
RSPO JURISDICTIONAL APPROACH

Document for public consultation

Contents

| | |
|---|----|
| 1. Introduction | 3 |
| 2. Scope & applicability..... | 4 |
| 3. Towards a certified jurisdiction through a step-wise approach | 5 |
| 4. Governance requirements of the Jurisdictional Entity | 18 |
| 5. Application of the principles and criteria to the Jurisdiction Level | 25 |

First Draft

1. Introduction

To scale-up the adoption of RSPO Principles & Criteria (P&C) across a wider production area and to address sustainability issues related to palm oil more effectively, RSPO has developed an approach that will allow the P&C to be applied at the jurisdictional level. A jurisdiction can be any region with politically and/or administratively defined boundaries. It will be the jurisdiction that obtains certification, and palm oil that is produced within its boundaries can be considered RSPO-compliant. This approach is referred to as the Jurisdictional Approach to Certification (JA for short).

The JA includes the means to certify palm oil production within the entity (Jurisdictional Entity or JE) that manages the jurisdiction's compliance with the RSPO standard. This JE is envisioned as a legal entity that can be held legally responsible for its activities. It supports producers within its boundaries to comply with the the RSPO P&C within the context of the local legal framework.

Why are we implementing Jurisdictional Certification?

The JA aims to address environmental and social issues by strengthening stakeholder's engagement, notably through strong government involvement and enabling a wider impact area than single producer certification. In doing to it seeks to create greater benefits than the existing certification system, while having the potential of bringing costs down through scale and leveraging the government's capacity and authority. For the market, the JA provides assurance that environmental and social requirements are being addressed across the entire jurisdiction and the producers and other stakeholders within its boundaries are committed to sustainable practices.

The certification system document

This document provides a set of requirements for a jurisdiction and its JE to receive an RSPO certificate¹. It outlines the functions, responsibilities, and mandate of the JE and the requirements for the Jurisdiction as a whole. This includes delegating some RSPO P&C, which are otherwise the responsibility of RSPO Groups and Individual RSPO Members, upwards to the JE. Guidance on which P&C those are, and what is required for a jurisdictional certificate is included in this document. For this purpose, the document refers to the RSPO P&C of 2018. Other than the inclusion of those P&C this is a new document. Finally, note that this document concerns itself strictly with certification and *what* is required; it does not provide broader guidance for *how* to set up a Jurisdictional Approach.

¹ The current proposal is to provide the JE with a single RSPO certificate. An alternative to this proposal is that the JE receives certificates for individual compliant (groups of) producers within its jurisdiction.

2. Scope & applicability

Scope

This document presents the RSPO requirements for certification of all palm oil producers within the boundaries of 'The Jurisdiction', whereby those boundaries are defined in governmental terms (legally and administratively). Certification for the jurisdiction as a whole is managed through a legal Jurisdictional Entity (JE), which supports compliance with RSPO requirements for all FFB and palm oil producers within the jurisdiction.

The scope of certification comprises the system requirements for the governance and secretariat of the JE and all FFB & CPO producers (mills, plantation, outgrower/small grower and smallholder*) operating under the control of the JE.

** From here onwards generally indicated 'Producers' and registered via the RSPO membership of the JE.*

Applicability

The requirements and guidance of this document and the documents referred to below are applicable to all Jurisdictional Entities seeking certification as the Unit of Certification on behalf of palm oil production in one or more specific jurisdictions and all Jurisdictional Entities holding such certification.

A Jurisdictional Entity is the Unit of Certification. It has a mandate to bring all producers in the jurisdiction to comply with the applicable RSPO Principles and Criteria. There can be two types of producers in the jurisdiction: a) Individual RSPO members and b) non-RSPO members. Individual (or groups of) producers that are RSPO members in the jurisdiction can remain individual RSPO member under the jurisdictional approach. These producers will be audited and trade through the existing RSPO system. The relationship between the JE and the (non-)RSPO producers will be discussed in Chapter 4.

3. Towards a certified jurisdiction through a step-wise approach

Introduction to the step-wise approach

The ultimate aim of the RSPO jurisdictional approach is to ensure all producers in a jurisdiction are compliant to the RSPO Principles & Criteria. However, the process towards full compliance of all producers in a jurisdiction to the RSPO Principles & Criteria is a challenging and time-consuming process. The RSPO recognizes the challenges faced by a jurisdiction to achieve this. To provide incentives for jurisdictions to progress towards this aim, and recognize the commitment from the stakeholders (esp. government) and secure these commitments, the jurisdictional certification introduces a step-wise approach.

At the same time, the rewards related to the sustainability performance should adhere to the standard RSPO requires (e.g. no green washing). Therefore, it has to be clear what is it that is incentivized, it should be fair to the existing CSPO market, and no complexity should be added to the system. The step-wise approach is laid out in the following sections:

- The four steps
- Summary requirements for each step
- Detailed requirements for each step
- Access to CSPO market & premium distribution

The four steps

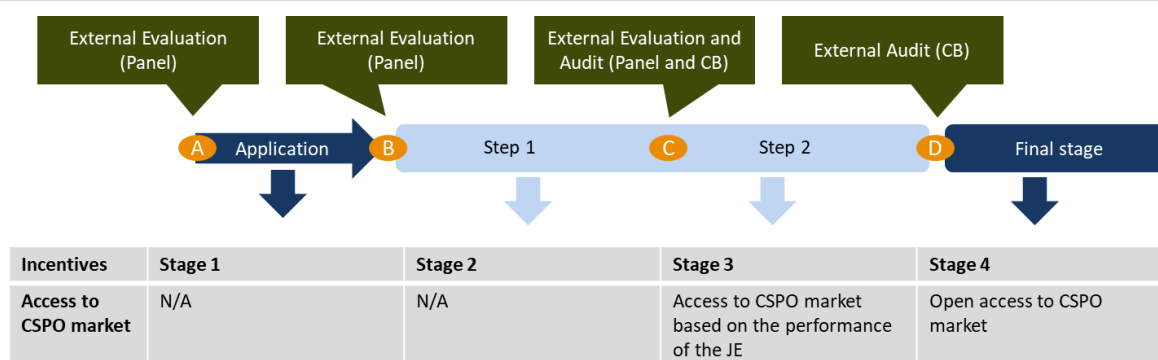
The approach includes four stages with different levels of recognition:

1. Stage 1 – *The JE is recognized as an RSPO pilot*
2. Stage 2 – *The JE is recognized as an RSPO member, with no access to CSPO market*
3. Stage 3 – *The JE is recognized as an RSPO member, certified but with limited access to CSPO market*
4. Stage 4 – *The JE is recognized as RSPO member, certified with open access to CSPO market*

The JE is working towards full compliance of the jurisdiction to the applicable RSPO Principles and Criteria. At the last phase of this approach, all producers classified as Independent smallholders are obliged to comply with RSPO Independent Smallholder Standard while producers classified as Big-, Medium-, Small-size companies, or Plasma smallholders are obliged to comply with RSPO Principles and Criteria 2018.

Figure 1: The four steps for Jurisdictional Certification

Four steps of the step-wise approach



Summary requirements for each step

Prior to progressing to the next stage, the JE will be externally assessed at every checkpoint by either evaluation panel or/and Certification Body (See Figure B). Every checkpoint has different levels of requirements and compliance (see Table 1):

1. Stage 1 – *The JE commits towards becoming a certified JE and the JE has formulated an ambitious time-bound roadmap.*
2. Stage 2 – *The JE should have made significant progress in realizing the roadmap. Specifically, jurisdiction-wide initiatives such as spatial planning, incl. (HCV/HCS) mapping, mapping of producers, and FPIC guidelines have been developed or completed.*
3. Stage 3 – *The JE has the governance structure in place to reliably facilitate the trade of CSPO. The JE ensures relevant spatial planning, as well as other relevant jurisdiction-wide policies (e.g. New Planting Procedures, FPIC) are implemented. The JE makes significant progress towards compliance of its producers in the jurisdiction.*
4. Stage 4 – *The JE is a fully functioning governance body (see next chapter) and all its producers are compliant to the relevant RSPO standards.*

