

1<sup>st</sup> August 2016

## Statement of Continued Support

To our stakeholders:

I am pleased to confirm that the Roundtable on Sustainable Palm Oil (RSPO) will continue to support the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. The Roundtable on Sustainable Palm Oil was formed in 2004 with the objective of promoting the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders.

In our first Communication of Engagement to the UN Global Compact, we describe the efforts that RSPO has taken to support the Ten Principles since becoming a member in 2014. This Communication of Engagement covers the period between July 2014 and June 2016. Additional information on RSPO's progress on social, environmental and economic performances can be found on the RSPO website <http://www.rspo.org/resources/key-documents/impact-reports>.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrel Webber".

Datuk Darrel Webber  
Chief Executive Officer  
Roundtable on Sustainable Palm Oil

## **ABOUT THE ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)**

RSPO is a not-for-profit that unites stakeholders from the 7 sectors of the palm oil industry: oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social non-governmental organisations (NGOs), to develop and implement global standards for sustainable palm oil.

The RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When they are properly applied, these criteria can help to minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.

The RSPO has close to 3000 members worldwide who represent all links along the palm oil supply chain. They have committed to produce, source and/or use RSPO certified sustainable palm oil. About 17% of the palm oil produced globally is certified by the RSPO.

## DESCRIPTION OF ACTIONS

### Human Rights and Labour

The RSPO and its members recognize, support and commit to follow the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The RSPO Principles & Criteria (P&C) for the Production of Sustainable Palm Oil 2013 has clear criteria requiring growers and millers to

- Respect human rights
- Ensure that children are not employed or exploited
- Ensure that no forms of forced or trafficked labour are used
- Ensure pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages
- Respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively.
- Prohibit any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.

The RSPO Human Rights Working Group (HRWG) was established in 2014 to champion and preserve the rights of communities, plantation workers and out growers/smallholders, both men and women that have been affected by the activities of growers and millers in the palm oil sector. The work of the HRWG is directly linked to the globally accepted UN Guidelines on Business and Human Rights.

The core mission of HRWG (link to HRWG Terms of Reference) is primarily ensuring the successful implementation of those Principles of the 2013 RSPO P&C, which are relevant for the protection and respect of human rights. The HRWG regularly reviews the Criteria and associated Guidance for adequacy, clarity, relevance and meaningfulness, and works to provide all RSPO members with mechanisms to identify, prevent, mitigate and address human rights issues and impacts.

For 2016, the HRWG has a threefold focus:

1. Enhancing the understanding and effective implementation of the Free, Prior and Informed Consent (FPIC) process by RSPO member companies;
2. Improving social auditing mechanisms and practices both at P&C level and related bodies such as the accreditation organizations and RSPO certifying bodies;
3. Setting the agenda for addressing the rights of plantation workers, both men and women, in order to prevent and mitigate bad practices such as the use of forced labour and child labour, to address the rights of vulnerable groups such as migrant workers and casual workers and to promote living wages, health and safety conditions at the plantation, freedom of association, etc.

The RSPO Secretariat also prides itself as an equal opportunity employer and provides equal opportunities to all employees and conducts business activities with all regardless of age, colour, gender, disability, marital status, nationality, citizenship status, race, religion, sexual orientation, veteran status or other legally protected categories. Discrimination based on these characteristics is prohibited. This is enshrined in our Recruitment Policy as well as our Employee Handbook.

## **Environment**

The RSPO P&C contains comprehensive criteria covering many aspects of environmental management, conservation and monitoring. The environmental safeguards provided for in the P&C promote

- Protection of soils from erosion and degradation
- Maintenance of water quality and availability
- Safe use of pesticides
- Identification of environmental impacts of plantation and mill management and the development, implementation and monitoring of plans to mitigate negative impacts and promote positive ones
- Identification, maintenance and/or enhancement of rare, threatened or endangered species and other High Conservation Value (HCV) habitats affected by plantation or mill management
- Efficiency of fossil fuel use and the use of renewable energy
- Management and disposal of waste in an environmentally and socially responsible manner
- Development, implementation and monitoring of plans to reduce pollution and emissions, including greenhouse gases.
- No use of fire for land clearing and preparation
- Undertaking of comprehensive and participatory independent social and environmental impact assessments prior to the establishment of new plantings or operations, or expansion of existing ones. Results of such assessments are incorporated into planning, management and operations.
- Responsible development of new plantings whereby
  - New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.
  - Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.
  - New plantation developments are designed to minimise net greenhouse gas emissions.
- Demonstration of continuous improvement

