

## Minimum requirements for using HCS forest areas for compensation purposes

We acknowledge that the preservation of forest classified as High Carbon Stock (HCS) within RSPO grower-members' concession boundaries can be of value to conservation efforts and to the RSPO Remediation and Compensation Procedure (RaCP). However, given the overlap with existing commitments to no deforestation, the HCS Approach and RSPO NEXT, the act of protecting HCS forest areas cannot be considered additional on its own. A company considering the use of on-site HCS forest areas for compensation must also comply with the following criteria in order to satisfy the additionality requirements of the RaCP (see Section 5.4, 'Designing Compensatory Biodiversity Projects').

Criteria	Check
<ul style="list-style-type: none"> <li>The proposed compensation project does not contravene nor contradict any provisions or commitments set out under the HCS Approach or RSPO Next.</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>There is no direct overlap between the proposed project area and any HCVs (although consideration of the potential added value of the project location and activities to adjacent or nearby HCV areas is encouraged in the proposal).</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>Project activities are additional to the maintenance of HCS forest areas as required by the HCS Approach and any relevant RSPO procedures. Such activities might include reintroduction of native species, community stewardship and awareness initiatives, and/or enrichment planting. <b>These activities should be a substantial component of the project with appropriate financial resources attached</b> for the proposal to be considered additional.</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>The project clearly demonstrates how it <b>enhances and improves</b> the conservation values of the area, e.g. increases in biodiversity levels or abundance of named species of conservation concern; increases in carbon storage; or reintroduction/ recolonisation of species of conservation concern.</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>The project includes special provision for monitoring procedures to demonstrate that enhancement of the area is being achieved against an appropriate baseline assessed at the project outset.</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>The project includes special provision for adaptive management to react to the results of the monitoring procedures.</li> </ul>	Yes / No
<ul style="list-style-type: none"> <li>Prior to 1 June 2017: the HCS forest area(s) were identified in accordance with the procedures set out by the HCS Approach, and in compliance with HCSA Quality Assurance requirements.</li> <li>After 1 June 2017: the HCS forest area(s) were identified through an integrated HCV-HCS assessment led by a licensed HCV assessor<sup>1</sup> in accordance with the Integrated HCV-HCS Assessment Manual, and the HCV Resource Network's Quality Panel has approved the integrated HCV-HCS assessment report as 'satisfactory'.</li> </ul>	Yes / No

1. An HCV assessor licensed by the HCV Resource Network's Assessor Licensing Scheme (ALS).

It should be noted that, based on the prioritisation order detailed in the RaCP (see Section 5.4), off-site projects are always preferable to on-site projects.

**IF YOU MADE A 'NO' RESPONSE TO ANY OF THE ABOVE CRITERIA, THE PROJECT IS INELIGIBLE TO QUALIFY AS REMEDIATION OR COMPENSATION UNDER THE RSPO RaCP.**