Table 1: Step-wise approach for Jurisdictional Certification

Requirements for each of the four steps

| | Stage 1 | Stage 2 | Stage 3 | Stage 4 |
|-------------------------------------|---|---|---|---|
| Governance requirements | <ul style="list-style-type: none"> Multi-stakeholder board in place Statement of intent to achieve RSPO compliance from government provided Proposal on financing & incentives formulated Proposal on relation of the JE with producers in the jurisdiction formulated | <ul style="list-style-type: none"> <i>See Stage 1</i> Multi-stakeholder board in place Roadmap towards developing the governance structure formulated Annual progress reporting | <ul style="list-style-type: none"> <i>See Stage 2</i> Governance structure and procedures as prescribed in the CSD in place (see next chapter) Financing viability and transparent accounting procedures in place Relation of the JE with producers defined and in place <ul style="list-style-type: none"> Annual progress reporting | <ul style="list-style-type: none"> <i>See Stage 3</i> Well-functioning JE governance (see next chapter) |
| Application of the Standards | <ul style="list-style-type: none"> Proposal to develop FPIC procedures and recognition of land rights (legal, customary and user rights) formulated Proposal to develop spatial planning formulated, incl. <ul style="list-style-type: none"> Indicative SEIA (as required by relevant law) | <ul style="list-style-type: none"> <i>See Stage 1</i> Legal gap analysis completed Roadmap towards full compliance with the P&C formulated FPIC guidelines developed and recognition of land rights (legal, customary and user rights) Initial spatial planning conducted, incl. | <ul style="list-style-type: none"> <i>See Stage 2</i> Progress towards the roadmap FPIC procedures and guidelines are in place and implemented Spatial planning is in place, incl. <ul style="list-style-type: none"> SEIA procedures and guidelines | <ul style="list-style-type: none"> <i>See Stage 3</i> |

| | | | | |
|-----------------------------|---|---|---|---|
| | <ul style="list-style-type: none"> - Indicative HCV and HCS mapping (in alignment with RSPO requirement) | <ul style="list-style-type: none"> - Indicative SEIA (as required by relevant law) - Indicative HCV and HCS mapping (in alignment with RSPO requirements) • New Planting Procedures as per RSPO requirements agreed • Assessment of disqualifying requirements: No replacement of primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor) | <ul style="list-style-type: none"> - HCV and HCS mapping and implementation procedures are in place • New Planting Procedures as per RSPO requirements being implemented • Disqualifying requirements: No replacement of primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor) | |
| Mapping of producers | <ul style="list-style-type: none"> • Proposal to map all producers formulated | <ul style="list-style-type: none"> • All producers are geographically mapped | <ul style="list-style-type: none"> • <i>See Stage 2</i> • Proof of compliance for relevant producers | <ul style="list-style-type: none"> • <i>See Stage 3</i> • Proof of compliance for all producers |

FIRST

Detailed requirements for each step

Table 2: Detailed requirements for Stage 1

Process, Output/outcomes, and validation

| Requirements | Process | Output/Outcomes | Validation |
|--|--|---|---------------|
| Multi-stakeholder board in place | <ul style="list-style-type: none"> Conduct extensive stakeholder consultation process as per RSPO guidelines | <ul style="list-style-type: none"> Stakeholders are identified, gathered, and committed to the planning | Panel by RSPO |
| Statement of intent from the government | <ul style="list-style-type: none"> Obtain buy-in and commitment from the government | <ul style="list-style-type: none"> Government representatives (local government and relevant government institutions at the right level) joined the multi-stakeholder board Statement of intent, covering: <ul style="list-style-type: none"> Acknowledging RSPO P&C and compliance to RSPO P&C as the target for the JE Stating a commitment to provide the necessary support | Panel by RSPO |
| Analysis of the governance structure | <ul style="list-style-type: none"> Assess the requirements to develop the required governance structure | <ul style="list-style-type: none"> Proposed governance structure as per requirements set in the CSD timebound roadmap towards developing it, also includes: <ul style="list-style-type: none"> Proposed financing Transparent financing structure and reporting Proposed relation to producers in the jurisdiction | Panel by RSPO |
| FPIC guidelines and recognition of land rights (legal, customary and user rights) | <ul style="list-style-type: none"> Assess the requirements to develop the required FPIC guidelines and recognition of land rights | <ul style="list-style-type: none"> Requirements to develop FPIC guidelines and recognition of land rights (legal, customary and user rights), assessed by relevant stakeholders Time-bound roadmap for implementation, to be approved by the relevant stakeholders and institutions | Panel by RSPO |
| Spatial planning | <ul style="list-style-type: none"> Develop a roadmap to conduct a spatial planning with proper stakeholder consultation, incl. <ul style="list-style-type: none"> Conduct indicative SEIA | <ul style="list-style-type: none"> Roadmap on broader spatial planning <ul style="list-style-type: none"> Spatial plan of area covered by the jurisdiction, including but not limited to: Indicative SEIA report Indicative HCV and HCS mapping (e.g. HCV 1-4) | Panel by RSPO |

| Requirements | Process | Output/Outcomes | Validation |
|-----------------------------|---|---|---------------|
| | <ul style="list-style-type: none"> - Conduct indicative HCV and HCS assessment | <ul style="list-style-type: none"> - Proposal regarding the remediation action plans | |
| Mapping of producers | <ul style="list-style-type: none"> • Develop planning on producers mapping | <ul style="list-style-type: none"> • Time-bound plan to map all producers • Estimate time-bound plan to achieve producers full compliance | Panel by RSPO |

Table 3: Detailed requirements for Stage 2
Process, Output/outcomes, and validation

| Requirements | Process | Output/Outcomes | Validation |
|--|--|--|---------------|
| Multi-stakeholder board in place | <ul style="list-style-type: none"> • Conduct extensive stakeholder consultation process as per RSPO guidelines | <ul style="list-style-type: none"> • Multi-stakeholder board with Code of conduct guarding balanced representation | Panel by RSPO |
| Statement of intent from the government | <ul style="list-style-type: none"> • Get buy-in and commitment from the government | <ul style="list-style-type: none"> • Government representatives (local government and relevant government institutions at the right level) joined the multi-stakeholder board • Statement of intent, covering: <ul style="list-style-type: none"> - Acknowledging RSPO P&C and 100% compliance to RSPO P&C as the target for the JE - Stating a commitment to provide the necessary support | Panel by RSPO |
| Analysis of the governance structure | <ul style="list-style-type: none"> • Assess the requirements to develop the required governance structure • Define the roadmap on establishing the required governance structure | <ul style="list-style-type: none"> • Detailed governance structure as per requirements set in the CSD and timebound roadmap towards developing it, also includes: <ul style="list-style-type: none"> - Proposed financing - Transparent financing structure and reporting - Proposed relation to producers in the jurisdiction • Annual progress reporting towards progress to the roadmap | Panel by RSPO |

| Requirements | Process | Output/Outcomes | Validation |
|--|---|--|---------------|
| Legal gap analysis | <ul style="list-style-type: none"> • Conduct legal gap analysis (asses legal framework against RSPO P&C) | <ul style="list-style-type: none"> • Time-bound plan (part of the roadmap) towards compliance with the P&C: <ul style="list-style-type: none"> - Gap analysis on the P&Cs and relevant legal framework - Plan to bridge the gap (e.g. tools, frameworks, activities, legislation) • Statement to acknowledge the P&Cs that are not covered in the legal framework • Statement to acknowledge and implement New Planting Procedures | Panel by RSPO |
| FPIC guidelines and recognition of land rights (legal, customary and user rights) | <ul style="list-style-type: none"> • Develop FPIC guidelines & relevant other policies | <ul style="list-style-type: none"> • FPIC guidelines and recognition of land rights (legal, customary and user rights), developed by the relevant stakeholders • Time-bound roadmap for implementation, to be approved by the relevant stakeholders and institutions | Panel by RSPO |
| Spatial planning | <ul style="list-style-type: none"> • Develop spatial planning with proper stakeholder consultation • Conduct indicative SEIA • Conduct indicative HCV and HCS assessment | <ul style="list-style-type: none"> • Broader spatial planning <ul style="list-style-type: none"> - Spatial plan of area covered by the jurisdiction, including but not limited to: - Indicative SEIA report - Indicative HCV and HCS mapping (e.g. HCV 1-4) - Proposal regarding the remediation action plans | Panel by RSPO |
| Mapping of producers | <ul style="list-style-type: none"> • Map all producers | <ul style="list-style-type: none"> • Map of all producers in the jurisdiction • Time-bound plan on how to ensure producers achieve compliance | Panel by RSPO |

