

# ACOP

Annual Communications Of Progress

SECTORAL REPORT  
2012 / 2013

BANKS & INVESTORS



**RSPO**

Roundtable on Sustainable Palm Oil





## Banks & Investors

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## Particulars

<b>Organisation Name</b>	BNP Paribas
<b>Corporate Website Address</b>	<a href="http://www.bnpparibas.com">http://www.bnpparibas.com</a>
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	Australia, Algeria
<b>Membership Number</b>	5-0013-11-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

### Other information on palm oil:

Information on the application of our investment and lending policy in palm oil sector can be found on page 92 of our 2013 CSR Report  
(see [Click here to visit the URL](#))

## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Private Banking
- Corporate/ Business Banking
- Retail Banking
- Global Banking
- Treasury
- Investment/ Equity
- Trade Finance
- Structured Finance
- Capital Markets
- Internet Banking/ E-Banking
- SME Banking

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Other

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Leasing
- Treasury products
- Cash management products
- Investments
- Insurance
- Other

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Other:

Bond Emissions

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#### 3. How large is your investment/financial interest in the palm oil sector?

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
- Africa
- Europe

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#### 5. Which different sectors do you have the relationship with?

Growers  
Traders  
Refiners

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#### 6. Number of engagements with palm oil organizations within the reporting period

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## Palm Oil Policy

### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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#### 7.1. If Yes, does this policy only cover palm oil growers?

No

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#### 7.2. If your palm oil policy covers other sectors please list them

- Other

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#### Other:

Our policy applies to companies directly involved in the upstream or downstream palm oil value chain and for which it represents a significant part of their activities. Upstream companies refer to palm oil plantations and mills, whereas downstream companies refer to refiners and traders. Other companies further down the value chain (ingredients and products manufacturers and retailers) are not in the scope of such policy.

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#### 7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?

Yes

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#### 8. Do you require your customers to be RSPO members?

No

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#### 9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?

Yes

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#### 10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?

A dialogue is implemented with the client in order to ensure that a correction plan with short deadline in order to meet with our binding criteria.  
If the client can not answer properly to our questions and show lack of consistency in his sustainable strategy, we have to refuse lending or investing engagements.

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#### 11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period

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#### 12. Number of customers that have joined the RSPO as a result of engagement in the reporting period

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## Time-Bound Plan

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#### 13. Date by which you will expect all clients with palm oil operations to be RSPO members

2015

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##### 13.1. Date expected for first client to be RSPO certified

2011

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##### 13.2. Date expected to achieve 100% certified palm oil financed

2015

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**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

Since March 2011, BNP Paribas has visited and maintained a dialogue with eight companies in Southeast Asia, which represent around 18% of global production and more than 15% of palm tree plantations. Through its influence, BNP Paribas has helped to bring about changes at Golden Agri Resources, Indonesia's number one palm oil producer. The forest protection announcements made by the company in early 2013 were given a warm welcome by environmental NGOs.

We report here an interview of Glenn Hurowitz, Director of Campaigns at Climate Advisers that has been published in our 2012 CSR Report:

Can financial institutions have a real impact on deforestation? Financial institutions can make a huge difference to protect the world's disappearing tropical rainforests, but doing so requires serious engagement with commodity producers and traders. Along with NGO's and consuming companies, BNP Paribas contributed to one of the biggest conservation successes in recent years by declining to finance the world's largest private sector palm oil producer until it ended its reliance on deforestation. This engagement helped convince the producer to adopt an industry-leading standard that prohibits deforestation and destruction of carbon-rich peatland. That's an achievement to be truly proud of. What is your opinion about BNP Paribas Palm oil sector policy? The thing that really distinguishes BNP Paribas is that it's not just putting words on paper, but engaging seriously with commodity producers and NGOs to achieve real reductions in deforestation. BNP Paribas recognizes that results matter, and is helping to transform industry laggards into sustainability leaders. I hope other banks will join BNP Paribas in seriously engaging commodity producers and traders to achieve a global shift to deforestation free production that protects the planet and enhances prosperity. Glenn Hurowitz and Climate Advisers, a consulting firm that specializes in climate change policy, have never worked or received any remuneration from BNP Paribas or its subsidiaries.

**15. Which countries that your organization operates in do the above commitments cover?****Actions for Next Reporting Period****17. Outline actions that will be taken in the coming year to promote sustainable palm oil**

We will take into consideration the review of the RSPO guidelines in our internal investing and financing policy.

**18. Does your company have a public commitment relating to the GHG emissions of your operations?**

Yes

**Public commitment relating to the GHG emissions**

[F-GHG-Public-Commitment.pdf](#)

For administration purpose, attachment files are renamed automatically

**18.1. Do you publicly report the GHG emissions of your operations?**

Yes

**Public report of GHG emissions on operations**

[F-GHG-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

**18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?**

No

**Public commitment to require clients to disclose their GHG emissions**

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**19. If you have not disclosed any of the above information please indicate the reasons why**

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**Other**

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## Application of Principles & Criteria for all members sectors

**20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C**

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

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**Water, land, energy and carbon footprints policy**

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**Land use rights policy**

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**Ethical conduct and human rights policy**

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**Labour rights policy**

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**Stakeholder engagement policy**

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**20.1. Please specify if/when you intend to develop one**

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**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

We will keep on applying our CSR policy regarding investing and financing in palm oil sector, also with the help of the Compliance function that gathers more than 2 000 collaborators in the world, based on a decentralized organization coordinated by Group Compliance team. Besides, 6000 Risk officers within the Group ensure an objective and systematic double check for all financial transactions of the Group and its clients. On top of this, BNP Paribas has also released the BNP Paribas Responsibility Charter and its Code of Conduct on its internet website.

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**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

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**Please specify**

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**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

In our client relationship, we always take into account the way they support communities in the plantation areas. To contribute to ensure basic social requirements are met and to limit negative impacts on climate change and biodiversity, BNP Paribas requires that upstream palm oil companies do not use child or forced labour manpower ; will not develop a new plantation on lands previously owned or occupied by local communities without having (and in line with the RSPO principles and criteria), conducted a proper consultation process, achieved an acceptable compensation arrangement, and implemented an acceptable grievance mechanism.

**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

We keep direct dialogue, we listen to any controversial issue that arises from external stakeholders, and if needed we ask an external expert consultant to conduct in-depth local audit on ESG criteria in order to assess ESG performance.

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## Challenges

### 1. Significant economic, social or environmental obstacles

The most important difficulty is, while assessing the ESG performance, to know precisely what are the real practices of the company on the ground. Many different statements and points of view may arise during investigation or audit and we need to clearly state out what's really happening. To mitigate this difficulty we ask, when needed, an external expert consultant to conduct in-depth local audit on ESG criteria in order to assess ESG performance.

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### 2. How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

No

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#### Robust:

Yes

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#### Simpler to Comply to:

Yes

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### 3. How has your organization supported the vision of RSPO to transform markets?

We are fully supporting the vision of RSPO to transform markets by being a responsible financial player in the palm oil sector, based on a public policy including binding ESG criteria and with the help of external auditors to assess the ESG performance of the actors we chose to support.

