

NEWS RELEASE

WWF STUDY CONFIRMS PROFITABILITY OF SUSTAINABLE PRACTICES UNDER RSPO CERTIFICATION

Jakarta, 19 June 2012 – WWF recently published a study report on *Profitability and Sustainability in Palm Oil Production*, which is based on a research study examining the incremental financial costs and benefits incurred by palm oil production companies as a result of implementing the Principles and Criteria (P&C) of the Roundtable on Sustainable Palm Oil (RSPO). The objective of this study was to produce a clear guide that aids companies and financiers in decision making and planning towards RSPO certification.

At an RSPO-WWF Indonesia joined media interface held today, Irwan Gunawan, Deputy Director of Market Transformation WWF Indonesia, stated, “The research that WWF conducted came to a significant, conclusive finding suggesting that although potential market premiums served as the initial attraction for growers towards certification, each major category of benefits was, in and of itself, potentially capable of outweighing RSPO implementation costs”.

Irwan added, “The insights used in the research study were gathered primarily from eight palm oil production companies operating in Indonesia and Malaysia, as well as West Africa. These selected companies were perceived to be have proper representation of a range of large, mid-sized, and small operators whose certified palm oil and palm kernel oil outputs totaling at 54% of all RSPO-certified production.

RSPO Secretary General, Darrel Webber, extends a great appreciation for WWF’s initiative in undertaking the study, which is in line with RSPO’s key mission. “We hope that the conclusions presented in the WWF report will inspire other stakeholders globally and, particularly, in Indonesia’s palm oil supply chain to follow footsteps towards transforming the Indonesian palm oil industry into a fully sustainable industry.”

“Business benefits gained from adopting the RSPO P&C typically outweigh the costs of implementation—in many cases significantly—yet often through unexpected and indirect channel”, Webber added. The RSPO’s Principles and Criteria is an international certification scheme for producers all around the world in compliance to sustainable cultivation of oil palm from social and environmental perspectives. Webber conveyed that the RSPO continues to be committed towards transforming markets to make sustainable palm oil the norm.

Irwan concluded that the WWF’s key findings discovered the principles of primary cost and primary benefits. Primary cost identification as: identification and management of High Conservation Value areas, the audit and certification process, engaging smallholders, and segregation costs. Whilst, the identification of primary benefits as: the reduction of social conflicts, operational improvements

through documentation and better management practices, improved staff morale and reduced labor turnover, revenues and market access and access to capital. The report clearly attests that the benefits of embracing sustainability outweigh the costs incurred which reinforces that responsible practices are not only good for the environment but is also commercially advantageous. “

WWF study report on *Profitability and Sustainability in Palm Oil Production* can be accessed at http://www.rspo.org/en/business_cases.

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About RSPO

In response to the urgent and pressing global call for sustainably produced palm oil, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The seat of the association is in Zurich, Switzerland, while the secretariat is currently based in Kuala Lumpur with a satellite office in Jakarta.

RSPO is a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry - oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs - to develop and implement global standards for sustainable palm oil.

Such multi-stakeholder representation is mirrored in the governance structure of RSPO such that seats in the Executive Board and project level Working Groups are fairly allocated to each sector. In this way, RSPO lives out the philosophy of the "roundtable" by giving equal rights to each stakeholder group to bring group-specific agendas to the roundtable, facilitating traditionally adversarial stakeholders and business competitors to work together towards a common objective and making decisions by consensus.

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