

RSPO NEXT

RSPO NEXT is a voluntary effort that engages with RSPO member companies that have met the current requirements and guidance of the RSPO Principles and Criteria and in addition, through their voluntary policies and actions have exceeded them. RSPO Next has been designed to allow credible third party verification of those actions. Going beyond policy statements RSPO NEXT provides assurance that only independent, third party and accredited on the ground verification, done in a standardized way, can bring.

The components of RSPO NEXT fall into the following categories: **No Deforestation, No Fire, No Planting on Peat, Reduction of GHGs, Respect for Human Rights and Transparency and are applicable at an organization wide level, including investments, joint ventures and in the organization's wider supply base.** Within each category there are indicators that will be audited for compliance by an accredited RSPO Certification Body (CB). RSPO NEXT applies to the practices on the ground not only of the RSPO Certified operations but additionally sets up requirements regarding suppliers of raw material, regardless of the path of delivery of that supply. Guidelines are being developed that stress significant participation in the core RSPO P&C's across an entire organization with some activities contingent on the requirement of commensurate effort via uptake from Supply Chain members.

The RSPO members need consensus on a definition and methodology to identify High Carbon Stock Forest which will be endorsed by the RSPO. Without such convergence development of a fundamental part of a working definition of "No Deforestation" is not possible. As convergence emerges it will be incorporated into the indicators below.

RSPO NEXT represents the next level of best practices in the Oil Palm Industry, at the production level. We recognize that it is equally as important to have supply chains and programs that support delivery of these products through the refining, manufacturing and consumption portions. RSPO NEXT will not set up a new physical supply chain, thus making uptake by the supply chain members easier and direct. Additionally, the requirements of eligibility include a strong focus on "commensurate effort" from the supply chain members to support uptake and engagement with the growers and producers who meet these requirements. We recommend as well that the Board of Governors direct the development of an RSPO NEXT for supply chain members be implemented in the next 12 months at the latest.

COMPONENT	INDICATORS
NO DEFORESTATION	
Policy	<p>NDF 1.1 Company has a public policy of no deforestation</p> <p>In addition to following the RSPO P&C and New Planting Procedures, the policy shall include a public commitment to no deforestation through a landscape level assessment of where to develop and where to conserve.</p> <p>The policy shall specify an approach that combines biodiversity & carbon conservation with forest cover assessment and social considerations including community needs.</p>
Plantings & Carbon Stocks	<p>NDF 2.1 New plantations shall only be established contingent on the landscape level assessment per NDF 1.1 on mineral soils and in low carbon stock areas as defined by RSPO.</p> <p>Low carbon stock areas are currently defined by the RSPO as those areas with (above and below ground) carbon stores, where the losses as a result of conversion (to oil palm) are equal or smaller to the gains in carbon stock within the new development area, including set aside areas (non-planted areas), over the period of one rotation.</p> <p>Convergence of the emerging methodologies for calculation of HCS will allow further specifications of the definition of Low Carbon Stock. In any case this cannot be higher carbon than the existing definition which is included in the current P&C's.</p> <p>The determination of where and when to plant shall be publicly available and shall include information on:</p> <ul style="list-style-type: none"> ● Carbon calculations & defaults used ● Forest patch analysis, prioritization and conservation ● Impact on local communities, including FPIC on decisions around development and ongoing conservation taking into account the dynamic nature of human/environment interactions and dependencies <p>NDF 2.2 Carbon emissions from direct land use change for all new plantings shall be publicly reported via the RSPO New Planting Procedure (NPP) using the approved RSPO tool(s).</p>
Manage and Monitor Direct & Indirect Impacts	<p>NDF 3.1 The HCV Assessment of all new plantings shall be led by an Independent Assessor who is licensed under the HCV Resource Network Assessor Licensing Scheme (ALS)</p>

NDF 3.2

The company shall have HCV management & monitoring plans at a landscape level. The definitions of the HCV Resource Network shall be utilized with particular attention to defining the “Area of Influence”. The management & monitoring plans are to be developed in collaboration with other stakeholders active in that landscape before and during the project implementation.

