



# RSPO P&C 2018

A RENEWED COMMITMENT



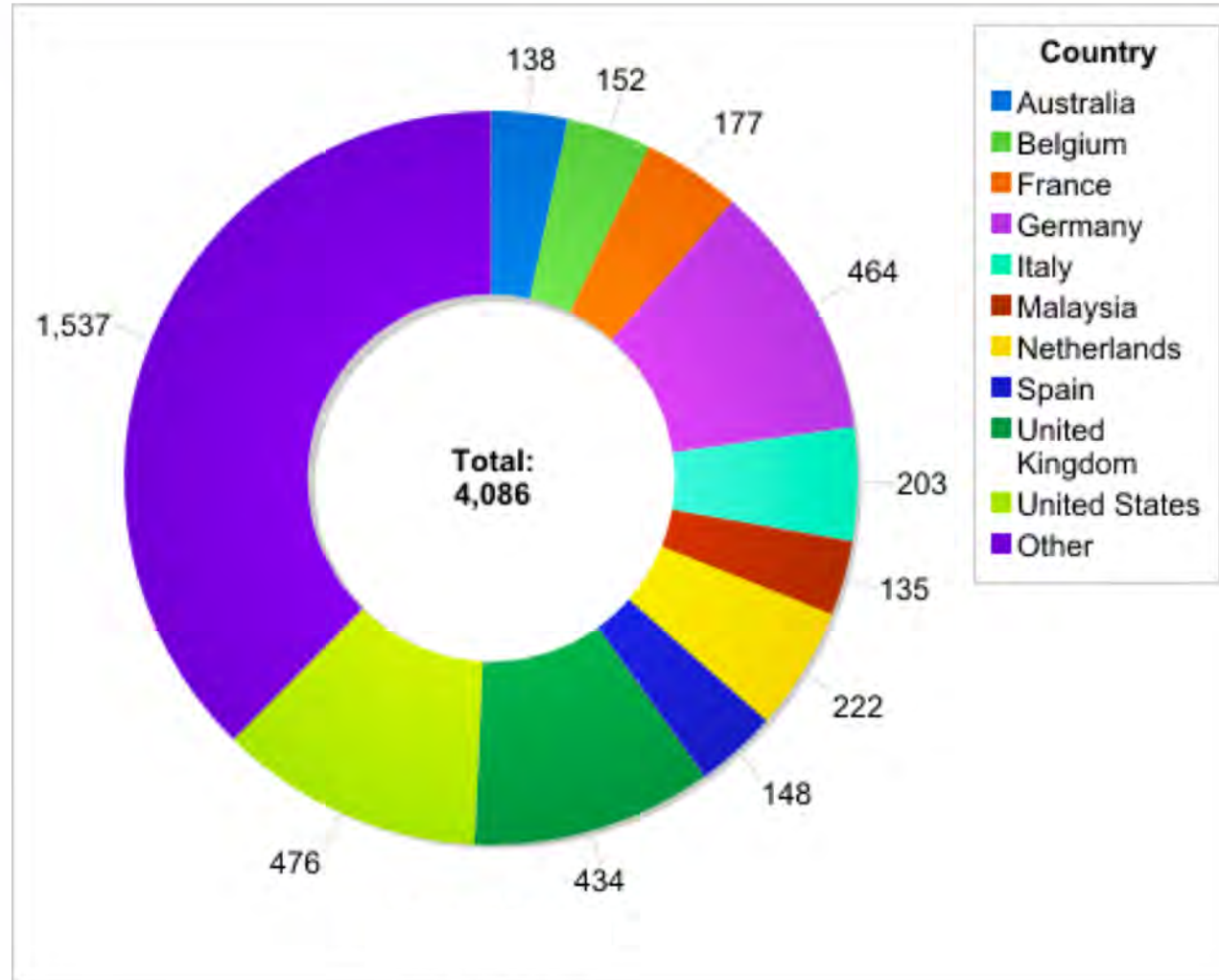
# About RSPO

# 2004

The RSPO was established in 2004 to promote the production and use of sustainable palm oil for People, Planet, and Prosperity.



# Members of RSPO



# RSPO Impact Highlights



## KEY FINDINGS

Total loss of intact and logged forest (2000–2015)

**25 times**

higher in non-certified compared to RSPO certified concessions

Annual forest loss rates of RSPO certified concessions have consistently declined after 2005, while those of non-certified concessions have remained consistently higher.