Table 4: Detailed requirements for Stage 3

Process, Output/outcomes, and validation

| Requirements | Process | Output/Outcomes | Validation |
|--------------------------------|--|---|---|
| Multi-stakeholder board | <ul style="list-style-type: none"> • Maintain functioning multi-stakeholder board | Functioning multi-stakeholder board with Code of conduct guarding balanced representation | <ul style="list-style-type: none"> • Panel by RSPO • CB process audit |

| Requirements | Process | Output/Outcomes | Validation |
|--|--|---|--|
| Governance structure | <ul style="list-style-type: none"> Establish and implement all governance requirements written in the CSD | <ul style="list-style-type: none"> Governance structure and its requirements as described in the CSD (<i>see next chapter</i>) in place and functioning, including: <ul style="list-style-type: none"> Secured financing for the JE Transparency on financial management Defined relation of the JE with producers in the jurisdiction | <ul style="list-style-type: none"> CB process audit |
| Progress on the roadmap toward P&C compliance | <ul style="list-style-type: none"> Implement the roadmap and achieve agreed progress | <ul style="list-style-type: none"> Agreed targets of the roadmap are achieved Specific requirements on: <ul style="list-style-type: none"> Spatial planning in place, including SEIA, HCV (1-4) and HCS assessment: Full mapping done, procedures and framework as a follow-up to the assessment are in place. HCV assessment is verified by HCVRN process. Detailed HCV procedures and guidelines in place for additional analysis to be completed by individual (or groups of) producers (e.g. HCV 5-6) New Planting Procedures as per RSPO requirements in place FPIC: Policy guidance in place, implementation procedures, governance framework, monitoring system, etc. are in place The remediation action plan is executed Disqualifying requirements: No replacement of primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor) | <ul style="list-style-type: none"> Panel by RSPO CB process audit HCVRN |
| Mapping of the region | <ul style="list-style-type: none"> Map all producers and their level of compliance | <ul style="list-style-type: none"> % of producers in compliance with the relevant standards are reported | <ul style="list-style-type: none"> CB audit |

Table 5: Detailed requirements for Stage 4

Process, Output/outcomes, and validation

| Requirements | Process | Output/Outcomes | Validation |
|--|--|---|--|
| Multi-stakeholder board | <ul style="list-style-type: none"> Maintain functioning multi-stakeholder board | Functioning multi-stakeholder board with Code of conduct guarding balanced representation | <ul style="list-style-type: none"> Panel by RSPO CB process audit |
| Governance structure | <ul style="list-style-type: none"> Establish and implement all governance requirements written in the CSD | <ul style="list-style-type: none"> Governance structure and its requirements as described in the CSD (<i>see next chapter</i>) in place and functioning, including: <ul style="list-style-type: none"> Secured financing for the JE Transparency on financial management Defined relation of the JE with producers in the jurisdiction | <ul style="list-style-type: none"> CB process audit |
| Progress on the roadmap toward P&C compliance | <ul style="list-style-type: none"> Implement the roadmap and achieve the agreed progress | <ul style="list-style-type: none"> Agreed targets of the roadmap are achieved Specific requirements on: <ul style="list-style-type: none"> Spatial planning in place, including SEIA, HCV (1-4) and HCS assessment: Full mapping done, procedures and framework as a follow-up to the assessment are in place. HCV assessment is verified by HCVRN process. Detailed HCV procedures and guidelines in place for additional analysis to be completed by individual (or groups of) producers (e.g. HCV 5-6) New Planting Procedures as per RSPO requirements in place FPIC: Policy guidance in place, implementation procedures, governance framework, monitoring system, etc. are in place The remediation action plan is executed Disqualifying requirements: No replacement of primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor) | <ul style="list-style-type: none"> Panel by RSPO CB process audit HCVRN |

| Requirements | Process | Output/Outcomes | Validation |
|-----------------------|---|--|------------|
| Mapping of the region | <ul style="list-style-type: none"> Map all producers and their level of compliance | <ul style="list-style-type: none"> % of producers in compliance with the relevant standards is reported | CB audit |

Table 6: Critical control points

Process, Output/outcomes, and validation

| Requirements | Process | In the case of non-compliance | Validation |
|------------------------------|---|---|------------|
| Governance | <ul style="list-style-type: none"> Implement and comply with governance structure requirements | <ul style="list-style-type: none"> All governance requirements are critical control points. The JE has 6 months to implement corrective actions | CB audit |
| Application of the standards | <ul style="list-style-type: none"> Implement and comply with the P&C | <ul style="list-style-type: none"> All jurisdictional level requirements are critical control points. The JE has 6 months to implement corrective actions. For individual (groups of) producers (see chapter 5) the critical control points of the respective standard are followed. For critical control points, the JE has 6 months to implement corrective actions | CB audit |
| % of Compliance | <ul style="list-style-type: none"> Ensure producers are compliant to the P&C (for a full certified JE) | <ul style="list-style-type: none"> Follow the critical control points of the P&C. For critical control points, producers have 6 months to implement corrective actions | CB audit |

Note: Detailed requirements and guidance for Certification Bodies for third party verification and for quality assurance will be developed at a later stage

Access to CSPO market & premium distribution

Access to CSPO market

Once the JE reaches “*Stage 3*” the JE will be able to trade CSPO. However, as not all producers will be compliant to the relevant standards yet, not all producers should be able to trade CSPO (this happens when the JE reaches “*Stage 4*”). The market structure we envision could take different shapes. We are asking the reviewers to consider the following options:

Discussion

There are two options on the partial access for the JE to CSPO market once the JE reaches “*Stage 3*”:

- **Option 1** – The JE may trade a fixed percentage of volume (for example 50% of all production) of the CPO produced in the jurisdiction as CSPO when reaching “*Stage 3*”.
- **Option 2** – The access to CSPO market correlates linearly to the volume of CPO produced by compliant producers when reaching “*Stage 3*” (for example, when 30% of volume produced is compliant, 30% of volume can be traded as CSPO).

Option 1: The percentage of compliant producers/volumes would not be directly reflected in the reward structure. This implies the system would allow 1) non-compliant volumes of CPO to be traded as CSPO or 2) it disregards part of CSPO produced in the jurisdiction. It however, is a more simplified structure with clearer (dis)incentives for the jurisdiction to progress towards “*Stage 4*”, depending on the level of compliance in the jurisdiction.

Option 2 [recommended option] by contrast, provides a clear link between volume of CSPO produced and CSPO traded, allows a fair distribution of premium to producers who are compliant to the P&C, and provides a clear link in CSPO trade and sustainability performance. There is however, a less clear incentive structure for the jurisdiction to move towards “*Stage 4*”.

The detailed explanation, practical example, and the key considerations of the two options are presented in Table 7. We are asking for your input and feedback on these two options.

Table 7: Options for partial access to CSPO market “Stage 3”

Access to market, example, enabling environment, and considerations

| | Option 1 – fixed percentage | Option 2 – linear percentage |
|------------------------------|---|---|
| Access to market | The JE receives premium/market access for a fixed percentage (<i>for example 50%</i>) of the total volume produced in the jurisdiction regardless of the percentage of producers and related volumes that are compliant to the P&C | The JE receives premium/market access directly related to the volume produced by compliant producers |
| Practical example | When 60% of the producers in the JE are compliant to the P&C, the JE will only receive premium/market access for 50% CPO produced (vice versa if only 30% is compliant they still receive 50%) | When 90% (volume equivalent) of the producers under the JE are compliant to the P&C, they will receive premium/market access for 90% of CPO produced within jurisdiction |
| Enabling requirements | <ul style="list-style-type: none"> - Clear distribution channel of the premium and financial transparency of the JE - Strong internal auditing structure | <ul style="list-style-type: none"> - Clear distribution channel of the premium and financial transparency of the JE - Availability of high standard internal audit (same standard as the global system, with ASI- equivalent body overseeing internal auditor). <i>See next chapter</i> |
| Considerations | <p><u>Strength</u></p> <ul style="list-style-type: none"> - A stronger push to progress and achieve full certification <p><u>Risks</u></p> <ul style="list-style-type: none"> - Disconnecting the volume produced and traded as P&C compliant - A weaker push to achieve more than 50% of the volume produced in compliance to RSPO P&C - Difficult to determine how 50% premium is distributed within jurisdiction | <p><u>Strength</u></p> <ul style="list-style-type: none"> - Fair market access with a clear relation to CSPO produced <p><u>Risks</u></p> <ul style="list-style-type: none"> - Lacking push to achieve full certification |

Premium distribution

Similarly, once the JE reaches “Stage 3” the JE will be able to trade CSPO. The distribution of the premium could go 1) through the JE or 2) directly to the individual (groups of) producers through the existing CSPO structure.

Discussion

We are asking for your input if specific guidelines on distribution of premium/benefits should be provided.

There are two options of how the premium is distributed to the producers:

- **Option 1** – Through the JE
- **Option 2** – Through individual companies or producers directly

The detailed explanation, practical example, and the key considerations of the two options are presented in Table 8. We are asking for your input and feedback on these two options.