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## Particulars

<b>Organisation Name</b>	Citi
<b>Corporate Website Address</b>	<a href="http://www.citi.com">http://www.citi.com</a>
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	
<b>Membership Number</b>	5-0011-10-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

**Other information on palm oil:**

[Click here to visit the URL](#)

## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Private Banking
- Corporate/ Business Banking
- Retail Banking
- Global Banking
- Treasury
- Investment/ Equity
- Trade Finance
- Structured Finance
- Capital Markets
- Internet Banking/ E-Banking
- SME Banking

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Other

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Treasury products
- Cash management products

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Other:

Investment banking products and services (e.g. debt and equity securities)

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#### 3. How large is your investment/financial interest in the palm oil sector?

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
  - South America
- 

#### 5. Which different sectors do you have the relationship with?

Growers, processors & traders, consumer goods manufacturers, and retailers

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#### 6. Number of engagements with palm oil organizations within the reporting period

8

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### Palm Oil Policy

#### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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**7.1. If Yes, does this policy only cover palm oil growers?**

No

**7.2. If your palm oil policy covers other sectors please list them**

- Processors

**Other:**

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**7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?**

Yes

**8. Do you require your customers to be RSPO members?**

Yes

**9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?**

Yes

**10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?**

We engage in a dialogue with the client to better understand the challenges it faces and to assess its commitment to achieving 100% certified operations.

**11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period**

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**12. Number of customers that have joined the RSPO as a result of engagement in the reporting period**

1

**Time-Bound Plan****13. Date by which you will expect all clients with palm oil operations to be RSPO members**

2018

**13.1. Date expected for first client to be RSPO certified**

2011

**13.2. Date expected to achieve 100% certified palm oil financed**

2020

**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

Citi developed a capacity building program called "Biodiversity for Banks" in partnership with the Equator Principles Association, WWF and the Business and Biodiversity Program. The 2-day workshop includes a case study on palm oil in Indonesia, and teaches participants to identify appropriate milestones that demonstrate a client's progress in achieving RSPO certification.

**15. Which countries that your organization operates in do the above commitments cover?**

Honduras, Indonesia, Malaysia

## Actions for Next Reporting Period

### 17. Outline actions that will be taken in the coming year to promote sustainable palm oil

Citi has indicated its interest in joining the new RSPO Financial Institution Task Force to support outreach and engagement with financial institutions on becoming members of RSPO.

### 18. Does your company have a public commitment relating to the GHG emissions of your operations?

Yes

#### Public commitment relating to the GHG emissions

[F-GHG-Public-Commitment.pdf](#)

For administration purpose, attachment files are renamed automatically

### 18.1. Do you publicly report the GHG emissions of your operations?

Yes

#### Public report of GHG emissions on operations

[F-GHG-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

### 18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?

No

#### Public commitment to require clients to disclose their GHG emissions

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### 19. If you have not disclosed any of the above information please indicate the reasons why

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#### Other

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## Application of Principles & Criteria for all members sectors

### 20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

#### Water, land, energy and carbon footprints policy

[F-Policies-to-PNC-waterland.pdf](#)

For administration purpose, attachment files are renamed automatically

#### Land use rights policy

[F-Policies-to-PNC-landuseright.pdf](#)

For administration purpose, attachment files are renamed automatically

#### Ethical conduct and human rights policy

[F-Policies-to-PNC-ethicalconducthr.pdf](#)

For administration purpose, attachment files are renamed automatically

**Labour rights policy**

[F-Policies-to-PNC-laborrights.pdf](#)

For administration purpose, attachment files are renamed automatically

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**Stakeholder engagement policy**

[F-Policies-to-PNC-stakeholderengagement.pdf](#)

For administration purpose, attachment files are renamed automatically

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**20.1. Please specify if/when you intend to develop one**

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**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

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**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

No

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**Please specify**

We only do business with RSPO members that have time bound plans.

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**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

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**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

We review our clients' progress during annual credit reviews and prior to any new transaction.

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## Challenges

### 1. Significant economic, social or environmental obstacles

Setting a target year to have 100% of our clients certified is somewhat misleading. When clients acquire new assets (or new clients are onboarded) after the target year, it will take some time to certify these operations. We can set a target date of 2020 to have our existing client portfolio certified. However, we will continue to give new clients, or existing clients with new assets, a period of 3 years to certify these operations.

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### 2. How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

No

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#### Robust:

Yes

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#### Simpler to Comply to:

No

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### 3. How has your organization supported the vision of RSPO to transform markets?

Citi is participating in the new RSPO Financial Institutions Task Force, and we look forward to outreach to banks that are active in the palm oil sector but not yet RSPO members.

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## Particulars

<b>Organisation Name</b>	Credit Suisse AG
<b>Corporate Website Address</b>	<a href="http://www.credit-suisse.com">http://www.credit-suisse.com</a>
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	
<b>Membership Number</b>	5-0010-10-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

### Other information on palm oil:

(1) Credit Suisse internet page on RSPO:

[Click here to visit the URL](#)

(2) RSPO RT10 presentation on 'Food vs Fuel':

[Click here to visit the URL](#)

(3) ZSL Sustainable Oil Palm case study (launched at RT10):

[Click here to visit the URL](#)

(4) Public Summaries of 'Forestry & Agribusiness Policy' and 'Palm Oil Guidelines': [Click here to visit the URL](#)

## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Private Banking
- Corporate/ Business Banking
- Global Banking
- Treasury
- Investment/ Equity
- Trade Finance
- Structured Finance
- Capital Markets

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Other

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Investments

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Other:

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#### 3. How large is your investment/financial interest in the palm oil sector?

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia

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#### 5. Which different sectors do you have the relationship with?

- (1) Individual growers, processors / refiners, traders and CGM's
  - (2) Integrated players
- 

#### 6. Number of engagements with palm oil organizations within the reporting period

10

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### Palm Oil Policy

#### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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#### 7.1. If Yes, does this policy only cover palm oil growers?

No

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**7.2. If your palm oil policy covers other sectors please list them**

- Processors

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**Other:**

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**7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?**

Yes

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**8. Do you require your customers to be RSPO members?**

Yes

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**9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?**

Yes

---

**10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?**

Engagement and advisory support in the first instance.

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**11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period**

1

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**12. Number of customers that have joined the RSPO as a result of engagement in the reporting period**

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**Time-Bound Plan****13. Date by which you will expect all clients with palm oil operations to be RSPO members**

2018

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**13.1. Date expected for first client to be RSPO certified**

2010

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**13.2. Date expected to achieve 100% certified palm oil financed**

2020

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**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

Three examples:

- (1) Peer outreach within and outside the RSPO community
  - (2) Provided case study for ZSL Sustainable Oil Palm website
  - (3) Worked with client to develop IPO prospectus disclosures and corporate website vis-a-vis RSPO / CSPO commitments
- 

**15. Which countries that your organization operates in do the above commitments cover?**

Brazil, India, Indonesia, Malaysia, Thailand

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## Actions for Next Reporting Period

### 17. Outline actions that will be taken in the coming year to promote sustainable palm oil

A few action areas as follows:

- (1) Continued outreach with peers within and outside the RSPO financial institutions community
- (2) Raising awareness of RSPO via other industry platforms, and in collaboration with peers
- (3) Take all opportunities to work with clients vis-a-vis RSPO / CSPO commitments

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### 18. Does your company have a public commitment relating to the GHG emissions of your operations?

Yes

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#### Public commitment relating to the GHG emissions

[F-GHG-Public-Commitment.pdf](#)

For administration purpose, attachment files are renamed automatically

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### 18.1. Do you publicly report the GHG emissions of your operations?

