

RSPO

Roundtable on Sustainable Palm Oil

TERMS OF REFERENCE

TRADE & TRACEABILITY STANDING COMMITTEE

(Draft approved in the T&TSC in Schoten, Belgium, on 9th June, 2011; this version approved in the T&T SC in Liverpool, UK, on 6th October 2011 on basis of feedback from EB meeting of 15th July 2011, London))

FUNDAMENTALS

The continual expansion of the RSPO, - in membership, activities, global receptivity (both friendly and adversarial), and issues it has to deal with, needs an increasing degree of distributed management for it to keep pace. Four standing committees have been established to adequately accommodate the increasing requirements and capacity at the RSPO:

- 1) Standards & Certification*
- 2) Trade & Traceability*
- 3) Communications & Claims*
- 4) Finance*

Each Standing Committee (SC) shall comprise members from the Executive Board (EB) as well as RSPO members with respective alternates identified. The Executive Board, at its sole discretion, may propose changes to the composition of the Standing Committee, to better serve RSPO's vision and mission. Membership is honorary and participation voluntary and all contributions duly acknowledged.

Lack of positive involvement over a continuous period of 12 months will suggest withdrawal from the SC irrespective of notification or otherwise. The SC shall report into the RSPO EB. The SC shall (preferably) be chaired by an EB member who will decide on any other functionaries from among its members. The SC, at its behest, may invite non-RSPO member participation on terms and conditions it prefers. RSPO Secretariat will provide facilitation resources to all SCs.

OUR MISSION

The T&TSC was originally established to approve the policies and strategies of the RSPO relating to RSPO Supply Chain Organisation. The brief for the RSPO's Trade and Traceability Standing Committee (T&TSC) is derived from Article 3 of RSPO's by-laws, the relevant excerpts being:

“Objective: RSPO is an association created by organisations carrying out their activities in and around the entire supply chain for palm oil to promote the growth and use of sustainable palm oil through co-operation within the supply chain and open dialogue with its stakeholders through the development of solutions to practical problems related to the adoption and verification of best practices for plantation establishment and management, procurement, trade and logistics.”

Under the refined RSPO vision & mission established by the Executive Board in 2011, the T&TSC will play an instrumental role in identifying and facilitating the means to transform the market and ensure the use of Certified Sustainable Palm Oil (CSPO) becomes the norm globally. This requires:

- 1. Standards to demonstrate to all stakeholders the use of CSPO beyond grower, through the development and maintenance of RSPO-approved supply chain models;*
- 2. Evaluation of the organisational and market capacity to manufacture, trade and utilise CSPO (and its full range of derivatives) and;*
- 3. Adequate management by the secretariat, supported by the T&TSC, of RSPO resources responsible for the implementation of these systems.*

In short the T&TSC focuses on issues relevant for the credibility of the RSPO process beyond grower. Activities following from this will be executed by or in close cooperation with the RSPO Secretariat.

RESPONSIBILITIES

To advise and guide the RSPO Executive Board on all matters related to bringing RSPO certified material to the market including the following matters:

1. RSPO Supply Chain System

- The development of RSPO-approved supply chain models: which are currently 'Book and Claim', 'Mass Balance' and 'Segregated' and 'Identity Preserved'.
- The management of the RSPO Supply Chain Certification System including setting of rules; guidance documentation and the accreditation process for certification bodies.

2. Supply Chain Support Services

- The out-sourcing of supply chain accreditation services and the appointment of Certification Bodies.
- The assessment and management of service providers to RSPO for the on-line trading, identification and tracking of the trade of RSPO certified material (such as UTZ Certified and GreenPalm).

3. Market Intelligence & Transformation Strategy

- To evaluate the organisational and market capacity to manufacture, trade and use CSPO and CSPKO and make recommendations to the EB and the wider membership.
- To tackle issues identified in practice or identified in market intelligence on the availability of CSPO via the Secretariat, service providers and consultants.

4. Market Information, Advice and Capacity Building

- To advise the Communications and Claims Standing Committee (CCSC) on the communication challenges identified by the T&TSC.
- To give formal approval on all communications regarding T&T related matters.
- The preparation of detailed technical guidance to all specialist audiences such as certification bodies.
- The planning of adequate capacity in the certification system and the RSPO itself to process supply chain matters.

5. Tracking of Commitments by RSPO Members

- To function in conjunction with the Secretariat, to ensure that member categories are working within their RSPO Membership Commitments to grow, trade, buy, use and promote RSPO certified materials. The T&TSC to regularly review summary reports on the member's KPI status, as agreed with the Executive Board and Secretariat, and on the mobilisation of RSPO's members to achieve its core mission.

6. Management of Relevant Service Providers

- *To agree the scope of work, contractual arrangements and evaluation process for the work of all RSPO service providers which underpin the mission of the RSPO related to supply chain and market management.*
- *To put in place procedures and processes to create and maintain an up to date specification of work for service providers.*
- *To manage contracts and accountability through the Secretariat.*
- *To negotiate the arrangements for day to day management with the service provider and the Technical Director on a case by case basis.*

7. Resource Planning

- *Ensure suitable resources and capability are budgeted by RSPO EB to enable the T&TSC and its staff to deliver an efficient and effective strategy for the global adoption of CSPO as the norm. This includes financial, personnel resources where required in conjunction with the Secretary General and the Secretariat.*

ORGANISATION

The recommendations to the EB on policies and strategies as formulated by the T&TSC are to be implemented, as appropriate, by the RSPO Secretariat, including the RSPO Technical Director and their team, individual named RSPO Members and outsourced consultants as appointed for specific tasks.

