



# PALM OIL INDUSTRY TRANSFOR- MATION



TFT'S PERSPECTIVE  
[www.tft-earth.org](http://www.tft-earth.org)



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# Six years of change

Six years ago, TFT started to work closely with Nestlé to issue the first set of Responsible Sourcing Guidelines which included ambitious commitments for forests, workers and communities. At the time Nestlé had been strongly challenged by Greenpeace in a campaign that targeted their emblematic Kit Kat brand. To Nestlé's CEO, who didn't understand why despite being an RSPO (Roundtable on Sustainable Palm Oil) member his company was being targeted, we asked whether he wanted deforestation and exploitation in their supply chain. The answer was immediate: a strong and spontaneous "No!" So we encouraged Nestlé to write their own responsible purchasing policy, covering 100% of their supply instead of relying on certification schemes or other external principles as they had done before. This is how responsible sourcing policies (including 'No Deforestation' and 'No Exploitation' commitments) became a reality in palm oil as they for the first time embodied the ambition - fully endorsed by the private sector - that deforestation and exploitation should stop.



#### *On the web* ↗

[www.highcarbonstock.org](http://www.highcarbonstock.org)

[www.forest-trends.org](http://www.forest-trends.org)

[www.wilmar-international.com](http://www.wilmar-international.com)

[www.asiapulppaper.com](http://www.asiapulppaper.com)



## This approach catalysed dramatic and unexpected change

...



## It created space for innovation

Far from any politics, Greenpeace and Golden Agri-Resources (GAR), the largest palm oil grower in Indonesia, started to work together with TFT in an unprecedented collaboration effort to create [the High Carbon Stock Forest Assessment methodology](#) aimed at defining in a practical way what “conserving forests” really meant. Teams went to the field together and spent days measuring trees and looking at satellite images. Results were shared

in a trusted space where ideas and suggestions could be discussed in an open way, the only common goal being the search for a practical solution for forest conservation that would create value for all. Today, the HCS methodology has gained worldwide recognition and a multi-stakeholder HCS Steering Committee is continuously improving it according to practical feedback from the field and to the specificity of each landscape it is applied into.



Indonesia  
HCS training for Wilmar  
Photo: Jane Spence



## It triggered global chain reactions

Once growers, brands and NGOs had a methodology they could point to as credible for protecting forests, one that even the largest palm oil grower in Indonesia as well as Greenpeace could support, the approach of committing to supply chain mapping and protection of forests through a purchasing policy began to rapidly spread.

In 2013 Wilmar, the world's largest refiner and trader for palm oil, committed to the protection of forests, peat and people for all the palm oil that they grow and purchase (which equals approximately 45% of the world's palm oil market). **Today, more than 366 companies have committed to reduce de-**

**forestation in their supply chain,** including **235 companies committing to responsible sourcing for palm oil (more than any other commodity).**<sup>↗</sup>

Mill traceability information has now become a standard requirement for oil shipments to Rotterdam, the largest palm oil port in Europe, and many companies have committed to 100% traceability for the palm oil they buy.

Wilmar, GAR and many other major palm oil traders and buyers have now developed dashboards where they publically post on their website the lists of all the palm oil mills in their supply chains, and their **action plans for implementing their policies.**<sup>↗</sup>

"Many companies have committed to 100% traceability for the palm oil they buy"

