



AN INCLUSIVE APPROACH TO PALM: CREATING SUSTAINABLE VALUE ACROSS THE SUPPLY CHAIN

Palm oil is the most widely-used, highly efficient vegetable oil in the world. Though palm oil represents **40% of the world's vegetable oil supply and just 6% of land area** dedicated to oil production, its production is often associated with environmental and social risks. When palm oil is produced responsibly under the right conditions, it can play a vital role in the sustainable production and trade of vegetable oils.

At Solidaridad, we believe that the transition towards a sustainable and inclusive palm oil supply chain is possible. We have years of expertise working with companies and stakeholders to show how each actor contributes to sustainable and resilient palm oil production landscapes.

The core of our work focuses on improving the livelihoods of smallholder farmers, in balance with nature. Oil palm is grown by millions of smallholder farmers across the tropics. They play a crucial role in the sustainable transition of the sector. However, farmers face various challenges and need support on multiple

GENDER EQUALITY AND SOCIAL INCLUSION WORK IN PALM OIL

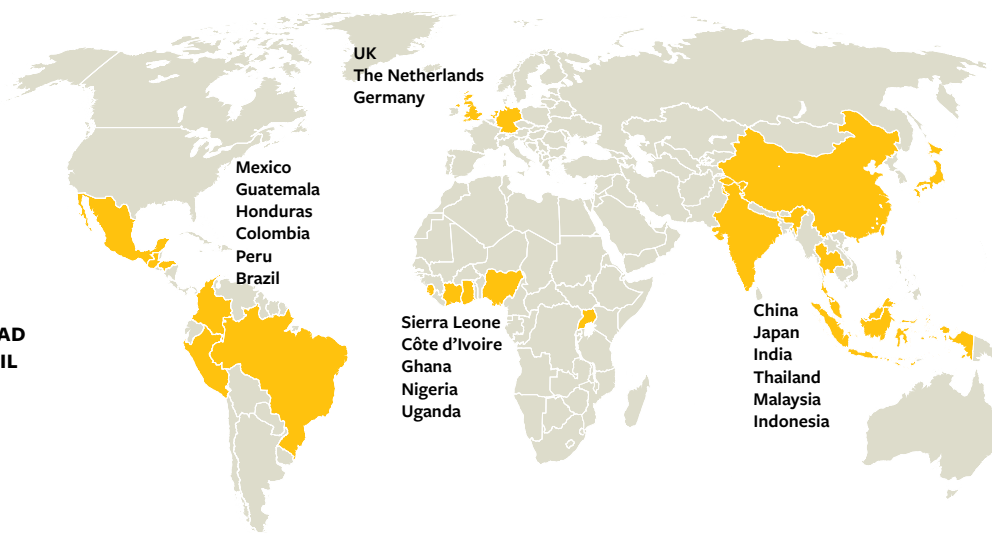
Solidaridad's work on palm oil projects in Latin America is creating a better understanding of the role of female farmers through in-depth research. Based on the learnings, we develop recommendations for the palm sector.

Within our projects in palm oil in West Africa, we foster youth inclusion and ensure the participation and contribution of women to decision-making processes in the palm sector.

levels to improve the conditions in which they produce. Through our interventions we work towards supply chains that include and support farmers to produce in a sustainable way.



WHERE SOLIDARIDAD
WORKS IN PALM OIL



Solidaridad



OUR APPROACH TO SUSTAINABLE PALM OIL

Solidaridad's global programme focuses on the main palm oil producing and consuming regions. Over the years, we have built a strong track record for improving sustainability and inclusivity in palm oil, worldwide. We work with numerous stakeholders, from producers to governments, private sector partners and knowledge institutes. Smallholder-inclusive sustainability is at the heart of our work. Globally, we work on ensuring sustainable and inclusive palm oil supply chains at three levels:

Producers

We are present on the ground, working directly with smallholder farmers. They face numerous challenges that affect their livelihoods, including climate change vulnerability, price volatility, and sustainability requirements that can result in exclusion of farmers from profitable markets. Our work focuses on improving the livelihoods and resilience of smallholder farming communities.

We support farmers to adopt better management practices, increase yields, build collaborative organizations, access markets and finance, and transition to climate-resilient production that protects nature. Our work includes a particular focus on gender equality and social inclusion to improve the socio-economic position of women farmers in the supply chain.

