

PALM OIL + ESG



Palm Oil is the most widely used oil. Our everyday connection to ingredients such as Palm Oil stretches beyond food-based sources. Palm oil can be found in cosmetics (e.g. lipstick, shampoo), easy-cook meals (e.g. instant noodles, pizza, margarine, bread), sweet-tooth essentials (e.g. ice cream, cookies, chocolate, spreads), and even soaps and detergents ([WWF](#)). Major sources of Palm Oil are from Indonesia, Malaysia, Thailand, also Latin America, and Africa.

WHY IS PALM OIL SO POPULAR AND WHY SHOULD YOU CARE?

Palm oil is extracted from the oil palm fruit which is a highly productive crop. It offers more quantity per area (4-10 times more) at a lower cost compared to other sources of oil - which leads to increased demand and production of palm oil causing a wide range of social and environmental challenges such as:

Deforestation

*Affected local
communities*

*Air, soil, water
pollution*

*Loss of wildlife
habitat*

WHAT DOES SUSTAINABLY SOURCED PALM OIL ENTAIL?

- Protection of forests and peatlands.
- Legal plantation permits and plantation management.
- Social responsibility to farmers and the local community.
- Protect and enhance biodiversity conservation.
- Promotes and ensures transparency in business dealings.

HOW CONSUMERS SHOULD PROCEED

The main question posed by consumers is 'Is Palm Oil bad and should we avoid it?' The answer is simply not to avoid palm oil all together but instead choose products with sustainably sourced palm oil. Boycotting Palm Oil is not the answer - producers will source other oils which will have the same ESG issues but on a grander scale due to the difference in yield, keeping in mind not all oils can have the same usability as palm oil .

LABELS AND CERTIFIED PRODUCTS

As a consumer, buying from members of the RSPO - Certified Sustainable Palm Oil would be a good place to start. Conduct your quick research into various local organizations that have their Non-Profits and Forums who help identify local brands that are amping their ESG efforts and sustainably sourcing their palm oil. Examples:

German FONAP

Orangutan Alliance

SOURCES AND ADDITIONAL MATERIAL:

<https://www.worldwildlife.org/pages/which-everyday-products-contain-palm-oil>, <https://www.worldwildlife.org/industries/palm-oil>
<https://rspo.org/why-sustainable-palm-oil/>, <https://www.fao.org/4/to309e/to309e01.htm>, <https://www.greenmatch.co.uk/is-palm-oil-harming-the-environment>, <https://youtu.be/itQnHrkZD8I?si=VoXTqI7hoCJhFJY5>, <https://www.indonesiapalmoilfacts.com/indonesia-the-r-sustainable-choice/>