Yes

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#### Public report of GHG emissions on operations

[F-GHG-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

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### 18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?

No

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#### Public commitment to require clients to disclose their GHG emissions

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### 19. If you have not disclosed any of the above information please indicate the reasons why

Confidential

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#### Other

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## Application of Principles & Criteria for all members sectors

### 20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

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#### Water, land, energy and carbon footprints policy

[F-Policies-to-PNC-waterland.pdf](#)

For administration purpose, attachment files are renamed automatically

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#### Land use rights policy

[F-Policies-to-PNC-landuseright.pdf](#)

For administration purpose, attachment files are renamed automatically

**Ethical conduct and human rights policy**[F-Policies-to-PNC-ethicalconducthr.pdf](#)

For administration purpose, attachment files are renamed automatically

**Labour rights policy**[F-Policies-to-PNC-laborrights.pdf](#)

For administration purpose, attachment files are renamed automatically

**Stakeholder engagement policy**[F-Policies-to-PNC-stakeholderengagement.pdf](#)

For administration purpose, attachment files are renamed automatically

**20.1. Please specify if/when you intend to develop one**

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**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

Our internal 'Forestry & Agribusiness Policy' (incorporating palm oil) requires clients to join RSPO, comply with RSPO P&C and develop a roadmap towards CSPO production.

**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

No

**Please specify**

We don't feel we should reward companies for operating sustainably when there are clear benefits to them by doing so.

**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

Yes. Between 2010 and 2012 we supported WWF-Indonesia with their Land Values Mapping project in East Kalimantan, identifying areas of HCVF and High Carbon Stock forest, and associated stakeholder consultation.

The quality benchmark for this project was that it was chosen for inclusion in the US-Indonesian debt-for-nature swap programme in 2011/12.

**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

A mix of qualitative evaluation and reference to the RSPO P&C

## Challenges

### 1. Significant economic, social or environmental obstacles

Occasional feedback from our bankers in client / prospect meetings that other global banks and Asian regional banks are not applying any ESG standards to deals in the sector, placing ourselves and other RSPO member banks at a competitive disadvantage. There needs to be more work done across RSPO to reward / recognise the efforts of committed members and to pressure other players to join and support a sustainable palm oil industry.

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### 2. How would you qualify RSPO standards as compared to other parallel standards?

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---

#### Cost Effective:

Yes

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#### Robust:

Yes

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#### Simpler to Comply to:

No

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### 3. How has your organization supported the vision of RSPO to transform markets?

Yes. Examples of our support are throughout this submission and in our Policy, and include case studies, peer dialogue and client outreach.

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## Particulars

<b>Organisation Name</b>	Generation Investment Management
<b>Corporate Website Address</b>	<a href="http://www.generationim.com">http://www.generationim.com</a>
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	
<b>Membership Number</b>	5-0012-11-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

Other information on palm oil:

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## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Investment/ Equity

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Other

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Investments

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Other:

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#### 3. How large is your investment/financial interest in the palm oil sector?

440000000

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
  - Africa
  - Australasia
  - China
  - Europe
  - India
  - North America
  - South America
- 

#### 5. Which different sectors do you have the relationship with?

We are exposed to the FMCG sector (e.g. Unilever) who are large palm oil purchasers. Our geographic exposure is also through our investment in these companies, although we are not directly involved in the palm oil business. These companies are global in nature with extensive supply chains. We feel we are exposed through one Chinese holding that is a palm oil buyer, not currently of RSPO certified palm oil.

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#### 6. Number of engagements with palm oil organizations within the reporting period

1

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### Palm Oil Policy

#### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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#### 7.1. If Yes, does this policy only cover palm oil growers?

No

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**7.2. If your palm oil policy covers other sectors please list them**

- Traders
- Processors
- CGMs
- Retailers

---

**Other:**

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**7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?**

Yes

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**8. Do you require your customers to be RSPO members?**

--

---

**9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?**

No

---

**10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?**

Our direct clients are investors, whom direct palm oil exposure is not material.

---

**11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period**

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**12. Number of customers that have joined the RSPO as a result of engagement in the reporting period**

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**Time-Bound Plan****13. Date by which you will expect all clients with palm oil operations to be RSPO members**

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**13.1. Date expected for first client to be RSPO certified**

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**13.2. Date expected to achieve 100% certified palm oil financed**

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**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

During 2013 the Investor Working Group undertook phase II which focused on engagement encouraging global companies, including India and China, to join RSPO and, crucially, disclose a time-bound plan. The group has a target list of 23 companies whom they are seeking engagement. As part of company engagement, the Group has sought to inform companies about RSPO and collaborated with NGOs, companies and investors to identify the best ways forward to collectively promote CSPO. The investor working group has grown to 25 members with over \$2 trillion of assets under management. Mark Mills, a partner of Generation, is continuing to chair the group throughout 2013.

Our engagement has expanded coverage to include Chinese and Indian purchasers of Palm Oil and Generation has specifically raised the issue of RSPO membership with one of our key Chinese investments. This has led to them meeting with the Sec Gen of the RSPO and we await their decision on RSPO membership.

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**15. Which countries that your organization operates in do the above commitments cover?**

## Actions for Next Reporting Period

### 17. Outline actions that will be taken in the coming year to promote sustainable palm oil

We are continuing to progress Phase II of our plan, targeting our list of 23 companies and expanding engagement down the palm oil supply chain, from purchasers to processors and growers, as part of the Investor Working Group.

### 18. Does your company have a public commitment relating to the GHG emissions of your operations?

Yes

#### Public commitment relating to the GHG emissions

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### 18.1. Do you publicly report the GHG emissions of your operations?

No

#### Public report of GHG emissions on operations

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### 18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?

No

#### Public commitment to require clients to disclose their GHG emissions

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### 19. If you have not disclosed any of the above information please indicate the reasons why

Other

#### Other

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## Application of Principles & Criteria for all members sectors

### 20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C

- None

#### Water, land, energy and carbon footprints policy

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#### Land use rights policy

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#### Ethical conduct and human rights policy

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#### Labour rights policy

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**Stakeholder engagement policy**

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**20.1. Please specify if/when you intend to develop one**

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**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

Our investment philosophy is based on the premise that over-arching sustainability issues will impact upon our investee companies in the long-term. The sustainability issues that our investment analysts look at include those listed in this form, as they are appropriate to their sector/company coverage. As we are continuously seeking to update our knowledge and understanding of sustainability issues, we do not have a policy on each of these issues specifically.

**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

No

**Please specify**

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**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

Generation has an advocacy arm, The Generation Foundation, which aims to promote the field of sustainable capitalism ([Click here to visit the URL](#))

**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

The IWG which we consider our "palm oil partners" have regular calls and updates where we communicate engagement progress and discuss future engagement strategies. We also schedule "guest" speakers, e.g. companies, partnership organisations on certain calls.

## Challenges

### 1. Significant economic, social or environmental obstacles

We believe the biggest challenge to broader adoption of sustainable practises is corruption and lack of transparency.  
We believe RSPO should encourage all growers to be transparent about their holdings and concessions so that satellite technology can play an important role in monitoring

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### 2. How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

Yes

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#### Robust:

Yes

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#### Simpler to Comply to:

Yes

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### 3. How has your organization supported the vision of RSPO to transform markets?

As discussed previously, we are founders of the UNPRI Investor Working Group.

