, Poiesz Supermarkets, Servex, Sligro, Spar, Vakcentrum, Food Wholesale Van Tol, and Vomar Voordeelmarkt.



## 6.4 DUTCH FEED INDUSTRY ASSOCIATION (NEVEDI)

The Dutch Feed Industry Association (Nevedi) is the industry association for feed producers and represents the interests of manufacturers of compound feeds and premixes, of milk products for calves and suppliers of humid feedstuffs. Palm oil is used in the production of feed. In addition, a substantial volume of palm kernel flakes (a by-product of the production of palm oil) is processed into compound feeds. The use of palm products in animal feed is highly dependent on the price compared to competing products. Small fluctuations in the price of palm products or alternative raw materials significantly influence the use of these raw materials and therefore the price of the feed.

### Action Taken in 2012

- Further research was conducted into the use of (sustainable) palm oil and bottlenecks in the purchasing of sustainable palm products for the feed sector.
- Nevedi joined other Task Force members on the working visit to Malaysia, Indonesia and Singapore (RT10).
- Based on closer study and the information received during the working visit, Nevedi drew up a strategy document for the feed sector with regard to sustainable palm oil.

### 2012 Results

- Following the study and the working visit, the expectation was formulated that within a few years, exports of palm kernel expeller (PKE) to the Netherlands (Europe) will be halted, and that sales will mainly be within Asia.
- Nevedi proposes that the availability of PKE for feed in the EU will significantly decrease for the same reason. Apart from the fact that certification of PKE is very complex, this has no effect on the sustainability of palm oil production. This issue will therefore not be given priority. PKE is, after all, a derived product. Based on the study and the working visit, Nevedi will promote the use of certified sustainable palm oil for the feed industry.

### Prospects for 2013

- Within the Task Force on Sustainable Palm Oil, Nevedi argues for an integrated chain approach to the certification of palm products. All the different palm product flows for the Dutch market should be mapped together with the most obvious method of certification. This also applies to the use of palm products for the feed industry.
- Nevedi is preparing to certify all the palm oil used for Dutch feed according to the criteria established by the RSPO by 2015. Nevedi will use the cooperation that exists within the Task Force Sustainable on Palm Oil. Whenever there is a specific request for sustainable palm oil from the animal production chain, the feed sector can meet this demand.

# EVALUATION AND CHALLENGES

The progress from 21% sustainable palm oil in 2011 to 41% in 2012 is a nice result. The Task Force Sustainable on Palm Oil is well on its way to the collective goal of 100% sustainable palm oil by the end of 2015. It also shows that it is not an easy journey and that the only way to reach the goal is by working hard together.

The members of the Task Force have gone to great lengths to increase the volume of sustainable palm oil. Almost all sectors showed an increase in the use of sustainable palm oil in 2012. This is good news, especially considering the fact that the switch last year came mainly from the larger producers. In terms of percentage, the division between physical certificates and sustainable palm oil remained virtually unchanged. However, since the total volume of sustainable palm oil did increase, a considerable step was made (with certificates) towards more physical sustainable palm oil. The increase in palm oil via the 'Segregation' trade option is not as large as the increase in the total volume of sustainable palm oil. 'Mass Balance', in contrast, significantly increased. Furthermore, the number of members of GreenPalm and the RSPO grew considerably in 2012.

In the next year, the main focus of the Task Force members will remain on distributing information to the companies. For (new) companies it is important to understand how certificates can be purchased and how the transition to physical palm oil can be made. It is also important to inform companies about the different trade options and the availability. Besides RSPO membership, more companies should become Supply Chain Certified to begin purchasing physical sustainable palm oil. Many companies are reluctant to start certification because it appears to be expensive and complicated. Giving clear guidance can remove many preconceived notions and obstacles. It is important to keep companies informed of the availability of sustainable palm oil products.

The transition is already underway, but it will lose momentum in the next few years without a great deal of effort from the industry associations and their members.