DECISION MAKING PHILOSOPHY

The TTSC like all of the RSPO operates under a process of decision-making by consensus. This means decisions require support of all voting members, or the absence of 'sustained objections'.

MEMBERSHIP GUIDELINES

- a. *The current members of the T&TSC are listed on the RSPO website*
- b. *The T&TSC will comprise of a wide range of members from among RSPO members by chambers to reflect their size of membership and relevance to the working of the Standing Committee. Members act with the objectives of RSPO and the industry in mind, not primarily the interests of their own organization.*
- c. *The standing committee shall decide the scope, leadership and participation in any working groups/ taskforces that it decides to establish to complete the work of the Standing Committee. These sub-groups will report back to the T&TSC, where appropriate and the Standing Committee will evaluate and decide on the working groups recommendations.*
- d. *The standing committee, at its behest, may invite non-RSPO member participation (for instance from independent consultants) on specific projects and tasks on terms and conditions it prefers and specifies at the time. However, such non-RSPO member participation cannot assume management or leadership of the standing committee.*
- e. *RSPO Service Providers cannot be members with full voting rights of the RSPO Standing Committee that monitors their contractual relationship with RSPO although they are welcome to participate and provide input.*
- f. *The RSPO Secretariat will provide facilitation resources to the standing committee, particularly via the Technical Director or his or her nominated alternative.*

Membership of the standing committee will include:

Role on T&TSC	Membership
<i>Chair</i>	<i>RSPO Executive Board</i>
<i>Secretariat</i>	<i>RSPO Secretariat - Technical Director</i>
<i>Palm oil supply chain experts</i>	<i>RSPO Members – Fully Integrated Companies/Growers</i>
	<i>RSPO Members – Traders/Processors</i>
	<i>RSPO Members – Consumer Goods Manufacturers</i>
	<i>RSPO Members – End-users Retailers and other end-users</i>
<i>Civil Society</i>	<i>RSPO Members - NGOs</i>
	<i>RSPO Members – Trade Associations</i>
<i>Certification Experts</i>	<i>RSPO Members - Certification Bodies</i>
<i>Technical Consultants</i>	<i>RSPO Affiliate Members</i>

ADMINISTRATION SUPPORT

On-going committee information and updates to members and record keeping will be maintained by the T&TSC Chair and Secretariat are responsible for ensuring the working process of the T&TSC is readily available to Members through recording of minutes of T&TSC meetings and postings on the RSPO website.

CONTACT INFORMATION

*The administration of the T&TSC is managed by the Secretariat and Board members.
For further details contact:*

*Technical support: Contact details Salahudin Yaacob, RSPO Technical Director at
Salahudin.Yaacob@rspo.org*

*Chair (from June 10, 2011): Hidde van Kersen, Sustainability Director at IOI Loders Croklaan,
at hidde-van.kersen@crokiaan.com*

Annex 1 Membership May 2011

RSPO Secretariat	<i>Technical Director</i>	<i>Salahudin Yaacob</i>
Growers	<i>Sime Darby</i>	<i>Juliane Eykelhoff</i>
	<i>Wilmar</i>	<i>Gerard ten Nuijl</i>
	<i>Sipef</i>	<i>Paul Nellens</i>
	<i>NBPOL</i>	<i>Adam Thomas</i>
Processors & Traders	<i>AAK</i>	<i>Martin Craven</i>
	<i>Cargill</i>	<i>Sietse Buisman</i>
	<i>Cognis</i>	<i>Harald Sauthoff</i>
	<i>Fuji Oil Europe</i>	<i>Jan Sintobin</i>
	<i>Loders Croklaan</i>	<i>Hidde van Kersen (Chair)</i>
	<i>Loders Croklaan</i>	<i>Martijn Schnijder</i>
	<i>Neste Oil</i>	<i>Tiina Tuominen</i>
	<i>Shell</i>	<i>Michelle Morton</i>
Cons. Goods Manufacturers	<i>Unilever</i>	<i>Eddy Esselink</i>
	<i>United Biscuits</i>	<i>Simon Roulston</i>
	<i>IKEA</i>	<i>Anne Bexell</i>
Retailers	<i>Ahold</i>	<i>Hugo Byrnes</i>
	<i>Carrefour</i>	<i>Sophie Pin</i>
	<i>Seventh Generation</i>	<i>Reed Doyle</i>
Banks	<i>?</i>	<i>?</i>
Environmental NGO's	<i>WWF</i>	<i>Sandra Mulder</i>
Social NGO's	<i>Oxfam Novib</i>	<i>Sandra Seeboldt</i>
Others	<i>BM Trada</i>	<i>Alasdair Mc Gregor</i>
	<i>Bureau Veritas</i>	<i>Floris Varkevisser</i>
	<i>Control Union</i>	<i>Aline ten Kleij</i>
	<i>Control Union</i>	<i>David Ogg</i>
	<i>Lloyds</i>	<i>Cor Groenveld</i>
	<i>Product Board MVO</i>	<i>Marieke Leegwater</i>
	<i>Proforest</i>	<i>Neil Judd</i>
	<i>SEC</i>	<i>Liz Crosbie</i>
	<i>SDI Corporation</i>	<i>Don Grubba</i>