Projected net GHG emission reduction of 2 million tCO<sub>2</sub>eq and 1.4 million tCO<sub>2</sub>eq of genuine savings



2 million tCO<sub>2</sub>eq



Equivalent to **388,516 cars\*** removed from the road in a year

## Certified Schemed Smallholders

**34%** higher profitability than non-certified schemed smallholders as a result of:

- higher productivity (+32%)
- lower productivity costs (-9%)



## Certified Independent Smallholders

**89%** higher profitability than non-certified independent smallholders as a result of:

- higher productivity (+42%)
- higher selling price (bypass middlemen)
- premium price
- premium fee

RSPO CERTIFIED



# RSPO P&C Review

RSPO P&C Review Taskforce 2018



In line with ISEAL Alliance best practice, the standard is **reviewed every 5 years**.

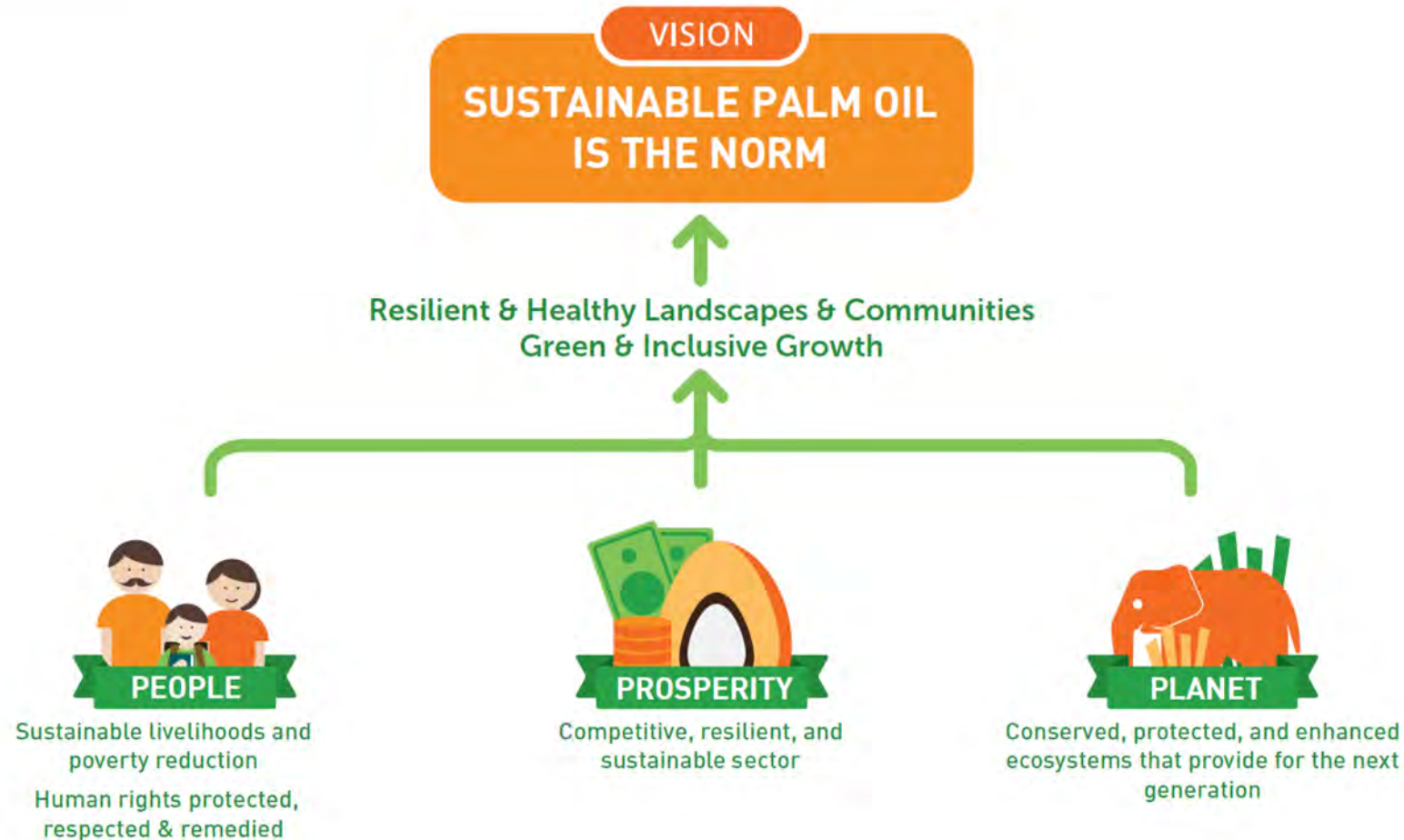
This review consisted of:

- Two 60-day public consultations
- 6 physical Task Force meetings
- 18 face-to-face events
- Across 13 countries
- In 10 different languages

P&C 2018 was adopted at the 15<sup>th</sup> RSPO General Assembly, November 2018



# Alignment with RSPO Theory of Change



# New Structure

## Impact Goal Prosperity:

### Competitive, Resilient and Sustainable Sector

- **Principle 1.** Behave ethically and transparently
- **Principle 2.** Operate legally and respect rights
- **Principle 3.** Optimize productivity, efficiency, positive impacts and resilience

## Impact Goal People:

### Sustainable Livelihoods and Poverty Reduction

- **Principle 4.** Respect community and human rights and deliver benefits
- **Principle 5.** Support smallholder inclusion
- **Principle 6.** Respect workers' rights and conditions

## Impact Goal Planet:

### Conserved, Protected and Enhanced Ecosystems that Provide for the Next Generation

- **Principle 7.** Protect, conserve and enhance ecosystems and the environment



# HIGHLIGHTS

LEGALITY OF THIRD  
PARTY FFB

NO NEW  
PLANTING  
ON PEAT

FIRE PREVENTION

LABOUR RIGHTS

GRIEVANCES  
& HUMAN RIGHTS  
DEFENDERS

PESTICIDES

DECENT LIVING  
WAGE

SHARED  
RESPONSIBILITY

NO DEFORESTATION

SMALLHOLDER  
STANDARD





# Supply Chain Standard Modules Integration

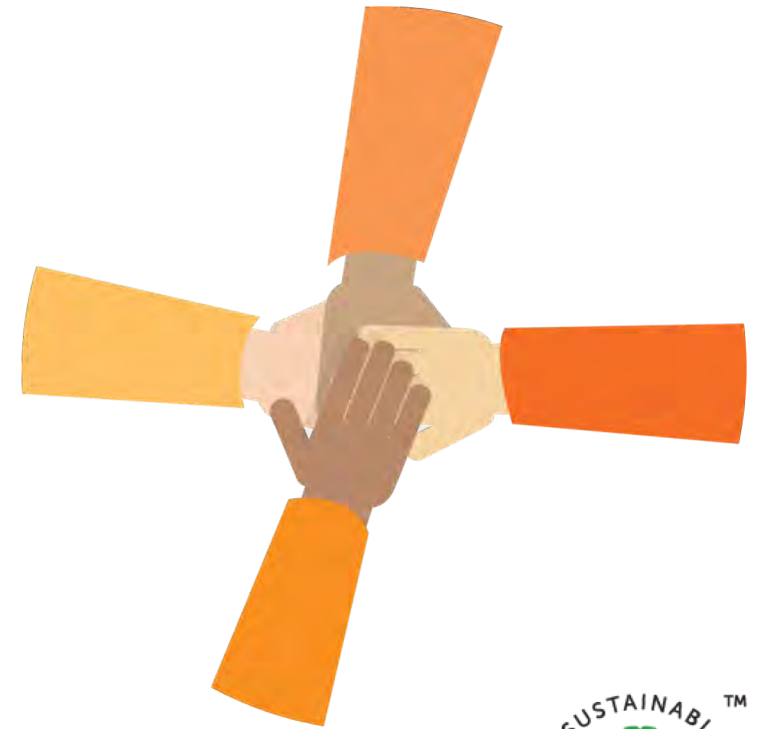


- Inclusion of Modules D & E from RSPO Supply Chain Standard (SCC)
- Text taken directly from SCC standard and not modified



# Shared Responsibility

- The RSPO Code of Conduct, applicable to all members requires Members to whom the P&C do not apply directly, to implement parallel standards relevant to their own organisation, which cannot be lower than those set out in the P&C (C 3.2).
- Key pillar of RSPO Theory of Change.