Table 8: Options for the premium distribution mechanism

Mechanism, enabling environment, and considerations

| | Option 1 | Option 2 |
|-----------------------|--|---|
| Mechanism | The JE receives premium payments. The JE can decide how the premium can best be spent, e.g. the JE can decide the share of total premium to be distributed in monetary value to producers, to be distributed in the form of technical/advisory support, and/or funds needed for the operations of the JE. | The producers receive the premium directly. The JE may charge producers/members membership fee to finance its operational activities or apply charges on the services it provides. |
| Enabling requirements | Financial transparency of the JE | Financial transparency of the JE |
| Considerations | <p><u>Strengths</u></p> <ul style="list-style-type: none"> - Provides room for the JE to make targeted and relevant investments to ensure progress (e.g. service delivery) <p><u>Risks</u></p> <ul style="list-style-type: none"> - Creates a centralized flow of money through the JE with potential conflicts of interests - Requires the JE to be involved in CSPO trade | <p><u>Strengths</u></p> <ul style="list-style-type: none"> - Provides equitable distribution of the premium - Leverages the existing RSPO structure <p><u>Risks</u></p> <ul style="list-style-type: none"> - Limits the ability of the JE to effectively use available funds - Decreases the attractiveness of joining the JE since the JE may have to charge membership /service fees. |

4. Governance requirements of the Jurisdictional Entity

Introduction

Within the jurisdiction the Jurisdictional Entity (JE) plays a key role to ensure the jurisdiction is moving towards full compliance, in a way that satisfies relevant stakeholders, and structured in a way to ensure strong checks & balances in the jurisdiction. This chapter describes the *internal* requirements of what this entity should do, ensure, and (where relevant) look like. The *external* relation, between the JE and the RSPO, will be defined at a later stage.

- Functions of the jurisdictional entity
- Legal responsibility
- Scope & boundaries
- Supervisory board
- The relation of producers within the jurisdiction with the JE
- Requirements on impartiality of the JE: Grievances, complaints, and appeals
- Requirements on internal auditing
- Requirements on organizational structure
- Requirements on human resources

Functions of the jurisdictional entity

Depending on the existing governance structure of the government, and relevant other private and public sector stakeholders, an effective and efficient governance structure of the Jurisdictional Entity (JE) may look (very) different depending on the jurisdiction. However, the *functions* a JE should perform are the same across jurisdictions and are prescribed (see below). To allow for these differences in structure across jurisdictions we apply a key building block (principle): we prescribe *what* the JE should achieve rather than *how* the JE should achieve this. We apply this principle throughout the JE requirements. More details on each of these functions is included in this Chapter.

- **Administration:** The JE shall ensure a proper administration, including record keeping, sound finances etc.
- **Governance:** The JE is effectively governed, with representative stakeholders safeguarding the JE from bias and rent-seeking, ensuring it represents all interests fairly.
- **Legality:** The JE is responsible to identify gaps in legal/regulatory framework versus RSPO P&C, and works towards addressing those (either through legal/regulatory changes or via its own structure).
- **Monitoring, information & data gathering:** The JE shall establish a baseline in key P&C areas and monitoring progress against this baseline; as part of this the JE will have to map and track palm oil production areas / producers.
- **Internal Grievance, Redress & Sanction Mechanism:** The JE shall have a sufficiently transparent, independent and reliable capacity to receive, review and adjudicate complaints and grievances and take effective action.
- **Producer Accountability:** The JE shall have a sufficiently transparent, independent and reliable capacity to assess sub-entities' compliance with applicable P&C requirements and ensure the sub-entities within the jurisdiction are held accountable for non-compliance.
- **Certification services:** The JE shall ensure Palm Oil producers in the jurisdiction are moving towards RSPO compliance.

- **Internal auditing:** The JE shall audit the producers within the jurisdiction that fall under the JE's responsibility. Note that in addition to this *external* auditors will audit the governance of the JE (and compliance of the jurisdiction as a whole).

Legal responsibility

The JE shall be a legal entity which is responsible for providing services, and which can be held legally responsible for all of its activities. The JE shall have an updated statutes document and other documents that are legally required according to relevant regulations implemented in the region where the JE is established.

Scope & boundaries

The JE shall clearly define its scope and boundaries in its statutes document. The scope of the JE is based on legal/administrative boundaries that include the extent of at least one government jurisdiction.

Note: When we talk about 'boundaries' of the JE we mean the area for which an entity is (appointed, endorsed or represents itself as) the Jurisdictional Entity

Supervisory board

The JE shall have a supervisory board that includes a broad set of stakeholders, to ensure inclusion of different viewpoints and interests of relevant stakeholders, and broad legitimacy. Buy-in is also necessary to ensure commitments from the different stakeholders.

The supervisory (multi-stakeholder) Board shall consist of a balanced representation of stakeholder groups relevant to the sector within the defined jurisdiction. At the minimum, the following stakeholder groups must be represented: Producers (mills, plantation, outgrower/small grower and smallholder), Social NGOs, Environmental NGOs, relevant Supply Chain, Local and/or National Government.

The Supervisory (multi-stakeholder) Board shall carry *at least* the following roles and responsibilities:

- Approves the admission and expulsion of producers with a voluntary relation to the JE;
- Notes the contents of the reports and financial statements for the year and votes on their adoption;
- Approves the annual budget;
- Decides and takes on responsibilities in regard to RSPO membership and certification;
- Decides on any modification of statutes;
- Decides on the dissolution of the JE.

The relation of producers in the jurisdiction with the JE

Within the jurisdiction there can be two types of individual (or groups of) producers:

- **RSPO members:** Individual (or groups of) producers that are member of the RSPO.
 - Individual (or groups of) producers that are RSPO members in the jurisdiction can remain individual RSPO member.
 - These members will be audited and trade through the existing RSPO system.
 - The relation between them and the JE shall be defined by the JE and the producers, on a voluntary basis.
 - For certain P&C (e.g. mapping of HCV) RSPO members may refer to the JE for compliance, if those are in place at a jurisdictional level.
- **Non-RSPO members:** Individual (or groups of) producers that are not a member of the RSPO.

- **Producers with a voluntary relation to the JE:** Individual (or groups of) producers that have a voluntary relationship with the JE (e.g. contractual or other).
 - The JE shall have the rights and responsibilities of these producers documented, and ensure (and document) they agree upon these rights and responsibilities.
 - Producers shall have the right to access information related to their (contractual or other) relation.
 - The rights and responsibilities may include the following:
 - Financial responsibilities;
 - Governance rights and responsibilities.
 - Individual (or groups of) producers that have a voluntary relation with the JE can at any time apply to become an individual RSPO member.
- **Producers without a contractual relationship to the JE:** Individual (or a group of) producers that are in the jurisdiction that do not have a formal voluntary relationship (e.g. contractual) with the JE.
 - The JE can move these producers to compliance through incentives towards a voluntary relationship or RSPO membership, and otherwise, the JE will have no relation to these producers beyond legal requirements to drive them towards compliance.
- *Note: The JE is the unit of certification.*
- *Note: The trade & claim mechanisms of the JE & producers within the JE is to be defined in more detail at a later stage (see the chapter on the step-wise approach).*

Discussion – RSPO members in the jurisdiction

This structure provides freedom for (P&C compliant) producers to decide their relationship to the RSPO. This implies a *competition* between the incentives of being part of the JE vs. the RSPO.

This could result in several *end states*, e.g.

- 1) There is a strong business case to be part of the JE and (almost) all producers decide to be part of the JE.
- 2) There is a strong business case to be RSPO member and the JE is dissolved once (most) producers become RSPO members.
- 3) The JE acts as a service provider for certification services to the producers that are RSPO member in the jurisdiction (for example by providing HCV-HCS assessments).

Discussion – relation of non-RSPO members to the JE

The structure described above allows for a distinction between legal enforcement and an incentive structure (voluntary relationship) within a jurisdiction.

An alternative structure would be the RSPO does not prescribe the two types of relationship between the JE and producers, as long as the JE can demonstrate its ability to comply with the requirements. In such structure the JE has considerable freedom to decide how they formulate their relation to the producer (group) s depending on the local context & legal requirements.

Requirements on impartiality of the JE: Grievances, complaints, and appeals

The JE must ensure a proper system of checks & balances. Requirements on 1) structure and 2) management of impartiality are outlined below. Note these only include proposals on the *internal* structure. In addition to internal procedures, there will be an escalation possibility for the JE, and for its producers within the jurisdiction, to the RSPO to appeal decisions regarding certification, and grievances. The details of this relation will be worked out in detail at a later stage - but in principle will

work similarly to the current system of grievances and complaints. This implies anyone will be able to file a complaint against the JE.

In summary, this would result in a three-tiered complaints procedure structure:

- Producer level (e.g. workers file complaints within their organization)
- JE level (e.g. producers file complaints against other producers to the JE)
- RSPO level (individuals file complaints against the JE to RSPO)

Discussion – impartiality of the complaints structure

Within the working group we discussed the complaints structure in detail. Overall consensus is that a credible internal system is vital, and it should be transparent, accessible, responsive, impartial, and reliable.

Concerns on the proposal defined here were raised. Primarily on why the JE cannot be both the provider or services and e.g. carry out HCV-HCS assessments and be the entity that deals with complaints, as it may be examining complaints against its own performance. In addition, if the internal complaints process is seen as inadequate, complainants will instead likely choose to complain direct to the RSPO which will slow down problem solving within the jurisdiction.