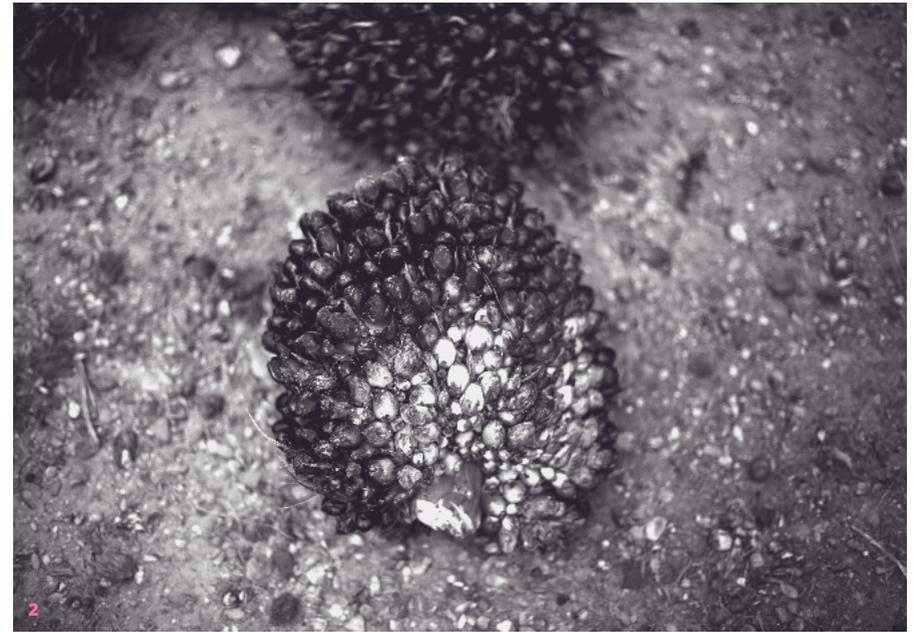


## It spread to other commodities

**In 2013, Asia Pulp and Paper issued their Forest Conservation policy.**<sup>↗</sup>

They were the first pulp and paper company in Indonesia to halt expansion on natural forests and they made the choice to apply the HCS methodology across the 2.5 million hectares of land they manage, setting aside more than 10% of the total area as HCS forests in places where forest conversion through fire and clearing was rampant. No

Deforestation commitments have expanded to cover a wide range of commodities, with some companies expanding it to everything they buy. Archer Daniels Midland Co. (ADM) have applied it to their global soy supply chains. Reckitt Benckiser and tyre giant Michelin have the same principles of forest conservation and respect for human rights to all their rubber supply (touching roughly 10% of the world's production).



**1. Indonesia**  
Harvesting Fresh Fruit  
Photo: Jane Spence

**2. Sabah, Malaysia**  
Palm oil fresh fruit  
Photo: Florian Wiesner



## It influenced change beyond businesses

By expressing their commitment, businesses sent a strong signal to governments and international governmental institutions that they had ambition and were committed to act and work on solutions. In 2014, at the UN Climate Summit in New York, companies and government representatives from around the world signed on to the New York Declaration on Forests, committing to at least halve global deforestation

by 2020 and end natural forest loss by 2030. At that same summit, the president of Ivory Coast announced that the country would shift to zero-deforestation cocoa production in 2017; and several European countries signed the Amsterdam Declaration in December 2015 to show their support for the improvement and further development of sustainability standards relating to palm oil production.

2013



### Wilmar

Committed to the protection of forests, peat and people

ABOUT

45%

Of the world's palm oil market



### Asia Pulp & Paper

Were the first pulp & paper company to halt expansion on natural forests

TODAY



+366

Companies have committed to reduce deforestation in their supply chain

INCLUDING

235

Companies committing to responsible sourcing for palm oil



2030



### The New York Declaration on Forests

Committing to end natural forest loss by 2030



# Building Trust through Transparency

If there is one thing that supply chain mapping has revealed, it is the scale of the palm oil industry and the immense challenges faced when working on its sustainability. Through supply chain mapping, some of the companies we work with found they had more than 1500 mills in their supply chain, with the list changing every day as new contracts along the chain are formed and old ones expire.



*On the web* ↗

[www.tft-earth.org](http://www.tft-earth.org)

[www.tft-transparency.org](http://www.tft-transparency.org)



## At TFT, we are strong believers in building trust through transparency. So we did three things...



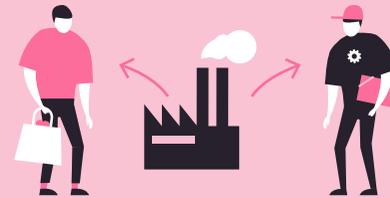
1.

We encouraged the companies we work with to engage with their suppliers



2.

We encouraged the companies we work with to share the information about their supply chains not only with their customers but also with NGOs



3.

We created our own transparency dashboard



[Transparency hub of TFT ↗](#)

[Palm oil information ↗](#)

### 1. Encouraging companies to engage with their suppliers

Our 10 years of experience working in the timber sector has taught us that imposing responsible sourcing principles onto suppliers or sending very detailed questionnaires never worked. Instead, taking genuine interest in their business by starting a conversation, by asking open questions in order to better understand the origin of their supply (traceability) and the nature of their challenges drives faster progress.

It creates ownership and builds deeper relationships. It encourages the supplier to ask the question: "what are my values?", "what is my responsible sourcing policy as a company?" With this approach we find that suppliers who are initially reluctant and defensive start to collaborate with their clients (traders or brands) because they find value in

doing so.

And this is why traceability to mill statistics quickly went up. For example, global snacks company Mars was able to increase their traceability to mill scores from 57% to 90%, in a little over a year. Most importantly – constructive conversations are taking place between buyers and suppliers.

Interestingly, while in 2010 everyone was saying that segregated RSPO certified oil was the ultimate goal, the idea that **traceability should not come with an extra cost if applied to 100% of a company's supply proved right.**<sup>7</sup>

### 2. Sharing information with customers & NGOs

We worked with our members like APP, Wilmar, GAR, Asian Agri and ADM to develop dashboards where their operations, action plans and progress reports are now publically available for any NGO

or customer to examine and ask questions about. These companies also created grievance mechanisms so that if NGOs identified poor practices in their supply chain, they could bring them to the attention of the company and there could be collaboration on how to solve the problem.

