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- 19 <u>Abstract</u>

20 Many companies have made zero-deforestation commitments (ZDCs) to reduce carbon emissions 21 and biodiversity losses linked to tropical commodities. However, ZDCs conserve areas primarily 22 based on tree cover and aboveground carbon, potentially leading to the unintended consequence 23 that agricultural expansion could be encouraged in biomes outside tropical rainforest, which also 24 support important biodiversity. We examine locations suitable for zero-deforestation expansion of 25 commercial oil palm, which is increasingly expanding outside the tropical rainforest biome, by 26 generating empirical models of global suitability for rainfed and irrigated oil palm. We find that 27 tropical grassy and dry forest biomes contain >50% of the total area of land climatically-suitable for 28 rainfed oil palm expansion in compliance with ZDCs (following the High Carbon Stock Approach; in 29 locations outside urban areas and cropland), and that irrigation could double the area suitable for 30 expansion in these biomes. Within these biomes, ZDCs fail to protect areas of high vertebrate 31 richness from oil palm expansion. To prevent unintended consequences of ZDCs and minimise the 32 environmental impacts of oil palm expansion, policies and governance for sustainable development 33 and conservation must expand focus from rainforests to all tropical biomes. 34

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41 Main article

42 Commercial agriculture drives one-quarter of tropical deforestation<sup>1</sup>, causing substantial biodiversity loss<sup>2</sup> and carbon emissions<sup>3</sup>. Many companies have, therefore, made voluntary 'zero-deforestation 43 commitments' (ZDCs) for tropical commodity supply chains<sup>4,5</sup>. ZDC-compliant commodities cannot 44 be cultivated on recently-forested land, and ZDCs could effectively protect tropical rainforest from 45 46 encroachment<sup>6</sup> if uptake of the commitments is widespread<sup>7</sup>. However, ZDCs could then displace 47 agricultural expansion to other biomes: primarily tropical grassy biomes (grasslands, savannas and shrublands<sup>8</sup>) and dry forests (closed-canopy forests with highly seasonal rainfall<sup>9</sup>)<sup>10,11</sup>. These habitats 48 49 often lack protection, despite supporting distinct biota and potentially high carbon stocks<sup>9,12–14</sup>. 50 Without robust guidance to identify and protect their biodiversity, agricultural expansion into these 51 biomes in compliance with ZDCs could undermine benefits of ZDCs for global biodiversity and 52 climate change mitigation.

53 Palm oil is a key deforestation-risk commodity<sup>15</sup>, and ZDCs cover two-thirds of global palm oil production volume<sup>4</sup>. Palm oil ZDCs are chiefly implemented through Roundtable on Sustainable Palm 54 55 Oil (RSPO) certification<sup>4</sup>, which requires expansion to follow the combined High Conservation Value-High Carbon Stock Approach (HCV-HCSA) to determine habitat for protection<sup>16</sup>, a methodology also 56 applied to other commodities<sup>17</sup>. The HCV-HCSA conserves aboveground carbon and woody 57 58 vegetation structure ('HCS'); biodiversity, ecosystem services and social/cultural values ('HCVs'); 59 peat soils; and requires Free, Prior and Informed Consent before encroaching on community land<sup>17,18</sup>. However, national-level HCV guidance was originally developed for forestry, and the 60 combined HCV-HCSA was largely developed in response to oil palm-driven deforestation in 61 Southeast Asia<sup>15</sup>, so guidance for other habitats is currently limited. Tropical grassy and dry forest 62 biomes differ from rainforest in structure and function<sup>9,12,13</sup>, which current HCV-HCSA guidance does 63 64 not address, leading to inconsistent identification of their biodiversity values (Supplementary 65 Information 1). Latin America and Africa support extensive grassy and dry forest biomes, where commercial oil palm is expanding rapidly<sup>15,19–21</sup>, with irrigation in dry locations<sup>22</sup>. In Latin America, 66 palm oil production has increased by 60% since 2011<sup>23</sup>, and 80% of expansion prior to 2014 replaced 67

cropland, pasture and savanna<sup>19</sup>. The largest RSPO-certified plantation in Africa was developed
entirely in savanna<sup>24</sup>, and sites of new certified plantations are frequently selected for their grassy
habitat (Supplementary Information 1). Thus, we urgently need to understand the potential for zerodeforestation oil palm expansion in biomes outside tropical rainforest, and consequent biodiversity
loss.

Here, we generate new maps of climatically-suitable areas for rainfed and irrigated oil palm 73 74 expansion, based on locations of existing plantations<sup>25</sup> (an alternative approach to 'agro-ecological'<sup>26</sup> or crop growth<sup>27</sup> models), and accounting for water availability for irrigation (unlike existing 75 models<sup>27</sup>). We assume that ZDCs protect all locations with  $\geq$ 35 Mg ha<sup>-1</sup> aboveground carbon and 76 77 ≥30% canopy closure, and/or peat soils from expansion, following the HCSA<sup>17</sup>. We find that tropical 78 grassy biomes and dry forests contain nearly 200 Mha climatically-suitable for rainfed or irrigated oil 79 palm expansion in compliance with ZDCs, including locations of high vertebrate richness and 80 overlapping with the ranges of 10% of all threatened vertebrate species. Thus, to minimise 81 biodiversity loss, comprehensive guidelines to identify and manage 'high conservation values' 82 specific to tropical grassy and dry forest biomes must be developed.

# 83 <u>Results</u>

#### 84 Potential areas for rainfed oil palm expansion under ZDCs

Globally, we estimate that a total of 1.2 Bha of non-cultivated land (including primary vegetation,
secondary vegetation, and both current and abandoned pasture, but excluding current cropland,
tree plantations and urban areas), outside IUCN class I and II protected areas, are climaticallysuitable for rainfed oil palm expansion (Fig. 1). If widely and effectively implemented, ZDCs would
protect up to 86% of this 1.2 Bha, following our scenario of 'greater habitat protection' according to
the HCSA (based on canopy closure and aboveground carbon, although in practice, protection
depends on local context: see Methods). Thus, 167 Mha of climatically-suitable, non-cultivated land

92 remains potentially available for expansion in compliance with ZDCs, which is six-fold greater than
93 the current planted area of 27 Mha.

94 Current guidance for ZDCs protects a considerably higher percentage of the areas climatically-95 suitable for expansion in the moist forest biome (rainforest; 93%) than in grassy biomes (43%) or dry 96 forest (51%) (Fig. 2a), because many areas of grassy and dry forest biomes have insufficient 97 aboveground carbon and canopy closure to qualify for protection (Extended Data Fig. 1). 98 Consequently, 95 Mha of the 167 Mha potentially available for expansion under ZDCs are in tropical 99 grassy and dry forest biomes (~four-fold greater than the current planted area), the majority (87%) 100 in the Neotropics and Afrotropics (Fig. 1). Just under half (69 Mha) of the potential area for 101 expansion under ZDCs is in the tropical moist forest biome, which is likely to be highly degraded 102 habitat, such as intensively-managed pasture, because of its low carbon stocks. The 95 Mha of 103 climatically-suitable non-cultivated land in grassy and dry forest biomes includes both degraded 104 pasture and also ancient habitats supporting high biodiversity, which cannot be distinguished by 105 remote sensing, due to superficial similarity between the vegetation types. However, regional 106 analyses in Brazil and Colombia suggest that a greater proportion of moist forest biome has been 107 converted to pasture than other biomes (Supplementary Information 2). Consequently, our findings 108 highlight the potential for zero-deforestation oil palm expansion into ancient, high-biodiversity 109 grassy biome and dry forest habitats, emphasizing the need for sustainable development guidelines 110 for identification and protection of biodiversity specific to these biomes, particularly in the 111 Afrotropics and Neotropics.