Alternatively to the proposal defined here, an additional escalation possibility could be prescribed to in the form of independent grievances, complaints, appeals committees within the jurisdiction, but external to the JE. This would provide an additional layer of checks & balances before escalation takes place to RSPO.

Structural requirements of the JE on impartiality: grievances, complaints, and appeals

- **Documents, procedures:** The JE shall have a documented procedure for safeguarding impartiality related to the following aspects:
 - Social and environmental impact assessments;
 - Land acquisition and FPIC
 - Monitoring and evaluation of social and environmental impacts;
 - Internal audits.
 - *Note: These are considered the key aspects of the JE. Additional aspects may be added when agreed upon by stakeholders within the jurisdiction.*
- **Grievances, complaints, and appeals:** The JE shall have documented procedure for handling grievances, complaints, and appeals, including:
 - A documented process to receive, evaluate and make decisions on grievances, complaints, and appeals; this process shall be transparent and publicly accessible;
 - Data demonstrating and tracking the receiving, validation, and investigation of grievances, complaints, and appeals;
 - Documenting the decisions and actions taken to resolve the grievances, complaints, and appeals including actions to prevent re-occurrence.
- **Appeals:** can be made regarding decisions taken by the JE on qualification, and sanctions as a result of internal audits related to RSPO certification. The following evidence (as a minimum) is required for demonstrating the appeal handling process:
 - The JE shall give written acknowledgment to the appellant (person/entity) about the receipt, progress, and outcome of the appeal;
 - The decision to be communicated to the appellant shall be made by, or reviewed and approved by, individuals not previously involved in the subject of the appeal;

- The JE shall give formal notice to the appellant of the end of the appeals-handling process.

Management requirements of the JE on impartiality

- **Commitment to impartiality:** The JE shall have top management commit to impartiality in the RSPO certification activities. In addition the JE shall:
 - Have a publicly accessible statement that it understands the importance of impartiality in carrying out its RSPO certification activities;
 - Manage conflicts of interest;
 - Ensure the objectivity of its RSPO certification activities.
- **Identification of conflict of interest** The JE shall identify, analyze and document the possibilities for conflict of interests arising from the provision of certification including any conflicts arising from its relationships.
- **Responding to conflicts of interest:** The JE shall act to respond to any threats to its impartiality arising from the actions of other persons, bodies or organizations.
- **Impartiality in financing:** The JE shall evaluate its finances and sources of income and be able to demonstrate that commercial, financial or other pressures do not compromise its impartiality.
- **Impartiality of personnel, outsourcing activities, and CB engagement:**
 - To ensure that there is no conflict of interest, JE personnel who have provided consultancy/support services within the boundary of the JE during the preceding 2 years shall not take part in an audit or other certification activities for the JE.
 - All JE personnel, either internal or external or committees, who could influence the certification activities, shall act impartially and shall not allow commercial, financial or other pressures to compromise impartiality.
 - The JE shall require personnel, internal or external, to reveal any situation known to them that may present them or the JE with a conflict of interests. The JE shall use this information as input to identify threats to impartiality raised by the activities of such person or by the organizations that employ them and shall not use such personnel, internal or external, unless they can demonstrate that there is no conflict of interests.
 - The JE shall not outsource audits to a management consultancy organization as this poses an unacceptable threat to the impartiality of the JE. This does not apply to individuals contracted as auditors.
- **Note:** *A relationship that threatens the impartiality of the JE can be based on ownership, governance, management, personnel, shared resources, finances, contracts, marketing and payment of a sales commission or other inducement for the referral of new clients, etc.*

Requirements on internal auditing

The structure of the internal audits is not prescribed to allow for flexibility in its implementation. For example, internal audits can be outsourced to CBs; the JE can hire their own internal auditors; or organize differently (through e.g. government agencies, multiple companies/ICS). More detail is included in requirements on *Human Resources*.

- The JE has a responsibility towards RSPO certification in terms of executing, and/or coordinating annual internal audits in the jurisdiction, which allows the JE to demonstrate compliance of producers within the jurisdiction with RSPO P&C.
- The JE has the responsibility to enforce and support, or provide evidence of support, of producers within the jurisdiction to comply with RSPO P&C within the agreed period.

- The JE shall properly register all producers, including those that have a voluntary relation with the JE, and compliant to the RSPO P&C, and make this information available to the Certification Body.
- The JE shall ensure availability of appropriate evidence and documentation, or facilitate access to appropriate evidence and documentation, required by the Certification Body, to prove the compliance of producers within the jurisdiction to RSPO P&C. It will also provide executable action planning, to ensure that the jurisdiction will be fully compliant within the period mentioned.

Requirements on organizational structure

- The JE shall document its organizational structure by an organogram, showing the hierarchies, communication lines, duties, responsibilities, and authorities and function profiles of key personnel, board members, and members of committees. This document shall be verified and updated annually.
- The JE should plan, provide and manage its infrastructure effectively and efficiently. It should periodically assess the suitability of the infrastructure to meet organizational objectives. Appropriate consideration should be given to:
 - The dependability of the infrastructure (including consideration of availability, reliability, maintainability, and maintenance support);
 - Safety and security;
 - Infrastructure elements related to the processes of the JE;
 - The efficiency, cost, capacity and work environment;
 - The impact of the infrastructure on the work environment.
- The JE shall establish and maintain a documented management and information system covering the needs of its internal organization, the needs of the FFB growers and groups, and the needs of its other stakeholders.

Requirements on Human Resources

The JE should employ staff with the appropriate skills and knowledge to perform its functions well. Additional requirements on outsourcing are included to ensure no conflicts of interests arise due to outsourcing of auditing activities.

Question:

In the requirements formulated below the requirements on personnel involved in certification are more stringent, mainly due to the central function of internal auditing in the JE.

Do you think this is the right approach? Should we add requirements on the quality of the internal auditors and ICS and should these be audited externally? Should these refer to the corresponding ISO standards (e.g. ISO 17021, ISO 19011)?

- **Management of personnel** Top management of the JE should through its leadership create and maintain a shared vision, shared values, and an internal environment in which people can become fully involved in achieving the JE's objectives.
- **Competences of personnel**
 - The JE shall have processes to ensure that personnel have appropriate knowledge for carrying out their jobs;

- The JE management shall determine the competencies required for each technical area as relevant for meeting the requirements of RSPO certification.
- **Documentation for HR:**
 - The JE shall have formal documented rules for the appointment and contractual arrangements.
 - The contract shall include:
 - Function profile;
 - Declaration of confidentiality;
 - Declaration of non-conflict of interest, independence, and impartiality;
 - Declaration of agreement with the RSPO principles.
 - Each appointment and the corresponding contract shall be approved, dated and signed by the Supervisory Board, JE Management, and the person appointed.
- **Personnel involved in the certification**
 - The JE shall have within its organization, personnel with sufficient competence to manage the audit process as required for demonstrating compliance with RSPO certification requirements.
 - The JE shall employ, or have access to, a sufficient number of auditors, including audit team leaders and technical experts, to cover all of its activities and to handle the volume of audit work performed.
 - The JE shall have documented processes for selecting, training, formally authorizing auditors and for the selection of technical experts used in the certification process. See for relevant guidance ISO 17021.
 - The JE shall have a documented process to achieve and demonstrate effective auditing, including the use of auditors and audit team leaders possessing generic auditing skills and knowledge, as well as skills and knowledge appropriate for auditing in specific technical areas. This process shall be defined in the documented requirements drawn up in accordance with the relevant guidance provided in ISO 19011.
 - The JE shall ensure that auditors (and when needed, technical experts) are knowledgeable of its audit processes, certification requirements, and other relevant requirements. The JE shall give auditors and technical experts access to an up-to-date set of documented procedures giving audit instructions and all relevant information on the certification activities.
- **Outsourcing (subcontracting) of management and personnel**
 - The JE shall have a process in which it describes the conditions under which outsourcing (which is subcontracting to another organization) of activities may take place. The JE shall have a legally enforceable agreement covering the arrangements, including confidentiality and conflict of interests, with any entity or individual that provides outsourced services.
 - The decision related to audits of FFB growers and grower groups including the decision of sanctions and other corrective actions may not be outsourced.
 - The JE is responsible for all outsourced activities.
 - The JE shall have documented procedures for the qualification and monitoring of all entities or individuals providing outsourced activities and shall ensure that records of competence of auditors and technical experts are maintained.

5. Application of the principles and criteria to the Jurisdiction Level

Introduction

In this chapter, the criteria and indicators including guidance applicable to the JE are specified in terms of responsibility.

