



## 7. Peat

### SPOTT indicators: Does the company disclose...

- |   |   |
|---|---|
| 48) Commitment to no planting on peat of any depth?                           | 50) Commitment to best management practices for soils and peat? |
| 49) Peat commitment applies to scheme smallholders and independent suppliers? | 51) Landbank or planted area on peat (ha)?                      |
|   | 52) Evidence of best management practices for soils and peat?   |

### Relevant SDGs



## Context

Peat soils<sup>1,2</sup> provide unique ecosystems that store large amounts of carbon, from 18 to 28 times more than the amount that the forests above them can hold.<sup>3</sup> They are therefore vital to climate change mitigation due to their role in carbon sequestration. These peat soils are sometimes drained and burned to clear the area for palm oil plantations, releasing large amounts of methane and carbon into the atmosphere. It is estimated that exposure to the severe haze episodes of 1997 resulted in 2.5 million lost work days in Indonesia alone.<sup>4</sup>

Haze-related issues have caused several governments in South East Asia to take measures to prevent haze and protect peat which are likely to affect companies operating in peat-rich areas. Besides this, toxic smog causes health problems at a regional scale, can reduce palm oil yields through damage to harvests, and cause transport disruptions.

Other risks associated with draining peatland include flooding and soil subsidence which can also negatively affect a company's operations and the long-term viability of specific concessions [for more details see [factsheet 8 on fire](#)].

## Obligations and expectations

In 2015, Indonesian President Joko Widodo enacted a peatland moratorium banning the clearance and development of peatlands. In 2016, the move was formalized through a revision of Regulation 71 of 2014 and includes a ban on peatland clearance, burning of peat, and building of new canals that would contribute to drainage. As of 2017, the Indonesian government is looking to adopt Regulation 57 of 2016 to strengthen obligations related to peatland management. In addition, many buyers and financial institutions have adopted No Deforestation, No Peat, No Exploitation (NDPE) policies which prohibit any business relationships with companies that are found to develop peatlands.

## Glossary

### Peat

Peat is defined by the International Peat Society as a heterogeneous mixture of more or less decomposed plant (humus) material that has accumulated in a water-saturated environment and in the absence of oxygen.<sup>1</sup> The RSPO defines tropical peat soils (or histosols) as organic soils with 65% or more organic matter and a depth of 50 cm or more.

<sup>1</sup>'What Is Peat?', International Peatland Society. [Accessed 25 August 2017]. Available from: [peatsociety.org/peatlands-and-peat/what-peat](https://peatsociety.org/peatlands-and-peat/what-peat)

<sup>2</sup>Roundtable on Sustainable Palm Oil. 2012. RSPO Manual on Best Management Practices (BMPs) for Existing Oil Palm Cultivation on Peat. Kuala Lumpur: RSPO. [Accessed 25 August 2017]. Available from: [sustainability-college.rspo.org/wp-content/uploads/2016/11/Manual-on-BMPs-for-Existing-Oil-Palm-Cultivation-on-Peat-English.pdf](https://sustainability-college.rspo.org/wp-content/uploads/2016/11/Manual-on-BMPs-for-Existing-Oil-Palm-Cultivation-on-Peat-English.pdf)

<sup>3</sup>Union of Concerned Scientists. 2013. Union of Concerned Scientists. Palm Oil and Global Warming. Fact Sheet. p.2. [Accessed 25 August 2017]. Available from: [ucsusa.org/sites/default/files/legacy/assets/documents/global\\_warming/palm-oil-and-global-warming.pdf](https://ucsusa.org/sites/default/files/legacy/assets/documents/global_warming/palm-oil-and-global-warming.pdf)

<sup>4</sup>Goodman, L. K. and Mulik, K. 2015. Clearing the Air: Palm Oil, Peat Destruction, and Air Pollution. p.12. [Accessed 25 August 2017]. Available from: [ucsusa.org/sites/default/files/attach/2015/03/clearing-the-air-ucs-2015.pdf](https://ucsusa.org/sites/default/files/attach/2015/03/clearing-the-air-ucs-2015.pdf)

## ZSL: Peat - A problem of depth

*"One of the main challenges associated with the management of peat is the lack of a clear definition of peatland in relation to the percentage of decomposed plant material in the soil and the peat depth. This makes effective mapping time and resource intensive. Under less stringent definitions, swathes of peatland could go unaccounted for and therefore developed as regular land. Inappropriately managed peat releases significant carbon emissions while being drained for development, but also as it burns in the event of a fire.*

*"With a growing number of investors, buyers and consumer goods manufacturers adopting NDPE (No Deforestation, No Peat, No Exploitation) policies, inaccurate or lenient mapping and management of peat comes at a great risk for companies. To minimize this risk, palm oil companies should clearly report which definition of peat they use and should use the definition of peat adopted by the RSPO regardless of their membership or certification status."*