## **THE CHALLENGES FACED BY THE TASK FORCE IN 2013 INCLUDE:**

### **International Approach**

The Netherlands is a major importer of palm oil in Europe and exports a significant share to other countries after refining. It is crucial that similar initiatives are started in neighbouring countries. The Belgian Alliance for Sustainable Palm Oil (BASP) has already been started, and in the United Kingdom various sectors have established the common goal of reaching 100% sustainable palm oil by 2015. The expectation is that similar initiatives in both France and Germany will be launched in the near future. The Task Force will continue to monitor and support these developments.

### **Supply Chain Certification**

Supply Chain Certification can be a stumbling block for many players in the chain. This is especially true for smaller end users. This will remain an important priority for the Task Force for the coming year. The Task Force, in cooperation with partners such as the RSPO and IDH, will support the food and feed industry in the Supply Chain Certification process. The RSPO will also focus on supplying information regarding Supply Chain Certification. In addition, the RSPO will be making group certification possible for small end users. The Task Force will make an extra effort to realise this group certification. This will reduce the administrative burden and yield cost savings.

### **Task Force Expansion**

Next year the Task Force will be approaching other sectors to see if there is any interest or are any options for joining the Task Force. This could be for example the home & personal care industry, sauce manufacturers and artisanal bakers. An expansion of the Task Force can certainly affect the growth in sustainable palm oil production and use.

### **Small-Scale Cultivation (by 'Smallholders')**

Also on the plantation side, a considerable effort will still be necessary. The 'low hanging fruit' has, in all probability, already been plucked, and especially small plantation owners will have to be supported in the near future to achieve sustainable production. This will be done in the next few years by on-going projects such as SHARP (see page 15) and other new projects to be started.

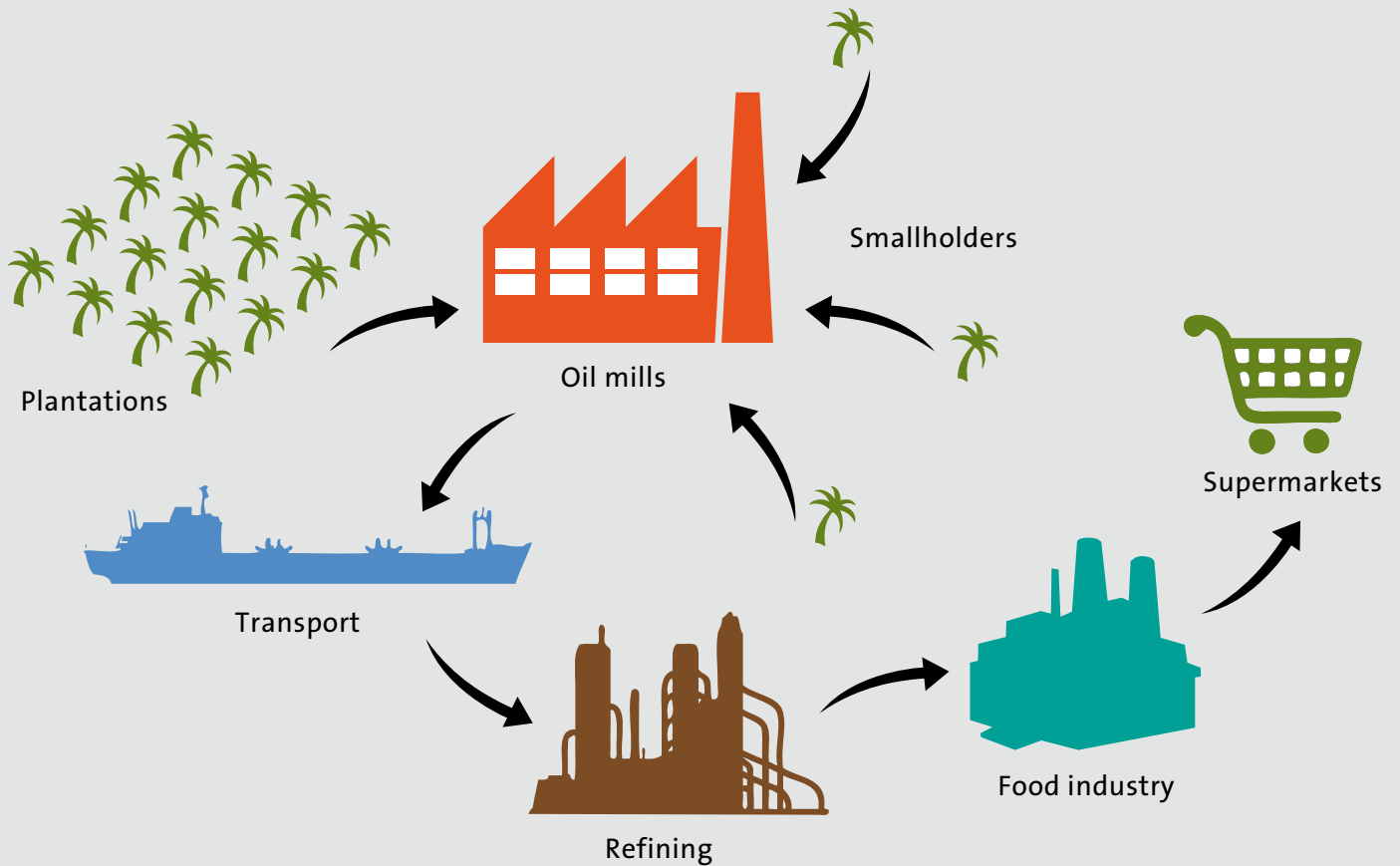
The Task Force Sustainable on Palm Oil has achieved a great deal since its founding in 2010. It is extremely motivating to see that the efforts of the members and companies have resulted in a gradual transition to sustainable palm oil. We will continue our efforts to reach the common goal of achieving 100% sustainable palm oil for the entire Dutch food and feed industry by 2015.

