

Frequently Asked Questions on Shared Responsibility Requirements and Implementation 2019 document



1. What is Shared Responsibility?

Shared Responsibility is the set of commitments that RSPO members must adhere to in order to achieve RSPO's vision "to transform markets to make sustainable palm oil the norm". All members share sustainability requirements that are the same across all member categories. Specific requirements may vary from one member category to another, reflecting the unique roles of different member categories to help make sustainable palm oil the norm. Growers do their part through the RSPO Principles and Criteria (P&C) Certification and non-grower members do their part through the RSPO Supply Chain Certification and by implementing the Shared Responsibility requirements that were endorsed by the Board of Governors (BoG) in 2019.

2. Which members are subjected to the Shared Responsibility requirements?

All RSPO members are accountable and share the responsibility in driving market transformation. With regards to the Shared Responsibility (SR) requirements however, it currently only applies to the following categories of RSPO Ordinary membership: Environmental NGOs (ENGOs), Social NGOs (SNGOs), Banks and Investors, Retailers, Consumer Goods Manufacturers (CGMs) and Processors and Traders (P&Ts).

Excluded from the SR requirements are growers who do their part through RSPO P&C certification, and Ordinary members that only hold a traders or distributor license.

3. What are the topics and themes for Shared Responsibility and how were these developed?

The topics and themes for the Shared Responsibility requirements were selected by the RSPO P&C Task Force during the review of the P&C in 2017-2018. The themes reflect the three pillars of sustainability — People, Planet, and Prosperity and also align with the RSPO P&C 2018. A wide array of topics related to environmental sustainability, human rights, complaints and grievances, and Free, Prior and Informed Consent (FPIC) are covered by the SR requirements.

Additionally, volume uptake requirements were included to promote the use of sustainable oil palm products.

4. Where can I find the Shared Responsibility requirements?

Shared Responsibility requirements that are applicable to your member category can be found in Annex 1 of the [RSPO Shared Responsibility Requirements and Implementation](#) document. Ordinary members report to the RSPO Secretariat on the SR requirements, via the Annual Communication of Progress (ACOP) report and through the MyRSPO membership portal.

5. When did the SR requirements become mandatory?

The SR requirements became mandatory since the RSPO Shared Responsibility Requirements and Implementation document was endorsed by the Board of Governors (BoG) in **November 2019**. All RSPO members have to commit to implement standards in their operations not lower than the P&C, as stated in the RSPO Member Code of Conduct, Clause 3.2.

6. How will the data for the Shared Responsibility requirements be collected and measured?

The required data to show compliance with the Shared Responsibility requirements is collected using existing mechanisms such as the membership application, the ACOP report and MyRSPO. Some of the data submitted by members will be verified using the supply chain certification data that the RSPO Secretariat maintains.

7. What if I am already reporting on similar requirements as the SR requirements?

The RSPO aims to leverage existing accountability and reporting mechanisms to avoid duplication and member burden. This could include benchmarking of other reporting initiatives after the second year of implementation.

8. What are the sanctions if the Shared Responsibilities requirements are not met?

The incentives and sanctions mechanism to promote the implementation of the SR requirements are still a work in progress. For **Year 1** (2020 for existing members) and **Year 2** (2021 for existing members) of SR implementation there are **no sanctions** in place. However, members are **encouraged** to fulfill the RSPO SR requirements as these requirements were endorsed by the BoG in line with Clause 3.2 of the Code of Conduct. A sanctions mechanism will be developed and communicated by the RSPO Secretariat in due course.

9. Can I submit the SR policies and plans at any time of the year or only during the ACOP submission?

The MyRSPO page - SR module is open to existing RSPO members to upload the SR information (i.e. evidence), including updates, in the form of a file or URL, or click on the Declaration of Support if it does not have any policy on the subject. Members can submit their SR policies and plans at any time of the year on the MyRSPO page. If the member does not upload a file and does not click on the Declaration of Support, it will not save the update or proceed from the SR Policies page.

New members shall provide the SR information (i.e file, URL or Declaration of Support) through the MyRSPO-SR module during the membership application.

10. Why do supply chain actors need to commit to a Time Bound Plan to process/handle/ trade/purchase/use physical CSPO?

The Shared Responsibility Task Force reaffirmed the existing Time Bound Plan (TBP) commitments for the increase of RSPO certified palm oil products, with annual targets to be implemented. Targets are essential to track progress, have transparency on unfulfilled commitments, and understand market supply and demand.

11. Is 100% physical CSPO the goal? Why is this important?

Physical CSPO is the desired outcome to reach our shared vision of making sustainable palm oil the norm. The target for uptake of physical volumes is based on Resolution 6d, adopted at the

9th annual General Assembly (GA9) in 2012, and RSPO Credits are considered as a transitional tool towards 100% physical CSPO.

12. Do credits still have a role to play in transforming the markets to make sustainable palm oil the norm?

The RSPO BoG discussed the role of RSPO Credits, considering its original mandate as a transitional tool towards full physical procurement (GA 2012 Resolution 6d). The complexities of the global market make it difficult to streamline physical flows of CSPO, resulting in imbalances between what is being supplied and what the market is demanding. RSPO Credits will always play an important part in the market and are acceptable for specific strategies (e.g. Smallholder and Jurisdictional credits) or where market supply chains for physical products are still developing. The RSPO BoG commits to developing a position statement on the continued use of credits in the first and second year of implementation of Shared Responsibility, following which, this aspect will be reviewed at the end of year 2 of SR.

