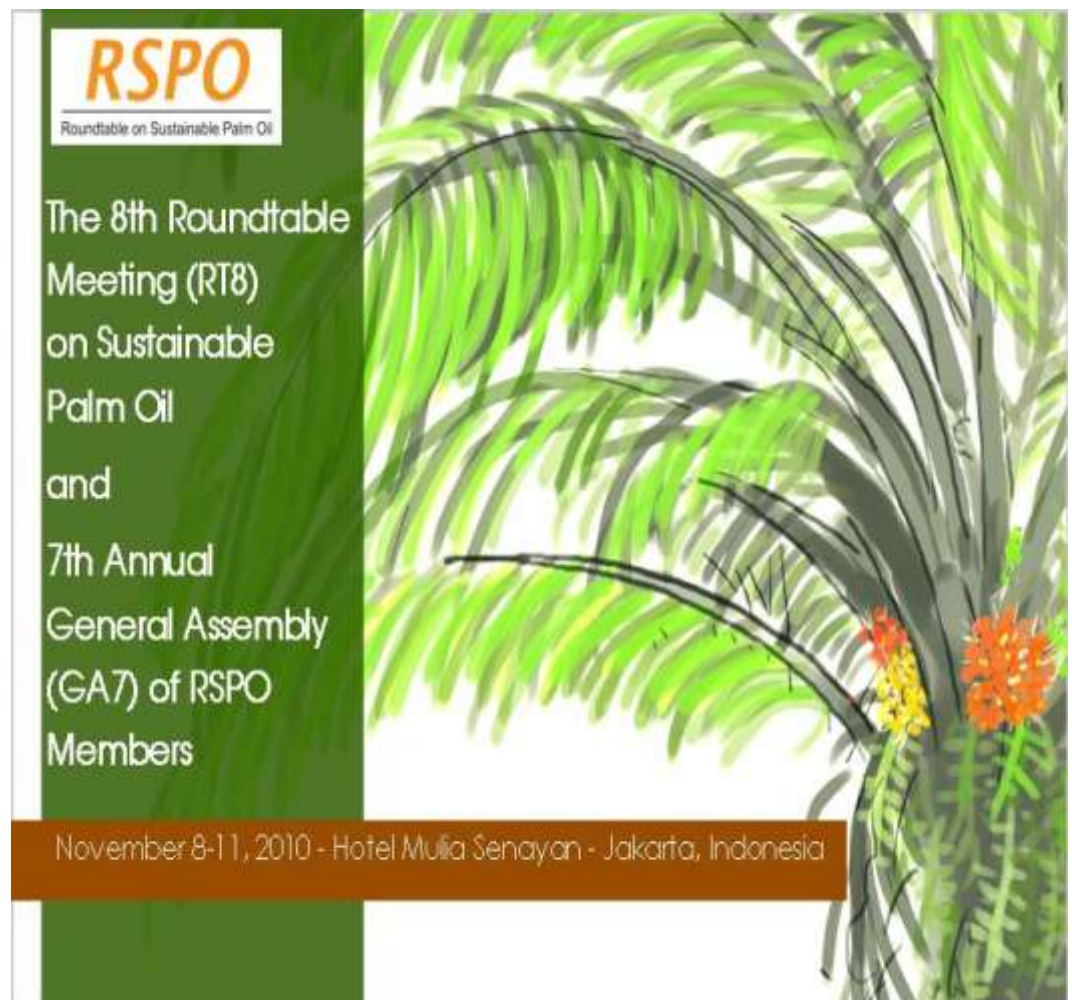


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RT8



Visit www.rspo.org for registration details

President's Welcome Message

The Roundtable on Sustainable Palm Oil (RSPO) is a global multi-stakeholder initiative on sustainable palm oil that was formally established under Article 60 of the Swiss Civil Code on 8 April 2004. The not-for-profit Association will have members representing major players along the palm oil supply chain. The RSPO is a unique platform for the pragmatic co-operation to contribute to the expansion of sustainably produced palm oil and its uses.