**Izabela Delabre, Palm Oil Technical Advisor  
ZOOLOGICAL SOCIETY OF LONDON**

## Challenges

- The definition of peat is contested. Virtually all soils have organic matter and there is no agreed threshold of what depth of organic matter classifies as peat.
- Most of the publicly available peat maps for Malaysia and Indonesia are not accurate.<sup>5</sup>
- Conflicting data can make mapping of different soil categories difficult.
- Companies may need to put in significant time and resources to create accurate maps.
- Implementing measures can be challenging and costly for companies to verify that suppliers and smallholders respect companies' peat policies.
- The moratorium on development on peatland in Indonesia has created severe supply side constraints by limiting the land available for expansion.
- The expansion of NDPE policies is creating demand side constraints and financing requirements.

## Best practice for peat preservation

There are several steps that a palm oil company should follow to implement best practice:

- As a first step, companies should commit to not plant on peat regardless of depth.
- This commitment should apply, and be communicated to, smallholders and suppliers.
- To ensure consistency, a minimum depth threshold of organic soil that is classified as peat should be established.
- Companies should draw up peat maps based on their own soil analysis or should rely on other, more accurate peat maps.
- Companies that already have existing landbank on peat should refer to the RSPO Manual on Best Management Practices (BMPs) for Existing Oil Palm Cultivation on Peat for guidance.

<sup>5</sup>'\$1m for Devising Best Way to Map Indonesia's Peatland'. 2016. Mongabay. Mar 5. [Accessed 25 August 2017]. Available from: [news.mongabay.com/2016/03/1m-for-devising-best-way-to-map-indonesias-peatlands/](https://news.mongabay.com/2016/03/1m-for-devising-best-way-to-map-indonesias-peatlands/)

## Recommended resources

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- Roundtable on Sustainable Palm Oil. 2012. RSPO Manual on Best Management Practices (BMPs) for Existing Oil Palm Cultivation on Peat. Kuala Lumpur: RSPO. [Accessed 25 August 2017]. Available from: [sustainability-college.rspo.org/wp-content/uploads/2016/11/Manual-on-BMPs-for-Existing-Oil-Palm-Cultivation-on-Peat-English.pdf](https://sustainability-college.rspo.org/wp-content/uploads/2016/11/Manual-on-BMPs-for-Existing-Oil-Palm-Cultivation-on-Peat-English.pdf)
- Ceres. 2017. Reporting Guidance on Responsible Palm. [Accessed 29 September 2017]. Available from: <https://www.ceres.org/resources/reports/reporting-guidance-responsible-palm>

## Other SPOTT indicator framework factsheets in the series

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This document is part of a series of factsheets in the publication: *From disclosure to engagement: A guide to the SPOTT indicator framework for assessing palm oil producers and traders*. Below is a full list of the factsheets:

- Factsheet 1: Sustainability policy and leadership
- Factsheet 2: Landbank and maps
- Factsheet 3: Traceability
- Factsheet 4: Deforestation
- Factsheet 5: Biodiversity
- Factsheet 6: HCV, HCS and impact assessment
- Factsheet 7: Peat
- Factsheet 8: Fire
- Factsheet 9: Greenhouse gas emissions
- Factsheet 10: Water
- Factsheet 11: Chemical and pest management
- Factsheet 12: Community and land rights
- Factsheet 13: Labour rights
- Factsheet 14: Palm oil certification
- Factsheet 15: Smallholder support
- Factsheet 16: Supplier selection
- Factsheet 17: Governance and grievances

## About SPOTT

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SPOTT is an online platform promoting transparency and accountability to drive implementation of environmental and social best practice for the sustainable production and trade of global commodities. SPOTT assessments score some of the largest palm oil producers and traders on the public availability of corporate information relating to environmental, social and governance (ESG) issues.

Reframed as the **Sustainability Policy Transparency Toolkit** in 2017, SPOTT now supports transparency for other industries that pose some of the greatest risks to the environment, with SPOTT assessments of timber, pulp and paper companies launched in November 2017.

For more information, visit [SPOTT.org](https://spott.org) or contact [SPOTT@ZSL.org](mailto:SPOTT@ZSL.org).

## About ZSL

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Founded in 1826, the **Zoological Society of London (ZSL)** is an international scientific, conservation and educational charity whose mission is to promote and achieve the worldwide conservation of animals and their habitats.

Our mission is realised through our groundbreaking science, our active conservation projects in more than 50 countries and our two Zoos, ZSL London Zoo and ZSL Whipsnade Zoo.

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