The Biodiversity and High Conservation Value Working Group (BHCVWG) and the Emission Reduction Working Group (ERWG) which are made up of representatives from the seven stakeholder membership categories, actively operate to provide technical and policy guidance and recommendations to the RSPO on the effective implementation of the relevant requirements listed above. More information on the Terms of Reference and activities of these Working Groups can be found on the RSPO website, [www.rspo.org](http://www.rspo.org)

The RSPO Secretariat is also committed to conduct its activities in an environmentally responsible manner. An organisation wide exercise (covering all offices in which the Secretariat staff operates) was held to solicit recommendations and ideas to improve operational performance on

environmental, social and economic areas. The RSPO Secretariat is now in the midst of implementing policies that will reduce our footprint in travel and transport, events, energy and waste management.

### **Anti-Corruption**

The RSPO P&C requires growers and millers to commit to ethical conduct in all business operations and transactions set within the framework of the UN Convention Against Corruption, in particular Article 12. RSPO members to whom the P&C do not apply directly, are still required to implement parallel standards relevant to their own organisation, which cannot be lower than those set out in the P&C. This is a clause in the RSPO Code of Conduct for Members.

There is also a written policy for all employees of the RSPO Secretariat to conduct themselves in good faith when dealing with third parties and not engage in misleading, deceptive or unconscionable conduct.

### **Measurement of outcomes**

In 2014, World Resources Institute and the RSPO collaborated to create a map that was intended to make the palm oil supply chain more transparent. The map, accessible at [www.globalforestwatch.org](http://www.globalforestwatch.org), shows land concessions granted by governments, deforestation (and reforestation), active fires, and plantations that have been certified as sustainable. The data indicated in the map can identify with high confidence the fires that occur in oil palm concessions and RSPO certified oil palm concession areas thereby increasing the transparency which allows the monitoring of the overall positive impact of the collective effort of regulation and compliance with the voluntary criteria set by RSPO in addressing fires and deforestation in the oil palm landscape.

At the end of 2015, the RSPO launched the revised Free, Prior and Informed Consent Guide for RSPO Members. This guidance document is a result of almost 2 years of consultations and focus group discussions which took place in 2014 and 2015 among RSPO members, civil society organizations and community members, auditors and local NGOs.

In 2015 as well, the RSPO released the revised Remediation and Compensation Procedure to address land clearance without prior HCV assessment since November 2005 as RSPO recognises the importance of restoring or compensating for the potential HCV losses. Such land clearance may have been due to unfamiliarity with RSPO's requirements at the time, activities by previous owners, mistakes, or poorly implemented operational procedures. Therefore, RSPO has developed a clear, formal, and transparent procedure to remediate and compensate for land clearance without prior HCV assessment since November 2005. The use of the Remediation and Compensation Procedure is primarily intended to encourage preservation of biodiversity, environmental, and socio-cultural HCVs, and safeguard the areas necessary to maintain them in the context of oil palm expansion. The procedure also supports compliance of the RSPO P&C.

Additional information on RSPO's progress on social, environmental and economic performances can be found in RSPO's 2014 Impacts Report and the 2015 Impacts Update Report. Both reports can be found on the RSPO website <http://www.rspo.org/resources/key-documents/impact-reports>.

### **Participation in UN Global Compact activities**

RSPO participated in the UN Global Compact events held during the UN General Assembly Week in New York in September 2014. RSPO's Chief Executive Officer spoke at the Food and Agriculture Business Principles: Partnerships to Achieve Global Food Security for Post 2015 Development Event and attended the UN Private Sector Forum on Climate Change as well as the Forum on Engaging the Private Sector in the Post-2015 Era.