EXECUTIVE BOARD MEMBERS

President

Jan Kees Vis - Unilever

Vice-President I

Adam Harrison - WWF International

Vice-President II

Derom Bangun - GAPKI

Vice-President III

Jeremy Goon - MPOA

Vice President IV

Marcello Brito - Agropalma

Treasurer

Ian McIntosh - Aarhus Karlshamn UK

Members

Marc den Hartog - IOI

Tony Lass - Cadbury Plc

Faisal Firdaus - Carrefour

Johan Verburg - Oxfam International

Abetnego Tarigan - Sawit Watch

Tim Killeen - Conservation International

Paul Norton - HSBC

Mohd Nor Kailany - FELDA

Jose Den Toom - Rabobank

Belinda Howell - British Retailers Consortium

Advisor to the Executive Board

MR Chandran

SECRETARIAT

Rikke Netterstrom (Interim Secretary-General)

Sarala Aikanathan (Communications Officer)

Indra Thangavelu (Interim Finance and Administration Manager)

Dr. Chong Swee Teck (Certification Issues)

Siew Pei Erl (Membership Executive)

Poon Chi Sum (Admin Assistant)

INDONESIA LIAISON OFFICE

Asril Darussamin (Interim Indonesia Liaison Officer)

Aisyah Mahdi (GHG Liaison Coordinator)

Rahayu Harjanthi (RILO Administrator)

EU COMMUNICATION

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Fax: +622130048081

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Dear Sustainable Palm Oil supporters,



Although the market uptake of Certified Sustainable Palm Oil still varies month by month, the average over the 12 month period ending June was up 57%. In view of the fact that another 0.5 m tonnes production capacity was certified in 2010, I would consider this a reasonable score.

President Yudhoyono of the Republic of Indonesia has signed a Letter of Intent with the government of Norway on a proposed moratorium on new concessions for land to plant oil palm from January 2011. We should all applaud this development, and consider, in the hiatus, how to prepare the Indonesian plantation sector for a low carbon future. A review of the land use planning seems essential. In my view, this moratorium is godsend to create High Conservation Value and High Carbon Value maps, which could then become the basis for land use planning.

We have also seen the creation of the Indonesia-Malaysia Palm Oil Group, which was welcomed by RSPO. We think there are many opportunities for more cooperation - between producers in both countries, and between IMPOG and RSPO.

Several RSPO Working Groups produced their final documents for Executive Board approval: National Interpretations for Solomon Islands and Thailand, and various smallholder documents. This will extend the reach of RSPO to new countries.

Preparations for RT8, November 8-10 in Jakarta, are in full swing. The announcement is on the RSPO home page, and registration is open.

The Soy Roundtable RTRS adopted the final version of their Principles & Criteria at their Annual General Meeting in June in Sao Paulo. A certification framework is in development, and the first certifications expected in early 2011.

I will keep you informed.

Jan-Kees Vis

RSPO expands to support growing market for sustainable palm oil

The Roundtable on Sustainable Palm Oil (RSPO) will expand its Secretariat to keep up with increasing membership and supply and demand for sustainable palm oil.

“RSPO-certified sustainable palm oil has gained a strong foothold in a global commodity market,” said Jan Kees Vis, President of the RSPO's Executive Board. “We are confident that this growth will further extend into important palm oil markets such as China and India. The Roundtable will enable its staff to adequately service growing numbers of members, suppliers, buyers, and consumers.”

Following a recent review by PriceWaterhouseCoopers, the RSPO Executive Board has agreed plans to restructure and expand its administrative support at the Kuala Lumpur-based Secretariat.

Among other things, RSPO's three Standing Committees (Certification & Standards, Trade & Traceability, Communications & Claims) will get more operational flexibility and will receive support from dedicated Secretariat staff. Several departments, such as the certification and communications department, will grow to better enable the RSPO to build on its standards and certification foundation to develop new markets for RSPO-certified sustainable palm oil.

Leading the transformation as interim SG will be Ms. Rikke Netterstrom, who is based in Malaysia as an executive director at CSR Asia. Ms. Netterstrom managed environmental and social issues for the Body Shop International and for Novozymes, and served in the RSPO's Executive Board from 2004 to 2007.