The expectation was that if NGOs could see the scale of the immense challenges that companies were facing in driving positive change, and if companies were transparent about their efforts, this would enable collaboration on solving the problems, and more realistic expectations on timescales.

Today, one can say that the company - NGO dialogue has improved and there are many NGOs who are going directly to companies to raise concerns about specific suppliers in their supply chains.

Rather than being pointed at negatively by NGOs, those companies who work with a problematic supplier to improve,



or drop a problematic supplier who is refusing to change, are now starting to be mentioned positively in reports. But there remains significant ground to be covered: on one side some activist NGOs are still prisoner of a 'business model' that forces them to show 'victories' through campaigns that get a given company to make certain commitments in order to prove to their donors that they have made progress. On the other side busi-

nesses are daunted by the challenge of transforming thousands of suppliers and have little leverage in a supply-demand situation where there is too much demand for the supply and therefore plenty of option for growers and millers to go to if a given refinery refuses their oil.

Businesses also feel vulnerable about being honest with NGOs about the problems they are facing, especially since their business model depends on appearing to

be perfect to their customers. Too much energy is put into "shaming" and "defending", whereas if dialogue improved there would be more mutual recognition that most businesses and NGOs have a shared agenda of solving the problems in their industry.

Let's make our position clear here: we are not taking sides for either NGOs or businesses. Our unique agenda is to move the conversation toward one of collaboration and we believe it happens through honest and pragmatic dialogue. Our objective is and will always be to increase the dialogue between NGOs and businesses.

### 3. The transparency dashboard

To 'walk the talk' we created our own **transparency dashboard**<sup>7</sup> so that information about what we do with our members is available to the public.



# Scaling up for Transformation

As supply chain information poured in, we began working with Nestlé and other members like Wilmar and GAR to figure out how to drive improvements in practices at the grower level under their new sourcing policies. Even with over 100 staff in SE Asia focused on palm oil work, we knew we did not have enough resources to visit every single plantation in the supply chain. We had to prioritize. So we started by using maps of protected areas, peat soils, deforestation alerts and mill locations to identify mills that were located in 'risky' areas. We also spent time talking to NGOs working on forest conservation issues in the major regions where mills were located to learn which ones were having conflicts with local communities, or were known for not treating workers well. It was an imperfect approach, but the best way to figure out how to prioritize visits to the 'most risky' locations to assess practices, open up dialogue and make improvements.



*On the web* <sup>↗</sup>  
[www.tft-earth.org](http://www.tft-earth.org)



## Improving practices through ART

After two years and more than 60 field visits to hundreds of plantations across Indonesia, Malaysia, West Africa and Central and South America, we learned a lot. We have been able to identify the most widespread problems that many plantations have, as well as know where the 'hot spots' for deforestation and peat draining are occurring. But engaging directly with only those mills and plantations will not solve the problem at the scale required.

Given some of the widespread challenges related to workers' rights and forest clearing that the industry faced, we had to develop a way to 'go to scale' with helping growers to understand

the issues and begin implementing solutions. **This is how the 'ART' approach was born. ART stands for 'Aggregator/Refiner Transformation'.** ↗ The basic idea is to build on the relatively stable buying relationships that exist between mills and refineries (or regional aggregators like ports) to engage growers in an entire 'Aggregator/Refinery supply shed'"on improving practices.

This is done by visiting a sample of mills in a supply shed to learn about local challenges, and then hosting workshops for all mills in the supply shed to share information about best practices on common challenges.

This includes identifying those

Given some of the widespread challenges related to workers' rights and forest clearing that the industry faced, we had to develop a way to 'go to scale'

who are already best practice, and supporting them to share their home-grown solutions with other growers who are struggling with similar problems. It also includes identifying priority issues that require focus and innovation so that more solutions are tested and shared.

This is a way by which companies can support improvements at a rapid scale in their supply chains. **Many brands we work with are also partnering with their suppliers to support ART workshops and innovation work.** ↗

MORE THAN  
60 FIELD VISITS  
OVER THE WORLD



INDONESIA



MALAYSIA



WEST AFRICA & CENTRAL



SOUTH AMERICA



# The Road Forward

We are now at an amazing point in the palm oil transformation work. Most palm oil companies in the world have heard from customers that they require forest protection and respect for human rights as part of their buying policies. Today, we work intensively with companies around the world from well-known brands such as Nestlé, Mars, Colgate, Ferrero, Hershey, Danone, Reckitt Benckiser and Johnson & Johnson to traders and producers such as Wilmar, ADM, Louis Dreyfus Co., Bunge, Cargill, Cerelia, Vandemoortele, Asian Agri and many others who have published responsible sourcing policies that asks for traceability, forest conservation and no exploitation.