Our estimates of the total area suitable for zero-deforestation expansion are sensitive to the thresholding of our models of suitability for cultivation (70-375 Mha for three thresholds tested), to the choice of suitability model (223 Mha according to an existing agro-ecological model<sup>26</sup>, of which 110 Mha overlap with our model; Extended Data Fig. 2), and to habitat protection thresholds under ZDCs (358 Mha under a scenario of weaker habitat protection, compared to 167 Mha under greater

habitat protection which we present in the Main Article). Nevertheless, this variation does not affect
our conclusion that tropical grassy and dry forest biomes, especially in the Neotropics and
Afrotropics, contain the largest areas suitable for expansion under ZDCs (Supplementary Information
3).

#### 121 Potential for ecoregion-level habitat loss

122 If widespread, oil palm expansion under ZDCs could drive loss of unique habitats and biodiversity in 123 tropical grassy and dry forest biomes, because large areas of certain individual ecoregions, which 124 represent distinct habitats within biomes, are suitable for expansion. The percentage of individual 125 ecoregions that is suitable for rainfed expansion under ZDCs is greater for ecoregions in the tropical 126 dry forest biome (median 23% of ecoregions' remaining non-cultivated land is suitable for 127 expansion) and grassy biomes (16%) than in the moist forest biome (6%) (Fig. 2b). Biodiversity of 128 ecoregions such as the Llanos in Colombia (~80% of remaining non-cultivated land is suitable for 129 expansion under ZDCs), Beni savanna in northern Bolivia (~70%), and Guinean savanna in West 130 Africa (~53%), is particularly vulnerable (Table 1). However, these areas of non-cultivated land 131 include both intact habitats and some degraded land, where oil palm could expand with lower 132 immediate environmental costs (see Discussion). Our regional analyses suggest that extensive 133 suitable areas in some ecoregions (particularly in the moist and dry forest biomes) have been converted to intensively-managed pasture, but if we assume that this pasture is unavailable for 134 135 expansion, our estimates of the percentage of remaining untransformed habitat (outside cropland, 136 tree plantations, urban areas, and here pasture too) that is suitable for expansion appear robust 137 (Supplementary Table 3, Supplementary Fig. 2).

# 138 Yield in areas suitable for oil palm expansion under ZDCs

139 Overall, 97% of locations suitable for expansion under ZDCs are likely to have low yields under

rainfed, high-fertiliser input cultivation (~10 tha<sup>-1</sup>yr<sup>-1</sup> fresh fruit bunches; inter-quartile range 6.2-

141 16.5 tha<sup>-1</sup>yr<sup>-1</sup>; Fig. 3a), based on recent yields in locations that we estimate as climatically-suitable

142 (see Methods). These low yields of ~10 tha<sup>-1</sup>yr<sup>-1</sup> are roughly half of yields in existing industrial plantations (median 21 tha<sup>-1</sup>yr<sup>-1</sup>), but are nevertheless likely to be viable for cultivation (see 143 144 Discussion), although we are unable to account for net profitability. Low yields particularly apply to 145 potential ZDC expansion in grassy biomes (in which 99.8% of climatically-suitable locations for 146 expansion have low expected yield) and dry forests (99.1%), but also tropical moist forests (92.2%). 147 Regardless of ZDCs, 87% of locations suitable for expansion have low expected yields overall (Supplementary Fig. 7; agro-ecological suitability model<sup>26</sup> results are similar: Supplementary Fig. 8), 148 149 possibly because the most suitable locations for oil palm cultivation have already been converted to 150 plantations or cropland (e.g. in Southeast Asia).

## 151 Opportunities for improved oil palm yield under irrigation

152 Our projections of climatically-suitable areas for expansion under ZDCs presented above are based 153 on rainfed cultivation, but under irrigation up to 108 Mha could additionally become suitable (65% 154 greater than rainfed cultivation alone, representing potential for a 10-fold expansion in the current 155 planted area in total; Fig. 3b, Extended Data Figs. 3, 4). We assumed that surplus available water is 156 used to irrigate the crop in dry months, calculated as the difference between monthly renewable 157 water supply from freshwater lakes, rivers and renewable groundwater and current demand (see Methods). Irrigation could thus enable considerably greater expansion than rainfed cultivation 158 159 alone, particularly in grassy biomes (up to an additional 79 Mha compared with rainfed cultivation) 160 and dry forests (up to an additional 16 Mha; a two-fold increase compared with rainfed cultivation 161 for both of these biomes) in the Neotropics and Afrotropics (Supplementary Information 4). Whilst 162 we expect 97% of areas requiring irrigation to have low yield (Fig. 3b, pale colours), irrigation could 163 improve yields in locations suitable for rainfed expansion, increasing the total climatically-suitable area with medium or high expected yield (17-18 tha<sup>-1</sup>yr<sup>-1</sup> median yield) more than five-fold 164 165 compared with rainfed cultivation alone (Fig. 3).

#### 166 **Potential threats to vertebrate richness**

167 We estimate that effective implementation of ZDCs would substantially reduce vertebrate (mammal, 168 bird and amphibian) richness loss from oil palm expansion in rainforests, by protecting locations with 169 the highest richness within the moist forest biome, and thus globally, from expansion (Fig. 4a). 170 However, ZDCs fail to protect locations of high vertebrate richness within tropical grassy and dry 171 forest biomes in Latin America and Africa, where the largest areas are suitable for zero-deforestation 172 expansion (Fig. 4a). We estimated richness from vertebrate range maps refined by habitat type, and 173 we estimated richness loss as the number of species that cannot persist in plantations, within 10-km 174 grid-cells. Although this grid-cell resolution is likely to overestimate absolute values of richness, the 175 broad patterns of richness loss among biomes and continents are likely to be robust (Supplementary 176 Information 6). In Africa, where the contrast among biomes is greatest, expansion compliant with 177 ZDCs within the moist forest biome would result in substantially less vertebrate richness loss 178 (median 185 species lost per 10-km grid-cell on conversion to oil palm) than expansion in locations 179 protected by ZDCs (median 224 species lost per 10-km grid-cell). By contrast, within grassy biomes in 180 Africa, expansion under ZDCs would result in greater richness loss (median 200 species lost per 10-181 km grid-cell) than expansion in locations protected by ZDCs (median 169 species lost per 10-km grid-182 cell; fig 4a), so ZDCs could exacerbate vertebrate richness loss from oil palm expansion. All estimates 183 of vertebrate richness loss assume that expansion is into intact habitat, and thus actual richness 184 losses would be significantly lower if expansion also occurred in areas already converted to 185 intensively-managed pasture (Supplementary Information 2). However, areas of intensively-186 managed pasture may not always be available for oil palm expansion (see Discussion), and our 187 estimates of richness loss are robust if we assume that intensively-managed pasture is unavailable (Supplementary Fig. 3). Estimates of richness loss are similar for the agro-ecological suitability 188 189 model<sup>26</sup>, and when including suitability for irrigation (Supplementary Information 5). Thus, if 190 widespread zero-deforestation oil palm expansion takes place, ZDCs could drive considerable 191 biodiversity loss outside the tropical moist forest biome, despite substantially protecting rainforest 192 biodiversity.