Later this year, the Roundtable will select a new Secretary General to succeed Dr Vengeta Rao, who recently decided to pursue new goals after having successfully led the RSPO's Secretariat for three years. “The Roundtable extends its gratitude to Dr Rao for his devotion to the work of the RSPO and for creating a Secretariat that today serves as a solid foundation for a crucial new building phase,” RSPO's President Jan Kees Vis said.



Ms. Rikke Netterstrom
RSPO Interim Secretary-
General

Growing market for sustainable palm oil

Market uptake 75 percent in first half of 2010

The sales of RSPO-certified sustainable palm oil and GreenPalm certificates continue to grow strongly.

By:
Peter Vermij
Schuttelaars & Partners
RSPO EU Communication

In the first half of this year, 75 percent of the palm oil produced by certified plantations was purchased by manufacturers and retail companies in Europe and elsewhere. Demand over that period was about 600,000 tonnes of oil, out of the 800,000 tonnes pro-

duced based on the dates that new palm oil mills were formally certified.

Altogether, close to one million tonnes of certified sustainable palm oil have now been purchased, mostly in 2010.

Supply of segregated oil is rising

While three quarters of sales in the first half of 2010 were as GreenPalm certificates, the options to purchase fully segregated and traceable palm oil are rapidly growing as well.

In Europe, suppliers in the Netherlands, United Kingdom and Spain are now

offering segregated palm oil and palm oil products to customers across Europe, with IOI Croklaan and New Britain Oils being among the latest to add certified segregated refinery capacity to their state-of-the-art facilities in Rotterdam (Netherlands) and Liver-

pool (UK).

This spring, AAK announced its first shipment of segregated certified sustainable palm oil to the United States. The oil landed at the AAK refinery in Port Newark, New Jersey.

Demand for palm kernel picking up as well

Not just crude palm oil is finding its way to the market: increasingly, palm kernel users are turning to RSPO-certified sources as well. So far, 2010 saw more

than 37,000 tonnes of palm kernel purchased from suppliers, mostly by way of GreenPalm certificates.

Online tool aiding market growth

Demand increases are helped by the release of RSPO's multi-lingual online 'How to begin' tool. The tool helps retailers, manufacturers and traders navigate the steps to become an RSPO member and meet all the requirements for using, and claiming the use of, certified palm oil.

The tool has proven a popular gateway to RSPO. Since its launch in March this year, it has welcomed more than 2,500 unique visitors from Europe, United States and Asia. Many of those visitors represented companies not yet members of RSPO.

Available in English, French, Spanish, German and Dutch, the online tool can be accessed through RSPO's online Market Center at www.rspo.eu.

New trademark to help RSPO reach consumers

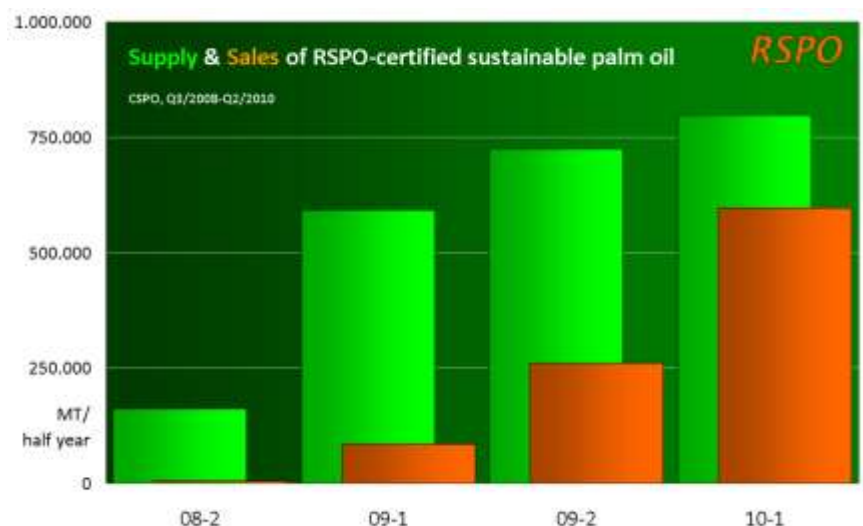
The RSPO Communications & Claims Working Group is working hard to launch a new RSPO trademark for communications on or about products that contain certified oil or for which GreenPalm certificates have been redeemed.