**+ On the web**  
[www.scottpoynton.com](http://www.scottpoynton.com)  
[www.intelligence-airbusds.com](http://www.intelligence-airbusds.com)  
[www.rurality.org](http://www.rurality.org)  
[cse-indonesia.org](http://cse-indonesia.org)  
[cse-global.org](http://cse-global.org)



Indonesia. Copyright: Wakx

'brand palm oil'  
continues to lose  
trust among people.

2016



# 2.5

million hectares

burnt in only a few months  
and many people died  
because of it

**In 2016 though, we all saw the devastating fires, heat, drought and floods that are becoming far too common across the world.**

In 2015, many people died in Indonesia because 2.5 million hectares were burnt in only a few months. In West Africa, we are just coming out of three months of almost no production due to drought. Production is down in Asia due to drought too. Hundreds of thousands of workers in Malaysia and Indonesia continue to work under harsh conditions with inadequate pay structures.

The global challenge we are collectively facing has never been so high, from all points of view. There are plenty of positive elements in what has been done to improve the way palm oil is produced but 'brand palm oil' continues to lose trust worldwide among people. How will we all make it if the pace of change doesn't accelerate? So as an organisation we reflected deeply on how to best be useful and contribute to the values we believe in.

Thanks to our members' work plans, we have carried out visits to plantations across Indonesia, Malaysia, Africa and South America, and we have been able to identify the most common widespread problems that almost all plantations have, as well as know where the 'hot spots' for deforestation, community conflicts, worker exploitation and peat draining are occurring.

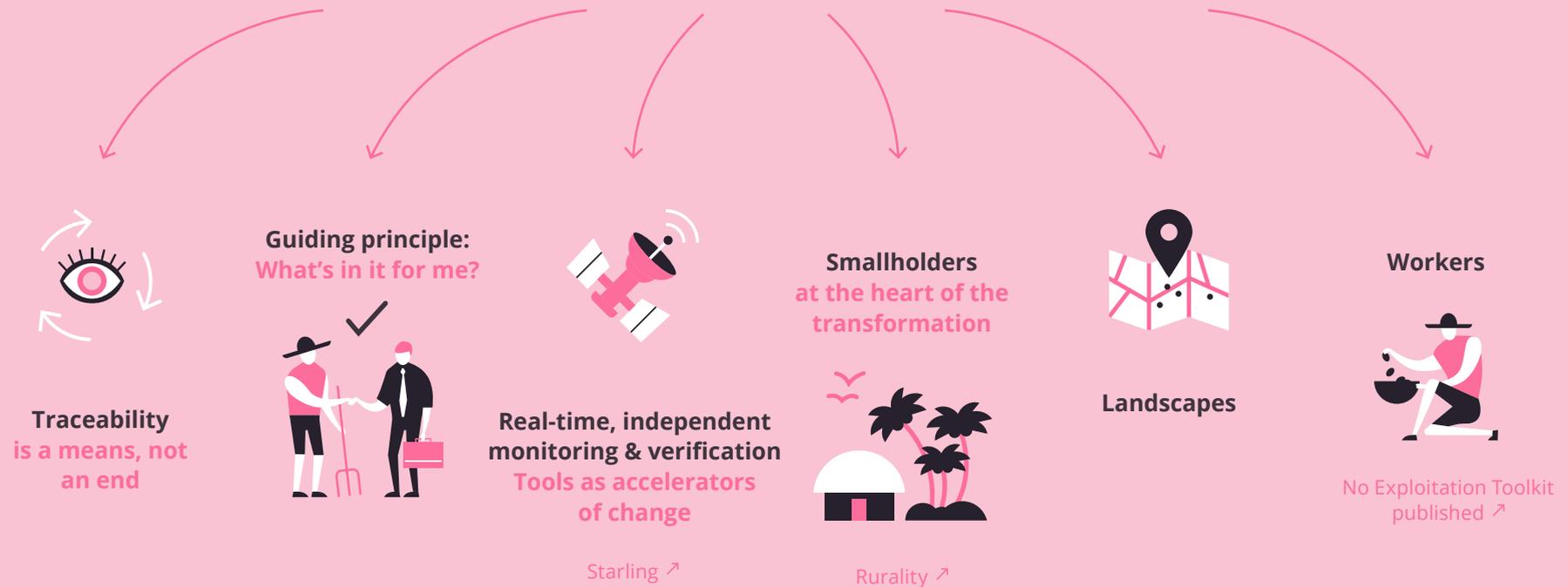
We could continue to perform hundreds of assessments to palm oil growers and other companies for the next 5 years, but our mission in life is to drive positive impact and we realized these assessments to hundreds of mills and plantations would not change things quickly enough and at a big enough scale to achieve the pace of change necessary.