For *all* criteria, the JE is responsible for monitoring, assessing, and verifying compliance of the Group management and Individual Producers. For several criteria or indicators the JE has a bigger responsibility in terms of providing guidelines and necessary support for the Group management and Individual Producers, enabling them to comply with the criteria and indicators. For example, there is a clear role for the JE to provide information on relevant laws and regulations (and its changes) to the producers, as the JE is closely linked to the relevant government institutions and its policy development. In addition, the JE plays a larger role in criteria where there is a clear scaling advantage (e.g. indicative HCV-HCS assessments, mapping of producers). A summary of the application of the full P&C is presented in Table 9.

Where a criterion or indicator is delegated to the JE this does not exclude growers or RSPO Group managers from the implementation of this criterion. Delegation means the JE has the lead and is required to facilitate and monitor implementation. The following aspects (but not limited to) will be delegated to the JE: management plans, social and environmental impact assessments (SEIA), New Planting Procedures, and indicative HCV-HCS assessments.

The third-party auditor will audit at all levels: The Jurisdictional Entity, Group Managers, and Individual Producers for compliance with all criteria. As an example, an auditor may audit the JE on the management plan and Groups or Producers on the implementation of the same criterion. Detailed requirements and guidance for Certification Bodies for third party verification and for quality assurance will be developed at a later stage.

Guidance for the JE to apply RSPO Principles and Criteria 2018

To apply the principles and criteria to jurisdictional certification, the Jurisdictional Entity is responsible for:

- Assessing the gap between relevant legal requirements and the principles and criteria;
- Developing a roadmap on how to achieve compliance of all individual (groups of) producers with the RSPO Principle and Criteria within an ambitious and time-bound plan;
- Driving all producers within the jurisdiction towards compliance with the P&C.

Table 9: Summary table of the application of the RSPO Principles & Criteria to the jurisdictional level

Roles of the JE for specific criteria

| Role of the JE | Relevant to criteria |
|---|----------------------|
| Generic Roles of the JE | |
| <ul style="list-style-type: none"> • The JE is responsible for monitoring and documenting compliance at the level of Group managers and Individual Producers | All criteria |

| | |
|---|--|
| <ul style="list-style-type: none"> The JE, in consultation with the stakeholders and with the approval of the government, is responsible for making available necessary guidelines relevant to the implementation of the criteria and informing producers regarding the guidelines. | 1.1; 1.2; 2.1; 3.1; 3.2; 4.1; 4.2; 4.4; 4.5; 4.6; 4.7; 4.8; 7.12 |
| Specific guidelines for the JE to implement several criteria | |
| <ul style="list-style-type: none"> The JE is responsible for keeping an overview of applicable local, national and ratified international laws and regulations publicly accessible and up to date. The JE shall notify its personnel, its committees, stakeholders, Group managers and Individual producers | 2.1 |
| <ul style="list-style-type: none"> The JE is responsible for composing, validating, and keeping up-to-date topographic maps of the jurisdictional landscape with legal boundaries of grower groups and Individual Producers including the details of Individual Group producers. | 2.3 |
| <ul style="list-style-type: none"> The JE is responsible to develop a business or management plan for the jurisdiction and inform the Group managers and Individual producers about the management plan The JE is responsible for the implementation of management plan at jurisdictional level. The JE shall facilitate the documentation and implementation of the management plan at the level of Group managers and Individual producers. | 3.1 |
| <ul style="list-style-type: none"> The JE is responsible for developing, implementing, and reviewing action plans that allow for demonstrable continuous improvement in key operations within the entity | 3.2 |
| <ul style="list-style-type: none"> In the context of the jurisdictional spatial plan, the JE is responsible to provide strategic SEIA information to the government | 3.4 |
| <ul style="list-style-type: none"> The JE is responsible to coordinate development of the legal, customary, and user rights mapping. If the data are gathered by the producers, the JE should collect, verify, and update the data provided by the producers The JE is responsible to check (and ensure) availability of the relevant information at producer level | 4.4 |

Principle 1: Transparency and Ethics

| Criteria | Indicators / Guidance |
|--|---|
| 1.1 The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to | <p>Indicators:</p> <p>1.1.1 (C) Management documents that are specified in the RSPO P&C are made publicly available.</p> <p>1.1.2 Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>1.1.3 (C) Records of requests for information and responses are maintained.</p> |

| Criteria | Indicators / Guidance |
|--|--|
| RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | <p>1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by a nominated management official.</p> <p>1.1.5 There is a current list of stakeholders and their nominated representatives.</p> <p>Guidance for the JE:</p> <p>The JE is responsible to make available a guideline on providing adequate information on environmental, social and legal issues relevant to RSPO Criteria and inform Group managers and Individual Producers on the mechanism.</p> <p>The JE is responsible for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria relating to its operation as an entity.</p> <p>The JE is responsible for assessing and documenting compliance at the level of Group managers and Individual Producers.</p> |
| 1.2 The unit of certification commits to ethical conduct in all business operations and transactions. | <p>Indicators:</p> <p>1.2.1 A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> <p>Guidance for the JE:</p> <p>The JE is responsible to make available a policy on commitment to ethical conduct in all business operations and transactions and inform Group managers and Individual Producers on the mechanism.</p> <p>The JE is responsible for the implementation of its policy on commitment to ethical conduct mechanism throughout its own operations and transactions.</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |

Principle 2: Legality

| Criteria | Indicators / Guidance |
|--|---|
| 2.1 There is compliance with all applicable local, national and ratified | <p>Indicators:</p> <p>2.1.1 (C) The unit of certification complies with relevant legal requirements.</p> <p>2.1.2 A documented system for ensuring legal compliance, including by contracted third parties, recruitment agencies, service providers and labour</p> |

| Criteria | Indicators / Guidance |
|--|---|
| international laws and regulations. | <p>contractors, is implemented. This system has a means to track changes to the law.</p> <p>2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>Guidance for the JE:</p> <p>The JE as an organization should comply with all applicable local, national, and ratified international laws and regulations.</p> <p>The JE is responsible for monitoring and documenting compliance at the level of Group managers and Individual Producers.</p> <p>The JE is responsible for keeping an overview of applicable local, national and ratified international laws and regulations publicly accessible and for keeping this up to date.</p> <p>The JE shall notify its personnel, its committees, stakeholders, Group managers and Individual Producers in case of any changes.</p> |
| 2.2 Third party contractors providing operational services and supplying labour, comply with legal requirements. | <p>2.2.1 A list of contracted third-parties is maintained.</p> <p>2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for monitoring and documenting compliance at the level of Group managers and Individual Producers.</p> |
| 2.3 All FFB supplies from outside the unit of certification are from legal sources. | <p>2.3.1 (C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> ● Information on geo-location of FFB origins ● Proof of the ownership status or the right/claim to the land by the grower/smallholder ● Where applicable, valid planting/operating/trading license, or is part of a cooperative which allows the buying and selling of FFB. <p>2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator.</p> <p>Guidance for the JE:</p> |

| Criteria | Indicators / Guidance |
|----------|---|
| | <p>The JE is responsible for monitoring and documenting compliance at the level of Group managers and Individual Producers.</p> <p>The JE is responsible for composing, validating and keeping up-to-date topographic maps of the Jurisdiction landscape with legal boundaries of grower groups and Individual Producers including the details of individual Group producers.</p> |

Principle 3: Planning Procedures and Improvement

| Criteria | Indicators / Guidance |
|--|--|
| <p>3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p> | <p>Indicators:</p> <p>3.1.1 (C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.</p> <p>Guidance for the JE:</p> <p>The JE is responsible to develop a business or management plan for the jurisdiction and inform the Group managers and Individual producers about the management plan.</p> <p>The JE is responsible for the implementation of a business or management plan at jurisdictional level. The JE shall facilitate the documentation and implementation of the management plan at the level of Group managers and Individual Producers.</p> <p>The JE is responsible for monitoring and documenting compliance at the level of Group managers and Individual Producers.</p> |
| <p>3.2 The unit of certification regularly monitors and reviews their activities, and develops and implements action plans that allow demonstrable</p> | <p>3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>3.2.2 As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template.</p> <p>Guidance for the JE:</p> |

| Criteria | Indicators / Guidance |
|--|---|
| <p>continual improvement in key operations.</p> | <p>The JE is responsible to develop, implement, monitor and review action plans that allow for demonstrable continuous improvement in key operations within the entity.</p> <p>The JE is responsible for monitoring and documenting compliance at the level of Group managers and Individual Producers.</p> <p>The JE is responsible for keeping an integrated outcome for evaluation and annual update of the total Jurisdiction landscape on the above issues based on its program for monitoring and assessing social and environmental impacts, and made available for public (as part of annual reporting requirements).</p> |
| <p>3.3 Operating procedures are appropriately documented, consistently implemented and monitored.</p> | <p>3.3.1 (C) Standard Operating Procedures (SOPs) for estates and mills are in place.</p> <p>3.3.2 A mechanism to check consistent implementation of procedures is in place.</p> <p>3.3.3 Records of monitoring and any actions taken are maintained and available, as appropriate.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.</p> | <p>3.4.1 (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.</p> <p>3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring</p> <p>Guidance for the JE:*</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> <p>In the context of the jurisdictional spatial plan, the JE is responsible to provide strategic SEIA information to the government.</p> |
| <p>3.5 A system for managing human resources is in place.</p> | <p>3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives.</p> <p>3.5.2 Employment procedures are implemented and records are maintained.</p> |

| Criteria | Indicators / Guidance |
|--|--|
| | <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| 3.6 An occupational health and safety plan is documented, effectively communicated and implemented. | <p>3.6.1 (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| 3.7 All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained. | <p>3.7.1 (C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.</p> <p>3.7.2 Records of training are maintained, where appropriate on an individual basis.</p> <p>3.7.3 Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Training is specific and relevant to the task(s) performed.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for assessing and documenting compliance at the level of Group managers and Individual Producers.</p> |