# No Deforestation

*Criterion 7.12*

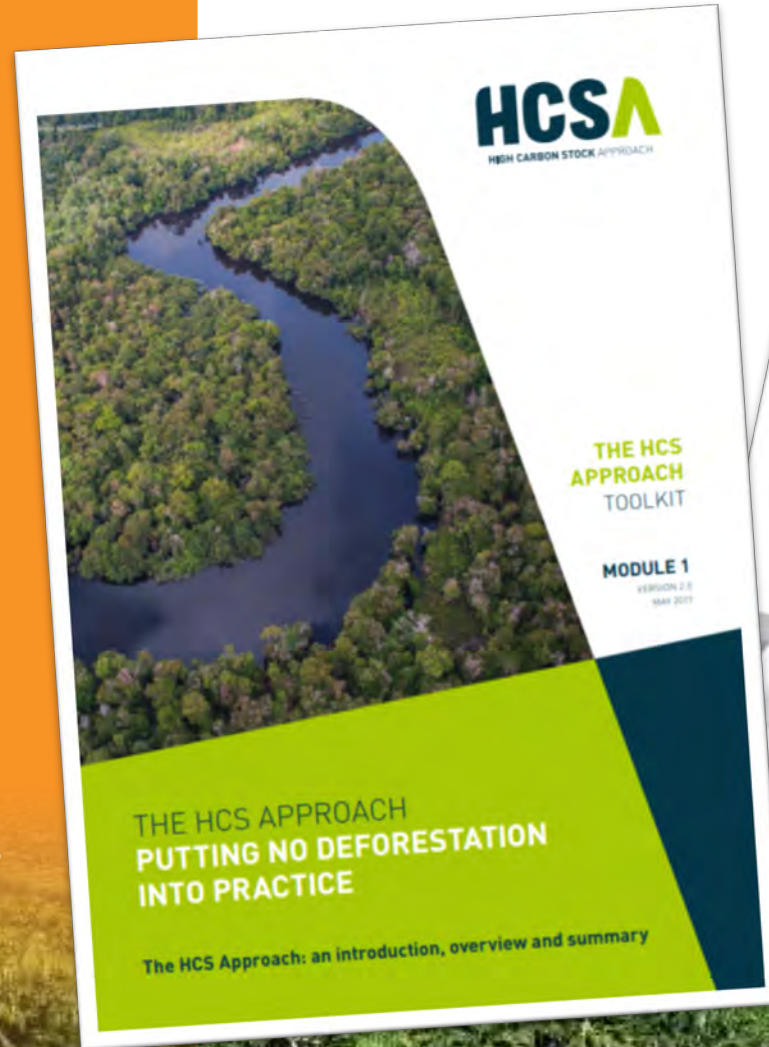
**New Criterion 7.12** New plantings do not cause deforestation or replace any area required to maintain or enhance High Conservation Value (HCV). High conservation values and high carbon stock forests in the managed area are identified, maintained and enhanced.



# No Deforestation

The High Carbon Stock Approach (HCSA) toolkit and the HCV-HCSA Assessment Manual will be used to identify areas of high carbon stock forest and HCV which should be maintained and enhanced in fragmented landscapes.

*Criterion 7.12*





Criterion 7.12

No Deforestation

In specified High Forest Cover (HFC) countries, in accordance with the RSPO HFC procedure:

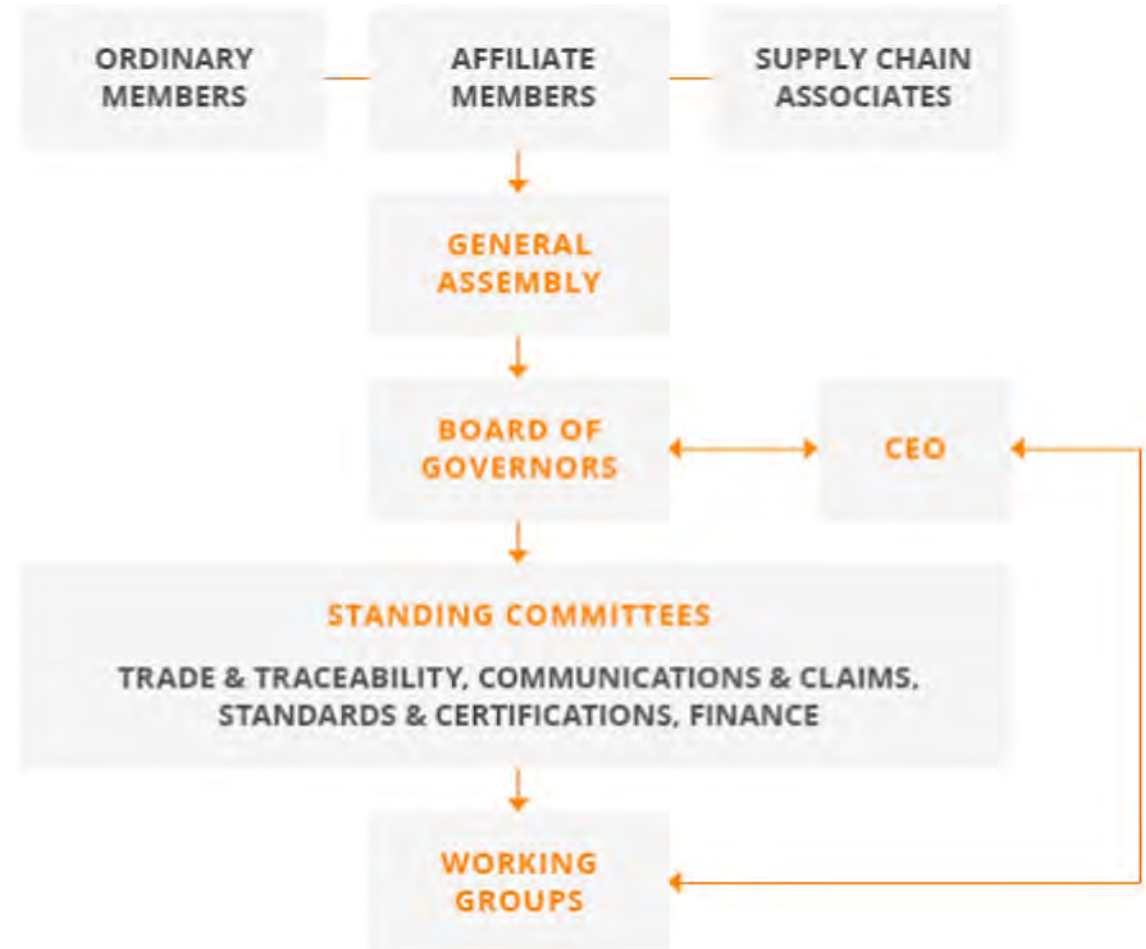
- There may be an exception for local communities to conduct limited oil palm development
- Eligible 'legacy' cases will be reviewed for limited development on an exceptional basis
- RSPO and HCSA have setup a formal No Deforestation Joint Steering Group (NDJSG) to develop a framework for No Deforestation in HFC Landscapes



# No Deforestation

RSPO & HCSA have agreed to establish a **formal No Deforestation Joint Steering Group (NDJSG)** to develop a framework for No Deforestation in High Forest Cover Landscapes

*Criterion 7.12*



# No Planting on Peat

After November 2018 there are to be **no new plantings on peat** regardless of depth.

This means that growers need to carry out an **assessment to identify any peatland within their new proposed planting area**, and such area shall be protected.

A **management plan** is required to minimise erosion and degradation of soils and to improve marginal soils

Peat soils should be **documented and reported** to RSPO Secretariat

## New criteria for peat in new planting and existing plantations (7.7)

For oil palms 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 should be replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.





# Fire Prevention

Fire is not to be used for land preparation under any circumstances

Fire must be prevented – i.e. more emphasis on prevention

But exclusion for controlled burning for pest & disease control as per regulations (and NI)

Growers should work with adjacent stakeholders to prevent and control fire



# Human & Labour Rights

Workers should **understand their pay**, conditions, contracts and rights

**Better protection and representation** of migrant and contract workers

Employers must have evidence they **comply with legal requirements** on working hours, leave and pay