# APPENDIX 1

## THE PALM OIL SUPPLY CHAIN FOR FOOD PRODUCTS

Palm oil and palm kernel oil are extracted from the fruits of the oil palm, which grows in equatorial regions and in particular in Indonesia and Malaysia. Oil palms are grown on both large plantations and small family farms (smallholders). Small farmers account for about 30 to 40 percent of total palm oil production. When the oil palms are 3 to 4 years old, the fruit is harvested. The palm fruits are then pressed. Finally, the palm kernels are processed into palm

kernel oil and palm kernel meal (also called palm kernel expeller). The crude palm oil and palm kernel oil are purified, decolorised and deodorized (refining process). Next, the oil is separated into various fractions, i.e. the liquid fraction palm oleine and the solid fraction palm stearin, which can then also be further processed. The food industry uses palm oil and palm kernel oil for margarines, biscuits, snacks, etc.

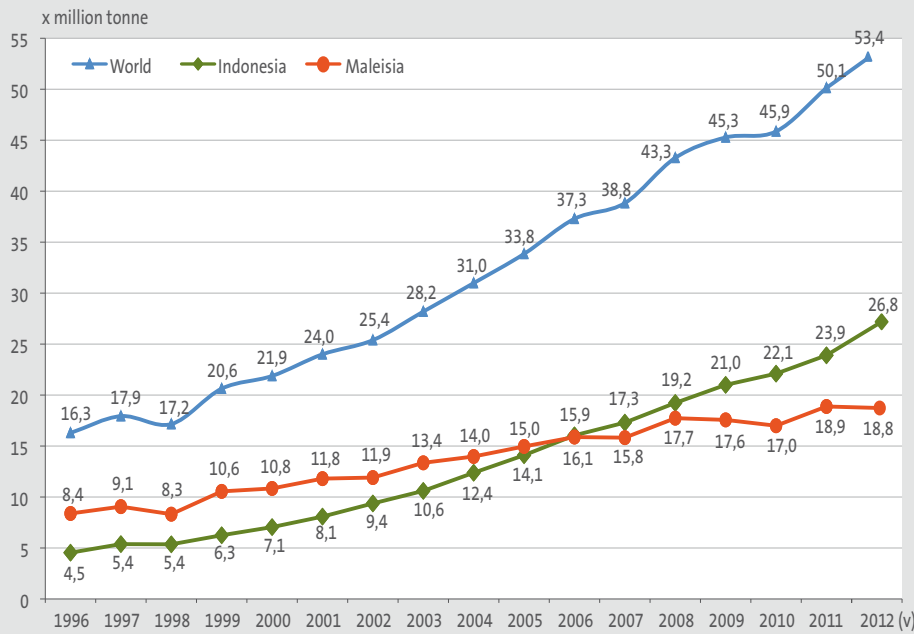


# APPENDIX 2

## FACTS & FIGURES

In 2012, just as in 2011, 52% of the global amount of sustainable palm oil produced was incorporated into the market. The total supply of sustainably produced palm oil, according to the RSPO standards, has, however, increased from 4.8 million tonnes in 2011 to 6.7 million tonnes in 2012. There was a decrease in the supply of palm kernel oil from 1.1 million tonnes in 2011 to 0.15 million tonnes in 2012.

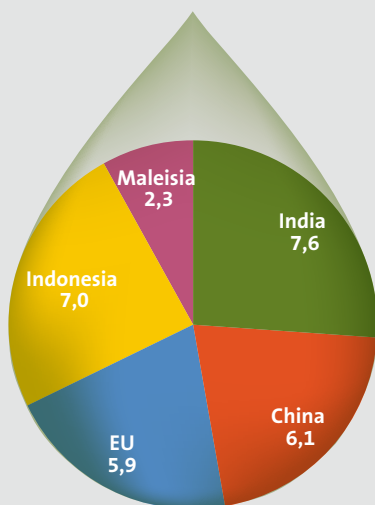
### World production of palm oil and the main countries of origin, 1996 - 2012



