

PRESS STATEMENT

New global initiative to promote sustainable palm oil

A global multi-stakeholder initiative on sustainable palm oil was formally established under Article 60 of the Swiss Civil Code on 8 April 2004 as the "Roundtable on Sustainable Palm Oil" (RSPO). The principal objective of RSPO is "to promote the growth and use of sustainable palm oil through co-operation within the supply chain and open dialogue between its stakeholders". The not-for-profit association will have members representing major players along the palm oil supply chain, namely the oil palm growers, palm oil processors and traders, consumer goods manufacturers, retailers, banks and investors, environmental/nature conservation NGOs and social/development NGOs. The RSPO is a unique platform for pragmatic co-operation to contribute to the expansion of sustainably produced palm oil and its uses.

Over 28 million tonnes of palm oil are produced worldwide and comprise a major food source all over the world. Palm oil is used in a wide variety of foods including margarine, cooking oil, crisps, cakes, biscuits and pastry. Vegetable oil production worldwide totals 95 million tonnes per year and palm oil is the world's second largest after soyoil. Although being entirely GM free and having the highest yield per hectare of any oil or oilseed crop, it is recognized that there are environmental pressures on its expansion to eco-sensitive areas, particularly as oil palm can only be cultivated in tropical areas of Asia, Africa and America. Palm oil sales are set to rise dramatically particularly in the growing economies of China and India. Sales in Europe have also grown recently due to palm oil being an effective substitute for partially hydrogenated soft oils such as soyoil, rapeseed and sunflower thereby eliminating *trans*-fatty acids from many products.

The RSPO recognizes that palm oil is an important and versatile raw material for both food and non-food industries, which contributes to the economic development of the producing countries and to the diets of millions of people around the world. However, it believes that production and use of palm oil must be done in a sustainable manner based on economic, social and environmental viability. Towards this end, the RSPO is promoting the development of a globally acceptable credible definition of sustainable palm oil production and use and the implementation of better management practices that comply with this definition. The RSPO encourages members to actively participate in the development of the criteria and undertake practical projects to facilitate implementation of better management practices along the supply chain. Organizations wishing to get involved can now join this new Association and details are available on our website:- www.sustainable-palmoil.org.



Roundtable on Sustainable Palm Oil

Founding members of RSPO are Aarhus United UK Ltd., Karlshamns AB (Sweden) Malaysian Palm Oil Association (MPOA), Migros Genossenschafts Bund (Switzerland), Unilever NV (Netherlands) and Worldwide Fund for Nature (WWF). Also active on the RSPO's Executive Board are Golden Hope Plantations Berhad (Malaysia), Loders Croklaan (Netherlands), Pacific Rim Palm Oil Ltd (Singapore) and The Body Shop (UK). Mr. Jan Kees Vis of Unilever NV was elected as the first President of the RSPO. He stated that "...if we all work hard, the RSPO could become the platform where all stakeholders in the palm oil chain, from plantation workers to retailers and from manufacturers to nature conservationists, can work together to shape a sustainable future for palm oil..."

The initiative on production and usage of sustainable palm oil started as an informal co-operation among Aarhus United UK Ltd, Golden Hope Plantations Berhad, Migros, Malaysian Palm Oil Association, Sainsbury's and Unilever together with WWF at the end of 2002. These organizations constituted themselves as an Organizing Committee to organize the first Roundtable meeting in August 2003 in Kuala Lumpur and to prepare the foundation for the organizational and governance structure that resulted in the formation of the RSPO. This event was attended by 200 participants from 16 countries. Subsequently 40 organizations signed a Statement of Intent declaring their intention to participate in this initiative. A second conference is planned for September this year and it will be held in Indonesia.

8 May 2004, Kuala Lumpur

For further information, please contact Mr. Teoh Cheng Hai, Secretary-General of RSPO (ch-teoh@sustainable-palmoil.org) or visit www.sustainable-palmoil.org.