Evidence of attempted collaboration efforts shall be documented and available.

Such collaborative plans and areas shall include but are not limited to:

- management of corridors,
- buffer zones,
- anti-poaching and encroachment activities,
- watercourses and wetlands, including riparian zone management,
- steep slope management,
- livelihoods and cultural identity,

NDF 3.3

The company shall use independent and participatory SEIA to develop management & monitoring plans to identify, minimize & mitigate the negative and promote the positive indirect or secondary impacts of the development before and throughout development phases

Measures could include, but are not limited to:

- Ensuring optimum productivity of the planned operation
- Establishing minimum conservation set aside areas
- Food security issues for local communities (including communities not in the immediate vicinity of the project),
- Identifying and mitigating the risk of increased land pressure on natural/protected habitats
- Addressing land conflicts caused by reduced land availability
- Refraining from developing areas that will be used by the communities for current and future subsistence and other land needs
- Where candidates for employment are of equal merit, preference shall be given to hiring from local communities
- Understanding and supporting existing alternative livelihoods and ensuring they are not threatened or reduced
- Provision of health and educational facilities where these are lacking or not available within accessible distance

NDF 3.4

The initial planning shall cover at least the first cycle of the oil palm development (Initial planting through New Planting). Both the planning as well as the plans shall take a gender inclusive approach, considering the different roles that men and women have in relation to e.g. landownership, use, food crop or cash crop production, markets and credit.

Notwithstanding FPIC requirements further consultations before and throughout development cycle shall be carried out with affected stakeholders and identified relevant third parties to review the plans. Planned land allocation to various activities shall be shared during such consultations.

	<p>NDF 3.5 Companies shall show evidence that they are managing and protecting areas deemed unsuitable for oil palm development in areas under their control because of the magnitude of potential environmental and/or social negative impacts. This also applies to the resolution of any conflicts on such land.</p> <p>They shall not initiate excision of such land from their Management Units unless they can assure the long term conservation of such areas and values. Should excision be initiated by an entity other than the company, the company shall provide evidence of having given input on the potential negative impacts of excision and possible conversion resulting from the excision, as evidence of its attempt to prevent the excision or at a minimum to provide input on the negative impacts of such an action to the initiating entity.</p>
<p>NO USE OF FIRE</p>	
<p>Prevent and control fires</p>	<p>NFR 1.1 There shall be no use of open burning/fire in new or ongoing operations for land preparation, land management, waste management, or any other reason other than justified and documented cases of Phyto-Sanitary emergencies. Prior approval must be obtained from appropriate authorities in these cases.</p> <p>NFR 1.2 Companies shall have plans, procedures and facilities to prevent, monitor and combat fire on land they manage as well as in the vicinity of the estates, in coordination with communities and local authorities. Plans shall include management of water tables, within the estate.</p> <p>Plans shall also include a definition of appropriate boundaries outside of the management unit based on a risk assessment.</p> <p>Appropriate staff training in use of chosen monitoring tools shall be documented. Companies shall document management responses to prevent and put out fires.</p> <p>Resources such as the WRI Global Forest Watch Tool are suggested as monitoring aids.</p>
<p>NO PLANTING ON PEAT</p>	
<p>No new planting on peat of any depth</p>	<p>PT 1.1 There shall be no new development on peat, regardless of depth or extent after 16 Nov 2015</p>
<p>Existing plantations on peat are managed to Best Management Practices</p>	<p>PT 2.1 All existing plantations on peat of any depth or extent shall adhere to the RSPO manual on best management practices for existing plantations on peat.</p> <p>PT 2.2 Results of peat drainability assessments shall be publicly available.</p> <p>PT 2.3 Where a company has identified areas unsuitable for oil palm replanting, based on drainability assessments or other reasons, plans developed in conjunction with affected communities shall be in place for the appropriate management of such areas which could include rehabilitation or alternative sustainable use.</p>