#### 193 Range reduction of IUCN-threatened vertebrates

194 Under ZDCs, oil palm expansion in all biomes could decrease the range sizes of IUCN-threatened 195 vertebrates, although reductions are generally small. In total, 28% (879 of 3,155 species) of 196 threatened terrestrial vertebrates could undergo range reduction because these species' ranges 197 overlap with potential rainfed expansion areas, and these species cannot persist in plantations (26% 198 of threatened species according to the agro-ecological suitability model<sup>26</sup>). However, only a median 199 4.3% of species' total global range overlaps with potential rainfed expansion areas (Fig. 4b). When 200 including locations requiring irrigation, 34% of threatened vertebrates (1,071 species) could undergo 201 range reduction from oil palm expansion under ZDCs (Supplementary Fig. 18). As expected, the 202 majority of these threatened species occur in tropical moist forest (817 species under rainfed 203 expansion; 26% of threatened terrestrial vertebrates), although rainfed expansion in grassy biomes 204 and dry forests could reduce the ranges of 189 threatened vertebrates (6% of all threatened 205 vertebrates for both biomes combined; 10% when including locations requiring irrigation). Overall, 206 there are likely opportunities for ongoing expansion under ZDCs without significant negative impacts 207 on threatened vertebrates, provided that sufficient guidance is developed to identify and protect 208 areas supporting such species.

#### 209 Discussion

#### 210 Suitable areas for oil palm expansion

We generated new empirical models of suitability for oil palm expansion under rainfed and irrigated conditions. Our rainfed suitability model is broadly similar to existing models that were generated using contrasting methods<sup>26,28</sup>, but with slightly reduced area, suggesting that our estimated potential for expansion is conservative. We modelled suitability based on locations of commercial oil palm mills<sup>25</sup>, representing areas most climatically similar to those already under commercial cultivation. Our model may therefore have excluded marginal areas that will become increasingly viable for commercial cultivation with the development of new varieties and practices to maintain

high yields under climate change<sup>26,28–30</sup>. A few regions are predicted as suitable in our model but not
in other models<sup>26,28</sup> (e.g. parts of the Caatinga in northern Brazil, Venezuelan Llanos; Extended Data
Fig. 2), probably because we accounted for seasonality of water availability by calculating maximum
cumulative water deficit in order to capture water stress experienced by growing oil palms<sup>31</sup>
(Supplementary Information 7). Areas that we mapped as suitable for irrigated cultivation alone
largely coincide with other models that assumed unlimited water availability<sup>27,28</sup>, but are restricted
to locations of sufficient surplus available water to remove the critical rainfed water deficit.

225 Even though we estimated that ZDCs would protect extensive areas, we found considerable 226 potential for expansion under ZDCs. However, we could not account for availability of land (e.g. land 227 ownership), nor exclude areas that should be protected for their biodiversity or local ecosystem service values, which depend on the rigour of local assessments (Supplementary Information 1)<sup>18</sup>, 228 229 suggesting that the actual area available for expansion is much lower than our estimates. Oil palm 230 expansion could also occur in human-modified habitats (existing cropland or tree plantations<sup>17</sup>, which we assumed were unavailable, or intensively-managed pasture<sup>19</sup>, which we were unable to 231 232 exclude from our analyses), which would drive less biodiversity loss than in areas of intact habitat (Supplementary Figs. 3, 15), but could in turn displace these land-uses to natural habitat<sup>11,32</sup>. Our 233 234 main conclusions appear robust (Supplementary Information 2-5), but local information and 235 mapping are needed to assess likely protection under ZDCs and potential impacts of expansion in 236 detail (Supplementary Information 6).

We examine oil palm expansion if ZDCs were widely and effectively implemented. However,
increasing numbers of ZDCs<sup>4,5,33</sup> have not necessarily resulted in action to reduce deforestation<sup>5</sup>, and
the impact of ZDCs has not yet been well-studied<sup>5,34,35</sup>. RSPO certification appears to reduce
deforestation<sup>36,37</sup>, although net benefits are minimal as deforestation increases concurrently
elsewhere<sup>38</sup>, and RSPO-certified palm oil has stagnated at ~19% of global production volume<sup>39</sup>. Thus,
strong sector-wide regulation is imperative for reducing deforestation globally<sup>33,37,38,40</sup>.

#### 243 Potential for loss of tropical grassy and dry forest biodiversity

If oil palm production continues to expand rapidly<sup>41,42</sup>, including under ZDCs, our findings 244 245 demonstrate the potential for loss of unique biodiversity and habitats in tropical grassy and dry forest biomes in Latin America and Africa<sup>12,43–46</sup>. Widespread implementation of ZDCs would mitigate 246 247 global biodiversity loss from oil palm expansion overall, by extensively protecting tropical moist forest, but could also drive conversion of distinct grassy biome and dry forest ecoregions<sup>20</sup>, and 248 249 increase expansion in locations of high vertebrate richness within these biomes. Recent soy 250 expansion in the Cerrado has driven substantial habitat loss in a global biodiversity hotspot<sup>47</sup>, 251 possibly as an unintended consequence of the moratorium on expansion in the Brazilian Amazon<sup>10,11,48,49</sup>, and we highlight the potential for a similar pattern in global oil palm expansion, 252 253 before widespread conversion of grassy biomes and dry forests has occurred. 254 We estimate relatively small impacts of zero-deforestation oil palm expansion on IUCN-threatened 255 vertebrates overall, but we have likely underestimated the impacts of expansion on biodiversity 256 (Supplementary Information 6). We have not examined potential loss of plant or invertebrate 257 biodiversity from expansion, yet grassy biomes often support high endemism and richness of these taxa<sup>45</sup>, comparable to tropical rainforest in certain ecoregions<sup>44</sup> (e.g. the Cerrado<sup>46</sup>). Moreover, the 258 259 locations suitable for expansion under ZDCs in the moist forest biome are likely to be highly 260 degraded (and include large areas of intensively-managed pasture: Supplementary Information 2), 261 whereas suitable areas in grassy biomes and dry forests include intact habitat, such as in the Guinea savanna, Northern Congolian Forest-savanna, and Cerrado<sup>50,51</sup> (among other ecoregions). Overall, 262 263 widespread agricultural expansion under ZDCs could have substantial negative impacts on 264 biodiversity, highlighting the need for robust guidance for sustainable agricultural development in all 265 biomes.

#### 266 Implications for greenhouse gas emissions

267 We were not able to quantify potential greenhouse gas emissions from zero-deforestation oil palm 268 expansion in this study, because belowground carbon stocks are poorly understood in across the Tropics, particularly in grassy biomes<sup>12,52</sup>, and aboveground carbon stocks are also poorly quantified 269 outside rainforest<sup>12,53</sup>. Existing data suggest that belowground carbon stocks in grassy biomes are 270 highly variable and can exceed those of moist forest<sup>54–56</sup>, resulting in substantial carbon emissions 271 upon conversion to cropland<sup>50,55</sup>, and upon conversion of degraded pasture to oil palm<sup>57</sup>. Thus, the 272 273 potential greenhouse gas emissions from conversion of tropical grassy and dry forest biomes to oil 274 palm could be as high as those from rainforest conversion in many locations, but the lack of data on 275 below- and aboveground carbon stocks, and the dynamics of belowground carbon following 276 conversion to oil palm, highlights the need for more research on this topic.

## 277 Gaps in current guidance and key recommendations

278 While tropical conservation efforts have typically focused on rainforests, other biomes are also subject to multiple threats and are less well-protected<sup>9,12,20,54,58-60</sup>, with ~50% of tropical dry forests 279 already converted to other land-uses<sup>61</sup>. Therefore, there is an urgent need for policies and 280 governance for sustainable tropical land-use in all biomes. Current guidance (HCV-HCSA and national 281 interpretations<sup>16–18</sup>, particularly "Annex 2. Grasslands in HCVs" in <sup>18</sup>) does not recognise important 282 283 differences between tropical moist forest and grassy and dry forest biomes (e.g. importance of herbaceous vegetation; Supplementary Information 1, Box 1). Many recent oil palm concessions 284 285 were developed on grassy or savanna habitat to comply with ZDCs, risking that these habitats could 286 become rare through widespread conversion (e.g. savanna in Southern Gabon<sup>24</sup>; Supplementary 287 Information 1), threatening biodiversity before guidance is comprehensive.