**Prohibition on recruitment fees for migrant workers** – evidence of non-payment

Payroll documents **cover work done by family members**

**Better representation of women** and requirement for equal pay without discrimination

Housing and amenities must **meet national legislation or ILO standards**

Decent Living Wages

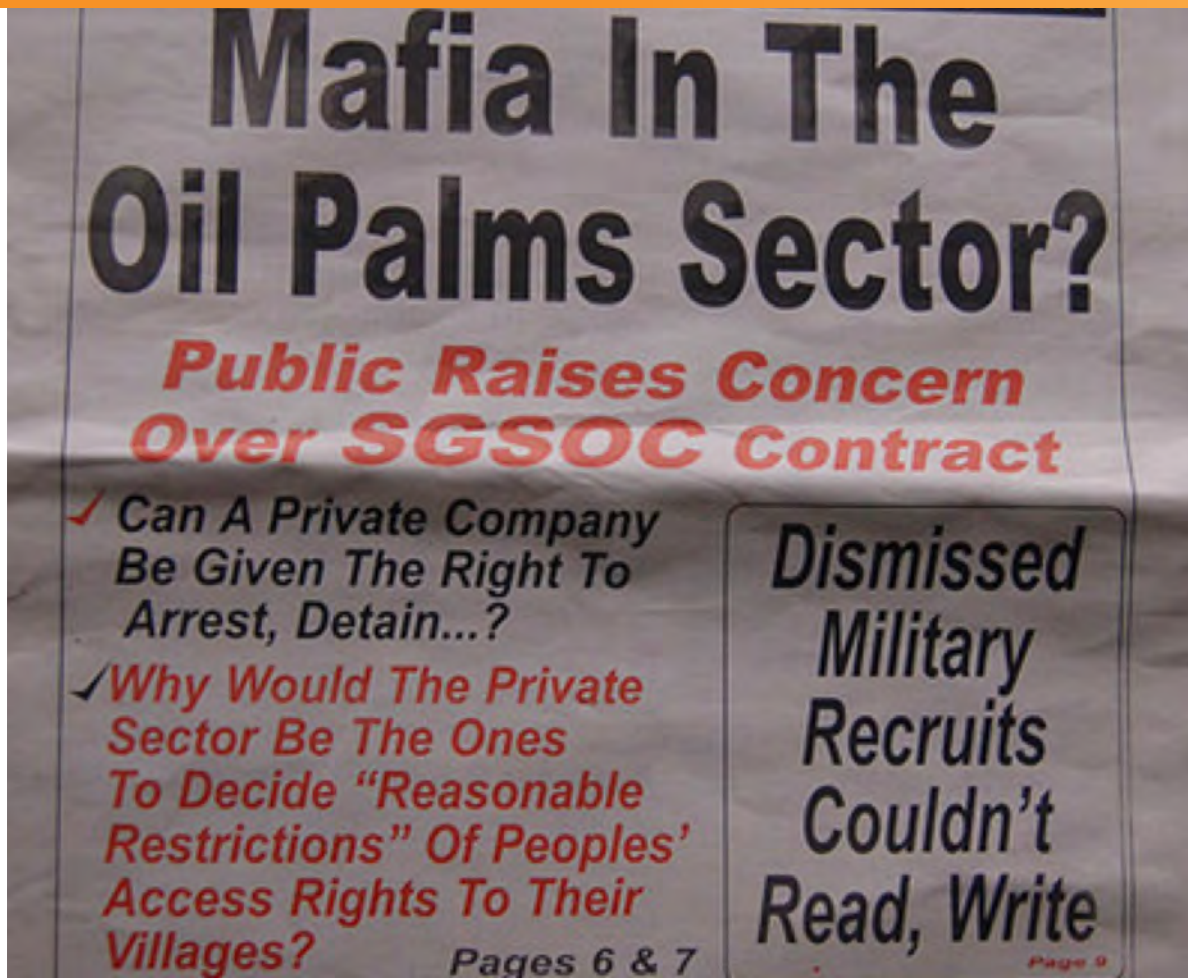
**Stronger rights of workers to associate**, bargain collectively and be represented

*Criteria 6.1 & 6.3 & 6.5*



# Grievance Mechanism: Protection of Human Rights Defenders

Growers are required to have procedures in place to resolve grievances raised by workers and communities or other external bodies.



Growers are required to have policies in place to avoid whistleblowers from being subjected to risks of reprisal and intimidation.

Criteria 4.1 & 4.2



# Grievance Mechanism: Protection of Human Rights Defenders

Aim to ensure transparency of grievance procedures, as well as **anonymity, confidentiality and no-reprisals**

Provide access to **independent legal and technical advice** for complainants

**Prevent risk of reprisal** or intimidation against complainants and Human Rights Defenders

Companies provide **training and awareness raising** on human rights to the workforce and relevant stakeholders

*Criteria 4.1 & 4.2*



# Legality of 3<sup>rd</sup> Party Fresh Fruit Bunches (FFB)

In sourcing 3rd party Fresh Fruit Bunches, mills need to get assurance of their legality.