REDUCTION OF GHG	
Measure GHG	<p>GHG 1.1 The RSPO Palm GHG Tool or another RSPO- approved equivalent tool shall be used to monitor emissions at the Management Unit and across all eligible operations in the entire organization.</p>
Reduce GHG	<p>GHG 2.1 There shall be a management and monitoring plan that includes targeted reductions of GHG emissions.</p> <p>GHG 2.2 Best management practices shall be implemented for the reduction of operational emissions, including but not limited to:</p> <ul style="list-style-type: none"> ● plans for installation of Biogas collection from POME in place at all locations by 2020 or ● Other techniques with proven same results as from biogas collection and ● Optimal use of inorganic fertilisers and chemical inputs to minimise emissions ● Enhance management of plantations and set aside areas
Report GHG	<p>GHG 3.1 GHG measurement results and targets at the management unit and organization level shall be publicly reported at least annually. Results shall be provided as both absolute from the benchmark year of 2005 (or start of operations, whichever is later) and intensity per ha and per tonne CPO.</p>
RESPECT FOR HUMAN RIGHTS	
Fair treatment of smallholders	<p>HR 1.1 Companies shall develop outreach programs of support directed at all smallholders (irrespective of type) in the supply base that will enhance and support their competencies and market access.</p> <p>Programs shall cover sustainability issues as well as yields & productivity support, hazardous material trainings, financial management & budgeting, logistics of processing and market access and educating smallholders on their rights.</p>
Preventing conflict and responding to complaints	<p>HR 2.1 Communication and consultation procedures, including FPIC and dispute resolution mechanisms for individual cases, shall be established in consensual agreement with affected stakeholders, including local communities, with particular assurance that vulnerable, minority and gender groups shall be consulted.</p>
Land Use is Free of Conflict	<p>HR 3.1 Growers and millers shall adhere to the RSPO approved FPIC guidance. Company policy shall prohibit intimidation and harassment. The company shall respect a decision by a community/communities to refuse planned development.</p> <p>Recognising that social values are dynamic, and that communities are free to make their own choices, the company shall ensure that the process of consultation and of planning is adaptive and allows for yearly (or more frequent, as needed) consultations during the development of the project.</p>

	<p>HR 3.2 Companies shall respect FPIC. Contradictions and inconsistencies between legal requirements and RSPO FPIC requirements shall be identified. Companies shall demonstrate efforts to find solutions to these identified contradictions and inconsistencies</p> <p>HR 3.3 Where there is conflict over land use the grower shall, through their mechanism to resolve conflicts, show evidence that the necessary action to resolve the conflict with relevant parties has been or is being taken.</p> <p>Where operations overlap with other rights holders the company shall resolve the issue consistent with RSPO P&C Criteria 6.3 and 6.4 and involving the appropriate authorities.</p> <p>HR 3.4 Plantation operations shall cease on land planted beyond the legally determined areas and there should be specific plans in place to address such issues for associated smallholders.</p>
<p>Fair Labour</p>	<p>HR 4.1 If there is no RSPO National Interpretation definition of a Decent Living Wage, the company shall document a process of collective bargaining with the workforce to establish and implement a mutually agreed upon total compensation package that provides a decent living which shall include at least the minimum wage.</p> <p>HR 4.2 There shall be no evidence of employees, including migrant, transmigrant workers and/or contracted workers being prevented from forming or joining associations and/or participating in collective bargaining, within the limits of national legislation.</p> <p>HR 4.3 There shall be evidence that workers and employers understand workers rights to collective bargaining and freedom of association.</p> <p>HR 4.4 No hazardous work (as defined by the ILO) shall be carried out by anyone under the age of 18.</p> <p>HR 4.5 The use of Paraquat is prohibited.</p> <p>HR4.6 There shall be evidence of initiatives to maximise education and career opportunities for the children of all employees, including but not limited to:</p> <ul style="list-style-type: none"> ● Provision of educational resources (e.g. educational learning materials such as computers, textbooks and other tools and materials), ● Outreach programmes on career opportunities within and outside the plantation, and ● The provision of apprenticeship opportunities for school leavers