The new trademark will make it much easier for consumer goods manufacturers and retailers to tell consumers about their use of sustainable palm oil. With the new trademark,

new rules on market claims and consumer-facing communications will be introduced as well.

Market and media communications helpdesk

The RSPO EU Communications office is available to answer all market - and media-related - questions through its market-dedicated website (rspo.eu). Annejet Pette and Peter Vermij can be contacted by e-mail (communications@rspo.eu) or telephone (+32 2 231 50 19, in Brussels, Belgium).



New Britain begins production at its dedicated Sustainable refinery in the UK

“the Liverpool refinery is proof to anyone who doubted that it is possible to get segregated sustainable palm oil to market at genuinely competitive and affordable prices”

The world’s first refinery dedicated to only processing RSPO certified sustainable oils started delivering to customers in May this year.

New Britain Oils Ltd is the UK refining arm of NBPOL, the largest producer of palm oil in Papua New Guinea and the Solomon Islands and one of the largest RSPO certified sustainable producers in the world.

The plant has been built in Liverpool on the west coast of the UK and is able to supply refined palm oil, olein, stearin and

palm kernel oil that can be traced back to NBPOL’s own certified sustainable production base in Papua New Guinea. This also includes the production from over 7000 small-holders. The plant is specifically targeting the food and personal care sectors.

According to Andy Worrall, Director of New Britain Oils Ltd **“we think this is a real game changer for the palm oil market. As a certified sustainable producer, we really need to see robust demand for sustain-**

able palm oil in mature and food conscious markets like Europe. However, **we've recognised for some time that sustainable palm oil will only become mainstream when it is affordable, when it is made available in all the main grades and formats, and when end users can genuinely claim that their products are actually made with sustainable oil. That's why we decided to invest in making that happen and the Liverpool refinery is proof to anyone who doubted it that it is possible to get segregated sustainable palm oil to market at genuinely competitive and affordable prices."**

"It seems to us", says Alan Chaytor, Executive Director at NBPOL, **"that everyone in the palm oil supply chain is be-**

ginning to recognise how important it is for palm oil to be produced in a sustainable way. In our opinion, however, that will **only happen if there's** a market for it – something that we understand is being questioned among producers. So we expect many will be watching developments **closely but it's** a good early sign that other European refiners are also beginning to make available segregated sustainable palm oil too. Our research tells us that consumers want their food to contain sustainable palm oil just as they want their morning latte to be made with coffee that has been grown in a responsible way. We expect to see growing demand conversion in **the months ahead."**

As well as the first 4 oil grades on offer, by

early next year New Britain plans to have double fractionated olein and palm mid fractions available in segregated sustainable format. They are also working with other companies further down the supply chain so that palm based products like shortenings, cake and pastry margarines, boxed fats, longlife frying oils, soaps, feedfats and even oleo-chemicals are all available made entirely with RSPO certified sustainable palm and palm kernel oil.

RSPO P&C for Scheme Smallholders: Training for Second Batch of Regional Facilitators



*By Dani Rahadian -
WWF Indonesia
Member of Indonesian
Smallholder Working
Group*

A second batch of 20 regional facilitators underwent training in the RSPO P&C for scheme smallholders. They came from several provinces in Indonesia - Aceh, North Sumatra, Riau, Jambi, West Kalimantan, Central Kalimantan and East Kalimantan.

The 10-day course was to produce better trainers for smallholders along with developing with them example training modules and syllabus to be used by them when they returned. The course was held at the Agriculture Human Resources Building, Jakarta from 26 April to 5 May 2010. The trainers were members of the Indonesian Smallholder Working Group representing the Indonesian Department of Agriculture, RSPO Indonesia Liaison Office, WWF Indonesia, Sawit Watch and Certification Bodies. Mr. Mukti Sardjono, Ms. Tuti, Mr. Asril Darussamin, Ms. Ayu and Mr. Dani Rahadian were among them. Two of the graduates from the first batch - Mr. Logo and Mr. Endy - were invited to help as facilitators in the training and development of the training modules and syllabus.