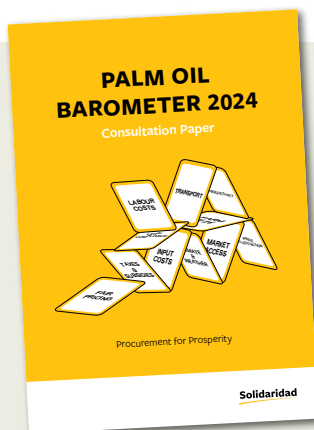
Markets

Access to markets is vital for farmers, providing them with the opportunity to sell their oil palm produce at a fair price and receive adequate compensation for their efforts to produce sustainably. Market plays a key role here, for instance, what palm oil buyers ask from their suppliers.

We work directly with a number of private partners to drive our common agenda forward. We collaborate with companies providing them with advice as they develop and implement sustainable and inclusive palm oil procurement practices. We support initiatives that promote the uptake of sustainable palm oil in regional markets.

Policy ecosystem

Solidaridad works with governments to create enabling environments that support a more sustainable palm oil sector. We contribute to the establishment of international, national and local initiatives and solutions, such as RSPO, and we also collaborate on national standards for sustainable palm oil, like the Indonesia and Malaysia Sustainable Palm Oil initiatives (ISPO & MSPO), and the Alliance for Sustainable Palm Oil in Colombia (APSCO). Within RSPO and other initiatives we advocate for improved smallholder inclusion and better enforcement of the standard.



Solidaridad's Palm Oil Barometer

The Palm Oil Barometer provides a comprehensive review of the state of sustainability and inclusivity in the palm oil sector and offers recommendations for national and international supply chain actors.

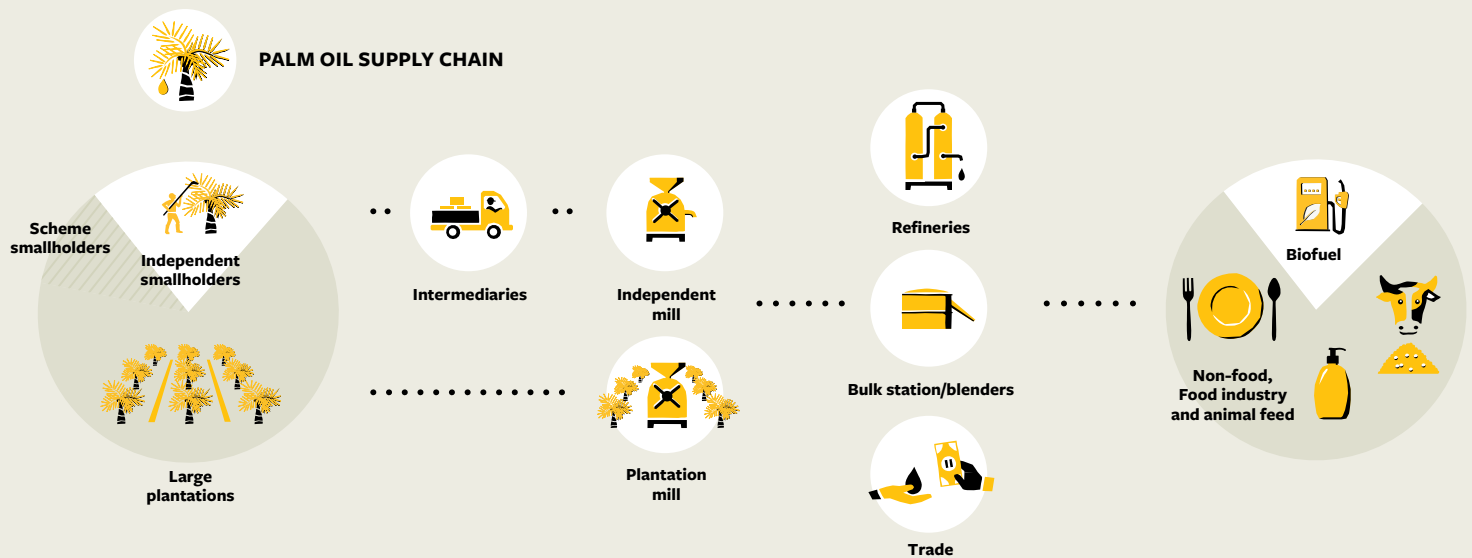
In our latest edition – established in consultation with smallholder representatives and experts in the palm oil sector across producing regions in Africa, Asia and Latin America – we provide supply chain actors with principles for responsible procurement practices that drive inclusivity and sustainability in the palm oil supply chain. **You can read more here.**

Collaboration for inclusive and sustainable palm oil procurement practices

As Solidaridad, we welcome dialogue and collaboration with companies that want to advance sustainable and inclusive procurement practices in the sector. Please reach out to us for more information.

