



## **Earthcycle's Ethical Sourcing of Palm Fiber**

In North America we are largely unfamiliar with the bright orange and red clusters of palm fruit that grow on giant husks – the fruits that are the source for the oil that ends up as an ingredient in a wide range of food and beauty products all over the world. More than 70 percent of palm oil is derived from plantations in Malaysia and Indonesia, with Malaysia being the largest exporter of palm oil, feeding three billion people in over 150 countries.

The palm oil industry as a whole is a substantial part of the global economy, providing vital employment for over 6 million people. Palm oil is also highly efficient—it is eight times more productive per acre than soybean oil, and accounts for roughly a third of the world demand for vegetable oils. Palm oil is trans-fat free and provides many nutritional health benefits including antioxidants and vitamins. As such, it is a main source of calories and nutrition for people in developing nations.

In Malaysia, palm oil plantations make up two-thirds of Malaysia's agricultural land which is 20 percent of the total land. Rainforests make up 60 percent of the total land. As such, 80 percent of Malaysia is green tree covered which makes it one of the largest carbon sinks in the world. According to the American Palm Oil Council, over the past twenty years, the areas converted for palm cultivation came from pre-existing farms such as rubber, cocoa, and coconut or from agricultural zoned land.

In recent years, the price for palm oil has jumped by 70 percent due to increasing demand from traditional food sources and from new demand for palm oil in the form of biodiesel, which in many cases is being subsidized by western governments. This hunger for palm oil has not only had a major impact on household expenditures in the developing world, but has also threatened the lush, diverse rainforests of Borneo and Sumatra that are home to numerous endangered species, such as orang-utans.

After years of living in South East Asia, Earthcycle's President and Founder, Shannon Boase, was well aware of the destructive tendencies of industrial agriculture and the impact excessive demand was having on the natural world. As a result, Earthcycle chose its productive input carefully and became an early member of the Roundtable for Sustainable Palm Oil (RSPO) - see [www.rspo.org](http://www.rspo.org).

The RSPO is unique in that it brings together groups that would normally be on opposite sides of the table, to define and certify sustainability in the palm oil industry. Members of the RSPO include social and environmental NGO's (including WWF), grassroots organizations and members along the entire supply chain, from plantation owners, millers, traders, retailers and financiers. The RSPO agreed on a set of Principles and Criteria for the Production of Sustainable Palm Oil in 2005, launching the certification system in 2007.

Earthcycle's products are made from a waste product of the palm oil industry. Specifically, our packaging material is a moulded pulp product made from the husks where the palm fruits grow. One palm tree can give fruit up to three times per year and has a lifespan of up to 14 years before replanting.



Each husk is plucked from the palm tree when the fruits are ripe and one husk can contain up to 3,000 fruits. Once harvested, the fruits are mechanically separated from the husk and pressed into oil. The remaining husk—now called an Empty Fruit Bunch—has traditionally been considered waste and has as such been incinerated. Earthcycle has developed a way to turn this waste into an environmentally responsible packaging material that is certified home compostable, while meeting all US FDA and Canadian CFIA guidelines for food contact packaging. Suitable for backyard composting, the packaging breaks down within 90 days, and forms healthy and productive humus for the soil.

Earthcycle commissioned a third party review of the Malaysian plantation partners with SGS Qualipalm, an authorized auditor for the RSPO, to assess Earthcycle's source of palm fiber against the RSPO defined guidelines for land title, High Conservation Value (HCV) areas and agrochemical use.

Based on the SGS Qualipalm report, Earthcycle can safely say that our partner plantation first planted palm trees in 1976, and has existing legal documentation for land titles and proof of occupation and use. The location is in an area of Peninsular Malaysia where there are no significant High Conservation Value (HCV) forests or wildlife habitats. No orang-utans were lost in development of the plantation since Peninsular Malaysia has not recorded sightings of orang-utans. Sightings of species protected under Malaysian law on the plantation include monitor lizards, barn owls and forest cats. Also, the assessment confirmed that there has been no conversion of Environmentally Sensitive Areas (ESAs) to oil palm as per Malaysia's National Plan. Issues of HCVF are minimal since current activities do not involve clearing of natural areas.

There are still areas in the plantation management that need improvement as measured against the RSPO Principles and Criteria, and Earthcycle is committed to working with the current and any future suppliers to help them improve best practices in their operations.