Source: ISTA Mielke, March 2013

v: preliminary figure

### Main users of palm oil, 2012\*



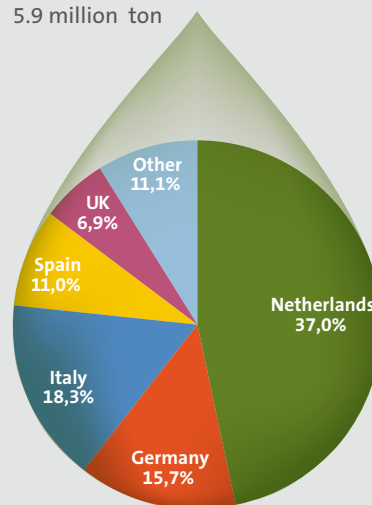
x million ton

\* estimate

Source: ISTA Mielke, March 2013

### Main EU importers of palm oil in 2012\*

5.9 million ton



\* preliminary figures

Source: Eurostat, Productschap MVO, March 2013

# APPENDIX 3

OVERVIEW OF THE ORGANISATIONS WITH OFFICES IN THE NETHERLANDS THAT ARE MEMBERS OF THE RSPO AND/OR GREENPALM

	Member of trade organisation										RSPO member	Membership beginning	GreenPalm Member	Supply Chain gecertificeerd**	Website	100% sustainable palmoil in:
	AKSV	BNMF	CBL	FNLI	NEVEDI	MVO	VAVI	VBZ	VERNOF	OTHER						
2 Sisters Food Group				x							x	2012			www.storteboom.nl	
AAK						x		x			x	2004	x	SG	www.aak.com	2015
Ad van Geloven Holding B.V. (incl Mora)	x			x									x		www.advangeloven.com	2012
ADM						x		x			x	2007	x	SG MB	www.adm.com	
Agristo				x		x							x		www.agristo.nl	
Aldi South Group			x								x	2011			www.aldi.com	
Arla Foods				x									x		www.arla.nl	2012
Aviko B.V.				x		x					x	2011	x		www.aviko.nl	2015
Bakkerij van Diermen BV													x		www.vandiermen.com	
Bakkersland B.V.				x							x	2012		SG	www.bakkersland.com	
Banketbakkerij Merba B.V.				x									x		www.merba.com	
Banketbakkerij Nora B.V.				x							x	2011		SG MB	www.nora.nl	
Banketfabriek Gebr. Van Rooy B.V.				x									x		www.vanrooypastry.nl	
Barentz Europe BV											x	2012			www.barentz.com	
Baronie – de Heer B.V.				x				x					x		www.kathy.be	
Barry Callebaut Food Manufacturers Europe				x				x			x	2011		SG MB	www.barry-callebaut.com	2013
Beiersdorf				x							x	2010	x		www.beiersdorf.nl	
Brinkers Food BV											x	2012		MB	www.brinkers.com	
Cadbury				x							x	2004	x			2010
Cargill (incl Cargill Chocolate Products BV)				x		x		x	x		x	2004	x	SG MB	www.cargill.com	2015
CBL			x								x	2010			www.cbl.nl	2015
Cefetra						x					x	2006			www.cefetra.com	
Colgate-Palmolive				x							x	2007			www.colgate.nl	
Continental Bakeries (Haust) B.V.				x				x			x	2011	x		www.continentalbakeries.com	
Coop Supermarkten			x								x	2004	x		www.coop.nl	2011
CSM Nederland				x							x	2005	x	SG MB	www.csmglobal.com	2015
Daelmans Banket B.V.				x				x			x	2011	x		www.daelmansbanket.nl	
Damco bakkerijgrondstoffen				x							x	2011			www.damco.nl	
Danisco				x							x	2004	x	SG MB	www.danisco.com	2015
Danone				x							x	2011	x		www.danone.nl	2014
Dawn Foods International B.V.				x				x			x	2011			www.dawnfoods.com	
De Aviateur Banketbakkerijen B.V.				x				x			x	2012	x		www.aviateur.nl	
De Banketgroep				x				x			x	2012			www.debanketgroep.com	
De Bioderij Group											x	2012		MB	www.bioderij.nl	
De Kroes B.V.				x				x			x	2011	x	MB*	www.de-kroes.nl	
De Stille Kracht B.V.											x	2012			www.kayim.nl	
DP Supply B.V.									x		x	2011	x	SG MB	www.basicssupplygroup.com	2015
Dr. Oetker Nederland B.V.				x							x	2011		MB	www.oetker.nl	2015
DSM Food Specialties				x							x	2008			www.dsm.com	2013
Dutch Organic International Trade BV (DO-IT)											x	2012			www.organic.nl	
ED&F Man Liquid Products Europe B.V.						x					x	2005	x		www.manliquidproducts.com	
Elburg global						x					x	2011			www.elburgglobal.nl	
Farm Frites B.V.				x		x					x	2011	x		www.farmfrites.nl	2015
Ferrero B.V.				x				x			x	2005			www.ferrero.nl	2015
Flokstra Survey Bureau										x	x	2011				
FNLI				x							x	2010			www.fnli.nl	
Fresh Meals NV				x									x			
Fronions										x	x	2010				
Gb Plange The Netherlands BV				x							x	2012			www.gb-plange.nl	
Glencore Grain B.V.						x					x	2010			www.glencore.com	