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## Particulars

<b>Organisation Name</b>	HSBC Bank Malaysia Berhad		
<b>Corporate Website Address</b>	<a href="http://www.hsbc.com.my/">http://www.hsbc.com.my/</a>		
<b>Primary Activity or Product</b>	Finance		
<b>Related Company(ies)</b>	<b>Company</b>	<b>Primary Activity</b>	<b>RSPO Member</b>
	All HSBC Group offices are covered by HSBC Malaysia membership	Finance	No
<b>Country Operations</b>	Australia, Bahamas, Bahrain, Belgium, Bermuda, Brazil, Brunei Darussalam, Canada, Cayman Is, Czech Republic, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Jordan, Kuwait, Lebanon, Macau, Malaysia, Malta, Mauritius, Mexico, Monaco, Netherlands, New Zealand, Oman, Pakistan, Philippines, Poland, Qatar, Saudi Arabia, Singapore, South Africa, Spain, Sri Lanka, Switzerland, Thailand, Turkey, United Arab Emirates, United Kingdom, USA, Vietnam		
<b>Membership Number</b>	5-0009-04-000-00		
<b>Membership Type</b>	Ordinary Members		
<b>Membership Category</b>	Banks and Investors		

## Related Information

### Other information on palm oil:

HSBC is committed to operating in a sustainable manner . Where asked to provide financial services to businesses which operate in sectors with potentially high environmental or social impacts, we satisfy ourselves that those businesses are operating in accordance with good international standards and practice.

HSBC was a founder member of RSPO, strongly supporting certification, and is an RSPO Executive Board member.

Our approach is based on customers obtaining independent certification, such as that offered by RSPO, that their activities are legal and sustainable.

Details of our public policies and sustainability reporting can be found on the HSBC website.

## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Corporate/ Business Banking
- Retail Banking
- Trade Finance

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Other

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Treasury products
- Cash management products

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Other:

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#### 3. How large is your investment/financial interest in the palm oil sector?

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
- Australasia
- China
- Europe
- India
- North America
- South America

#### 5. Which different sectors do you have the relationship with?

HSBC provides services to the whole Palm Oil supply chain. This covers Mills and Plantations, Traders, Refiners, Manufacturers and Retailers

Engagements are numerous across the whole sector.

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#### 6. Number of engagements with palm oil organizations within the reporting period

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## Palm Oil Policy

### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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#### 7.1. If Yes, does this policy only cover palm oil growers?

No

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#### 7.2. If your palm oil policy covers other sectors please list them

■ Other

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#### Other:

Mills.

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#### 7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?

Yes

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#### 8. Do you require your customers to be RSPO members?

No

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#### 9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?

No

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#### 10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?

HSBC has a preference for customers that obtain RSPO certification or that have a time bound plan for certification, but they can provide alternative evidence that they meet our policy.

If any customer is not meeting our policy, HSBC engage with them to take actions to ensure compliance within an agreed time period.

Failure to meet agreed timebound plans and compliance with our policy(s) could lead to HSBC exiting from a specific client relationship

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#### 11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period

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#### 12. Number of customers that have joined the RSPO as a result of engagement in the reporting period

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## Time-Bound Plan

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#### 13. Date by which you will expect all clients with palm oil operations to be RSPO members

2015

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##### 13.1. Date expected for first client to be RSPO certified

2008

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##### 13.2. Date expected to achieve 100% certified palm oil financed

2015

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**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

HSBC does not have a specified date by which all clients must be RSPO members or be certified. We encourage clients to join, and certify under, RSPO or prove otherwise they met our policy.

HSBC's internal guidance is that customers who gain RSPO certification to evidence compliance with our policy should generally do so by 2015. We are reviewing formal deadlines as part of a current policy review process, to strengthen our support for certification and the use of time-bound plans by our customers.

HSBC supports ongoing dialog with our customer base regarding the benefits of certification, and compliance with HSBC policy is conducted to promote sustainable palm oil development including CSPO.

HSBC currently provides financing to clients holding or in the process of obtaining RSPO Certified Status. Our general preference is for financing of clients holding certification status, or having time bound plans in place.

HSBC are undertaking ongoing discussions with NGOs, growers and manufacturers on the expansion and extension of our support for RSPO certification.

Our commitments cover all countries HSBC operates in.

**15. Which countries that your organization operates in do the above commitments cover?**

Australia, Algeria, Bahamas, Bahrain, Belgium, Bermuda, Brazil, Brunei Darussalam, Canada, Cayman Is, Czech Republic, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Jordan, Korea, Republic of, Kuwait, Lebanon, Macau, Malaysia, Mauritius, Mexico, Netherlands, New Zealand, Oman, Pakistan, Philippines, Poland, Qatar, Saudi Arabia, Singapore, South Africa, Spain, Sri Lanka, Switzerland, Taiwan, Republic of China, Thailand, Turkey, United Arab Emirates, United Kingdom, USA, Vietnam

**Actions for Next Reporting Period**

**17. Outline actions that will be taken in the coming year to promote sustainable palm oil**

Ongoing promotion of RSPO certification to existing and potential bank clients, and encouragement of other financial institutions to support RSPO.

Client training events and seminars to promote the advantages and benefits of RSPO membership and CSPO.

Ongoing membership of RSPO Board with a drive to push CSPO uptake in India, China and within producing countries and through engagement with the major buyers..

**18. Does your company have a public commitment relating to the GHG emissions of your operations?**

Yes

**Public commitment relating to the GHG emissions**

[F-GHG-Public-Commitment.pdf](#)

For administration purpose, attachment files are renamed automatically

**18.1. Do you publicly report the GHG emissions of your operations?**

Yes

**Public report of GHG emissions on operations**

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**18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?**

No

**Public commitment to require clients to disclose their GHG emissions**

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**19. If you have not disclosed any of the above information please indicate the reasons why**

Other

**Other**

Not Applicable.  
 GHG emissions and our policies can be found in HSBC Sustainability report published on the HSBC Website

**Application of Principles & Criteria for all members sectors**

**20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C**

- Stakeholder engagement

**Water, land, energy and carbon footprints policy**

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**Land use rights policy**

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**Ethical conduct and human rights policy**

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**Labour rights policy**

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**Stakeholder engagement policy**

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**20.1. Please specify if/when you intend to develop one**

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**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

HSBC continues to develop and improve our sustainability risk framework as it is the right thing to do for the environment, local people and our customers.

HSBC has made a commitment to review our Forestry Policy and it's implementation, to be conducted in H2 2013.

We continue to work closely with our customers, the regulators and NGOs to further develop and strengthen our ethical business model and to comply with all local, national and international regulations.

In each jurisdiction HSBC operate HSBC aims to operate ethically and in line with international business practice and local regulations and customs.

HSBC has additional sustainability policies for mining, freshwater, chemicals and energy. We have adopted the Equator Principles, whereby 79 Intl Banks follow best practice in environmental and social issues when financing large projects.  
 HSBC is also supporting wider initiatives UN Global Compact.

**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

No

**Please specify**

We have clear policy of promoting RSPO membership and a clear preference for RSPO certification related to palm oil certification standards.

However if a client chooses an alternative methodology at least equivalent to RSPO, we will provide ongoing support to them on the same terms.

HSBC are actively looking at the provision of financial assistance and incentives to companies looking to certify their operations and pursue RSPO certification.