This is why we have adapted our work to generate more impact, leveraging technology to democratize change, launching initiatives that foster innovation, lower the cost of change and allow for it to happen at the scale and speed required. This is what we want to share with you in this document.

**It is also an invitation to those who share our vision to join forces in action.**



## Our vision going forward is presented around six key lessons...





## 1. Traceability is a means, not an end

In 2013, traceability was a buzz word and growing rapidly in demand - thanks to the journey we started with Nestlé. NGOs began asking Brands for 100% traceability and everyone got busy on that. As we said many times, “one cannot change what one cannot see”. Great and fast progress was made and soon, many traders and refiners were poised to announce high scores of traceability to mill for the oil they purchase. Success? Not quite. A mill name and GPS location on a map doesn't drive change unless it is used as a tool to engage with suppliers.

What has been successful over the last 6 years is not the demand for traceability. It is the

ability that brands have had to build a level of trust and understanding with their suppliers (i.e. traders and refiners), discuss challenges and face them together, jointly looking for solutions.

**Transparency has given us the map for how we are all interrelated**, and what role each business plays in the supply chain. It has given everyone a role and a responsibility in the palm oil supply chain: a good basis for different players to start working together, not an end in itself.



## 2. Guiding principle: What's in it for me?

The challenge we must face today is how to build trust with growers and smallholders who have far less international exposure and only see the “No” of these policies,

only see the movement as blaming them without helping them. They see the constraints and limits but don't see the value.

**Growers see some of their peers being hammered by NGO campaigns and are reluctant to open up about their problems.** ↗

Brands and traders are gearing up to eliminate risks from their supply chains. Fear is the driver and it pushes people to hide, not to come into light.

In that context, pushing for 100% traceability to plantation as the next demand for all regions will inevitably scare more than it will seduce. We must find first and foremost a way to bring value to growers, both in support for improved practices, and by highlighting and benefitting those who are leading the way.

We put ourselves in the shoes of companies growing and refining palm oil and started to think: “what's in it for me?” And

to be honest, we didn't find much. Much attention is currently put on the worst actors, who are tracked and targeted. What about all the other companies that are doing well — that are protecting forests and creating value for local communities? Do they do better business because of that? HCV and HCS assessments are costly. Hiring a sustainability manager is a cost. Not cutting forest is a lost opportunity. Paying good wages and buying PPE for staff is a cost. Paying for certification and all the bureaucracy it brings is another one. Where is the value? where is the benefit?

If we are to help the palm oil industry transform, there is an absolute necessity to activate amongst growers a similar chain reaction to the one that generated change among brands, refiners and traders. Chain reactions are based on value creation:

look at Uber, Airbnb. They bring value to all and therefore spread quickly. Looking back a few years ago, traders and refiners who committed to no deforestation got rewarded for doing so as they started to share information about their performance in a transparent way (by giving more mill traceability for example).

Brands gave more market share to those who were ready to join them on their journey, less to others. Banks financed more those who made ambitious commitments, and others less.

But the ones who got the most support were (and still are) those who are bringing guarantees and evidence of good policy and good policy implementation.

Transparency dashboards became critical in providing relevant information to buyers and investors who can now make better purchasing decisions. In the same

logic, and to accelerate the pace of change, there is a need for growers to be able to credibly prove they are doing good things and, in return, receive from their customers (traders and refiners) incentives: better commercial conditions, more stable contracts, shorter payment terms, etc.

There is an array of tools that can be used by a buyer to reward a better collaboration with its supplier. But all the energy is currently going to tracking the problem. We think energy needs to be put into developing and celebrating solutions that create value for growers and smallholders.

It is not an option for the industry. Worldwide, “brand palm oil” suffers, climate change affects yields. There is a common interest of all the players of the supply chain, a value creation opportunity for all, from smallholder to consumer, in making change effectively happen.



### 3.

#### Real-time, Independent Monitoring and Verification Tools as accelerators of change

It became clear to us that beyond certification, there are few independent verification tools allowing for CPO purchasers to spot the growers

that are in line with their policy and reward them accordingly with business. In-person audits are costly (in \$ and in carbon), inefficient ways to validate forest conservation and not independent. Inspired by the work of Global Forest Watch and the dramatic improvements in satellite technology that have taken place in recent years, we are convinced that satellite imagery is a

way to do better. **That's why we have decided to create Starling,** <sup>↗</sup> in partnership with Airbus Defence and Space and SarVision (a spin-off from Wageningen university), with the objective to allow ANY grower to access a cheap, very precise and private service to verify and give evidence of good practices through high-resolution, timely satellite imagery that can

be provided to clients and stakeholders at plantation or landscape-level scales.

