Retailer RSPO members response to RSPO Principles & Criteria Review second consultation

Introduction

This is the collective response of RSPO member retailers – including those represented on the RSPO Executive Board, the Retailers’ Palm Oil Group and Carrefour - to the second public consultation on the P&C Review. We provide our general comments and concerns overall and then comment on specific P&Cs with suggested edits, as requested by the P&C Review Taskforce.

General Comments

The RSPO P&C will be improved and strengthened by clearer, performance based criteria – but not by simply adding lots more criteria

We recognise that the RSPO P&Cs set a tough standard that is difficult to implement and audit effectively. Many improvements have already been made which make the current draft P&C clearer and more consistent. However we do not believe that improving and strengthening the standard should necessarily require lots of new criteria and indicators.

We encourage the P&C Review Taskforce:

- To take this opportunity to further strengthen the standard in the critical areas described below;
- To adopt performance, rather than process, based criteria and indicators wherever possible, e.g. "X shall be done" rather than "There shall be a plan to do X";
- To remove criteria and indicators, processes and procedures which become obsolete or redundant if others are adopted;
- To keep a count of the number of criteria and indicators in the original and draft new P&Cs and to summarise the key changes, including to the number of criteria and indicators.

Our Concerns

1. The RSPO P&Cs need to address GHG emissions from existing operations and new plantings effectively (P&C 5.6, 7.4 and 7.X)

The P&C Review second public consultation draft includes a new criterion on greenhouse gas emissions and slightly stronger criteria on peatlands for new plantations. However, as currently stated, these do not prohibit deforestation (development on high carbon stock land) or planting on peatlands, regardless of depth. Climate change and biodiversity loss - the key impacts resulting from deforestation and peatlands destruction - are urgent global risks of our generation. Any standard that allows deforestation and destruction of peatland habitats cannot be regarded as representing sustainable development. It is critical to the credibility of RSPO that by using RSPO certified sustainable palm oil ingredients in our products; we can make a clear claim that growing of this palm oil has not resulted from deforestation and peatland destruction. It is crucial however to have clarity regarding the definition of high carbon stock land. Moreover there needs to be a trend of reducing GHG emissions from palm oil operations, just as in other parts of the supply chain.

We support the principle of net-zero emissions from palm oil developments and operations over the life cycle of operation. This principle was adopted by GHG WG2 and recommended to the P&C Review taskforce. However we recognise that this will be difficult to manage and audit, especially given that there is a shortage of competent highly trained and qualified auditors. The extensive scientific, consensus based work of GHG WG2 workstreams showed clearly that net-zero emissions will not be achieved if palm oil is planted on high carbon stock (above and below ground) land including peat, regardless of depth.

The P&C Review needs to adopt performance based P&Cs which clearly address these issues. If it does not, RSPO will lose its credibility and market support.

Reporting on GHG emissions should be required for existing (5.6 and planned (7.X) developments. The RSPO has developed and peer reviewed the Palm GHG tool as its preferred method of doing so and this should be specified clearly in both criteria.
2. Human rights requirements should be included in the P&Cs (P&C 6.X)
   Our companies are committed to recognising human rights both within our own operations and
   through our supply chains. Therefore we would want to see human rights included within the
   RSPO P&Cs and welcome the proposed new criterion (P&C 6.X).
   We fully support the inclusion of new specific criteria proposed on respecting human rights and
   also on the issue of forced or trafficked labour in to the standards. These proposed additional
   criteria, together with the suggested rewoundings in other related criteria and guidance, i.e. the ones
   that are related with the implementation of free prior and informed consent (FPIC), are essential in
   making the standard to be socially just, and not only environmentally benign.

3. Hazardous chemicals (5.6)
   The RSPO needs to show progress on hazardous chemicals because the general Assembly
   demanded this when it agreed to the P&Cs in 2007 and because the continuing credibility of the
   standard in global markets depends on being seen to address these issues.