288 Nevertheless, the existing HCV-HCSA provides a framework for implementing comprehensive

biodiversity protection in all biomes, like for tropical moist forest<sup>17,18</sup> (Fig. 2), with a current 'policy

290 window' for development of detailed guidance beyond Southeast Asian rainforest. We provide

291 recommendations for such guidance for grassy and dry forest biomes in Box 1. We also recommend

292 that companies extend commitments to 'no conversion of natural habitat', to bolster protection for 293 all biomes and support the development of comprehensive guidance for biodiversity protection. The 294 RSPO should stipulate 'protection of biodiversity in all biomes' in its Principles and Criteria (which require new plantings to follow HCV-HCSA guidance<sup>17,18</sup>)<sup>16</sup>, to encourage rigorous HCV assessments, 295 296 in line with the biodiversity identification and monitoring for all native vegetation types in the Round 297 Table on Responsible Soy standard<sup>62</sup>. The RSPO should incorporate estimation of below-ground 298 carbon storage of natural vegetation and soils into its greenhouse-gas emissions estimates, which 299 are high in some tropical grassy biomes (and moist forests)<sup>63</sup>, although we acknowledge that soil carbon stocks remain poorly understood<sup>12,52</sup>, highlighting the need for further research on this topic. 300 301 RSPO-certified oil palm is increasingly likely to expand in drier areas (Figs. 1, 3, Extended Data Figs. 3, 4), exacerbating water scarcity, particularly under irrigation<sup>64</sup>, so detailed guidance for sustainable 302 303 hydrological development (including irrigation) is also needed.

## 304 Sustainably increasing palm oil production

305 Oil palm expansion on highly-degraded pastures in the Llanos has limited negative impacts on biodiversity, and is carbon neutral six decades after conversion<sup>57,65,66</sup>. However, low-impact 306 307 expansion in degraded habitat depends both on correct identification of grassy biomes and dry forests<sup>9,12–14</sup> and a better understanding of degradation and intactness, highlighting the urgent need 308 309 for improved guidance (Box 1). Moreover, conversion of degraded areas prevents their 310 regeneration, hindering progress towards global conservation and climate goals (e.g. Bonn Challenge)<sup>20,67–69</sup>. Therefore, key priorities are to understand and define degradation, and examine 311 312 the impacts of agricultural expansion in degraded areas, in all biomes and biogeographic regions. 313 Given the potential negative impacts of ongoing expansion for biodiversity, improving yields of 314 existing plantations could also reduce the environmental impacts of oil palm, through sustainable intensification<sup>70,71</sup>. The low yields we predict (10 tha<sup>-1</sup>yr<sup>-1</sup> in most locations) are similar to yields of 315 Southeast Asian smallholders<sup>72</sup>; and oil yields of ~2 tha<sup>-1</sup>yr<sup>-1</sup> (assuming a conversion factor of 20% 316

317 from fresh fruit bunch yield to crude palm oil<sup>31</sup>), are equivalent to the maximum of other oil crops<sup>27</sup>. 318 Thus, oil palm cultivation may be feasible in these locations. However, yield and economic viability 319 depend on many factors, including costs of labour, seed material, inputs, transportation, and returns 320 from competing land-uses; further research efforts could integrate these with considerations of 321 climatic suitability for expansion. Global productivity could be increased by reducing labour shortages for harvesting<sup>73</sup>, by implementing best management practices (potentially including 322 irrigation), and/or planting oil palm varieties with broader climatic tolerances<sup>73,74</sup>. However, 323 324 increasing yield does not necessarily remove economic incentives for expansion elsewhere<sup>75</sup>. Thus, 325 there is strong need for internationally-coordinated governance to reduce yield gaps, better protect natural habitats, and reduce economic incentives for expansion<sup>76</sup>. 326

## 327 Conclusion

Oil palm expansion that is compliant with ZDCs is most likely to occur in tropical grassy and dry
 forest biomes, where it has the potential to drive substantial habitat and biodiversity loss. New
 guidance is urgently needed to identify and protect areas of conservation priority in these biomes.

- 331 Well-governed international policies that recognise and conserve natural habitat types are thus
- 332 imperative for achieving sustainable tropical agriculture.

## 333 <u>Methods</u>

#### 334 Overview

335 We mapped suitability for rainfed oil palm using the species distribution model Maxent,

incorporating locations of current oil palm cultivation (a global dataset of oil palm mills<sup>25</sup>) and

- climate data<sup>77</sup>, and selecting the best model from a range of permutations. We evaluated our
- 338 models of climatic suitability for oil palm by comparing our estimates to current global oil palm
- 339 plantations derived from the 'Spatial Database of Planted Trees'<sup>78</sup>. We mapped suitability for
- 340 irrigated oil palm by supplementing monthly rainfall with a recent hydrological dataset of monthly
- 341 surplus available freshwater<sup>79</sup>. We thereby produced new, up-to-date models of climatic suitability

342 for both rainfed and irrigated oil palm. We conducted analyses for a recent agro-ecological model of suitability for rainfed oil palm<sup>26</sup> alongside our new rainfed model, as a sensitivity test. We mapped 343 344 locations potentially available for oil palm cultivation (locations that have not been transformed to cropland<sup>80,81</sup>, urban areas<sup>80,81</sup> or tree plantations<sup>78</sup>, subsequently termed 'non-cultivated land'). We 345 346 then quantified whether these areas would be protected under ZDCs, and identified their biome type, using four further global spatial datasets: aboveground biomass<sup>82,83</sup>, canopy closure<sup>84</sup>, 347 peatlands<sup>85</sup>, and terrestrial ecoregions<sup>20</sup>. To assess the impacts of oil palm expansion on vertebrates, 348 349 we estimated the potential vertebrate richness of locations we deemed to be climatically-suitable for oil palm, by refining vertebrate range maps<sup>86,87</sup> according to habitat types suitable for each 350 351 species. We conducted regional sensitivity analyses (for Brazil and Colombia) that explicitly included 352 intensively-managed pasture as a land-use type, to assess whether our inclusion of intensively-353 managed pasture as 'non-cultivated land' potentially available for oil palm expansion in our global 354 analyses (alongside primary and secondary vegetation) may have led to inaccuracies in our main 355 findings. We ran all models and analyses at 5' grid-cell resolution (~10 km at the Equator), the finest 356 possible from component datasets; where data were provided at finer resolution, we aggregated 357 them before use. We ran all models and analyses of expansion across all tropical regions (between 23.5° N and 23.5° S, except for the regional analyses including intensively-managed pasture, and the 358 refinement of global vertebrate range maps by habitat type), using R version 3.5.2<sup>88</sup> and ArcGIS Pro 359 360 version 2.2.0.

# 361

# Current occurrence of oil palm cultivation

362 To train our species distribution models of oil palm suitability, we used a global dataset of oil palm mills, collected from major palm oil supply chains and therefore representing occurrence of 363 364 industrial oil palm cultivation<sup>25</sup> (and additionally smallholder cultivation where it is associated with 365 industrial plantations, such as in Southeast Asia). Oil palm fresh fruit bunches require processing soon after harvest<sup>31</sup>, so mills are generally adjacent to plantations<sup>78</sup>. We excluded mills in locations 366 likely to be irrigated and thus cultivated under artificially-altered climatic conditions. We used a 367

global dataset of water withdrawal for irrigation in 2014<sup>79</sup> to determine locations of potential
irrigation, excluding all mills within 10 km of non-zero water withdrawal for irrigation. Additionally,
we excluded mills in regions described as having widespread irrigation of oil palm<sup>89</sup>. Our final dataset
for locations of current cultivation of rainfed oil palm therefore comprised N = 1021 oil palm mills
occupying separate 5' grid-cells of the climate data. We assumed that each of these mills
represented one known 'presence' datapoint for oil palm cultivation.

