

## **QUESTIONS & RESPONSES ON THE REVISED PRINCIPLES & CRITERIA 2013**

### **REVIEW PROCESS RELATED:**

#### **1) Why is the RSPO's P&C Review Process every five years?**

When the RSPO standards (Principles & Criteria) were agreed in 2007 the Executive Board decided they would be reviewed within 5 years. For more details on the purpose of this exercise please refer to: [http://www.rspo.org/blog/topic/30/transforming\\_the\\_market\\_-\\_review\\_of\\_the\\_generic\\_principles\\_and\\_criteria\\_of\\_the\\_rspo](http://www.rspo.org/blog/topic/30/transforming_the_market_-_review_of_the_generic_principles_and_criteria_of_the_rspo).

The review process is also in compliance with the global association for sustainability standards, the ISEAL Alliance's Codes of Good Practice, which recommends that a standard must be reviewed at least every five years: <http://www.isealalliance.org/>.

#### **2) How long did it take to produce the P&C revised document and who was responsible for its production?**

The RSPO Executive Board entrusted the P&C Review Task Force to review and amend the P&C to maintain the standard's relevance and effectiveness. The P&C review process began in November 2011. Comments were generated from two public consultations and discussions in four Task Force meetings.

For more details on the process and progress updates, please click here: [http://www.rspo.org/en/principles\\_and\\_criteria\\_review](http://www.rspo.org/en/principles_and_criteria_review).

The text in the revised P&C document was developed and agreed during many meetings and discussions involving the RSPO P&C Review Taskforce and Steering Group, was endorsed by the Executive Board on February 27, 2013 and subsequently accepted at the Extraordinary General Assembly by the RSPO members on April 25<sup>th</sup> 2013.

The P&C review process was facilitated by ProForest, an independent consultancy firm that specializes in helping organizations, companies, governments and communities find equitable solutions for the sustainable management of natural resources.

### 3) Who was in the P&C Review Taskforce?

The P&C Taskforce was made up of substantive members from the following organizations:

#### Growers (9):

- Indonesia: PT Agro Indomas; SIPEF; Wilmar
- Malaysia: Sime Darby; Kulim (Malaysia) Berhad; Genting Plantations Berhad
- Rest of the World: New Britain Palm Oil Limited; Agropalma; SIAT SA

#### Environmental NGOs (4):

- WWF; The Zoological Society of London; Orangutan Land Trust; Conservation International

#### Social NGOs (4):

- Both Ends; Solidaridad; Oxfam International; Sawit Watch

#### Supply chain (4):

- Unilever; Carrefour; Royal Dutch Shell plc; Soyuz Corporation

## ON THE CONTENTS OF THE REVISED P&C:

### 4) What are the significant additions to the revised P&C that will allow the RSPO standard to continue its relevance to the market?

There are a number of changes to the existing criteria, indicators and guidance that clarify and improve the effectiveness and relevance of the P&Cs. Highlights include:

- I. a new criterion requiring growers to minimize GHG emissions from new plantings
- II. a new criterion on ethical business practices, which requires companies to have and implement policies countering corruption
- III. a new criterion requiring that a policy on human rights is in place and communicated to the whole company
- IV. a new criterion banning the use of forced labour

The text used within the P&C has also been strengthened, streamlined and standardized throughout to give it greater impact and authority.

### 5) Has pesticides usage been addressed in the revised P&C?

Paraquat and pesticides classed as World Health Organization Class 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, are prohibited, except in specific situations outlined in national Best Practice guidelines.

The revised P&C states unequivocally that pesticides can only be used in ways that “do not endanger health or the environment”. While an outright ban on pesticides was discussed

during the review, a middle ground was reached whereby their use is permitted only under exceptional circumstances, when no alternatives are available. The definition of “exceptional circumstances” will be determined by the National Interpretation processes.

The directive from the RSPO is clear: individual growers need to work towards minimising and eliminating the use of pesticides, which in practical terms means coming forward and submitting deadlines for their elimination.

The safe handling, storage and disposal of pesticides, including new indicators requiring growers to consult with neighbouring communities when spraying pesticides by air, has also been addressed in the P&C.

## 6) **Is the greenhouse gas component included in the revised P&C?**

One of the main issues addressed in the review was the recommendations of the RSPO greenhouse gas (GHG) working group. Acknowledging the importance of GHG, and the current challenges for determining emissions, the RSPO has revised the existing Criterion on monitoring and reporting GHG emissions from existing operations and developed a new Criterion on minimising net GHG emissions from new planting developments. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodologies.

Growers and millers have committed to an implementation period for promoting best practices in reporting to the RSPO, and after December 31, 2016, to public reporting against both of these Criteria. During the implementation period the RSPO will further develop and improve the RSPO carbon assessment and reporting tools.

Growers and millers have made this commitment with the support of all other stakeholder groups of the RSPO. These revisions demonstrate the RSPO’s commitment to developing credible requirements relating to GHG emissions.

## 7) **Has the revised P&C met the expectations of maintaining its relevance and impact in the market as the benchmark for sustainable practices in palm oil?**

It should be borne in mind that that each P&C review is part of an evolutionary process, a process aimed at achieving total sustainability. The RSPO is thus committed to continual improvement and strengthening of its Principles, Criteria and Guidance – for 2013 and beyond. But to do this we need to exercise authority with widespread backing from our membership.

