

9 February 2023

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 January 2021 to November 2022. 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,



Joseph D'Cruz
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 criterias can help to minimise the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.

The RSPO has over 5200 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 20% 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) and it was endorsed in November 2018. Currently, RSPO is initiating its five year review cycle of the 2018 RSPO P&C.

Human Rights and Labour

In January 2021, RSPO in collaboration with the United Nations Children's Fund (UNICEF) has commissioned the development of Guidance on Child Rights for Auditors and Certification Bodies separate from other three guidance documents for key palm oil stakeholders, in order to strengthen child rights protections and improve compliance with RSPO P&C 2018.

In January 2022, RSPO published a statement on the U.S. Customs and Border Protection (CBP) general notice of forced labour finding for Sime Darby Plantations. Following the Withhold Release Order (WRO) imposed on Sime Darby Plantations in December 2020, RSPO commenced an independent verification process to identify whether the allegations and/or any conformities had occurred on any of SDPs certified units. Apart from that, RSPO always encourages any parties to submit a formal complaint through our Complaints System with information and evidence about human rights violations or violations of RSPO P&C 2018.

In 2021, a Gap Analysis of the RSPO's Assurance System report was created with the aim of identifying gaps in the RSPO Assurance Systems, analysing the root causes of the gaps, and finding solutions for improvement. RSPO's Assurance system is essential to guaranteeing stakeholder confidence in the implementation of RSPO standards including protecting human and labour rights.

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 expressly prohibited. This is enshrined in our Recruitment Policy as well as our Employee Handbook.

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 toxic and hazardous materials.
- 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.

Cumulatively through 2021, RSPO members have set aside 301,020 ha of land and forests for conservation as part of the P&C certification which is an area almost 30 times the size of Paris.

November 2021, RSPO released the document 'Guide on HCSA requirements for the RSPO' for a 30-day public consultation before it was finalised and published in March 2022. This guidance document was developed by the No Deforestation Task Force (NDTF) with the objective of assisting RSPO members who are required to conduct either a standalone HCSA or integrated HCV-HCSA assessment.

RSPO Greenhouse Gas Working Group was first formed in May 2009 to establish a mechanism to quantify and determine the boundaries in measuring GHG emissions. It was also endorsed to conduct a comparative study based on existing initiatives in measuring downstream emissions for the palm oil sector that will be used to report operational emissions. In March 2022, RSPO called for its members to join the GHG working group to support the objectives which will be supported by two subgroups, Upstream Emissions Subgroup and Downstream Emissions Subgroup.

The RSPO Secretariat is also committed to conduct its activities in an environmentally responsible manner. The Secretariat subsidises fares for public transportation 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 and for RSPO-related events 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 other fraudulent practices
- c. A proper disclosure of information in accordance with applicable regulations and accepted industry practices.

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.

In 2021, RSPO worked together with the Center for International Private Enterprise (CIPE) to promote transparency and accountability in the palm oil business in Indonesia. Training was provided to RSPO members to enhance their awareness of topics such as business integrity and shadow companies. Apart from grower members, the training also targets civil society organisations and RSPO's intermediary partners.

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 July 2021, RSPO launched the RSPO Hotspot Hub, designed to bring greater transparency and accountability to address the issues of forest fire, open fire and the use of fire for pest control within the framework of the RSPO P&C 2018 and the RSPO Independent Smallholder (ISH) standards. This interactive digital platform provides information publicly on verified hotspots and potential fires within RSPO certified and non-certified concessions, and highlights the actions carried out by members to remedy the situation. To view the RSPO Hotspot Hub, please visit: rspo.org/hotspot-hub

Additional information on RSPO's progress on social, environmental and economic performances and how it relates to the UN Sustainable Development Goals can be found in RSPO's Impacts Report on the RSPO website <https://rspo.org/wp-content/uploads/RSPO-Impact-Report-2022.pdf>.