

27th August 2018

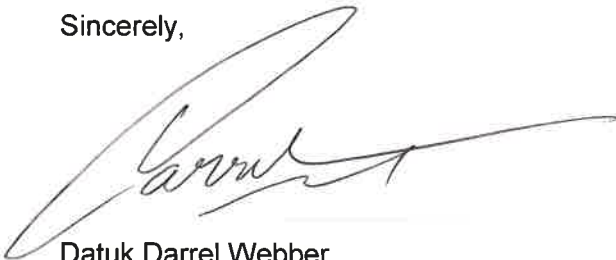
Statement of Continued Support

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 this Communication of Engagement to the UN Global Compact, we describe the efforts that RSPO has taken to support the Ten Principles in the period between July 2016 and June 2018. 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", with a long horizontal flourish extending to the right.

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 4000 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 19% 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:

- Ensure there are no conflicts over customary land rights
- FPIC processes, including stakeholder consultation
- Provide decent wages and living conditions for workers
- Grant workers the freedom of association and right to collective bargaining
- Ensure that there is no exploitation of child, forced, trafficked labour
- Respect workers and not subject them to discrimination of any kind

Acknowledging the fact that some of its members may fall short in complying with the standards, the RSPO Complaints System was set up to address any complaints made against any RSPO members or the RSPO system itself. Once a complaint is received, a panel within this system will deliberate on the best course of action to mitigate the issues, which may include the suspension or termination of RSPO membership of a given organisation.

To complement the Complaints System, the RSPO is currently working on the development of a separate policy for the protection of human rights defenders, whistleblowers and community spokespersons in instances when the safety of complainants are threatened when lodging complaints against a RSPO member. Since June 2018, RSPO has partnered with Ulula, a software company based in New York, to introduce a simplified mechanism to report potential worker's incidents and abuses in a bid to better monitor working conditions in oil palm plantations.

A large part of these initiatives are overseen by the RSPO Human Rights Working Group (HRWG), an entity that 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.

For 2018, the HRWG agendas include:

1. Developing a comprehensive labour training module based on the needs of RSPO's stakeholders.
2. Conducting labour-related trainings to relevant stakeholders worldwide

3. Developing toolkits to assist stakeholders in safeguarding the rights of workers on the ground.

The RSPO Secretariat 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. The Secretariat is also in the midst of coming up with a more comprehensive, standalone Human Rights Policy.

Environment

The environmental safeguards provided for in the 2013 RSPO P&C promote the following:

- 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

In accordance to the International Social and Environmental Accreditation and Labelling Alliance (ISEAL Alliance) Code of Good Practice, the RSPO is required to review and revise its standards regularly. As such, RSPO is in the midst of revising its P&C. Public consultations for the new 2018 RSPO P&C has ended and it is currently in the final stages.

For the effective development and subsequent implementation of the new standards, the RSPO is assisted by the Biodiversity and High Conservation Value Working Group (BHCVWG) and the Peatland Working Group 2 (PLWG 2) which are made up of representatives from the seven stakeholder membership categories and operate to provide technical and policy guidance and recommendations to the RSPO. More information on the Terms of Reference and activities of these Working Groups can be found on the RSPO website, <https://rspo.org/about/who-we-are/working-groups>.

The RSPO Secretariat is also committed to conduct its activities in an environmentally responsible manner. The Secretariat subsidises fares for public transportation and carpool trips to encourage its employees to be more sustainable when travelling to the office. A committee has also been formed to encourage recycling within the Secretariat while organising committees for RSPO-related events are told to keep environmental footprint in mind when choosing venues and all activities related to it.

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 2016, RSPO partnered with World Resources Institute to develop the GeoRSPO, an interactive mapping platform featuring concession maps submitted by RSPO grower members. The platform comes with powerful analytical tools for statistical and geospatial analysis. The data indicated in the map is crucial to ensure greater transparency in the Impacts Report which includes the monitoring of the overall positive impact of compliance to the regulations set within the RSPO P&C.



Additional information on RSPO's progress on social, environmental and economic performances can be found in the RSPO's 2017 Impacts Report on the RSPO website <http://www.rspo.org/resources/key-documents/impact-reports>.

Participation in UN Global Compact activities

RSPO has actively participated in several UN Global Compact events in the past year. RSPO's Global Outreach and Engagement Director, Stefano Savi spoke at the Caux Round Table Japan (CRT) stakeholder engagement programme entitled "Responsible Supply Chains and the Modern Slavery Act", co-organised UN Global Compact Network Malaysia (UNGC Malaysia) in Kuala Lumpur in June 2018. Stefano Savi also sits in the Steering Committee of UNGC Malaysia, effective July 2018.