We foresee a future where traders and refiners don't run after growers to ask them for traceability to plantation, but instead simply ask their supplying growers to give evidence of the environmental quality performance of their operations through tools such as Starling, with the objective to reward with more business those who are able to give that evidence.

This way there can be a positive movement of growers taking ownership of their transformation. Similarly, it is time to bring together the informal monitoring that local NGOs, academics and concerned citizens have been doing across the world for decades to allow for real-time monitoring of social and environmental issues that cannot be monitored using satellite imagery alone.

We see the need for companies to be able to hear directly from concerned stakeholders who live and work year-round in regions that they operate in or buy from. These stakeholders have the potential to be true independent monitors and verifiers, as well as collaborators in developing solutions.

TFT is currently establishing a new independent monitoring and verification system called Kumacaya that will fund civil society – including local NGOs and experts – through a blind fund that companies can invest in to get real-time information on the social and environmental issues in their sourcing or producing regions.



### 4.

#### Smallholders at the heart of the transformation

50% of palm oil is produced by smallholders. But curiously, very few stakeholders speak about this huge challenge, both in terms of productivity and sustainability performance. Everyone marches on with responsible sourcing policies, "leaving the smallholder question for later".

Of course, there are a few projects to certify smallholders here and there, but these are made at a high cost, and are only done with certification standards as the goal, thus losing a larger opportunity to build collaboration between mills and farmers on a range of issues that smallholders care about.

Our view is that there is an incredible reservoir of value in improving the trust, communication and relationship between mills and smallholders. Strong retailers and brands like Walmart and Nestlé explore all the possible niches of value

contained in their relationship with their suppliers through a diversity of supply chains collaborations (research & development, quality, logistics, efficiency, finance, etc.). On the other end of the supply chain, mills and smallholders only collaborate on the most basic aspects, often only exchanging cash for crops.

# 50%

Of palm oil is produced by smallholders

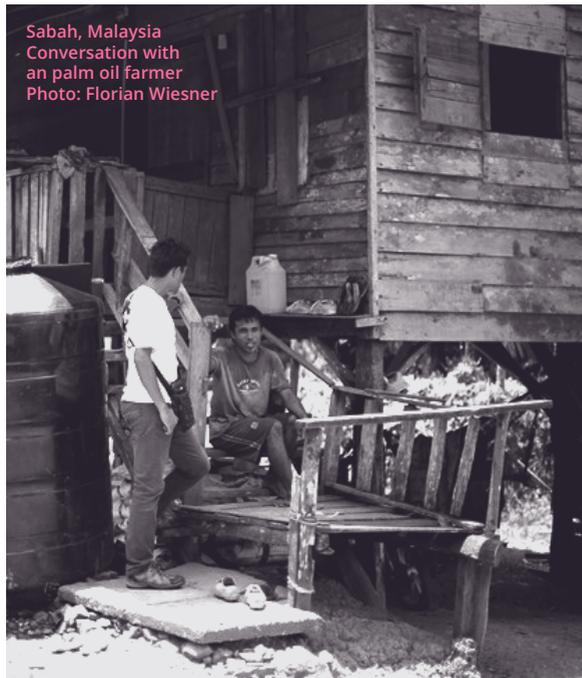


We believe that the industry will benefit in moving from a situation where the mill performs a simple transaction around collecting FFB<sup>1</sup> and paying for them, to a situation where the mills take interest in the FFB suppliers and work with local farmers to improve quality and technical support.

This approach, instead of asking smallholders to certify (which is extremely unlikely to succeed at a large scale), has the merit to be seeking the value creation point in the supply chain, for both the miller and the growers (and the FFB dealer when appropriate).

If both the Smallholder and the Miller are winning, we have seen that lessons learned will replicate quickly in the industry, creating a good basis to discuss other matters such as forests, pesticide use, workers, etc.

On that belief, we created Rurality,<sup>↗</sup>



Sabah, Malaysia  
Conversation with  
an palm oil farmer  
Photo: Florian Wiesner

1. Fresh Fruit Bunches, the fruit that is harvested from the palm oil tree

an initiative dedicated to innovation with smallholders and mills that now works around the world through innovative projects located in supply chains and supported by brands, traders and refiners.



## 5. Landscapes

Now, thanks to transparency, we have much greater insight into how buying relationships overlap on the ground and in specific regions. We are able to clearly see where multiple companies with responsible sourcing or producing policies are overlapping in the same landscapes.

Where companies are buying from the same regions, there is great opportunity to cooperate on driving positive change. Common ground can be found when all the eyes

look at the same map. Also, the linear supply chain approach is touching its limits when talking about forest conservation. Deforestation goes beyond palm oil and affects sectors such as pulp and paper, rubber, timber and cocoa.