	<p>HR 4.7 A gender committee shall be established specifically to address areas of concern to women. Management representatives responsible for communication with the gender committee shall be female</p> <p>HR 4.8 All complaints / grievances of harassment or abuse shall be documented and responses & actions monitored. There shall be demonstrable efforts for reducing the number of harassment or abuse cases.</p>
TRANSPARENCY	
Provide information to stakeholders	<p>TR 1.1 There shall be a documented Standard Operating Procedure (SOP) for responding constructively to stakeholder requests for information, including a specific timeframe to respond to enquiries</p>
Code of ethics and integrity	<p>TR 2.1 The ethical code of conduct shall include as a minimum a written restatement of the company commitment to and provide detail on:</p> <ol style="list-style-type: none"> 1. A respect for the fair conduct of business; 2. A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; 3. A proper disclosure of information in accordance with applicable regulations and accepted industry practices.
Traceability from plantation to mill	<p>TR 3.1 All mills shall have in place a traceability system to identify the location of production for all FFB, including %'s, from their own production, associated smallholders, dealers and independent smallholders and any other outgrower or other source of FFB.</p> <p>Growers and millers shall develop and implement a plan to ensure that the smallholder supply base meets RSPO requirements for responsible and legal sources within the time lines as noted in TR 3.2 and TR 3.3 below.</p> <p>The plan shall consider:</p> <ul style="list-style-type: none"> ● Technical, financial and training support for practices relevant to all RSPO P&Cs, particularly: <ul style="list-style-type: none"> ● soil management practices, ● chemical and fertiliser use and storage, ● use of seedlings, ● the identification management and monitoring of HCV, HCS and peatland, ● the reduction of emissions, ● the resolution of land conflict, ● the promotion of staff/workers welfare and ● sustainable development ● <p><i>NB The RSPO FFB Legality and Traceability Task Force will be generating recommended strategies for implementation of these activities which should be taken up at the time of finalisation.</i></p>

TR 3.2

Within 1 year of initial RSPO Next verification the mill shall only source FFB from known and identified sources (to at least the dealer level) and plans shall be developed to assist the full small holder supply base in identifying attributes that could indicate high risk and the mitigation or avoidance of such risk.

TR 3.3

Within 2 years of initial RSPO NEXT verification a system shall be in place to assure that all FFB entering the mill is from known and identified plantation sources which are:

- From land legally occupied for oil palm production;
- Existing plantations on peatlands managed to RSPO Best Management Practices
- Not PLANTED on peat of any depth or extent since November 2015
- Not the subject of conflict with neighbouring communities;
- Not produced using forced, trafficked or child labour;
- From land that has had no use of fire
- From land that has not had clearance of HCV or potential HCV areas since November 2005 (see Criterion 7.3) unless an active program following approved RSPO processes is documented to address potential mitigation

As clarification and reiteration of support for the productive engagement with smallholders who are significant and important parts of the supply chain particular and special attention shall be paid by companies to developing strategies that allow all categories of small holders to participate in supply chains. Plans reported shall reflect this attention and provide detail.

RSPO commits to developing an approach that will support engagement with the smallholder community on issues of High Conservation Value and their practices. In particular the Secretariat will work to ensure that the Smallholder Working Group and the HCV working group develop shared solutions.

Companies are encouraged to develop approaches that work for their smallholder supply base and present them to the RSPO for review and approval. These approved programs shall be utilised as specific tools to avoid exclusion of small holder supply base in a supply chain. It is particularly noted that exclusion of Smallholders is to be a last resort.