374 This dataset of rainfed oil palm occurrence exhibited spatial bias (88.4% of the mills were in 375 Indonesia and Malaysia), that does not reflect the spatial extent of global suitability for oil palm, which includes large areas in all tropical regions, including Latin America and Africa<sup>26,31</sup>. To reduce 376 377 concurrent spatial bias in our suitability model outputs, we systematically subsampled the mills to 378 one mill per 1°-resolution grid-cell (111 km resolution at the Equator; n = 194 mills, 68.0% in 379 Indonesia and Malaysia)<sup>90</sup>, and found that this considerably improved model predictive 380 performance, by reducing the dominance of the climate values at Asian mills in the overall 381 distribution of climate values at mill locations (Supplementary Fig. 20; Supplementary Information 382 7). In comparison with models trained on the full mill dataset, models for the subsampled mills had 383 consistently higher Boyce Index values and spatial cross-validation performance, indicating that they 384 better predicted current plantations, including in novel spatial regions (see 'SDM evaluation' and 385 Supplementary Information 7).

## 386 Climatic predictors of suitability for oil palm

We derived all climatic predictors from WorldClim v.2 global gridded climate data, averaged for
1970-2000, at 5' resolution<sup>77</sup>. We initially selected five climatic predictors known to correlate with oil
palm growth and yield<sup>31</sup>: mean annual temperature (°C), minimum temperature of the coldest
month (Tmin, °C), mean annual precipitation (mm), an annual moisture index, and maximum water
deficit (MWD, mm) (see Supplementary Information 7 for details). Some of these predictors were
inter-correlated (Supplementary Table 8), so we ran models with two uncorrelated predictors, Tmin

and MWD, which represent the most strongly limiting climatic factors for oil palm growth and
 yield<sup>31</sup>.

We did not include soil parameters as predictors of suitability for oil palm, because oil palm can be cultivated on the majority of tropical soil types, without substantial impacts on yield under appropriate management<sup>31</sup>. Previous estimates suggest that few locations in the tropics have unsuitable soil for oil palm cultivation<sup>26</sup>. However, we removed areas of mangrove from our predictions of climatically-suitable locations for planting (see below), to remove areas of saline soils, which limit oil palm yield<sup>31</sup>, as well as to remove unsuitable saline flooded areas. We discuss the limitations of our approach in Supplementary Information 6.

#### 402 Running species distribution models (SDMs)

SDMs have previously been used to model climatic suitability for crops at large spatial scales<sup>91–93</sup>, 403 404 and Maxent outputs have successfully predicted yield when trained on high-yield locations<sup>93</sup>, such as the majority of oil palm mill locations (industrial mills supplying global traders)<sup>25</sup>. We ran SDMs of oil 405 406 palm suitability using the R package *biomod2*<sup>94</sup>, to provide up-to-date models of climatic suitability for oil palm. We used the SDM Maxent, because it is robust to incomplete datasets<sup>95–97</sup>, and our oil 407 408 palm mill locations do not represent all locations suitable for oil palm cultivation across the tropics. 409 When running Maxent, we permitted linear and quadratic relationships with the climate variables<sup>31</sup> but otherwise maintained default settings. We projected all models across the entire tropics for the 410 411 current climate.

Maxent requires randomly-sampled 'background' climate data to contrast with the distribution of climatic predictors at 'presence' (oil palm mill) locations. We randomly sampled eight sets of 50,000 background points (within seven buffer distances from the presence data, spanning 200-2000 km, and additionally with no buffer), weighted by latitude to account for variation in cell area in the unprojected climate grids, to find the optimal buffer size for model performance<sup>98</sup>. We therefore calibrated models with 16 combinations of presence and background locations (two presence

datasets, full and subsampled oil palm mills; and eight background datasets). We selected the
optimum combination of presence and background datasets based on model evaluation metrics<sup>98</sup>,
and found that an intermediate background buffer size was optimal (Supplementary Information 7).
We classified the continuous suitability projections (0-1) of the SDM outputs into suitable (which we
further classified; see below) and unsuitable locations, using Minimal Predicted Area thresholding
based on projected values at the oil palm mill locations<sup>99,100</sup> (Supplementary Information 7).

## 424 SDM evaluation

425 To examine the robustness of SDMs to spatial prediction, we conducted leave-one-out cross-426 validation for each model (continuous suitability output) on three spatially distinct portions of the 427 data (Americas, Africa and Asia/Australasia), which we evaluated using the moving window Continuous Boyce Index<sup>99</sup>. We also used the moving window Continuous Boyce Index<sup>99</sup> to examine 428 429 full model accuracy (accuracy of models trained with all of the data). We tested the continuous 430 suitability projections of these full models on a largely-independent dataset of oil palm plantations 431 (a map of global tree plantations compiled from mixed sources, largely from remote sensing, with a 432 small subset of oil palm plantations verified against the oil palm mills dataset used to train the 433 models)<sup>78</sup>, with 50,000 randomly selected testing background points. We selected the single best 434 model based on these full-model and cross-validation scores, alongside relative variable importance, 435 for use in our analyses (Supplementary Information 7). Our best model included spatiallysubsampled oil palm mills, and background points in a 500km-buffer, and was selected primarily for 436 437 its high transferability to novel locations, suggesting robustness to spatial extrapolation. 438 To examine the sensitivity of our model outputs to the threshold determining oil palm suitability, we 439 compared the performance of the best model classified into suitable and unsuitable locations (from 440 the continuous suitability output of values 0-1) at three different Minimal Predicted Area thresholds 441 (Supplementary Information 7). To compare these classifications, we tested our projections for each classification on the largely-independent dataset of oil palm plantations<sup>78</sup> (see above) using the True 442

443 Skill Statistic to measure predictive accuracy<sup>101</sup>, and we compared our projections with an agroecological model of oil palm suitability<sup>26</sup>. We found that the mid-range suitability threshold of the 444 445 three thresholds we tested (Minimal Predicted Area<sub>99</sub>) gave high values for both of the evaluation metrics (Supplementary Fig. 24), so we present this classification in the results in the Main Article. 446 447 Our final model of suitability for rainfed oil palm was therefore similar to the agro-ecological 448 suitability model<sup>26</sup> (Extended Data Fig. 2), as well as to a recent low-resolution climatic envelope 449 model<sup>21</sup>. As a sensitivity test to our reliance on our new model of oil palm suitability throughout the 450 Results, we also conducted all key analyses for the agro-ecological suitability model<sup>26</sup>, and for a 451 conservative, 'high-confidence' model of areas of overlapping suitability between our final rainfed 452 model and the agro-ecological model. We found that our conclusions are robust to the use of these 453 alternative rainfed suitability models (Supplementary Information 3-5).

## 454 Classifying expected oil palm yield

We classified the continuous suitability outputs of the suitable locations from the best SDM (i.e. 455 excluding unsuitable areas) into three suitability classes for oil palm cultivation (low, medium, high), 456 457 using Minimal Predicted Area thresholding (as we used for classifying suitable and unsuitable areas). 458 Each suitability class contained one-third of the oil palm mills used to train the model, excluding any 459 that fell below the suitability threshold (Supplementary Information 7). We obtained expected yield 460 values for these classes from global maps of oil palm yield in 2010<sup>102</sup>, by comparing SDM outputs 461 with all grid-cells where actual yield >0 tha<sup>-1</sup> (Supplementary Information 7). For comparison with yield in current industrial plantations, we also extracted 2010 yield values<sup>102</sup> at the locations of oil 462 463 palm mills used as 'presence' locations in the SDMs.