4. Smallholders and fresh fruit bunch (FFB) sourcing
   We acknowledge both the significant opportunities (e.g. higher yields, improved health & safety
   and environmental impact) and comparable risks to the integrity of RSPO certification that are
   provided by development of palm oil on smallholdings and by sourcing of third party FFB from
   smallholders.
   These issues would be best managed by revising the existing Guidance for Certification for
   Smallholders to make these a more practical solution for smallholders. This should be developed
   and revised by the Smallholders Working Group, with the objective that opportunities can be
   realised by smallholders and the key risks to RSPO can be avoided. We encourage the
   Smallholders Working Group to develop much simpler, easier and less expensive standards and
   guidance appropriate to both independent and schemed smallholders.
   This recommendation could be included in the preamble/introduction to the RSPO Principles &
   Criteria – and reference to particular conditions for smallholders deleted from the main P&Cs and
   guidance.

Principles and Criteria – specific comments

In our response to the Principles and Criteria draft text below, additions are underlined and deletions
are displayed as text.

<table>
<thead>
<tr>
<th>Criterion / Indicator / Guidance</th>
<th>Our Comments</th>
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<tbody>
<tr>
<td>4.3 Practices minimise and control erosion and degradation of soils</td>
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<td>4.3.5 Drainability assessments shall be required prior to replanting on peat.</td>
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<td>The current indicator is too weak – optional guidance should be moved up to become</td>
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<td>compulsory in this indicator.</td>
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<td>Proposed edits to RSPO P&amp;C Review second consultation text:</td>
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<td>4.3.5 Where drainability assessments have identified areas unsuitable for oil palm replanting,</td>
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<td>plans shall be in place for appropriate rehabilitation or alternative-use of such areas</td>
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<td>4.6 Agrochemicals are used in a way that does not endanger health or the</td>
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<td>environment. There is no prophylactic use of pesticides, except in specific</td>
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<td>situations identified in national Best Practice guidelines.</td>
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<td>On agrochemicals, the stronger requirement that the use of paraquat “shall be minimised</td>
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<td>and/or eliminated and shall only be used in exceptional circumstances” is welcomed. We</td>
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<td>believe that hazardous WHO 1A/1B, Stockholm and Rotterdam agrochemicals should</td>
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<td>not be used. We recommend that the intention expressed in the criterion 4.6 is moved to</td>
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<td>indicator 4.6.3.</td>
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<td>Proposed edits to RSPO P&amp;C Review second consultation text:</td>
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<tr>
<td>4.6.3 The use of agro-chemicals, including paraquat, shall be minimised and/or eliminated, and</td>
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<td>shall only be used in exceptional circumstances in accordance with Integrated Pest</td>
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Management (IPM) plans. Hazardous agro-chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, shall not be used.

Specific Guidance to 4.6.3
Where paraquat is used, growers are actively seeking to identify alternatives, and this is documented.

Note to Secretariat: RSPO to provide definition of "exceptional circumstances" illustrated by examples

5.6 Reducing emissions in existing operations
The RSPO Greenhouse Gas Working Group 2 (GHG W2) recommendations to the P&C Review include:
- Measuring and reporting on GHG emissions: The RSPO P&C should continue to require monitoring and also require reporting of information on GHG emissions resulting from palm oil production. PalmGHG (developed via consensus, field tested, peer reviewed) or an equivalent should be used to provide a common framework.
- The RSPO P&C should continue to require the development and implementation of a plan to reduce GHG emissions identified in their existing operations. The plan should include reported time-bound targets for implementing the measures in the plan.

Proposed edits to RSPO P&C Review second consultation text:

5.6.2 Significant pollutants and greenhouse gas emissions shall be identified and time bound plans to reduce or minimise them communicated and implemented.

5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using PalmGHG or an RSPO-endorsed equivalent.

Specific guidance to 5.6.2
Palm GHG, or an RSPO-endorsed equivalent, should be used to assess, monitor and report GHG emissions.

6.x No forms of forced or trafficked labour are used

Proposed edits to RSPO P&C Review second consultation text:

6.x.1 There shall be no evidence that any forms of forced, bonded or trafficked labour are used

Guidance for 6.x
In order to prevent and mitigate adverse human rights impacts, companies should integrate the findings from their impact assessments across relevant internal functions and processes, and take appropriate action.