# APPENDIX 3

OVERVIEW OF THE ORGANISATIONS WITH OFFICES IN THE NETHERLANDS THAT ARE MEMBERS OF THE RSPO AND/OR GREENPALM

	Member of trade organisation:										RSPO member	Membership beginning	GreenPalm Member	Supply Chain gecertificeerd**	Website	100% sustainable palmoil in:
	AKSV	BNMF	CBL	FNLI	NEVEDI	MVO	VAVI	VBZ	VERNOF	OTHER						
Go-Tan B.V.										x			x		www.go-tan.nl	
Grootendorst B.V.				x									x		www.grootendorst.com	
H.J. Heinz B.V. (H.J. Heinz limited)				x						x	2007		SG	www.heinz.nl	2013	
Haribo Nederland B.V.				x						x	2010		MB	www.haribo.com	2011	
Health Concern B.V.										x	2012			www.healthconcern.org		
Hellema Hallum B.V.				x						x	2012	x		www.hellema.com		
Helwa Wafelbakkerij B.V.				x						x	2011		MB	www.helwa-wafels.nl	2014	
Henkel													x	www.henkel.nl		
HVH Holding BV													x			
Iglo Group				x						x	2010	x		www.iglo.com	2011	
Ikea Supply AG										x	2006	x		www.ikea.com	2011	
Intersnack Nederland				x						x	2010	x	SG MB	www.intersnack.nl	2015	
IOI Loders Croklaan						x				x	2004	x	SG MB	europa.croklaan.com	2015	
ISACert B.V.									x	x	2011			netherlands.isacert.com		
Izico BV	x			x						x	2012	x	SG	www.beckers.nl	2012	
Jongeneel agencies b.v.									x							
Jumbo-C1000				x										www.jaarverslagenjumbosupermarkten.nl	2013	
Kellogg's Company				x						x	2008	x		www.kellogg.com	2011	
Kerry Group				x		x				x	2010	x	SG	www.kerrygroup.com		
KLM Royal Dutch Airlines													x	www.klm.com		
Koninklijke Ahold NV				x						x	2007	x		www.ah.nl/meerdoen/mensen/duurzamegrondstoffen	2013	
Koninklijke Zeelandia Group B.V.				x					x	x	2011	x		www.zeelandia.com		
Lamb Weston/Meijer V.O.F.				x			x			x	2011	x		www.lambweston-nl.com	2015	
Levo productenmaatschappij B.V.		x		x		x				x	2011	x		www.levo.nl	2015	
Lidl Nederland				x						x	2012	x		www.lidl.nl/cps	2015	
Lotus bakeries (Koninklijke Peijnenburg & Enkhuizer Koekfabriek)				x						x	2011	x		www.lotusbakeries.nl		
Marine Olie Handelmij B.V.							x			x	2009			www.marine-olie.nl		
Mars B.V.				x						x	2010	x		www.mars.nl	2015	
Marvesa Holding N.V.							x			x	2011			www.marvesa.com		
Mc Cain Foods				x			x			x	2011			www.mccain.nl	2015	
McDonald's Corporation									x	x	2011			www.aboutmcdonalds.com/mcd/sustainability.html	2015	
Mission foods										x				www.missionfoods.eu		
Mondelez International (Kraft Foods)				x						x	2011	x		www.mondelezinternational.com	2015	
Nestlé S.A.				x						x	2009	x		www.nestle.com/csv/environmental-sustainability	2013	
Nevedi							x			x	2008			www.nevedi.nl		
Nidera Handelscompagnie B.V.										x	2006			www.nidera.com		
NOBA B.V.										x	2010		MB	www.noba.nl		
Nutreco International B.V.				x	x					x	2009			www.nutreco.com	2015	
Nutrition & Santé Benelux				x						x	2010	x		www.nutrition-sante-brands.com	2013	
Oerlemans Food				x						x*				www.oerlemans-foods.nl		
Oliehoorn BV				x									x	www.oliehoorn.nl		
Peeters Produkten B.V.				x						x	2010		MB	www.penotti.nl	2013	
PepsiCo Nederland BV				x						x	2009			www.pepsico.nl	2015	
Plusfood B.V.										x	2011	x				
Poppies International NV										x	2011	x	MB	eu.poppies.com	2011	
Qizini B.V.	x			x										www.qizini.com	2012	
Quality Pastries B.V.				x						x	2010	x		www.quality-pastries.nl		
Ravensbergen B.V.				x										www.cerealbarengineers.com		
Remia C.V.		x		x						x	2010	x	SG MB	www.remia.nl	2014	
Rieber & Son Holland B.V.										x	2011	x	SG*			