This includes:

- Geo-location of FFB origin
- Proof of ownership status or right to land by grower
- Valid planting / trading license (where appropriate)

**Criteria 2.3**



Where mills are supplied by collection centres or intermediaries, the supplier needs to provide this evidence.

# Pesticides

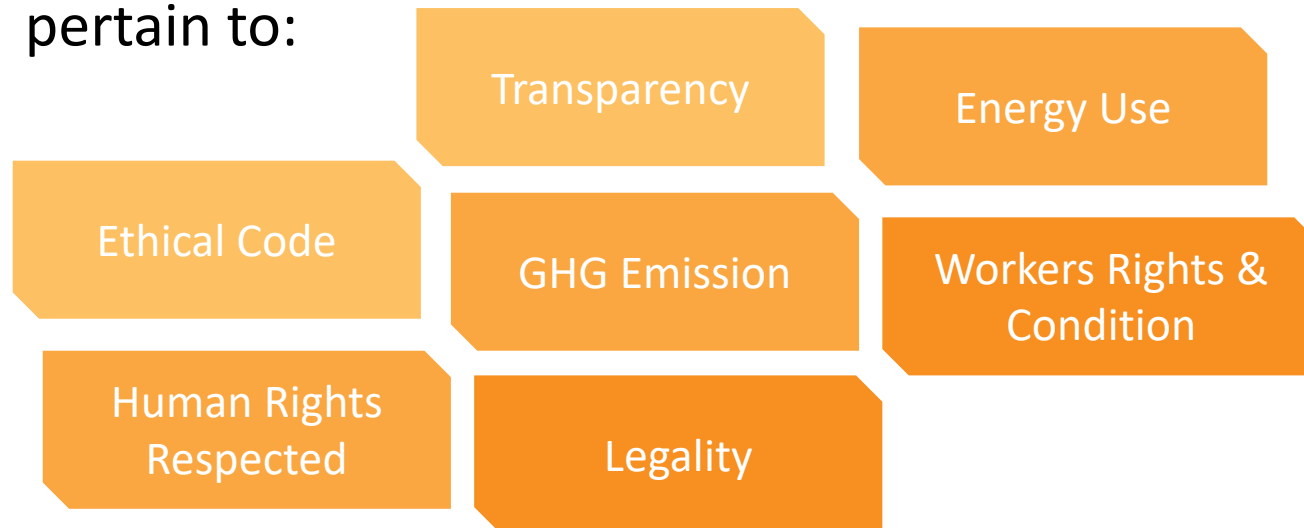
- Highly toxic pesticides (including paraquat) can only be used in 'specific situations validated by a due diligence process', or indicated by government authorities
- Application of pesticides must not harm the environment, communities, workers, women and children
- Young people may not work with pesticides; alternative work to be offered

*Criteria 7.2*



# Shared Responsibility

- To align and harmonize the shared responsibility for impacts, a set of shared requirements have been identified
- These ensure a consistent expectation of best practice standards for all RSPO members and pertain to:



# What's next?

One year grace period for implementation

National Interpretations to be revised and aligned

Full implementation by November 2019







# Smallholder Standard

For Independent Smallholders



# A new approach toward Smallholder Inclusion



- A new principle, P5: Smallholder Inclusivity and Improved Livelihoods has been included in the P&C 2018 standard
- Scheme Smallholders will have to comply with the Generic RSPO Principle and Criteria 2018. Appropriate guidance documents will be developed
- New Smallholder Standard being developed - applicable to Independent Smallholders