Often grown in the same landscapes, it seemed natural to us to get private sector producers who are active in the same landscape and committed to environmental excellence to sit together around a map and discuss how synergies focused on stopping deforestation, resolving land conflicts, making plans for sustainable agriculture and protecting peat can be found.

Opportunities for shared costs of mapping, monitoring, innovating for solutions and trainings on best practices for growers can all be leveraged. Of course, local government plays a leadership role in land-

scape management and collaboration of this kind must involve them if it is to be successful in the long run. TFT has identified important landscapes where more work can be done at a multi-stakeholder level in Indonesia, Brazil and Peru and is currently working closely with partners from all horizons to build on the good work each of them do individually already.



## 6. Workers

The palm oil industry is still at the early stages of addressing the labour issues they face. Palm oil is a labour-intensive crop and labour often needs to be brought from afar to meet the demands of the harvest schedule. Too many workers still do not have freedom of movement, easy access to their own passports, clear explanations for how

their pay is calculated, or pay systems that ensure minimum wages. Some do not even have access to potable water. Women workers are often only seen as there to “help their husbands.”

“Some do not even have access to potable water.”

Labour issues are the largest and most complex issues facing the palm oil industry today, but we also know that most of the issues have been there for as long as there have been palm oil plantations in Southeast Asia, and that most palm plantation managers have never been exposed to better ways of working.

Our approach is to work in partnership with our members on solutions, not finger pointing. We need to help transform the grower-worker relationship by creating the space that allows

managers and workers to talk openly with one another about the challenges they face, while also ensuring that the human rights of every worker is respected. For the last 11 years TFT has been working on labour issues in other raw material extractive industries. We’ve seen first-hand that when companies are faced with long, overwhelming lists of ‘urgent’ requirements, they feel paralyzed and are likely to dismiss the possibility of change entirely.

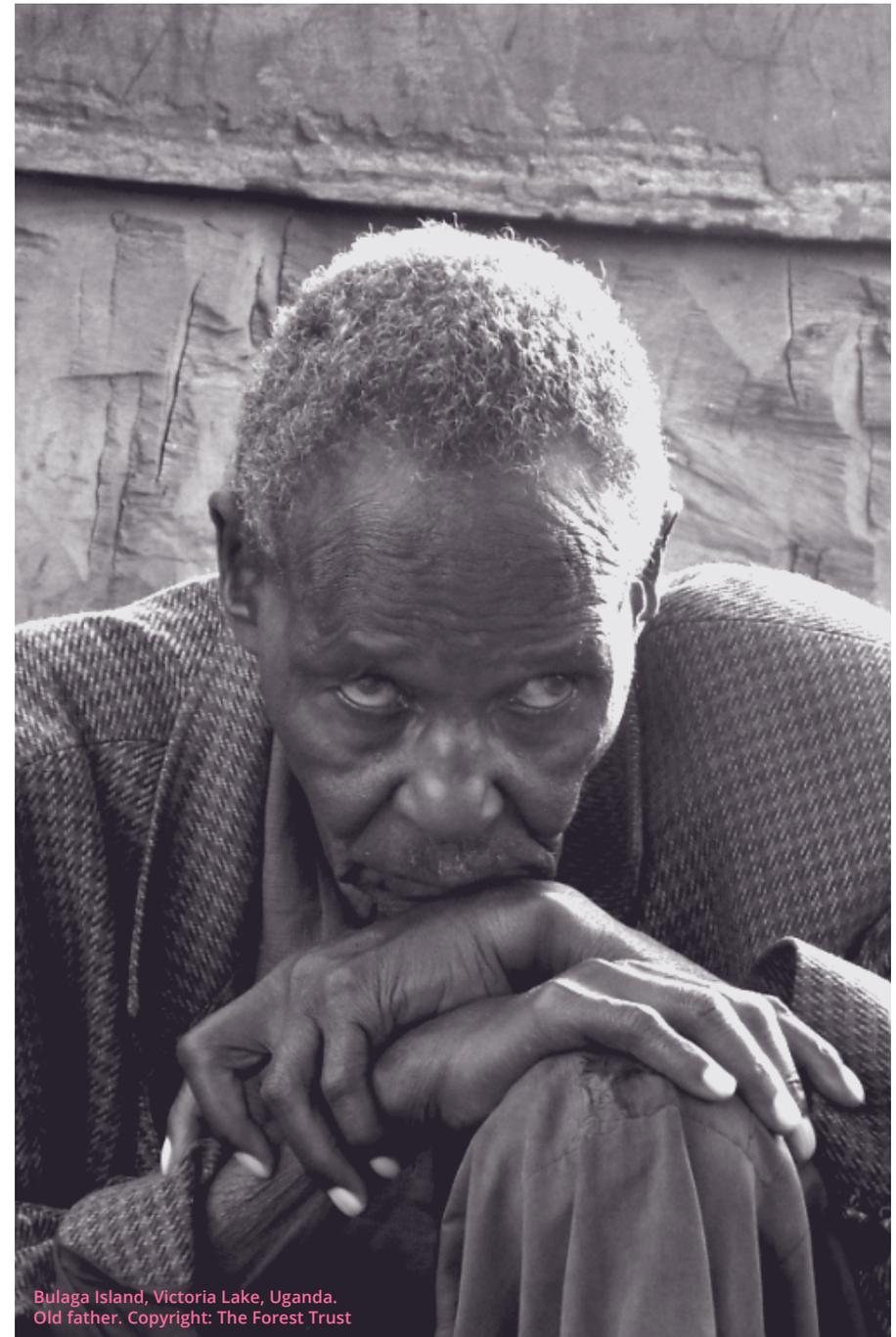
“We need to ensure that perfect does not become the enemy of good in this work.”