Principle 4: Community Rights and Benefits

| Criteria | Indicators / Guidance |
|--|---|
| 4.1 The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders. | <p>Indicators:</p> <p>4.1.1 (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, supply chain and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>4.1.2 The unit of certification does not instigate violence or use any form of harassment, including the use of mercenaries and paramilitaries in their operations.</p> |

| Criteria | Indicators / Guidance |
|--|--|
| | <p>Guidance for the JE:</p> <p>JE in consultation with the stakeholders and with the approval of the government is responsible to develop guidelines on procedures RE indicator 4.1.1 and 4.1.2.</p> <p>The JE is responsible to assess and document compliance that every producer implements and properly document the implementation of the procedures RE indicator 4.1.1 and 4.1.2.</p> |
| <p>4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> | <p>4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.</p> <p>4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</p> <p>4.2.4 The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>Guidance for the JE:</p> <p>The JE is responsible to develop/ensure availability of a proper system for dealing with complaints and grievances in alignment with RSPO requirements. RE: RSPO Complaints and Appeals Procedures and inform relevant stakeholders on the mechanisms (see Chapter 4)</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> <p>The JE shall ensure availability of accessible conflict resolution mechanism and provide the necessary support for conflict resolution.</p> |
| <p>4.3 The unit of certification contributes to local sustainable development where appropriate.</p> | <p>4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |

| Criteria | Indicators / Guidance |
|---|---|
| <p>LAND USE - FPIC</p> <p>4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p> | <p>4.4.1 (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</p> <p>4.4.2a Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.</p> <p>4.4.2b Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.</p> <p>4.4.2c Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's.</p> <p>4.4.3 (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>4.4.5 (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.</p> <p>4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>Guidance for the JE:</p> <p>JE in consultation with the stakeholders and with the approval of the government identifies documents required to show legal ownership.</p> <p>The JE is responsible to develop/ensure availability of a proper FPIC process and inform its producers about this process.</p> <p>The JE is responsible to ensure that every producer implements and properly documents the FPIC process.</p> |

| Criteria | Indicators / Guidance |
|--|--|
| | <p>The JE is responsible to coordinate development of the legal, customary and user rights mapping. If the data are gathered by the producers, the JE shall collect, verify, and update the data provided by the producers.</p> <p>The JE is responsible to check (and ensure) availability of the relevant information at producer level.</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>4.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p> | <p>4.5.1 (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p> <p>4.5.2 (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p> <p>4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>4.5.4 To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>4.5.5 Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>4.5.6 Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.</p> <p>4.5.7 New lands will not be acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations in the national interest without consent (eminent domain), except in cases of smallholders benefitting from agrarian reform or anti-drug programmes.</p> <p>4.5.8 (C) New lands are not acquired in areas inhabited by communities in voluntary isolation.</p> |

| Criteria | Indicators / Guidance |
|--|---|
| | <p>Guidance for the JE:</p> <p>The JE is responsible to develop guidelines on relevant documents RE indicator 4.5.1.</p> <p>The JE is responsible to assess and document compliance of every producer. The JE is responsible for informing producers, their implementation, and properly documentation of evidence RE indicator 4.5.2 and 4.5.8.</p> <p>The JE is responsible to assess and document compliance that every producer shares the information, implements the mechanism, and keeps proper evidence RE indicator 4.5.3, 4.5.5, and 4.5.6.</p> <p>The JE is responsible to develop guidelines on how to include local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples (including local peoples), RE indicator 4.5.4.</p> <p>JE in consultation with the stakeholders and with the approval of the government is responsible to develop guidelines on the acquisition procedures, RE indicator 4.5.7.</p> |
| <p>4.6 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous, local communities and other stakeholders to express their views through their own representative institutions.</p> | <p>4.6.1 (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.</p> <p>4.6.2 (C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>4.6.3 Evidence is available that equal opportunities are provided to both men and women to hold land titles for small holdings.</p> <p>4.6.4 The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.</p> <p>Guidance for the JE:</p> <p>JE in consultation with the stakeholders and with the approval of the government is responsible to develop guidelines on procedures RE indicator 4.6.1 and 4.6.2.</p> <p>The JE is responsible to assess and document compliance that every producer implements and properly document the implementation of the procedures RE indicator 4.6.1 and 4.6.2.</p> <p>The JE is responsible to assess and document compliance that every producer shares the information, implements the mechanism and keeps proper evidences RE indicator 4.6.3.</p> |

| Criteria | Indicators / Guidance |
|---|---|
| | <p>The JE is responsible for assessing and documenting compliance at the level of Group managers and Individual Producers.</p> |
| <p>4.7 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p> | <p>4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place.</p> <p>4.7.2 (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.</p> <p>4.7.3 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.</p> <p>Guidance for the JE:</p> <p>JE in consultation with the stakeholders and with the approval of the government is responsible to develop guidelines on procedures RE indicator 4.7.1 and 4.7.2.</p> <p>The JE is responsible for assessing and documenting compliance at the level of Group managers and Individual Producers.</p> <p>The JE is responsible to assess and document compliance that every producer shares the information, implements the mechanism and keeps proper evidences RE indicator 4.7.3.</p> |
| <p>4.8 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p> | <p>4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.</p> <p>4.8.2 (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.</p> <p>4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)</p> <p>4.8.4 For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>Guidance for the JE:</p> |

| Criteria | Indicators / Guidance |
|----------|--|
| | <p>JE in consultation with the stakeholders and with the approval of the government is responsible to develop guidelines on procedures RE indicator 4.8.1, 4.8.2 and 4.8.3.</p> <p>The JE is responsible for assessing and documenting compliance at the level of Group managers and Individual Producers.</p> |

Principle 5: Smallholder Inclusivity

| Criteria | Indicators / Guidance |
|--|---|
| 5.1 The unit of certification deals fairly and transparently with smallholders and other local businesses. | <p>5.1.1 Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>5.1.2 (C) Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders.</p> <p>5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.</p> <p>5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government).</p> <p>5.1.8 The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.</p> <p>5.1.9 (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for assessing and documenting compliance at the level of Group managers and Individual Producers.</p> |

| Criteria | Indicators / Guidance |
|--|--|
| 5.2 The Unit of certification supports improved livelihoods of smallholders. | <p>5.2.1 The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.</p> <p>5.2.2 The unit of certification develops and implements livelihood improvement programmes, including at least capacity building to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder).</p> <p>PROCEDURAL NOTE: The RSPO is currently developing a separate standard for Independent Smallholders.</p> <p>5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.</p> <p>5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. 5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.</p> <p>5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for assessing and documenting compliance at the level of Group managers and Individual Producers.</p> |