## 464 Modelling climatically-suitable locations under irrigation

To simulate locations suitable for oil palm under irrigation, we projected our best SDM to an altered climate, for which we simulated MWD under irrigation (Tmin was unaltered). To calculate potentially 'irrigated' MWD, we assumed that months with sufficient surplus available water to remove a critical

468 annual MWD were 'irrigated'. We calculated monthly surplus available water as the difference 469 between monthly gross water demand (m<sup>3</sup>, incorporating demand from households, industry, 470 livestock and irrigation) and total renewable supply (m<sup>3</sup>, incorporating unused desalinated water, 471 renewable groundwater, and runoff from rivers, reservoirs and lakes), averaged for each month for 2005-2009<sup>79,103</sup>, and we converted this to mm by dividing by grid-cell area (m<sup>2</sup>). To simulate 472 473 irrigation, we assumed a critical annual cumulative water deficit (at which oil palm begins to suffer water stress) of 100 mm, corresponding to empirical values of critical deficit<sup>31</sup>, driving a ~10% 474 decrease in yield<sup>104</sup>, and to average monthly evapotranspiration for oil palm<sup>105</sup>. For locations 475 476 requiring irrigation (i.e. with annual MWD >100 mm), we supplemented rainfall with surplus 477 available water in the months with a moisture deficit (i.e. with rainfall < potential evapotranspiration, calculated according to the Hargreaves Equation<sup>106,107</sup>). Where monthly surplus 478 479 available water was sufficient to reduce the annual MWD to <100 mm, we assumed that irrigation 480 would be applied, because it could successfully remove the critical water deficit. Where monthly 481 surplus available water was insufficient to reduce MWD to <100 mm, we used MWD based on 482 rainfall alone. We tested the sensitivity of our estimates of suitability for irrigated oil palm 483 cultivation to monthly surplus available water, and found that using 100% of surplus available water 484 increases the area of non-cultivated land suitable for irrigated-only oil palm expansion by ~50% 485 compared to using 50% of surplus available water (Supplementary Information 4). Our maps of 486 suitability for irrigated oil palm contain some suitable zones of ~1° resolution, because Sutanudjaja et al. in <sup>79</sup> account for local water redistribution by pooling renewable water supply from desalinated 487 and surface water across ~1° zones<sup>79</sup> (Extended Data Figs. 3, 4). 488

## 489 Mapping non-cultivated land

We determined terrestrial non-cultivated land using Copernicus 2015 high-accuracy global landcover data<sup>80,81</sup>, first excluding all permanent water bodies<sup>80,81</sup> and mangrove habitats<sup>20</sup>. We used the
global land-cover data<sup>80,81</sup> to exclude locations of cropland and urban areas, and a comprehensive
database of global tree plantations (including oil palm plantations: Spatial Database of Planted

Trees)<sup>78</sup> to exclude locations of existing tree plantations. Our areas of non-cultivated land therefore
include all primary and secondary vegetation (including undisturbed natural habitat, degraded areas
and intensively-managed pasture): habitats potentially available for conversion to oil palm.
Nevertheless, we acknowledge the differing biodiversity values of these habitats (intact, disturbed
and intensively-managed pasture), which we address in the Discussion and Supplementary
Information 6, and in our sensitivity analyses including intensively-managed (improved) pasture (see
below).

#### 501 Mapping protected areas

We used the Protected Planet World Database on Protected Areas<sup>108</sup> to identify areas that are
protected from conversion to agriculture. We included all terrestrial protected areas of IUCN classes
I and II, which are most strictly protected (by law) and therefore least likely to undergo
conversion<sup>109</sup>. For a subset of protected areas without a shapefile, we estimated protected area
coverage as circles centred on point coordinates, corresponding to the reported protected area size
(km<sup>2</sup>)<sup>110</sup>. We considered a protected area to occupy a 5' grid-cell if its polygon covered the cell
centre.

## 509 Determining protection under ZDCs

510 During impact assessments for development of zero-deforestation oil palm plantations, HCSA guidance designates locations for conservation based on their vegetation structure<sup>17</sup>. The vegetation 511 512 stratification is designed to vary by location and habitat type, but has only been developed for moist forest in Southeast Asia to date<sup>17</sup>. We therefore applied the stratification thresholds generically 513 514 across the tropics, regardless of continent or biome, although in practise they could vary during local 515 application. Under the HCSA, all locations with vegetation dominated by trees >30cm diameter at breast height, with >50% canopy closure and aboveground carbon of approximately >75 Mg ha<sup>-1</sup> 516 517 ('low density forest') are designated for conservation. All locations dominated by trees 10-30cm diameter at breast height, with 30-40% canopy closure and aboveground carbon of ~35-75 Mg ha<sup>-1</sup> 518

519 ('young regenerating forest') are considered potential areas for conservation<sup>17</sup>. If these 'young 520 regenerating forest' areas support additional conservation values identified in the 'High 521 Conservation Value' assessment (conducted in tandem with the HCSA), or represent a significant habitat area in the landscape, they are designated for protection<sup>17</sup>. We therefore computed two 522 523 scenarios to represent likely habitat protection under this scheme: in which all locations 524 corresponding to (i) 'low density forest' are protected (weaker habitat protection), and (ii) all 'young 525 regenerating forest' are additionally protected (greater habitat protection). We mapped these scenarios using global datasets of canopy closure<sup>84</sup> and aboveground biomass ('GlobBiomass')<sup>82,83</sup>, 526 assuming that 50% of biomass is carbon<sup>111</sup>. For both scenarios, we included all locations with peat 527 soils as protected from cultivation<sup>85</sup>. We found that the two HCSA scenarios for habitat protection 528 529 give similar patterns of potential availability for conversion across biomes and continents; therefore, we present the 'greater habitat protection' scenario (protection of 'young regenerating forest', ≥35 530 531 Mg ha<sup>-1</sup> aboveground carbon and  $\geq$ 30% canopy closure) in the Main Article, and 'weaker habitat protection' ('young regenerating forest',  $\geq$ 75 Mg ha<sup>-1</sup> aboveground carbon and  $\geq$ 50% canopy closure) 532 533 in Supplementary Information 2-5.

534 In addition to HCSA assessments, HCVs are also identified for protection prior to oil palm 535 development<sup>17</sup>. However, we did not attempt to map these additional conservation values (e.g. 536 presence of rare species in local habitat patch, conservation of socio-cultural values) because they 537 cannot be captured reliably through global mapping, and require local case-by-case identification, 538 based on on-the-ground data and stakeholder consultations. Furthermore, many of the national 539 interpretations for HCVs were originally developed for forestry, and have not subsequently been 540 developed for habitats other than tropical moist forest (Supplementary Information 1). Tropical grassy biomes are fundamentally different in biota and functioning to forests<sup>12</sup> and therefore require 541 542 separate criteria to identify areas with HCVs, so the extent of habitat protection for these biomes 543 varies depending on the approach taken by the assessor(s) (Supplementary Information 1). We 544 discuss the limitations of this approach in Supplementary Information 6.

#### 545 Biome and biogeographic realm classification

546 We based our biome classification on the most recent map of Terrestrial Ecoregions of the World<sup>20</sup>. 547 We reclassified the biome assigned to 25 of 391 non-mangrove ecoregions, using ecological literature, expert knowledge of these habitats and the classification used in Murphy et al. 2016<sup>44</sup>, 548 549 mostly ensuring that grassland, savanna, shrubland and woodland ecoregions with a continuous 550 grassy understorey were identified as 'tropical grassy biome'<sup>8</sup> (Extended Data Table 1). For our analyses, we then grouped 'tropical & subtropical moist broadleaf forest' ecoregions as tropical 551 552 moist forest; 'tropical & subtropical dry broadleaf forest' ecoregions as tropical dry forest; 553 ecoregions classified as 'tropical and subtropical grasslands, savannas and shrublands', 'montane 554 grasslands and shrublands' and 'flooded grasslands and savannahs' as tropical grassy biomes; and 555 ecoregions classified as 'deserts and xeric shrublands' and 'tropical and subtropical coniferous 556 forests' as 'other' biomes.