OUR TRACK RECORD IN PALM OIL

Solidaridad has a strong track record powering sustainability in palm oil since 2008, and a strategic global presence across palm oil producing regions, including Asia, Latin America and West Africa.



COLLABORATION IN PALM OIL SUPPLY CHAIN: FARM2BAR (COLOMBIA)

In 2022, together with our longtime partner Henkel, we launched the Farm2Bar project with Henkel's US soap brand Dial to advance traceability from farm to shelf. The project takes a supply chain approach that allows for effective collaboration between the first mile of the chain and global market players, as well as making the business case for sustainability among farmers and buyers.

Satellite and digital intelligence sources support and monitor progress and compliance with net-zero deforestation commitments and responsible sourcing practices. The project also recognizes farmers' dedication and continued efforts to implement responsible and sustainable practices as they achieve certification and participate in international supply chains with sustainability requirements and premiums. The Farm2Bar approach facilitates the inclusion of smallholder farmers in international supply chains.



SUPPORTING CLIMATE-SMART SOLUTIONS IN PALM OIL PRODUCTION (GHANA)

Solidaridad supports farming communities and processors to become more resilient to a changing climate, and effectively contribute to climate change mitigation through nature-based carbon removals. Artisanal palm oil processing has huge potential for carbon reduction.

In our Sustainable Artisanal Palm Oil Processing (SAPP) programme, Solidaridad supports artisanal palm fruit processing centres in Ghana to modernize their installation with an investment contribution, technical advice and engineering. Energy efficiency is increased through biomass utilization turning waste into energy. The project supports the modernization of the modernization of palm fruit processing, which leads to emission reductions. Upgrading artisanal mills also introduces innovations for artisanal processing, bringing benefits to the main users of those mills: women who are part of the oil palm farming communities. The upgraded mills are gender-friendly to operate and increase the palm oil extraction rate. To sustain these efforts to reduce emissions, the project has piloted carbon removals in the Ghanaian carbon market.



NISCOPS: DRIVING SUSTAINABLE PALM OIL SOLUTIONS AT SCALE (GHANA, NIGERIA, INDONESIA, MALAYSIA, COLOMBIA, MARKET INTERVENTIONS IN EUROPE AND ASIA)

Our multi-year NISCOPS programme (2019-2028) addresses the need for collaboration at multiple levels with different stakeholders to drive sustainability in palm oil, with a focus on smallholder farmers' inclusion and livelihoods. NISCOPS is a long-term engagement between key palm oil producer and consumer countries, implemented in a partnership of Solidaridad and IDH. It complements market-driven supply chain initiatives in oil palm producing countries, and facilitates joint action at international and national levels by governments, private sector and civil society to develop climate-smart agriculture in palm oil landscapes, capable of improving the lives of farmers.

The programme shapes long-lasting, positive impacts for farmers through a focus on three key impact areas: **improved land use** (including regenerative agricultural practices), **better incomes** (more equitable access to markets), and **inclusive markets** (such as supporting traceability compliance and scope 3 emission reduction).

Key achievements of NISCOPS to date (2019-2023):

- 46,268 farmers trained on sustainable farm practices and diversification methods;
- 108,039 ha of farmland under sustainable management / climate adaptive practices;
- 19,844 ha of deforested land has been protected or restored.

JOIN US TO MAKE SUSTAINABLE PALM OIL THE NORM

The move towards an inclusive palm oil supply chain demands widespread support and partnerships. Solidaridad's goal is to bring together supply chain actors, but also partners beyond this, to support innovation. Together, we can contribute to a sustainable and inclusive supply chain. Join us in our ambition to ensure that truly sustainable palm oil becomes the norm, once and for all!



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