

26 January 2021

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 2018 and December 2020. Additional information on RSPO's progress on social, environmental and economic performances can be found on the RSPO website <https://www.rspo.org/impact>.

Sincerely,



Beverley J Postma
Chief Executive Officer
Roundtable on Sustainable Palm Oil



Roundtable on Sustainable Palm Oil

ABOUT THE ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

RSPO is a not-for-profit that unites stakeholders from the seven 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 minimise the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.

The RSPO has close to 5,000 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. Approximately, 18% of the palm oil produced globally is certified by the RSPO.

DESCRIPTION OF ACTIONS

In accordance with the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance Code of Good Practice, the RSPO is required to review and revise its standards regularly. As such, RSPO has revised its Principles & Criteria (P&C) which were endorsed in November 2018.

Human Rights and Labour

The RSPO P&C 2018 incorporates stronger requirements to apply human rights standards to all RSPO members. Criterion 6.2 of the P&C 2018 requires that pay and working conditions for all members' workers meet industry minimum standards and are sufficient for providing a Decent Living Wage (DLW). In June 2019, RSPO launched a DLW guidance document for the palm oil industry, using methodology adopted from the Global Living Wage Coalition (GLWC). This allows for the total remuneration received by all workers in RSPO members' operations to provide workers and their families a decent standard of living.

In 2019, RSPO collaborated with UNICEF to increase the quality of living for children living in oil palm plantations. Training sessions and surveys were conducted on key areas impacting the children of planters. The outcome of this was used to develop a guidance toolkit to ensure that the livelihoods of children living in plantations are well-considered.

Acknowledging the fact that some of its members may fall short in complying with the standards, the RSPO Complaints System continues 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.

On 24 September 2018, RSPO's Board of Governors adopted a new Policy on Human Rights Defenders (HRD), Whistleblowers, Complainants and Community Spokespersons, which allows for complaints to be lodged to the RSPO Complaints Panel on harmful activities undertaken by, or in connection with any RSPO members, in confidence. A HRD hotline was set up for this purpose. More information can be found here: <https://rspo.org/about/contact/hrd-hotline-eng>.

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.

Environment

The environmental safeguards provided for in the RSPO P&C 2018 promote the following:

- Effective management of pests, diseases, weeds and invasive introduced species
- Safe use of pesticides
- A waste management plan that includes reduction, recycling, reusing and disposal of toxicity and hazardous characteristics.
- Periodic tissue and soil sampling
- A nutrient recycling strategy which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.
- No new planting on peat, regardless of depth after 15 November 2018
- A water management plan to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment.
- A plan to improve the use of fossil fuels and optimise renewable energy
- Fire is not used for preparing land and is prevented in the managed area.

The Peatland Working Group 2 (PLWG 2) which is made up of representatives from the seven stakeholder membership categories and operates to provide technical and policy guidance and recommendations to the RSPO, developed the RSPO Drainability Assessment Procedure in June 2019. RSPO members with existing and/or future acquisitions of existing Oil Palm (OP) plantations on peat are required to conduct this assessment before carrying out replanting works to assess the viability of the area to naturally drain water in the next two cycles or 40 years.

RSPO grower members are required to estimate and monitor GHG emissions from existing plantations and new developments using the 'PalmGHG Calculator' and 'New Development GHG Calculator' respectively. In December 2018, PalmGHG v4 was introduced with improvements to the report submission process, and flexibility of both online and offline versions for plantations with poor network connectivity.

As a direct reflection of stakeholder comments and conversations during the P&C review, new requirements to halt deforestation through the use of the High Carbon Stock Approach (HCSA) Toolkit have been incorporated in the new RSPO P&C 2018.

The RSPO Secretariat is also committed to conducting its activities in an environmentally responsible manner. The Secretariat, in the pre-pandemic period, subsidised fares for public transportation and carpool trips to encourage its employees to be more sustainable when travelling to the office. Currently, as all employees have the opportunity to work from home until pandemic conditions improve. When in the office, the RSPO has a committee 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 2018 requires growers and millers to behave ethically and transparently. This means that units of certification commit to ethical conduct in all business operations and transactions. They should have a policy in place set within the framework of the UN Convention Against Corruption, in particular Article 12, which includes the following:

- a. A respect for fair conduct of business
- b. A prohibition of all forms of corruption, bribery, and fraudulent activity
- c. A proper disclosure of information in accordance with applicable regulations and accepted industry practices.

RSPO members to whom the P&C does 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

RSPO established the Socially and Environmentally Sustainable Oil Palm Research (SEnSOR) programme, an independent five-year integrated multi-disciplinary external research programme designed to fill key knowledge gaps in testing and developing the RSPO P&C for sustainability in oil palm agriculture. In 2018, SEnSOR commissioned three impact studies as part of Phase 3. The summary from the findings can be found in RSPO's Impact Report 2019, page 15: https://rspo.org/library/lib_files/preview/976

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

Participation in UN Global Compact Activities

In 2019, RSPO became a Board Member for UN Global Compact Malaysia. RSPO has also attended the UN Global Compact Leaders' Summit in June 2020. RSPO does engage with UNGC's local networks as a few of them are also RSPO members.