# Smallholder Standard

for Independent Smallholders



Applicable for Independent Smallholders



Stepwise approach

New bottom up development for Smallholder Standard



New definitions



# New Smallholder Standard

## What's New?

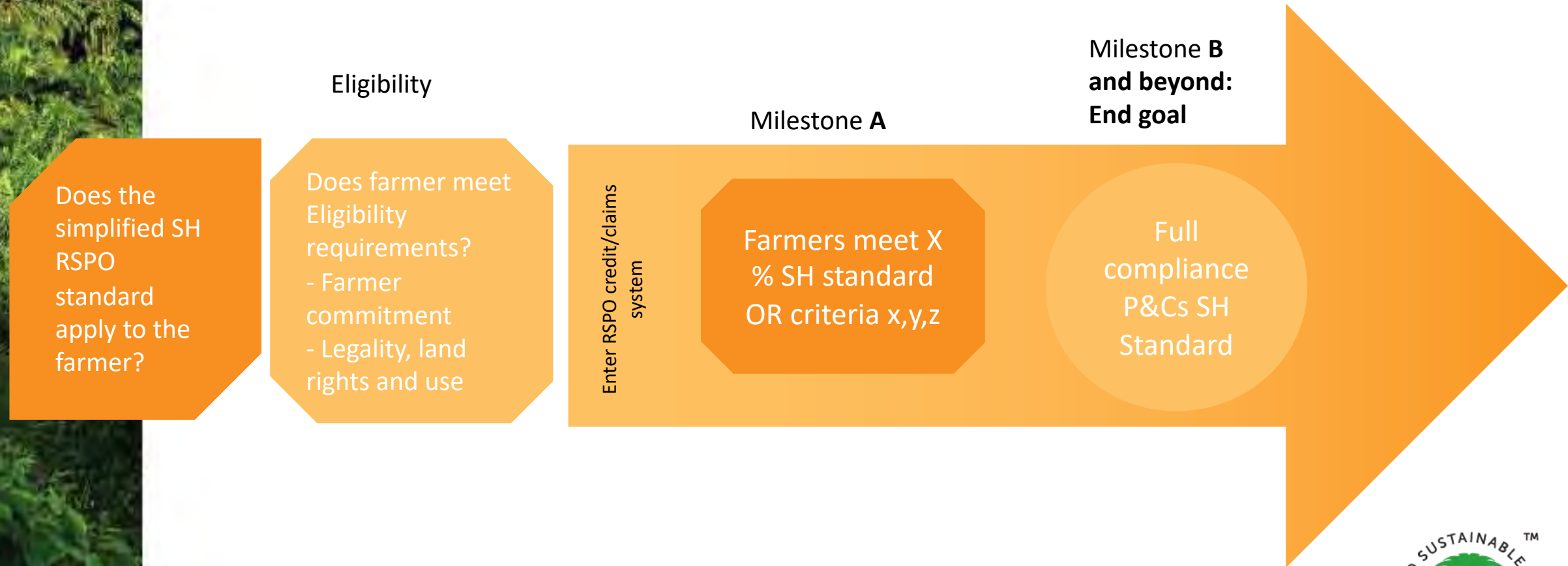
- The Smallholder Standard document proposes a simplified process for achieving RSPO certification for smallholders
  
- How does the new standard propose to simplify certification?
  1. Easier entry into the RSPO system → eligibility criteria
  2. Phased approach to compliance
  3. P&Cs are tailored to SH context
  4. Simplified assessment and verification
  5. Easier and quicker access to benefits - generating smallholder credits
  6. Group system of certification



The Smallholder Standard presented is more than just the P&C. It proposes a simplification of the overall process to certification.

# Proposed Concept of New Smallholder Standard

PHASED approach for continuous IMPROVEMENT



# New Smallholder Standard

- In line with Objective 2 of the **RSPO Smallholder Strategy**
- Increased access to RSPO certification for Independent Smallholders
- Drafts will be subjected to public consultation and field testing  
Expected to be completed by mid 2019 for Board of Governors endorsement and thereafter for GA16 adoption in November 2019

## A ROADMAP TO EMPOWER SMALLHOLDERS

Smallholder farmers produce 40% of the world's palm oil but continue to suffer from lower yields. This is why the RSPO's goal is for smallholder farmers to improve their livelihood by joining the sustainable palm oil supply chain. This is how the RSPO plans to achieve this.

**Objective 1**  
Smallholder livelihoods are improved



**Objective 2**  
The number of smallholders within the RSPO system is increased

**Objective 3**

The business case for smallholder inclusion in the RSPO is made through increased support



# For More Information:

Download the new  
RSPO P&C 2018 and  
FAQ's here-

[www.rspo.org/  
principles-and-  
criteria-review](http://www.rspo.org/principles-and-criteria-review)

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**RSPO**

Roundtable on  
Sustainable Palm Oil

[www.rspo.org](http://www.rspo.org)

THANK YOU



RSPO will transform markets to make  
sustainable palm oil the norm