By its very nature, a multi-stakeholder process is one in which all parties must have consensus on key issues. Consequently, every stakeholder group has had to compromise during the review process.

Given that the RSPO's ambition (enshrined in the P&C) is to help transform the palm oil industry right across the board, and not simply establish a best standard that is only achievable by a small clique of growers, a practical balance of wants, needs and outcomes had to be struck.

Some people are bound to be critical of what was a long, hard fought series of negotiations. But most will feel enough progress was made to ensure that the RSPO standard has developed a framework within which responsible companies can demonstrate they are reaching considerable heights of sustainability.

**8) Many certification standards now claim to cover high carbon stock and no cultivation on peat. Why isn't the RSPO able to do the same?**

During the review process representations were made for a complete ban on any palm oil planting on peat soils. The aim of this was to eliminate the main source of potential GHGs and to conserve the environmental value of tropical peatlands. The compromise position in the revised P&C is: "Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided."

This wording is arguably tougher than the 2007 text, which did not mention peat within the Criteria. The revision, while falling short of an outright ban on peat, is thus a significant step in the right direction. The National Interpretations will take this further in determining specific controls and thresholds.

**9) Has the revised P&C taken into consideration its implementation in all the far-reaching producer markets – from Southeast Asia to the Congo Basin, to the Amazon and Oceania? When will the National Interpretations take place?**

As stated under the RSPO Certification System, that National Interpretation (NI) must be revised within 12 months after the date of ratification (April 2014) to be fully consistent with the RSPO P&C 2013. Certificate holders must be fully compliant with the new version of an NI within one year of it being completed (April 2015).

In countries without NIs, and/or in cases where members have conducted a Local Interpretation applicable to their own operations, P&C 2013 is effective immediately after ratification (May 2013) and shall be used for any new certification activities after the ratification date. In cases where there is no NI, the RSPO secretariat, as requested by the P&C Review Taskforce, would have developed generic guidance on issues identified as needing clarification in P&C 2013.

## **10) How will the revised standard be used for smallholders' certification?**

The certification of smallholders is an adaptation of the RSPO P&C, notably *Guidance for Independent Smallholders under Group Certification* (June 2010), and *Guidance on Scheme Smallholders* (July 2009). The smallholders' certification documentation will also be reviewed once the P&C 2013 is ratified by the RSPO Extraordinary General Assembly on April 25, 2013.

### **MULTI-STAKEHOLDER PROCESS RELATED:**

## **11) Were there clearly divided interests amongst some sectors during the review process?**

The RSPO is a multi-stakeholder organization, and within this context represents the fundamental intent of distinct parties/players in the sector who have come together to serve a mutually shared vision. Ultimately, the growers need to adhere to the revised P&C by setting challenging performance targets in tandem with expectations from palm oil buyers along the supply chain.

Difference of opinion is not only expected from such a composition; it is imperative in order to establish a solid middle ground from intense deliberation and harmonizing of various interests. This emphasis on compromise means each outcome is one that every representative takes ownership of, thus increasing commitment and successful implementation on the ground.

### **ON OTHER STANDARDS:**

## **12) How will RSPO be positioned in view of existing and emerging national standards?**

The relevance, credibility and robustness of any standard will be influenced by the market. The RSPO standard is clearly differentiated from national standards of producing countries. RSPO's P&C will retain its relevance and credibility as a result of this rigorous review procedure, which has effectively evolved its sustainability standards by galvanising its relationship with all sectors of the palm oil industry.

The standard has been established by an inclusive process, involving all the key players, both directly and indirectly, along the palm oil chain of custody.

It is also applicable beyond one producing nation, accommodating global adaptation to any and all oil palm growing countries from South East Asia, Latin America, Africa and Oceania. The Principles & Criteria are also audited by an approved panel of Certification Bodies,

which in return is accredited by a third party accreditation agency (ASI International) - providing added rigour.

The Principles & Criteria of the RSPO go beyond legal requirements in two important areas: Free Prior and Informed Consent (FPIC), and High Conservation Value (HCV). In addition, the RSPO also has a Supply Chain Certification standard for trade and traceability – from production right to downstream – which uses the RSPO trademark on end-consumer products.

The RSPO is proud to be the catalyst for other emerging national standards. Our ultimate aim is to inspire and encourage wide acceptance of sustainable practices in palm oil production.

## ON THE RESOLUTION:

### **13) Was the resolution to accept the revised P&C endorsed unanimously by the Executive Board and at the Extraordinary General Assembly held on April 25<sup>th</sup> in Kuala Lumpur, Malaysia?**

Yes, the resolution was endorsed unanimously by the Executive Board. A total of 222 RSPO members (almost three times the required quorum) from the seven sectors voted at the EGA, including proxies; 213 voted FOR the revised standard. There were equal numbers of growers and consumer goods manufacturers as the two largest sectors represented at the EGA, followed closely by Processors & Traders and the other sectors from Retailers, Non-Governmental Organizations (NGOs) and Banks.