In order to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response. Tracking should:
(a) Be based on appropriate qualitative and quantitative indicators;
(b) Draw on feedback from both internal and external sources, including affected stakeholders.

7. Responsible development of new plantings
The New Planting Procedure should be incorporated into Principle 7 as a whole.

Proposed edits to RSPO P&C Review second consultation text:

The requirements for responsible development of new plantings will apply to all new plantings of RSPO members from November 2005, unless otherwise stated.

Written verification of compliance to all criteria on Principle 7 by an RSPO accredited certification body and HCV auditor (as necessary) shall be submitted - with relevant reports, maps and plans - to the RSPO 30 days prior to development work commencing.
RSPO shall implement public notification and monitor the new development.
During that 30 day period, the RSPO shall prevent the palm oil development proceeding if a valid complaint is received.

If members have fulfilled the requirements under Principle 7 prior to seeking full certification against the remainder of the P&Cs, they will not be expected to further show compliance against Principle 7.

Members are encouraged to undertake compliance with Principle 7 in a timely manner and at the same time as ensuring compliance with any national regulatory requirements.

7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

We do not agree that the requirement for a social and environmental impact assessment (SEIA) for smallholdings <50ha should be removed completely. We recommend instead that the Smallholders Working Group is tasked with developing a simplified, quicker, less expensive assessment and guidance.

Proposed edits to RSPO P&C Review second consultation text:

Guidance: The RSPO Smallholder Working Group should develop the simplified assessment and associated guidance to be used for land areas less than 50ha.

7.4 Extensive planting on steep terrain and/or marginal and fragile soils, is avoided

We welcome clarifications to exiting indicators and guidance which makes it clear that all palm development and operations should minimise emissions – for instance avoiding peat sites (7.2 and 7.4) and avoiding subsidence on existing peat soils (4.3). However these need to be made stronger, to be clear about the essential to end planting on peat and on landscapes that store high carbon stocks. On peat, references to the best practice, drainage depths, etc all use guidance ("should") rather than indicators ("shall").

Need to clarify and strengthen the criterion and indicators as follows ...

Proposed edits to RSPO P&C Review second consultation text:

7.4 There is no planting on steep terrain and/or marginal and fragile soils, including peat soils.

7.4.1 Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas for exclusion from planting.

7.4.2 Where limited planting on very small areas (defined as smaller than 5 ha) on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts.

7.X New plantation developments are designed to minimise emissions and maximise sequestration, carbon stock conservation and emission avoidance

On GHG for new plantation developments, the new criterion is welcomed as a starting point; however it fails to ensure zero deforestation. It only states that high carbon areas should be identified and measures to minimise or avoid emissions should be identified. The RSPO Executive Board requested (in July 2012) that GHG WG2 recommendations are incorporated into the P&C Review in full. These recommendations included:-

- New operations (plantations and mills) shall be designed to decrease GHG emissions.
- To achieve this for plantations, total carbon emissions (above and below ground) from expansion should not result in a carbon debt greater than that which can be paid back in the period of one rotation over the whole management unit.
- To achieve this for mills, they should incorporate low emission management (e.g. better management of POME, efficient boilers etc).
- There should be reporting on approaches used.
To this end, we recommend improving the indicators under the proposed new criterion 7.X as follows...

**Proposed edits to RSPO P&C Review second consultation text:**

7.x.1 *Land* areas with potentially significant *above and below ground* carbon stocks and potential significant sources of emissions *arising from the planned development* shall be identified and estimated and reported.

- The potential significant carbon stock in the *proposed land* development areas shall be identified as part of the HCV and soil *assessments* and a *vegetation assessment* Potential significant emission sources, *prevention, sequestration* and/or *avoidance options* shall be identified as part of the SEIA (see criteria 7.1).

- Management plans shall identify measures for the avoidance of GHG emissions and the maximisation of sequestration by avoiding *land areas with high carbon stocks identified in 7.x.1* for new plantation development.

7.x.2 *Total GHG emissions* (above and below ground) from expansion should not *result in a carbon debt greater than that which can be fixed by palms in the period of one rotation over the whole development.*

Specific guidance for 7.x.2:

Signed by RSPO member: Casino group
Submitted by: Philippe IMBERT, Quality Director