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**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

YES. HSBC supports 3 major global environmental partnerships under a 5 year US\$100mn programme with WaterAid, Earthwatch and WWF.

We also invested US\$58M in community education programmes in 2012, and have committed an additional US\$15M for our Flagship Global Education programme to tackle child poverty.

This is in addition to local community programmes run by each country and tailored to local need and requirements.

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**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

YES. HSBC Group employs a sustainability benchmark exercise on all customers where sustainability risks exist. This is undertaken against our Forestry and Palm Oil policy guidelines.

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## Challenges

### 1. Significant economic, social or environmental obstacles

Currently no significant premium is paid by buyers for CSPO, which is a direct disincentive to financial investments for a grower/mill in order to convert their operations to sustainable and certified status.

Greater CSPO take up in China and India is needed to ensure a greater incentive and push for the growers to take further certification steps.

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### 2. How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

Yes

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#### Robust:

Yes

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#### Simpler to Comply to:

No

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### 3. How has your organization supported the vision of RSPO to transform markets?

HSBC currently provides general funding to clients to enable progression towards RSPO certification and improve their sustainability risk.

We also actively engagement with key stakeholders, specifically our Customers and NGOs, on Palm Oil sustainability programmes and development.

We currently provide business training and education programmes to promote Certification and RSPO benefits to clients and prospective clients.

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## Particulars

<b>Organisation Name</b>	International Finance Corporation (IFC)
<b>Corporate Website Address</b>	<a href="http://www.ifc.org/">http://www.ifc.org/</a>
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	Afghanistan, Brazil, Burkina Faso, Cambodia, China - People's Republic of, Gabon, Ghana, Guatemala, Haiti, Honduras, India, Indonesia, Iraq, Jordan, Kazakhstan, Lao People's Democratic Republic, Liberia, Mexico, Mozambique, Nepal, Nicaragua, Nigeria, Palestine, Papua New Guinea, Peru, Philippines, Russian Federation, Rwanda, Sierra Leone, South Africa, Sri Lanka, Sudan, Tanzania, Thailand, Turkey, Uganda, Ukraine, United Kingdom, Vietnam, Zambia
<b>Membership Number</b>	5-0002-05-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

### Other information on palm oil:

IFC's engagement in the palm oil sector is guided by the World Bank Framework and IFC Strategy for Engagement in the Palm Oil Sector adopted on April 1, 2011.

The framework and strategy were developed following extensive global consultations with a wide range of stakeholders including environmental and social NGOs, farmers, indigenous communities, private sector companies, international agricultural research organizations and governments. The stakeholder consultations helped to shape key areas of focus for Bank Group engagement in the sector, including:

1. regulatory and governance reforms;
2. responsible private investments;
3. improved benefit sharing with smallholders and communities;
4. development and widespread adoption of environmentally and socially sustainable standards and codes of practice.

The World Bank Group Framework and IFC Strategy for Engagement in the Palm Oil Sector give priority to institutional and market initiatives that support smallholders and foster benefit sharing with rural communities and to initiatives that encourage production on degraded lands and seek to improve productivity of existing plantations.

The World Bank Group's adopted approach in the palm oil sector also includes the use of new analytical "tools", such as a joint World Bank-IFC Country Situation Analysis and IFC's Risk Screening and Assessment procedure. These tools enable an assessment of key opportunities and risks, particularly around the issues of land use and acquisition, governance, community concerns, and working conditions. These tools are meant to guide the Group's decisions on whether to engage, the level of appropriate engagements, and measures to avoid or reduce potential risks.

## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Corporate/ Business Banking
- Global Banking
- Investment/ Equity
- Trade Finance
- Other

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#### Other

Advice

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Investments

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#### Other:

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#### 3. How large is your investment/financial interest in the palm oil sector?

62250000

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
- Africa
- Australasia
- Europe
- South America

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#### 5. Which different sectors do you have the relationship with?

IFC has 9 sectors/Industry departments, including Agribusiness, Global Financial Markets, Global Manufacturing and Services, Health & Education, Information & Communication Technologies, Infrastructure, Oil Gas & Mining, Private Equity & Investment Funds and Subnational Finance.

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#### 6. Number of engagements with palm oil organizations within the reporting period

10

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### Palm Oil Policy

#### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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**7.1. If Yes, does this policy only cover palm oil growers?**

No

**7.2. If your palm oil policy covers other sectors please list them**

- Traders
- Processors
- CGMs
- Retailers

**Other:**

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**7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?**

Yes

**8. Do you require your customers to be RSPO members?**

Yes

**9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?**

No

**10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?**

As part of the engagement with a client, an Environmental & Social Review Summary (ESRS) and an Environmental & Social Action Plan (ESAP) are generated based on the requirements of the IFC Performance Standards. The ESRS and ESAP are reviewed and approved by the client. The final agreement, approved by the IFC and the client, reflects the terms of the ESAP plus any other E&S commitments. Annual monitoring on progress in meeting the E&S terms of the investment agreement is undertaken.

**11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period**

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**12. Number of customers that have joined the RSPO as a result of engagement in the reporting period**

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**Time-Bound Plan****13. Date by which you will expect all clients with palm oil operations to be RSPO members**

2011

**13.1. Date expected for first client to be RSPO certified**

2014

**13.2. Date expected to achieve 100% certified palm oil financed**

2020

**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

Investment: Several prospective new investments by IFC in palm oil operations are under active consideration. Any future investments in palm oil operators will need to meet the requirements of IFC's Environmental and Social Performance Standards and as such this means achieving RSPO or RSPO equivalent certification.

Advisory/Technical Assistance: National Interpretations in Liberia and Sierra Leone; Independent smallholder models in Ghana  
Smallholders in Indonesia; Community investment by oil palm plantations in Indonesia

Biodiversity and Agricultural Commodities Program (BACP):

IFC has supported the following organizations through matching grants: RSPO - Revision of the P&C, CB training, HCV assessor training; Proforest - RSPO Roadshows in Brazil, Cameroon and Cote d'Ivoire, Lead Auditor training, RSPO implementation training

**15. Which countries that your organization operates in do the above commitments cover?**

Ghana, Indonesia, Liberia, Sierra Leone

**Actions for Next Reporting Period****17. Outline actions that will be taken in the coming year to promote sustainable palm oil**

IFC will continue to explore opportunities for sustainable investment in the sector. We will continue to take forward the advisory projects that are currently ongoing or in planning stages, notably the National Interpretations in West Africa and the smallholder and community investment work in Indonesia.

**18. Does your company have a public commitment relating to the GHG emissions of your operations?**

Yes

**Public commitment relating to the GHG emissions**

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**18.1. Do you publicly report the GHG emissions of your operations?**

Yes

**Public report of GHG emissions on operations**

[F-GHG-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

**18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?**

Yes

**Public commitment to require clients to disclose their GHG emissions**

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**19. If you have not disclosed any of the above information please indicate the reasons why**

Data Unknown

**Other**

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## Application of Principles & Criteria for all members sectors

### 20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

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#### Water, land, energy and carbon footprints policy

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#### Land use rights policy

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#### Ethical conduct and human rights policy

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#### Labour rights policy

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#### Stakeholder engagement policy

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#### 20.1. Please specify if/when you intend to develop one

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### 21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?