The “adult” training method was used, and will also be used for the smallholders. The appropriate techniques to handle farmers were presented along with salient features of the P&C for scheme smallholder certification.

Once the participants had grasped the gist of the P&C, they were guided to develop example smallholder training modules and syllabus. The participants were divided into focus groups to discuss different topics - RSPO P&C, group certification process, High Conservation Value Forest, Free Prior Informed Consent, Best Practices Management on Wildlife and other related aspects. Each group did their utmost to provide practical guidance for smallholders to comply with the P&C

After the participants had spent several days and nights digesting the P&C and certification process, they were taught effective teaching techniques to impart their knowledge to smallholders. The cohesion between content and presentation techniques is crucial. Therefore, during the development of modules and syllabus for the P&C,

the trainers and facilitators encouraged all the participants to pay rapt attention in their group discussions.

The regional facilitators' experience in communicating and imparting knowledge to the smallholders was precious capital for developing the modules. They are agents in the agriculture sectors, cognizant of agriculture practices, laws and policies, farmers' groups and other aspects related to the RSPO P&C for scheme smallholders. It was thus the easier for them to digest the P&C and, from the knowledge gained, develop the training modules and syllabus for smallholders.

With the dedication by the participants, facilitators, trainers and training committee, the example training modules and syllabus for the RSPO P&C for scheme smallholders were completed within the 10-day course. However, their job was not finished, the bigger challenge being to move forward and put the modules and syllabus into practice.



A participant giving his views in the training session



Participants creating the training module



Small group discussions

“With the dedication by the participants, facilitators, trainers and training committee, the example training modules and syllabus for the RSPO P&C for scheme smallholders were completed within the 10-day course”

Grievance Management at RSPO

RSPO has rapidly evolved from a small group of stakeholders discussing what sustainable palm oil is to a very large organisation now delivering certified sustainable palm oil to the

world. Its larger membership and much more public profile have begotten increased public scrutiny of it (RSPO) and its membership. It is therefore incumbent on RSPO to adapt to its

changing circumstances and, *inter alia*, develop a procedure to deal with complaints against members in a timely, fair and credible way.

*Ganapathy Ramasamy
Consultant
Grievance Management*

Grievance Process

The RSPO grievance process is outlined in the document: “RSPO Grievance Process” on the RSPO website (www.rspo.org). All grievances raised with RSPO are assessed for infringement(s) of the key RSPO ‘rules and regulations’ set out in the following documents:

- RSPO Statutes and By-laws.
- RSPO Principles & Criteria for Sustainable Palm Oil Production (P&C), including all guidances,
- Indicators associated with adoption and implementation of the P&C.
- RSPO accepted or endorsed National interpretations of the P&C, where applicable.
- Code of Conduct for Members of RSPO.

Raising a Complaint

To ensure a speedy and appropriate response, all complainants should provide the following information in the following format when submitting to RSPO:

- Details and background on itself, including its *locus standi* on the complaint, as well as details for a contact person;
- Name of RSPO Member complained against;
- Detailed description of the grievance(s), and which elements of the four RSPO documents are purported to be violated;
- Supporting evidence, including documentation, etc., for the purported transgression(s);
- Details of attempts made to resolve the matter directly with the purported transgressor member;
- Clear, concise and specific actions or activities that the complainant **wants the purported transgressor member to undertake to ‘settle’** the issue.

Appointment of Grievance Management Consultant

The RSPO Secretariat has been processing grievance cases since its inception, despite its lean staffing. But, now, faced with increasing complaints, and also increasing issues raised in the public domain, such as the media, which have to be responded to, the Secretariat has appointed Mr. Ganapathy Ramasamy, who has wide experience in conflict management, as Grievance Management Consultant from mid March 2010.