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	AKSV	BNMF	CBL	FNLI	NEVEDI	MVO	VAVI	VBZ	VERNOF	OTHER						
Roodenrijs Kaastabletten Industrie ROKA B.V.				x				x			x	2012		MB	www.cheesecrispies.com	
Rotie Vetveredeling B.V.						x					x	2010		MB	www.rotie.net	
Royal Fassin B.V.				x				x			x	2011	x		www.fascini.com	
Royal FrieslandCampina				x							x	2007	x	SG MB	www.frieslandcampina.com	2012
Schutter International B.V.									x		x	2006			www.schuttergroep.nl	
Sime Darby Unimills B.V.						x		x			x	2007	x	SG MB	www.unimills.com	2012
Smilde Foods B.V. (incl Smilde Bakery)	x	x		x		x					x	2011	x	SG MB	www.smildefoods.nl	2011
Sonneveld Group B.V.				x							x	2010	x		www.sonneveld.com	2013
SRC Special refining company BV & Ten Kate Vetten BV						x					x	2011		IP SG	www.refinery.nl	
Superunie				x							x	2011			www.superunie.nl	2015
Top Taste B.V.									x		x	2011		SG	www.top-taste.nl	
Tradin Organic Agriculture B.V.						x					x	2011		SG	www.tradinorganic.com	
Unilever		x		x		x					x	2004	x	SG MB	www.unilever.nl/duurzaamleven/uslp	2015
United Biscuits/Koninklijke Verkade N.V				x				x			x	2006	x	SG	www.unitedbiscuits.com	2012
Utz Certified									x		x	2008			www.utzcertified.org	
Van Delft Biscuits BV													x		www.vandelftbiscuits.nl	
Van den Doel BV											x	2012			www.doelonions.com	
VandeMoortele		x		x		x					x	2009	x	SG MB	www.vandemoortele.com	2015
VBZ				x				x			x	2012			www.vbz.nl	
Vepo Cheese BV											x	2012			www.vepocheese.com	
Vurense Snack Industrie (VSI)	x			x							x	2012		IP SG MB	www.vsi.nl	2012
Wafel Janssen - de banketgroep				x				x					x		www.debanketgroep.nl	
Wessanen Nederland B.V. (incl Beckers B.V.)	x			x							x	2011	x	SG MB	www.wessanen.com	2014
Wilmar Edible Oils						x		x			x	2005	x	SG MB	www.wilmareurope.nl	

\* Pending

\*\* One or more production sites of this company are certified / IP: Identity Preserved, SG: Segregated, MB: Mass Balance



## MEMBERS OF THE TASK FORCE ON SUSTAINABLE PALM OIL:

- Dutch Association for Convenience Food Industry (AKSV)
- Association of Dutch Margarine Producers (BNMF)
- Dutch Central Food Retail Association (CBL)
- Federation of the Dutch Food and Grocery Industry (FNLI)
- Dutch Feed Industry Association (NEVEDI)
- Dutch Potato Processors' Association (VAVI)
- Dutch Association for the Bakery and Confectionery Industry (VBZ)
- Association of Dutch Producers of Edible Oils and Fats (VERNOF)
- Product Board for Margarine, Fats and Oils (MVO, chair and secretariat)

### Partner:

- Sustainable Trade Initiative (IDH)



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[www.taskforceduurzamepalmolie.nl](http://www.taskforceduurzamepalmolie.nl) and [www.vettefeiten.nl](http://www.vettefeiten.nl)