The World Bank Group is committed to improving governance and fighting corruption in member countries through the Governance Anti-Corruption framework, which has three main pillars:

- Helping countries build capable, transparent, and accountable institutions
  - Expanding partnerships with multilateral and bilateral development institutions, civil society, the private sector, and other actors in joint initiatives to address corruption
  - Minimizing corruption in World Bank-funded projects by assessing corruption risk in projects upstream, actively investigating allegations of fraud and corruption, and strengthening project oversight and supervision
- IFC's Sanctions Process sets clear standards and procedures if there are allegations against clients or partners. These standards have gained broader acceptance. Multilateral Development Banks (MDBs) have stepped up their fight against corruption with the signing on April 9, 2010, of a joint Sanction Accord with Cross Debarment as a new enforcement tool, greatly increasing potential penalties for firms engaging in fraud and corruption, and adding a strong deterrent.

The Office of the Compliance Advisor/Ombudsman (CAO) is the independent recourse mechanism for IFC and MIGA, the private sector lending arms of the World Bank Group. CAO's mission is to address complaints by people affected by IFC/MIGA projects and to enhance the social and environmental accountability of both institutions.

The Independent Evaluation Group (IEG) is charged with evaluating the work of IFC in private sector development. The Director-General of IEG reports directly to the World Bank Group's Board of Directors. The goals of evaluation are to provide an objective assessment of the results of the Bank Group's work and to identify and disseminate lessons learned from experience.

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### 22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?

Yes

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**Please specify**

## IFC Performance Standard 6

26. Clients who are engaged in the primary production of living natural resources, including natural and plantation forestry, agriculture, animal husbandry, aquaculture, and fisheries, will be subject to the requirements of paragraphs 26 through 30, in addition to the rest of this Performance Standard. Where feasible, the client will locate land-based agribusiness and forestry projects on unforested land or land already converted.

Clients who are engaged in such industries will manage living natural resources in a sustainable manner, through the application of industry-specific good management practices and available technologies. Where such primary production practices are codified in globally, regionally, or nationally recognized standards, the client will implement sustainable management practices to one or more relevant and credible standards as demonstrated by independent verification or certification.

27. Credible globally, regionally, or nationally recognized standards for sustainable management of living natural resources are those which (i) are objective and achievable; (ii) are founded on a multi-stakeholder consultative process; (iii) encourage step-wise and continual improvements; and (iv) provide for independent verification or certification through appropriate accredited bodies for such standards.

28. Where relevant and credible standard(s) exist, but the client has not yet obtained independent verification or certification to such standard (s), the client will conduct a pre-assessment of its conformity to the applicable standard(s) and take actions to achieve such verification or certification over an appropriate period of time

**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

IFC provides technical assistance/advisory services to companies for strategic community engagement and investment.

IFC uses the Development Outcome Tracking System (DOTS) to measure the development effectiveness of its investment and advisory services. DOTS have been recognized as the leading system for development-results measurement among international financial institutions focused on private sector development. DOTS allows for real-time tracking of development results throughout the project cycle. At the outset of a project, IFC staff members identify standardized indicators with baselines and targets. They track progress throughout supervision, which allows for real-time feedback into operations, until project closure.

**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

As part of the engagement with a client, an Environmental & Social Review Summary (ESRS) and an Environmental & Social Action Plan (ESAP) are generated based on the requirements of the IFC Performance Standards. The ESRS and ESAP are reviewed and approved by the client. The final agreement, approved by the IFC and the client, reflects the terms of the ESAP plus any other E&S commitments. Annual monitoring on progress in meeting the E&S terms of the investment agreement is undertaken.

## Challenges

### 1. Significant economic, social or environmental obstacles

Including smallholders in the value chain, as well as ensuring their good social and environmental practices continues to be a challenge that IFC is working on. IFC has two active advisory projects on oil palm smallholders in Ghana and in Indonesia.

### 2. How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

Yes

#### Robust:

Yes

#### Simpler to Comply to:

Yes

### 3. How has your organization supported the vision of RSPO to transform markets?

IFC's BACP program has provided approximately \$2 million in matching grant funding for biodiversity work in the palm oil sector, including direct support to the RSPO as well as biodiversity work on palm oil undertaken by FFI, PanEco, Proforest, WRI and ZSL.

## Particulars

<b>Organisation Name</b>	Rabobank
<b>Corporate Website Address</b>	<a href="http://www.rabobank.com">http://www.rabobank.com</a>
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	Australia, Argentina, Austria, Bahamas, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, Colombia, Czech Republic, Denmark, Ecuador, Ethiopia, Finland, France, Germany, Ghana, Hungary, Iceland, India, Indonesia, Ireland, Italy, Japan, Kenya, Lao People's Democratic Republic, Luxembourg, Malaysia, Mali, Mexico, Mozambique, Netherlands, New Zealand, Nicaragua, Norway, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Russian Federation, Rwanda, Senegal, Singapore, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Tanzania, Turkey, Uganda, United Kingdom, USA, Vietnam, Zambia
<b>Membership Number</b>	5-0001-04-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

### Other information on palm oil:

Rabobank has a Palm Oil Supply Chain Policy which applies to all commercial banking services such as credit facilities, project finance, advisory services and trade finance provided by Rabobank in the palm oil sector. The policy provides conditions for assessing upstream companies (palm oil growers and mills). Downstream companies (traders, processors, manufacturers, wholesalers and retailers) will be assessed on how they take their responsibility in the supply chain.

## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Private Banking
- Corporate/ Business Banking
- Retail Banking
- Global Banking
- Treasury
- Trade Finance
- Structured Finance
- Capital Markets
- Internet Banking/ E-Banking
- SME Banking

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**Other**

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Leasing
- Treasury products
- Cash management products

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**Other:**

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#### 3. How large is your investment/financial interest in the palm oil sector?

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
- Africa
- China
- Europe
- India
- North America
- South America

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#### 5. Which different sectors do you have the relationship with?

Growers, Traders, Refiners, End Users of palm products

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#### 6. Number of engagements with palm oil organizations within the reporting period

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## Palm Oil Policy

### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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#### 7.1. If Yes, does this policy only cover palm oil growers?

No

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#### 7.2. If your palm oil policy covers other sectors please list them

- Traders
- Processors
- CGMs
- Retailers

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#### Other:

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#### 7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?

Yes

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#### 8. Do you require your customers to be RSPO members?

No

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#### 9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?

Yes

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#### 10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?

In absence of full verification or certification, Rabobank will ask clients in the annual review to report on the progress made in the implementation of their sustainable verification or certification programme. If the client does not comply with the conditions or shows insufficient progress in integrating sustainability measures in daily operations, the bank will engage with the client and insist on specific and time-bound improvements. RSPO's ACOP form is generally used as a guide for discussions with clients on their CSR efforts towards sustainable palm oil.

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#### 11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period

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#### 12. Number of customers that have joined the RSPO as a result of engagement in the reporting period

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## Time-Bound Plan

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#### 13. Date by which you will expect all clients with palm oil operations to be RSPO members

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##### 13.1. Date expected for first client to be RSPO certified

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##### 13.2. Date expected to achieve 100% certified palm oil financed

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**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

In Mar 2013, we invited Anne Gabriel (then-RSPO Communications Director) to Rabobank Singapore to present to our Asia staff (via physical meeting/teleconference) RSPO's initiatives, to create awareness and to give employees a better perspective of CSPO.

We are also active in banking discussions (banking environment initiative) to promote the creation of a level playing field.