Principle 6: Workers rights and contributions

| Criteria | Indicators / Guidance |
|---|---|
| 6.1 Any form of discrimination is prohibited. | <p>6.1.1 (C) A publicly available non-discrimination policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation, or age, and equal opportunities policy.</p> <p>6.1.2 (C) Evidence is provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Evidence includes migrant workers' non-payment of recruitment fees.</p> <p>6.1.3 The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> |

| Criteria | Indicators / Guidance |
|--|---|
| | <p>6.1.4 Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>6.1.5 (C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>6.1.6 There is evidence of equal pay for the same work scope.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>6.2 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p> | <p>6.2.1 (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages and explained to the workers in language they understand.</p> <p>6.2.2 (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed, including such work as done by family members.</p> <p>6.2.3 (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>6.2.4 (C) The unit of certification provides adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure with a reasonable time (5 years) is allowed to upgrade the infrastructure.</p> <p>6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>6.2.6 A decent living wage is being paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: The RSPO Labour Task Force will prepare guidance on the DLW implementation, including details on how to calculate a DLW, expected for 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil</p> |

| Criteria | Indicators / Guidance |
|--|---|
| | <p>producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist.</p> <p>6.2.7 Permanent, full-time employment is used for all core work performed by the company. Casual, temporary and day labour is limited to jobs that are temporary or seasonal or explicitly requested as such by workers.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>6.3 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> | <p>6.3.1 (C) A published statement recognising freedom of association and right to collective bargaining in national languages is available and is explained to all workers in languages that they understand, and is demonstrably implemented.</p> <p>6.3.2 Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages and made available upon request.</p> <p>6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>6.4 Children are not employed or exploited.</p> | <p>6.4.1 A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>6.4.3 (C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live..</p> |

| Criteria | Indicators / Guidance |
|---|--|
| | <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>6.5 (old 6.9) There is no harassment or abuse in the work place, and reproductive rights are protected.</p> | <p>6.5.1 (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p> <p>6.5.2 (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.</p> <p>6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.</p> <p>6.5.4 A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>6.6 No forms of forced or trafficked labour are used.</p> | <p>6.6.1 (C) All work is voluntary and following are prohibited:</p> <ul style="list-style-type: none"> • Retention of identity documents or passports without consent. • Payment of recruitment fees. • Contract substitution. • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages (in accordance with the national law). <p>6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and procedures are established and implemented.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</p> | <p>6.7.1 (C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>6.7.2 Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in the appropriate language of the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is</p> |

| Criteria | Indicators / Guidance |
|----------|---|
| | <p>available at worksites. Records of all accidents are kept and periodically reviewed. Safe and decent work</p> <p>6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>6.7.4 All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with national law or by the unit of certification where national law does not offer protection.</p> <p>6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |

Principle 7: Natural Resource Management and Biodiversity Enhanced

| Criteria | Indicators / Guidance |
|---|--|
| 7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques. | <p>7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control.</p> <p>7.1.2 Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>7.1.3 There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities. [For NI to define process]</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| 7.2 Pesticides are used in ways that do not endanger health or the environment. | <p>7.2.1 (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritized.</p> <p>7.2.2 (C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.</p> |

| Criteria | Indicators / Guidance |
|----------|---|
| | <p>7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</p> <p>7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>7.2.5 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to:</p> <p>7.2.5a Judgment of the threat and verify why this is a major threat</p> <p>7.2.5b Why there is no other alternative which can be used</p> <p>7.2.5c Which process was applied to verify why there is no other less hazardous alternative</p> <p>7.2.5d What is the process to limit the negative impacts of the application</p> <p>7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</p> <p>7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.</p> <p>7.2.9 (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>7.2.11 (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |

| Criteria | Indicators / Guidance |
|--|--|
| 7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner | <p>7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>7.3.3 The unit of certification does not use open fire for waste disposal.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| 7.4 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. | <p>7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health.</p> <p>7.4.3 A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.</p> <p>7.4.4 Records of fertiliser inputs are maintained.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| 7.5 Practices minimise and control erosion and degradation of soils | <p>7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>7.5.2 There is no extensive replanting of oil palm on steep terrain.</p> <p>7.5.3 There is no new planting of oil palm on steep terrain.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| 7.6 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are | <p>7.6.1 (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.</p> <p>7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.</p> |

| Criteria | Indicators / Guidance |
|---|--|
| <p>incorporated into plans and operations.</p> | <p>7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>7.7 No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.</p> | <p>7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>7.7.3 (C) Subsidence of peat is monitored, documented and minimised.</p> <p>7.7.4 (C) A documented water and ground cover management programme is in place.</p> <p>7.7.5 (C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>PROCEDURAL NOTE: Full details of the RSPO Drainability Assessment Guidelines and related concepts and detailed actions are in the manual currently being fine-tuned/tested by PLWG. A final version should be approved by PLWG in January 2019 and will include additional guidance on the steps to be followed after the decision not to replant as well as implications for other stakeholders, smallholders, local communities and the unit of certification. It is recommended that a further twelve-month methodology trial period is proposed for all related management units (i.e. those with plantations on peat) to utilise the methodology and provide feedback to the PLWG to enable further refinement of procedure as appropriate before January 2020. Units of certification have the option to defer replanting till after the availability of the revised guidelines. Additional guidance on alternative crops and rehabilitation of natural vegetation will be provided by PLWG.</p> <p>PROCEDURAL NOTE: PLWG and the Smallholder Interim Group (SHIG) will collaboratively develop guidance for Independent Smallholders [cross links to SHIG and GHG issues].</p> |

| Criteria | Indicators / Guidance |
|--|---|
| | <p>7.7.6 (C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2018) and associated audit guidance.</p> <p>7.7.7 (C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2018) and associated audit guidance.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>7.8 Practices maintain the quality and availability of surface and groundwater.</p> | <p>7.8.1 A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>7.8.1b Workers have adequate access to clean water.</p> <p>7.8.2 (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).</p> <p>7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>7.8.4 Mill water use per tonne of FFB is monitored and recorded.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>7.9 Efficiency of fossil fuel use and the use of renewable energy optimised.</p> | <p>7.9.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and reported</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>7.10 Plans to reduce pollution and emissions,</p> | <p>7.10.1 (C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> |

| Criteria | Indicators / Guidance |
|--|--|
| <p>including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p> | <p>7.10.2 (C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>7.11 Fire is not used for preparing land and is prevented in the managed area.</p> | <p>7.11.1 (C) Land for new planting or replanting is not prepared by burning.</p> <p>7.11.2 The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. Ecosystems protected; Reduced pollution</p> <p>7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>Guidance for the JE:</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |
| <p>7.12 Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs And HCS forests in the managed area are identified and protected or enhanced.</p> | <p>PROCEDURAL NOTE for 7.12</p> <p>The 2018 RSPO P&C include new requirements to ensure the effective contribution of RSPO to halting deforestation. This will be achieved by incorporating the High Carbon Stock Approach (HCSA) Toolkit in the revised standard.</p> <p>The RSPO ToC also commits RSPO to balancing sustainable livelihoods and poverty reduction with the need to conserve, protect and enhance ecosystems.</p> <p>High Forest Cover Countries (HFCCs) urgently require economic opportunities that enable communities to choose their own development path, while providing socio-economic benefits and safeguards.</p> <p>Adapted procedures will be developed to support the sustainable development of palm oil by indigenous peoples and local communities with legal or customary rights. These will apply in specific HFCCs, and within those, in High Forest Cover Landscapes (HFCLs).</p> <p>The development of these procedures will be guided by a No Deforestation Joint Steering Group (NDJSG) of RSPO and HCSA members. In HFCCs, RSPO</p> |

| Criteria | Indicators / Guidance |
|----------|---|
| | <p>will work through national and local participatory processes with governments, communities and other stakeholders to develop these procedures. A timeframe for these activities is stipulated in the Terms of Reference for the NDJSG and publicly available.</p> <p>7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE for 7.12.2: For details of transitional measures, refer to Annex 5: RSPO transition from HCV assessments to HCV-HCSA assessments.</p> <p>7.12.3 (C) In High Forest Cover Landscapes (HFCLs) within HFCCs, a specific procedure will apply for legacy cases and development by indigenous peoples and local communities with legal or customary rights, taking into consideration regional and national multi-stakeholder processes. Until this procedure is developed and endorsed, 7.12.2 applies.</p> <p>PROCEDURAL NOTE for 7.12.3: There should be demonstrable benefits to the local community; clear recognition of legal and customary lands based on participatory land use planning; development should be proportional to the needs of the local community; with a balance between conservation and development. This procedure will also cover planting on previous or abandoned agricultural land / plantations. All other P&C requirements apply, including FPIC and HCV requirements.</p> <p>7.12.4 (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>7.12.5 Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas,</p> |

| Criteria | Indicators / Guidance |
|----------|---|
| | <p>there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>7.12.6 All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>7.12.8 (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>Guidance for the JE:</p> <p>JE in consultation with the stakeholders and with the approval of the government is responsible to develop guidelines on procedures mentioned in the above indicators (7.12.1 – 7.12.8)</p> <p>The JE is responsible for providing guidelines, and assessing and documenting compliance at the level of Group management and Individual Producers.</p> |

[Link to the smallholder standard](#)

Independent smallholders who are part of the JE can decide to be subject to the Independent Smallholder Standards through the same mechanism as described in the step-wise approach. The JE is responsible to coordinate with the Group Managers on the implementation of RSPO ISH. Furthermore, the JE is responsible to facilitate or provide the necessary support to enable smallholders to comply of the Independent Smallholders to RSPO ISH standard.

The RSPO is an international non-profit organisation formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

www.rspo.org

ROUNDTABLE ON SUSTAINABLE PALM OIL

Unit A-37-1, Level 37, Tower A,
Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1,
59000 Kuala Lumpur

T +603 2302 1500

E rspo@rspo.org

F +603 2302 1543