Grievance Panel

RSPO has a 5-member Arbitration Panel which forms the core Grievance Panel. In addition, any RSPO Ordinary / Affiliate Members may be called to serve on the Panel by the Core Panel, which currently are:

1. Head of Grievance Panel – RSPO President (Unilever)
2. EB member – Environment (WWF)
3. EB member – Social (Oxfam)
4. EB member – Producer (MPOA/GAPKI)
5. **Affiliate Member (Dato’ Henry Barlow)**

It is the task of the Grievance Panel to decide on the:

- Legitimacy of the complaint made; and
- Action to take to address the grievance, if legitimate.

Complaints Currently with RSPO

Member vs Member	NGO vs Member	Individual vs Member	Public Domain
7	6	1	1

The bulk of complaints relate to non compliance with the RSPO P&C. They fall under the following categories:

- Non compliance with local legislation.
- Land conflicts with local communities
- Deforestation without HCF assessment
- Damage to habitats
- Defects in certification systems
- Misleading information provided the public domain

Grievance Procedure

The full grievance procedure is set out in the RSPO Grievance Process, on the RSPO website. A synopsis is given below:

Step 1. Grievance sent (in writing) to RSPO Secretariat;

Step 2. Secretariat acknowledges receipt, and notifies Grievance Panel;

Step 3. Background search of the issue by Secretariat;

Step 4. Case documentation. This may take time as, besides a web search, the Secretariat has to allow the member its response against the charge(s).

Step 5. Documentation of information, evidence and response(s).

Step 6. Grievance Panel decides on legitimacy of the case. This is expected to be within 2 weeks of the complaint.

Non-legitimate Complaint.

If the Grievance Panel decides that there is 'no case to answer', the Secretariat will inform the complainant so. It then has 4 weeks to resubmit its complaint, failing which the case is closed and posted as such on the RSPO website.

Legitimate Complaint.

If the Grievance Panel decides that there is a case to answer, it will decide on the course of action and inform the member of what has to be done and by when.

Step 7. Member notified of conclusion and required action(s). The member is to respond within 4 weeks.

a. No response from member.

If member does not respond, then a second notification is issued. If still no response, then the procedure for terminating its membership will begin.

b. Positive response from member

If the member accepts the decision of the Grievance Panel, it has to draw up an action plan acceptable to the Grievance Panel.

c. Disputed response from the member

If the member disputes the recommended remedy, it has a further 4 weeks to appeal to the EB of RSPO.

Grievance Management at RSPO (continued)

Areas for Improvement

The following are some observations made on the grievance procedure with suggestions for improvement:

- Contact details of complainant/member
The complainant should provide its email address or contact telephone number and also the contact details for the purported transgressor member (if possible) to expedite **the secretariat investigation and action on its complaint. Members' email addresses** are sometimes incomplete, especially when the complaint(s) is against a division or area far from the member HQ.
 - RSPO prefers that all issues be amicably settled between the complainant and purported transgressor. Often, the purported transgressor is very willing to rectify its misdeeds if just pointed out to it. If it does so, RSPO need not be involved in the matter. Only if the matter cannot be settled, should the complaint be forwarded to RSPO.
 - Some complaints received are vague, and not focussed on the relevant RSPO requirements. The matter is compounded if the complainant changes its story every now and then, or makes complaints based on hearsay and rumour. It is, therefore, important that a complete and concise complaint is made, following the format set out above.
 - **Members' responses are slow as they need to get feedback from their fields. This is** inevitable, but members are requested to take complaints against them seriously.
 - The present two weeks given for RSPO to investigate a complaint is very tight . Time is needed to probe both sides. It also takes time for the member to obtain feedback from its field. Thus, to require that a two-week old complaint be referred to the Grievance Panel will affect the quality of grievance handling. In such cases, we hope that all parties will bear with us and accept that it may not be possible to keep to the published deadlines.
-

Numbers of RSPO Certified Companies as of August 2010

Growers' Certification:

Total CPO: 2,151,554 T

Total PK: 487,008 T

Total Area: 435,261 ha

Supply Chain Certification:

No. of Companies: 44

No. of Facilities: 83

Membership Profile as of August 2010