**15. Which countries that your organization operates in do the above commitments cover?**

Australia, Argentina, Austria, Bahamas, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, China - People's Republic of, Colombia, Czech Republic, Denmark, Ecuador, Ethiopia, Finland, France, Germany, Ghana, Hungary, Iceland, India, Indonesia, Ireland, Italy, Japan, Kenya, Lao People's Democratic Republic, Luxembourg, Malaysia, Mali, Mexico, Mozambique, Netherlands, New Zealand, Nicaragua, Norway, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Russian Federation, Rwanda, Senegal, Singapore, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan - Republic of China, Tanzania, Turkey, Uganda, United Kingdom, USA, Vietnam, Zambia

**Actions for Next Reporting Period****17. Outline actions that will be taken in the coming year to promote sustainable palm oil**

Active in member initiative of Financial Institutions to create better understanding of RSPO within and especially outside the RSPO in order to stimulate memberships in the region.

Engagement with clients on their targets.

**18. Does your company have a public commitment relating to the GHG emissions of your operations?**

No

**Public commitment relating to the GHG emissions**

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**18.1. Do you publicly report the GHG emissions of your operations?**

No

**Public report of GHG emissions on operations**

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**18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?**

No

**Public commitment to require clients to disclose their GHG emissions**

--

**19. If you have not disclosed any of the above information please indicate the reasons why**

Other

**Other**

Please refer to separate email follow up to Mr. Ravin Trapshah

**Application of Principles & Criteria for all members sectors****20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C**

- Ethical conduct and human rights

**Water, land, energy and carbon footprints policy**

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**Land use rights policy**

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**Ethical conduct and human rights policy**

[F-Policies-to-PNC-ethicalconducthr.pdf](#)

For administration purpose, attachment files are renamed automatically

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**Labour rights policy**

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**Stakeholder engagement policy**

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**20.1. Please specify if/when you intend to develop one**

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**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

We require clients to show compliance to the principles and criteria of the RSPO.

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**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

No

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**Please specify**

No, all clients need to comply whether they are member or not.

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**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

We are in the process of setting up projects to support smallholders.

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**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

All clients (including partners in palm oil) will need to comply with the Bank's internal social and environmental criteria.

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## Challenges

### 1. Significant economic, social or environmental obstacles

Challenges: awareness in China and India, uptake in EU, number of serious issues that are signaled (credibility)

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### 2. How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

Yes

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#### Robust:

Yes

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#### Simpler to Comply to:

No

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### 3. How has your organization supported the vision of RSPO to transform markets?

Through the executive board discussions, our client engagement.

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## Particulars

<b>Organisation Name</b>	Standard Chartered Bank
<b>Corporate Website Address</b>	<a href="http://www.standardchartered.com/global/index.html">http://www.standardchartered.com/global/index.html</a>
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	
<b>Membership Number</b>	5 0004 06 000 00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

### Other information on palm oil:

1. We have a Palm Oil Position Statement which can be accessed at:

[Click here to visit the URL](#)

2. Sustainability Review 2012

[Click here to visit the URL](#)

## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Private Banking
- Corporate/ Business Banking
- Retail Banking
- Global Banking
- Treasury
- Investment/ Equity
- Trade Finance
- Structured Finance
- Capital Markets
- Internet Banking/ E-Banking
- SME Banking
- Islamic Financial Services

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Other

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Investments

---

Other:

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#### 3. How large is your investment/financial interest in the palm oil sector?

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
- North America

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#### 5. Which different sectors do you have the relationship with?

Growers/Traders/Processors

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#### 6. Number of engagements with palm oil organizations within the reporting period

21

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### Palm Oil Policy

#### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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**7.1. If Yes, does this policy only cover palm oil growers?**

Yes

**7.2. If your palm oil policy covers other sectors please list them**

- Processors

**Other:**

--

**7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?**

Yes

**8. Do you require your customers to be RSPO members?**

No

**9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?**

No

**10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?**

As part of Standard Chartered's commitment to help our clients towards higher standards of sustainable development, our Relationship Managers (supported by independent environmental and social specialists as required) will work closely with clients who do not currently meet the standards set out in our Forestry & Palm Oil Position Statement, to develop a time-bound action plan for compliance and to monitor the client's progress against that plan.

**11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period**

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**12. Number of customers that have joined the RSPO as a result of engagement in the reporting period**

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**Time-Bound Plan****13. Date by which you will expect all clients with palm oil operations to be RSPO members**

2020

**13.1. Date expected for first client to be RSPO certified**

2008

**13.2. Date expected to achieve 100% certified palm oil financed**

2030

**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

Since 2009 we have had a Palm Oil Position Statement which is implemented for all palm oil related transactions, and in the reporting year we have continued to apply this. For our SME clients operating within the palm sector we have customised our Environmental and Social Risk Assessment Tool to meet the requirements of smallholders.

**15. Which countries that your organization operates in do the above commitments cover?**

## Actions for Next Reporting Period

### 17. Outline actions that will be taken in the coming year to promote sustainable palm oil

Continuation of the application of the Bank's policies and processes, and an update to our Palm Oil Position statement.

### 18. Does your company have a public commitment relating to the GHG emissions of your operations?

Yes

#### Public commitment relating to the GHG emissions

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### 18.1. Do you publicly report the GHG emissions of your operations?

Yes

#### Public report of GHG emissions on operations

--

### 18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?

No

#### Public commitment to require clients to disclose their GHG emissions

--

### 19. If you have not disclosed any of the above information please indicate the reasons why

Confidential

#### Other

--

## Application of Principles & Criteria for all members sectors

### 20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

#### Water, land, energy and carbon footprints policy

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#### Land use rights policy

[F-Policies-to-PNC-landuseright.pdf](#)

For administration purpose, attachment files are renamed automatically

#### Ethical conduct and human rights policy

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#### Labour rights policy

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**Stakeholder engagement policy**

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**20.1. Please specify if/when you intend to develop one**

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**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

We have a Human Rights Policy and are reviewing the relevance of the "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework" for the banking industry and for Standard Chartered.

**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

No

**Please specify**

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**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

Please see the link below for details of community programmes:

[Click here to visit the URL](#)

**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

We have developed sector-specific environmental and social risk assessment (ESRA) tools (including palm oil), which include a series of questions regarding a client's operations and ability to manage environmental & social risks. ESRA's help us assess a client's performance against industry peers, build a long-term view of their ability and capacity to manage E&S risks and associated challenges, and compliance with our position statement. It includes consideration of our clients' track record in complying with relevant laws and regulations along with their E&S management systems, and their plan and strategy for reducing greenhouse gas emissions and water conservation and pollution.

