

## Oleochemicals: the deforestation-free challenge

**Oleochemicals** are chemicals derived from oils and fats. Used in **cosmetics and cleaning products**, they can be derived from a range of sources, including **palm oil**. Working to meet voluntary commitments and new regulatory requirements, companies are stepping up action to ensure oleochemicals are **traceable, deforestation-free and sustainable**.

? Common oleochemical ingredients found in home and personal care products include **glycerine, cocamidopropyl betaine and sodium laureth sulphate**.

### The challenge

- ⚠ **Traceability.** Oleochemical supply chains are generally highly complex, passing through several processing stages that could occur in different parts of the supply chain. Tracing a palm oil-derived oleochemical back to its origin is therefore significantly challenging.
- ⚠ **Assurance.** A key issue for some companies in the sector is a reliance on RSPO Mass Balance certification, which allows for mixing of certified and non-certified volumes, for physical assurance of sustainability. The non-certified element may not provide the level of assurance companies need to meet their commitments or comply with market regulations.

### New drivers for change

In addition to voluntary commitments, emerging regulations are driving company action. **Due diligence legislation in the UK** will require companies to ensure commodities have been produced legally, whilst the **EU Deforestation Regulation** additionally requires them to be deforestation-free, including geolocation of origin. At least some palm oil-derived oleochemicals are included within the scope of both. These regulations place an emphasis on the need for strong traceability and assurance in the sector.

### State of play

As is often the case in complex supply chains, there is **no silver-bullet solution** to the challenges faced by the sector.

Voluntary certification can provide some traceability and assurance benefits, but is not the only option; rather, an array of options, including voluntary certification, national standards, traceability tools and industry initiatives all have important roles to play. **Multi-stakeholder collaboration** is crucial to facilitating this.

For more detail, read the Efeca briefing '**Oleochemicals, deforestation and regulation: a deeper dive**', found on our website.

#### Exploring solutions

Efeca has established the **Oleochemicals Working Group** to strengthen understanding and explore solutions to the challenges facing the oleochemicals sector in developing traceable, deforestation-free and sustainable supply chains. Part of the UK Sustainable Commodities Initiative, it is comprised of companies from across the UK supply chain sourcing and selling oleochemical products.

*For more information or to get involved, please contact the Efeca team at [info@efeca.com](mailto:info@efeca.com)*