But when you can begin to identify those items on the list that are doable tomorrow, in a practical way, you begin to make progress - and that progress feeds success and confidence for tackling the more difficult issues over time.

We need to ensure that perfect does not become the enemy of good in this work, and we need to innovate ways to make visible the progress taking place to customers and NGOs. We have to celebrate those companies who are prepared to start that journey, even if they are not perfect.

What is needed more than ever is to identify those plantations who are ahead of the pack in treating workers fairly and use these as examples for other plantations of how to build a healthy relationship with their workforce. We are innovating on the ground to make aspirational ambitions work in practice.

We will use our Centre for Social Excellence, active since 2014 [in Indonesia ↗](#) and [West Africa ↗](#) and funded by companies like APP, Wilmar and GAR to democratize training on best practices around workers’ rights at a larger scale.



Bulaga Island, Victoria Lake, Uganda.  
Old father. Copyright: The Forest Trust



# How we see the future

Producing a policy and getting traceability to mill got everyone at the foot of Everest. Much ground was covered, however the journey is only starting as transformation of the palm oil industry is probably the biggest challenge we are collectively facing, moreover under time pressure. The dynamics must change: if companies and NGOs only use their supply chain information to villainize risky suppliers, the momentum that has started will quickly dissipate, and each party will go back to not trusting one another and blaming each other. However, if we take this opportunity to work together on identifying and celebrating the solutions, and using credible, scalable monitoring systems that can recognize and create value for leading companies who are protecting forests and respecting human rights; the chain reaction that was started will continue to flourish. At the heart of this solution is a need to believe that by working together we can solve the challenges that we face, and that the majority of us want to leave a world and an industry better than how we found it. We have to believe in each other to make it happen, we have to bring value to those who do.

**Let's focus on getting the good players, regions, and governments valued by making ongoing, independent verification the norm.**

That doesn't mean generalizing audits and certifications, which are expensive, time consuming and often not objective. The way traceability became the norm in 2013 and surprised everyone, we believe that innovative verification solutions such as satellite imagery and local stakeholder monitoring can become the norm.

This way, traders and refiners who buy CPO (Crude Palm Oil) can evaluate their supplying growers and incentivize and support those who are transparent and able to give evidence: when protecting forests and good relationships with workers and communities will become a source of value to growers, another chain reaction of change can begin.

As discussed in this paper, in the same vein, value creation at smallholder level is essential and ought to be cultivated, developed. There is so much innovation that could take place in enhanced collaboration between millers and smallholders! So much to win for all in quality, productivity, payment terms, loyalty and best practices. Let's not seek compliance. Let's seek value.

To all those who like to politicize the debate by picturing it as a fight for sovereignty between Western brands and Asian, African or Latin American producers, who like to oppose conservation to production and ecology to development, we say to them that if these key issues the palm oil industry is facing are not solved, brand palm oil will continue to suffer.

This would be detrimental to all. How much value will be wasted if prices go down because demand for palm oil is lower or access to valuable markets becomes limited, if climate changes so much that yields go down, and if millions have to be invested to restore the image of a crop that is by itself a gift of nature to humans?

Going forward, our efforts will focus on continuing to work with our members to develop innovations that have the power to replicate at large scale and that create value for everyone in the supply chain, from the independent smallholder to the consumer.

**We will continue to dive deep into the realities on the ground to make it happen, together with our members, with our initiatives and anyone committed to change that shares our values of respect for people and nature.**



Let's not seek  
compliance.  
Let's seek  
value.



[WWW.TFT-EARTH.ORG](http://WWW.TFT-EARTH.ORG)