## Challenges

**1. Significant economic, social or environmental obstacles**

N/A

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**2. How would you qualify RSPO standards as compared to other parallel standards?**

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**Cost Effective:**

Yes

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**Robust:**

Yes

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**Simpler to Comply to:**

Yes

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**3. How has your organization supported the vision of RSPO to transform markets?**

Standard Chartered encourages our clients to:

- undertake environmental and social impact assessments for all new plantations;
  - demonstrate that they have commenced (in the case of palm oil plantations):
    - a credible process to become members of the Round Table for Sustainable Palm Oil (RSPO); and/or
    - implementation of the RSPO principles and criteria.
-

## Particulars

<b>Organisation Name</b>	UBS AG
<b>Corporate Website Address</b>	
<b>Primary Activity or Product</b>	Finance
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	Australia, Austria, Bahamas, Bahrain, Belgium, Brazil, Canada, Cayman Is, Chile, China - People's Republic of, Colombia, Cyprus, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Israel, Italy, Japan, Korea - Republic of, Lebanon, Luxembourg, Malaysia, Mexico, Monaco, Netherlands, New Zealand, Panama, Peru, Philippines, Poland, Qatar, Russian Federation, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan - Republic of China, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, USA, Uruguay
<b>Membership Number</b>	5-0014-11-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Banks and Investors

## Related Information

### Other information on palm oil:

UBS's position on relationships with clients and suppliers associated with controversial activities:

[Click here to visit the URL](#)

Reference in Annual report 2012 (p 2, 4, 7): [Click here to visit the URL](#)

Case study: [Click here to visit the URL](#)



## Banks and Investors

### Operational Profile

#### 1. Main activities within finance

- Private Banking
- Corporate/ Business Banking
- Retail Banking
- Global Banking
- Investment/ Equity
- Trade Finance
- Structured Finance
- Capital Markets
- SME Banking

---

Other

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### Operations in Palm Oil

#### 2. What are the various types of financial services to the oil palm sector provided by your organization?

- Trade solutions
- Lending/ Loans
- Cash management products
- Investments

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Other:

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#### 3. How large is your investment/financial interest in the palm oil sector?

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#### 4. What geographic regions do you operate in for the palm oil business?

- Asia
- Europe
- India
- North America

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#### 5. Which different sectors do you have the relationship with?

Growers, millers, processors, manufacturers, traders, refiners, end users of palm products, retailers, consumer goods

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#### 6. Number of engagements with palm oil organizations within the reporting period

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### Palm Oil Policy

#### Lending or investment policy on palm oil

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

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**7.1. If Yes, does this policy only cover palm oil growers?**

No

**7.2. If your palm oil policy covers other sectors please list them**

- Processors

**Other:**

--

**7.3. Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?**

Yes

**8. Do you require your customers to be RSPO members?**

Yes

**9. Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?**

No

**10. What measures do you take if a client is not meeting the requirement of your policy on palm oil?**

If detected w/in regular review process, engagement or exit.

**11. Number of lending engagements refused due to non-compliance with your banks' palm oil policy during the reporting period**

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**12. Number of customers that have joined the RSPO as a result of engagement in the reporting period**

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**Time-Bound Plan****13. Date by which you will expect all clients with palm oil operations to be RSPO members**

2011

**13.1. Date expected for first client to be RSPO certified**

2011

**13.2. Date expected to achieve 100% certified palm oil financed**

2022

**14. What other commitments & activities have you undertaken in the reporting year to promote CSPO?**

- Initiated RSPO engagement effort of banks & the RSPO to attract more members from the Financial Institutions community
- Cross-industry engagement on Principle & Criteria with German network, facilitated by GIZ
- Stakeholder meetings with NGOs to discuss specific palm oil companies

**15. Which countries that your organization operates in do the above commitments cover?**

Australia

## Actions for Next Reporting Period

### 17. Outline actions that will be taken in the coming year to promote sustainable palm oil

- Continued application and disclosure of palm oil policy throughout UBS onboarding, KYC and transaction reviews
- Reflecting RSPO membership in UBS's Annual Report (to be published in March 2014)
- Further strengthen our engagement with RSPO and peers
- Foster exchange with other Financial Institutions on palm oil topic
- Encourage local banks in palm oil producing countries to join RSPO

### 18. Does your company have a public commitment relating to the GHG emissions of your operations?

Yes

#### Public commitment relating to the GHG emissions

[F-GHG-Public-Commitment.pdf](#)

For administration purpose, attachment files are renamed automatically

### 18.1. Do you publicly report the GHG emissions of your operations?

Yes

#### Public report of GHG emissions on operations

[F-GHG-Emissions-Report.pdf](#)

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### 18.2. Does your company have a public commitment to require clients to disclose their GHG emissions?

Yes

#### Public commitment to require clients to disclose their GHG emissions

[F-GHG-Client-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

### 19. If you have not disclosed any of the above information please indicate the reasons why

Other

#### Other

- 3) not to be disclosed
- 6) not tracked
- 7) confidential.
- 11) not to be disclosed
- 12) not tracked
- 15) global coverage, except sanctioned countries.
- 17.2) via CDP membership.

## Application of Principles & Criteria for all members sectors

### 20. Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

#### Water, land, energy and carbon footprints policy

[F-Policies-to-PNC-waterland.pdf](#)

For administration purpose, attachment files are renamed automatically

**Land use rights policy**[F-Policies-to-PNC-landuseright.pdf](#)

For administration purpose, attachment files are renamed automatically

**Ethical conduct and human rights policy**[F-Policies-to-PNC-ethicalconducthr.pdf](#)

For administration purpose, attachment files are renamed automatically

**Labour rights policy**[F-Policies-to-PNC-laborrights.pdf](#)

For administration purpose, attachment files are renamed automatically

**Stakeholder engagement policy**[F-Policies-to-PNC-stakeholderengagement.pdf](#)

For administration purpose, attachment files are renamed automatically

**20.1. Please specify if/when you intend to develop one**

--

**21. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?**

UBS will continue to apply an environmental risk framework to all transactions, products, services and activities in order to identify and assess potential environmental issues and to manage any identified risks. As part of this process, UBS will engage with clients and suppliers in order to understand their processes and policies and to explore how environmental risks may be mitigated. UBS avoids transactions, products, services, activities or suppliers if there are material environmental risks that cannot be properly assessed or where, in the judgment of UBS, the counter party/ issuer is not addressing environmental issues in an appropriate and responsible manner.

**22. Do you provide investment incentives for companies that are RSPO member and have a time bound plan?**

No

**Please specify**

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**23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

No.

**24. How does your institution benchmark the progress of its partners in palm oil against its ESG criteria?**

- Integration of environmental and social risk criteria with specific palm oil guidance in all onboarding, KYC and transaction due diligence globally.
- Annual review of internal policies & guidelines

## Challenges

### 1. Significant economic, social or environmental obstacles

- UBS may be losing business to banks that don't have similar RSPO requirements
- Availability of reliable data on palm oil companies overall sustainability performance/compliance w RSPO

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### 2. How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

Yes

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#### Robust:

Yes

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#### Simpler to Comply to:

No

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### 3. How has your organization supported the vision of RSPO to transform markets?

As outlined in (20) UBS will continue to apply an environmental risk framework to all transactions, products, services and activities in order to identify and assess potential environmental issues and to manage any identified risks. As part of this process, UBS will engage with clients and suppliers in order to understand their processes and policies and to explore how environmental risks may be mitigated. UBS avoids transactions, products, services, activities or suppliers if there are material environmental risks that cannot be properly assessed or where, in the judgment of UBS, the counter party/ issuer is not addressing environmental issues in an appropriate and responsible manner.

Additionally we will continue to engage with our peers and other FIs to spread the RSPO message further.

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The RSPO is an international non-profit organization 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.

RSPO Secretariat Sdn Bhd  
Unit A-332-A,  
Menara UOA Bangsar  
No. 5 Jl. Bangsar Utama 1  
Kuala Lumpur 59000  
Malaysia  
TEL: +603 23021500  
FAX: +603 22014053

**RSPO**

Roundtable on Sustainable Palm Oil