We also used the map of global ecoregions<sup>20</sup> to classify locations by biogeographic realm. Because our region of interest is the tropics, we reclassified the realm of eight ecoregions in North Africa and the Arabian Peninsula, which had small suitable areas (median 161 km<sup>2</sup> under suitability threshold Minimal Predicted Area<sub>100</sub>) to 'Afrotropic' from 'Palearctic'.

## 561 Impacts of oil palm expansion on vertebrates

Following references<sup>112–114</sup>, we estimated potential vertebrate richness loss from oil palm expansion 562 563 as the difference between richness (total number of species occurring in a grid-cell) of natural 564 habitat, and richness of oil palm plantations (i.e. species that can persist in plantations). To estimate 565 species' occurrence, we refined global range maps for three well-documented taxa (mammals, birds and amphibians)<sup>86,87</sup> according to Terrestrial Ecoregions of the World biome classification<sup>20</sup>, and 566 567 locations of cropland, urban areas<sup>80,81</sup> and tree plantations<sup>78</sup>. We considered a species as 'present' in 568 a given grid-cell if its original range map contained the grid-cell centre, and if the biome or 569 transformed habitat type (cropland, urban, tree plantation) of the grid-cell was listed as suitable for

the species, following matching in Supplementary Table 7. Similarly, we considered that a species remained 'present' in a grid-cell following conversion to oil palm if its list of suitable habitats included 'plantation' (see Supplementary Fig. 15 for species richness maps). We also quantified threatened species' (vulnerable, endangered or critically endangered in the IUCN Red List) potential range reduction from conversion to oil palm, by examining the overlap of locations suitable for oil palm expansion and threatened species' refined range maps.

# 576 Sensitivity analyses including intensively-managed pasture

577 We were unable to account for locations of intensively-managed (improved) pasture globally, 578 because there are no global datasets accurately distinguishing this land-use type from low-intensity 579 natural or anthropogenic grazing<sup>8</sup>. We therefore used two recent, national landcover maps that 580 distinguish intensively-managed pasture from natural grassy biome to conduct sensitivity analyses of 581 our key results to the inclusion of pasture. We re-ran our main analyses for Colombia and tropical 582 Brazil (i.e. North of -23.5°), incorporating intensively-managed pasture from IDEAM 2018 landcover for Colombia<sup>115</sup>, and MapBiomas 2020 landcover for Brazil<sup>116,117</sup>. These datasets were developed by 583 machine learning classification of satellite images with manual verification, incorporating local land-584 585 use statistics, biome type and expert knowledge (see Supplementary Information 6 for a discussion 586 of their limitations). For both Brazil and Colombia, greater areas of forested biomes that we 587 estimated as suitable for oil palm expansion had already been converted to pasture, in comparison 588 to grassy biomes, suggesting that our conclusion that high-biodiversity habitats in grassy biomes are 589 particularly vulnerable to oil palm expansion under ZDCs is robust (Supplementary Information 2). 590 Our estimates of vertebrate richness loss from zero-deforestation oil palm expansion also appear 591 robust, assuming that the areas already converted to intensively-managed pasture are unavailable 592 for expansion. However, if pasture is available for expansion, we will have overestimated potential 593 vertebrate richness loss in substantial areas of intensively-managed pasture (e.g. moist and dry 594 forest in Brazil and Colombia: Supplementary Fig. 3).

#### 595 Data Availability

- 596 Existing datasets analysed in the article are available at references given within the manuscript. The
- 597 final models of climatic suitability for rainfed and irrigated oil palm cultivation, and summary data of
- 598 suitability per ecoregion, are available at https://doi.org/10.17605/OSF.IO/2RH6N.

#### 599 Code Availability

- 600 The code used to generate oil palm suitability models and conduct analyses is available at
- 601 https://doi.org/10.17605/OSF.IO/2RH6N.

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# 608 Author Contributions

- 609 SF, JKH, CLP, JML and HK conceived the study; SF, CJM and PJP designed the models of oil palm
- 610 suitability; CLP conducted the biome classification; RMB conducted refinements of species range
- 611 maps; SF ran the suitability models, conducted the analyses and led the writing of the manuscript.
- All authors contributed critically to drafts of the paper and finalized the text.

#### 613 Competing interests

614 The authors declare no competing interests.

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# 617 <u>Tables</u>

**Table 1. Areas of individual ecoregions suitable for oil palm expansion under ZDCs.** Data are provided for the

619 20 ecoregions with the largest area suitable, for (a) rainfed, and (b) both rainfed and irrigated cultivation.

- 620 Ecoregion names in **bold** are present in both (a) and (b), i.e. rank in the top 20 ecoregions with the largest
- 621 suitable area for both rainfed-only (a) and rainfed and/or irrigated expansion (b) under ZDCs. Realms are
- 622 coded as N: Neotropic; A: Afrotropic.

	(a) R	ainfed cu	Iltivatio	on	(b) Irrigated and rainfed cultivation				
	Ecoregion	Biome	Realm	Suitable area for expansion under ZDCs: 1000 km <sup>2</sup> (% of total non- cultivated land)	Ecoregion	Biome		Suitable area for expansion under ZDCs: 1000 km <sup>2</sup> (% of total non- cultivated land)	
1	Llanos	Grassy	Ν	274 (79.7%)	Llanos	Grassy	N	279 (81.1%)	
2	Western Congolian forest-savanna	Grassy	А	109 (29.3%)	Cerrado	Grassy	N	245 (16.1%)	
3	Guinean forest-savanna	Grassy	А	93.7 (18.0%)	Guinean forest-savanna	Grassy	А	132 (25.4%)	
4	Beni savanna	Grassy	Ν	77.1 (70.3%)	Western Congolian forest- savanna	Grassy	А	131 (35.2%)	
5	Southern Congolian forest-savanna	Grassy	А	59.6 (10.6%)	Southern Congolian forest- savanna	Grassy	А	112 (19.8%)	
6	Guianan savanna	Grassy	N	56.7 (53.2%)	Caatinga	Dry forest	N	82.3 (11.6%)	
7	Magdalena-Urabá moist forests	Moist forest	N	45.7 (64.3%)	Beni savanna	Grassy	N	77.7 (70.9%)	
8	Eastern Guinean forests	Moist forest	А	44.2 (24.7%)	Mato Grosso tropical dry forests	Dry forest	N	76.2 (20.2%)	
9	Tocantins/Pindaré moist forests	Moist forest	N	41.3 (22.5%)	Northern Congolian Forest- Savanna	Grassy	А	72.0 (10.3%)	
10	Xingu-Tocantins- Araguaia moist forests	Moist forest	N	40.9 (14.9%)	Guianan savanna	Grassy	N	56.7 (53.2%)	
11	Maranhão Babaçu forests	Dry forest	N	36.2 26.3%)	Sudd flooded grasslands	Grassy	А	52.0 (27.5%)	
12	Apure-Villavicencio dry forests	Dry forest	N	35.9 (64.0%)	Madeira-Tapajós moist forests	Moist forest	N	50.6 (7.1%)	
13	Madeira-Tapajós moist forests	Moist forest	N	31.5 (4.4%)	Xingu-Tocantins-Araguaia moist forests	Moist forest	N	49.9 (18.2%)	
14	Bahia coastal forests	Moist forest	N	30.4 (30.9%)	Sahelian Acacia savanna	Grassy	А	48.5 (1.4%)	
15	Mato Grosso tropical dry forests	Dry forest	N	27.6 (7.3%)	Magdalena-Urabá moist forests	Moist forest	N	45.7 (64.3%)	
16	Northeast Congolian lowland forests	Moist forest	А	26.6 (5.2%)	Eastern Guinean forests	Moist forest	А	44.7 (25.0%)	
17	Western Guinean lowland forests	Moist forest	А	24.9 (12.3%)	East Sudanian savanna	Grassy	А	43.8 (4.9%)	
18	Hispaniolan moist forests	Moist forest	N	22.6 (53.5%)	Tocantins/Pindaré moist forests	Moist forest	N	43.4 (23.7%)	
19	Nigerian lowland forests	Moist forest	А	19.6 (31.4%)	Maranhão Babaçu forests	Dry forest	N	42.4 (30.7%)	