13. How are annual percentage point uptake targets calculated?

The annual percentage point uptake targets were calculated based on the uptake of certified palm oil products in the previous years, supply and demand forecasts, and taking into account market realities and uncertainties. The percentage point uptake targets are calculated every year with the intention of closing the gap between the supply and demand of certified sustainable oil palm Products. The RSPO BoG set the percentage uptake targets based on the recommendation by the Standards Standing Committee (SSC) and Shared Responsibility Working Group (SRWG).

14. What are the percentage point uptake targets for my membership category?

For Processors & Traders, Consumer Goods Manufacturers (CGMs) and Retailers who were Ordinary members of RSPO in 2019, the following percentage point uptake targets apply:

	Processors and Traders		CGMs & Retailers	
	CSPO	CSPKO	CSPO	CSPKO
Year 1 (2020)	2%	NA	15%	NA
Year 2 (2021)	2%	NA	12%	7%

15. How shall I calculate the yearly uptake volumes?

The **first step** is to calculate your percentage uptake baseline 2019. A separate CSPO and CSPKO baseline is calculated based on volumes reported in ACOP 2019.

CSPO percentage uptake baseline = $\text{ACOP (Year 2019) CSPO (Mt)} / \text{ACOP (Year 2019) total PO (Mt)}$

CSPKO percentage uptake baseline = $\text{ACOP (Year 2019) CSPKO (Mt)} / \text{ACOP (Year 2019) total PKO (Mt)}$

The **second step** is to calculate your target percentage uptake target. Please note the percentage point uptake targets presented in question 14.

CSPO uptake target percentage = CSPO percentage uptake baseline + CSPO percentage point uptake target

CSPKO uptake target percentage = CSPKO percentage uptake baseline + CSPKO percentage point uptake target

The **last step** is calculating your target volume for Year X on the target percentage baseline.

CSPO target volume for Year X (Mt) = CSPO uptake target percentage x total PO (Mt) uptake (Year X)

CSPKO target volume for Year X (Mt) = CSPKO uptake target percentage x total PKO (Mt) uptake (Year X)

Example: Retailer, ACOP 2019 data: CSPO consumption 50,000 Mt, total PO consumption 1,000,000Mt.

CSPO percentage uptake baseline 5% [(50,000 / 1,000,000) *100]

For Year 1 (2020 for existing members):

CSPO uptake target for 2020 = percentage uptake baseline + 15% percentage point uptake target
= 5% + 15% = 20%.

Total PO consumption for 2020 = 1,000,000

CSPO target volume for 2020 = 20% of 1,000,000 = 200,000 Mt

In Year 1, the uptake target volume can be covered by physical CSPO (IP, SG and/or MB) and RSPO credits.

For Year 2 (2021 for existing members):

CSPO uptake target for 2020 = CSPO uptake target for 2020 + 12% points growth for CSPO = 20% + 12% = 32% Total PO consumption for 2021 = 1,000,000 Mt

CSPO target volume for 2021 = 32% of 1,000,000 Mt = 320,000 Mt

In Year 2, the CGMs and Retailers should meet their uptake targets by means of physical RSPO certified volumes in order to pull the supply chain. While RSPO Credits are an acceptable stepping stone (and accepted to support Independent Smallholders), in more developed markets such as Europe, USA, and Australia, the CGMs will confine their usage to mostly physical certified RSPO products.

16. How were the Shared Responsibility requirements developed?

The Terms of Reference for the Shared Responsibility Task Force was developed based on the results of the review of the 2013 P&C in 2018 and was endorsed by the RSPO BoG in September 2018. This included representation from all seven member categories. The process included eight teleconferences/meetings, one round of early stakeholder interviews with supply chain actors, two online public consultations, two physical public consultation workshops, 182 respondents, approximately 1,200 comments and a number of drafts. In May 2020, the Shared Responsibility Working Group was established to work on the practical implementation of the Shared Responsibility requirements. For more on the background and work to date, please visit the SR Working Group [webpage](#).

17. Who will oversee the implementation of the Shared Responsibility requirements?

The implementation and review will be carried out by the Shared Responsibility Working Group (SRWG) under the supervision of the Standard Standing Committee (SSC). The Shared Responsibility Unit of the RSPO Secretariat facilitates the work of the SRWG, monitors performance and builds awareness for the implementation of SR.

18. What kind of Shared Responsibility is there around smallholders?

The RSPO has affirmed the importance of smallholders in achieving its vision. Requirements include supporting the inclusion of smallholders into sustainable supply chains. Several ideas were proposed from the stakeholders during the public consultation, including support for smallholders by purchasing RSPO ISH Credits, supporting projects aimed at certifying smallholders as well as training and capacity building of smallholders in partnership with the Smallholders Trainers Academy (STA). More details can be found in the Resourcing section of the RSPO Shared Responsibility Requirements and Implementation document.

19. Could the SR requirements be considered anti-trust?

RSPO is a voluntary membership organisation. SR is not intended to interfere with markets or prices and does not specify the sourcing from specific growers or fixing prices. However, attention is given to concerns such as these and the situation will be monitored so that SR does not create anti-competitive aspects.

20. Do I need to hold Supply Chain Certification (SCC) to comply with SR?

The SR requirements are not directly related to be eligible to and/or to hold Supply Chain Certification (SCC). You do not need to hold a Supply Chain Certificate to comply with SR (please see question 2 regarding which members are subjected to SR requirements). However, if you purchase RSPO certified volumes as IP, SG or MB and sell it onwards as RSPO certified, your facilities will need Supply Chain Certification.

Find out more at rspo.org