	20 Northern Swahili coastal forests	Moist forest	A	18.9 (14.6%)	Victoria Basin forest- savanna	Grassy	A	40.5 (54.4%)
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#### 639 <u>Box</u>

# Box 1: Recommendations to improve the HCV-HCSA guidance for identifying 'High Conservation Value' biodiversity in tropical grassy and dry forest biomes

Issue: Tropical grassy and dry forest biomes are frequently misidentified as 'degraded', low-biodiversity habitat, because of superficial similarity of vegetation structure to degraded moist forest (e.g. lower stature trees and/or grassy understorey with shrubs and small trees) and a lack of understanding that ancient grassy biomes are not recently derived habitat<sup>12,13,118</sup>. However, some tropical dry forests are so fragmented that only degraded habitat is likely to remain<sup>119</sup>. Current guidance<sup>17,18</sup> does not clearly define these habitats and their intactness.

**Recommendations:** Comprehensive definitions of different habitat types, recognising that certain degraded habitats may have unique conservation value. Crucially, guidance should include indicators to distinguish ancient, high-biodiversity grassy and dry forest biomes from degraded rainforest and recently-derived grassy biomes, such as fire-adapted flora in grassy biomes (with support for the ongoing development of these indicators)<sup>13,14,118,120,121</sup>. Floral biodiversity surveys require expert knowledge and are key in identifying habitat intactness<sup>120</sup>, so building this capacity in all relevant locations is critical.

2. Issue: Tropical grassy biomes are characterised by frequent disturbance events (e.g. fire, grazing), and can vary temporally and spatially in vegetation type and cover, often comprising a mosaic of woody and open vegetation<sup>12,13</sup>. Without acknowledging this variation and ecological dynamism, impact assessments prior to plantation development could fail to identify the importance of these habitats (e.g. by omitting disturbance-dependent plant species from field inventories).

*Recommendations:* Biodiversity survey design to reflect disturbance regimes (e.g. by conducting repeat plant surveys before and after disturbance events), and landscape-scale factors (e.g. habitat variation, large vertebrate migration routes).

**3.** *Issue:* Human livelihoods and ecological functioning of grassy biomes and dry forests are often tightly linked<sup>8,12,14</sup>, so incorporating local community requirements into agricultural development is imperative for conservation of these biomes<sup>122</sup>. Human disturbance in grassy biomes (e.g. burning, grazing) does not always indicate habitat degradation, and is often fundamental for ecological functioning<sup>8,12,14</sup>. In turn, grassy biomes provide livelihoods for one fifth of the world's population (e.g. from grazing, firewood provisioning)<sup>12</sup>, including many of the world's poorest people<sup>123</sup>.

*Recommendations:* Recognition of potential importance of anthropogenic disturbance for dynamism of grassy biomes: requiring identification of disturbance regimes and management which support these, ensuring that appropriate fire and grazing of grasslands is permitted, while recognising that some human disturbances can also drive biodiversity loss (e.g. over-grazing, use of inorganic fertilizers). This may require extensive discussion with local communities<sup>12</sup>, and thus highlights the urgent need for improved practice of Free, Prior and Informed Consent<sup>124,125</sup>.

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#### 642 Figure legends

- 643 Figure 1. Climatically-suitable locations for rainfed oil palm expansion under zero-deforestation
- 644 commitments (ZDCs), by biome. (a) Neotropics, (b) tropical Africa, (c) tropical Asia and Australasia. Insets: (b)
- East coast of Africa and Madagascar, (c) South Pacific. Locations of 'other' biome are largely Neotropical 'xeric
- 646 shrublands' with relatively high rainfall.
- 647



650 Figure 2. Comparison of potential for rainfed, zero-deforestation oil palm expansion among biomes. (a) 651 Estimated protection of climatically-suitable areas for rainfed oil palm expansion under zero-deforestation 652 commitments (ZDCs), according to the High Carbon Stock Approach (HCSA). Data are plotted as a percentage 653 of the total climatically-suitable area of non-cultivated land by biome; this total suitable area is shown in 654 brackets along the x axis. Locations that would be protected under ZDCs are shown in grey and locations 655 potentially available for ZDC expansion are shown in colours (see Fig. 1). (b) Potential for loss of remaining 656 non-cultivated land of individual ecoregions (i.e. percentage of remaining non-cultivated land per ecoregion 657 that is climatically-suitable for expansion under ZDCs). Boxplot centre lines show the median, lower and upper

658 hinges show the first and third quartiles respectively, whiskers extend to the maximum and minimum values



659 within 1.5\*inter-quartile range, and outliers are plotted individually.

660



# 663 Figure 3. Expected annual fresh fruit bunch (FFB) yields in locations climatically-suitable for oil palm

664 expansion under ZDCs, assuming high-fertiliser input cultivation. (a) Under rainfed cultivation; (b) under 665 irrigation (assuming up to 100% of surplus available water is used for irrigation). In (b), dark colours show the 666 expected yield in locations which are also suitable if rainfed, when under irrigation (i.e. the expected yield in 667 locations shown in (a) when irrigation is applied, if required), and pale colours represent locations only suitable 668 under irrigation. The difference between the distribution of expected yield values for dark colours in (a) and (b) 669 thus represents the effect of applying irrigation to the locations suitable for rainfed cultivation. Note 670 differences in y-axis values for the oil palm suitability classes. See Supplementary Information 4 for sensitivity 671 analyses of predicted suitability for irrigated oil palm to model suitability thresholds, habitat protection under 672 ZDCs, and water availability.





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677 Figure 4. Potential impacts of rainfed, zero-deforestation oil palm expansion on vertebrates. (a) Vertebrate 678 species richness change (mammals, birds and amphibians; negative values denote number of species lost), 679 from conversion of natural habitat to oil palm, by expected protection under ZDCs, within each biome and 680 continent. Boxplots show potential richness change of non-cultivated land climatically-suitable for oil palm 681 expansion, where each datapoint is a 10-km grid-cell (sample sizes are given to the lower right of each 682 boxplot). Richness loss in 'Other' biomes is negligible and shown in Supplementary Information 5. (b) Potential 683 percentage range reduction of threatened vertebrates, from oil palm expansion under ZDCs (overlap between 684 ranges of threatened vertebrates and locations climatically-suitable for expansion), for all species which could 685 undergo range loss from expansion (i.e. species that have some range overlap with potential expansion 686 locations and cannot persist in oil palm). Numbers of species overlapping with potential expansion locations

- are given in x axis labels; note that a species can occur in more than one biome. For both (a) and (b), boxplot
- 688 centre lines show the median, lower and upper hinges show the first and third quartiles respectively, whiskers
- 689 extend to the maximum and minimum values within 1.5\*inter-quartile range, and outliers are plotted
- 690 individually.
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