
CERTIFIED SUSTAINABLE PALM OIL™
RSPO
IMPACT
REPORT
2024

CHAPTER

01

About This Report

As RSPO commemorates its 20th anniversary, this year's Impact Report celebrates the transformative power of partnerships and innovation that have shaped our journey since 2004. Founded by key members, including the World Wildlife Fund (WWF), the Malaysian Palm Oil Association (MPOA), Unilever, AAK, and Migros, RSPO began with 200 participants from 16 countries, united by a shared Statement of Intent to drive the roundtable process for sustainable palm oil. Today, RSPO has grown a global network of over 6,000 voluntary members, representing every link in the palm oil value chain, all committed to making palm oil sustainable.

Aligning with this year's Roundtable conference theme, "Partners for the Next 20: Innovating for Impact," the report highlights the strategic initiatives and frameworks that have been instrumental in delivering continued progress. It showcases the tangible outcomes of collective action, focusing on the systems and innovations that have been crucial in achieving significant milestones. Through the dedication and ambition of its members, sustainability within the palm oil industry has not only been upheld but continuously strengthened, even in the face of global challenges.

The report also reflects on key lessons learned, providing insights into the processes and practices that have proven effective. It illustrates how collaboration has been central to overcoming obstacles and expanding what is possible in sustainable palm oil production. Stakeholders' contributions have been invaluable, and they are encouraged to continue playing an active role in future initiatives to build a sustainable future together.

Published biannually, the RSPO Impact Report communicates our collective achievements in terms of People, Planet, and Prosperity to stakeholders and the public. Prepared in line with Target 12.6 of the Sustainable Development Goals, the report integrates sustainability information into RSPO's regular reporting cycles, reinforcing our position as a standard-setting organisation and a membership body.

This year's Impact Report stands as a testament to the power of partnership and innovation, reaffirming RSPO's unwavering commitment to creating a sustainable future for palm oil. All references made in this report to 'RSPO', 'us', and 'we' refer to the Roundtable on Sustainable Palm Oil.

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CEO's Foreword

As we round off the 20th anniversary of RSPO's foundation, I am honoured to present the latest RSPO Impact Report 2024, which continues to show encouraging and remarkable progress reaffirming the work of our global partnership.

The world has changed significantly in the past two decades since RSPO's creation. Record global temperatures, greenhouse gas emissions, and the depletion of our natural resources pose an existential threat to our ecosystem and communities, punctuating the urgency of the climate emergency. As we face these critical tipping points, the sustainability landscape has evolved, as have the demands for viable and effective solutions.

As sustainability challenges have evolved, so has the RSPO. This year has been marked by significant milestones – our membership has surpassed the 6,000 member mark, encompassing every sector of the palm oil value chain, and spread across 104 countries and territories. United by the founding spirit of multi-stakeholder collaboration, we have evolved our certification standards, and bolstered our systems and processes. We look forward to the adoption of the 2024 RSPO Standards, as well as the deployment of our new digital infrastructure, prisma, which will underpin the RSPO certification, trade, and traceability system across our global supply chain.

The latest Impact Report clearly demonstrates the positive outcomes of our collective efforts. Certified oil palm area now spans 5.2 million hectares across 23 countries. Under RSPO Certification, an area 19 times the size of Kuala Lumpur, or 466,609 hectares, has been conserved. RSPO Credits worth US$7.0 million directly benefited 85 certified independent smallholder groups in 2023, while 9 RSPO Community Outreach and Engagement programmes are now being carried out in 7 countries, working with over 200 local grassroots organisations. Cumulative GHG emissions equal to 468,864 cars have been avoided since 2015 – equivalent to the motor vehicle fleet of Cameroon. These positive outcomes are just the tip of the iceberg in reporting the progress across our Impact Indicators.

Nevertheless, sustainability is an ongoing and continuous journey. Our work is far from over, yet I am confident that our synergy over the past two decades will continue to strengthen as we face the many challenges ahead.

The world may have changed since our global partnership was created 20 years ago, but our vision and our values have not wavered. I look forward to our continued meaningful and impactful work together as we forge ahead towards the next 20 years and the future beyond.

Letter from the Co-Chairs of RSPO

Anne Rosenbarger and Jose Roberto Montenegro

Dear Fellow Members and Stakeholders,

As we turn the page on our 20th anniversary, we are pleased to present the latest RSPO Impact Report. This report has served as our essential touchstone, showcasing our progress over time and guiding our way forward in planning the future of RSPO. Its release follows a landmark moment, as the 2024 RSPO Principles and Criteria (P&C) and Independent Smallholder (ISH) Standard have been adopted by the RSPO membership body at the recently concluded 21st General Assembly.

Upon reflecting on RSPO's sustainability journey thus far, it goes without saying that while the past two decades have been marked with many challenges, it has also delivered remarkable achievements in transforming the global palm oil industry. The earliest days of RSPO's history, at the start of the 21st century, began with an assembly of visionaries seeking solutions to address the increasing threats of the expansion of oil palm and reduce deforestation. Today, over twenty years later with a 6,000-strong global partnership, we see the positive impacts of our collective action. As the latest Impact Report reveals, certified oil palm area now spans 5.2 million hectares across 23 countries. RSPO Certification has conserved 466,609 hectares – an area 19 times the size of Kuala Lumpur, and remediation has covered an area twice the size of Mumbai, totaling 112,954 hectares.

RSPO continues to help uplift the lives and livelihoods of oil palm smallholders and rural communities across the world. Since 2013, the RSPO Smallholder Support Fund has directed around US$5 million in funding to support thousands of farmers through projects carried out in 13 countries, while nine Community Outreach and Engagement programmes working with over 200 local grassroots organisations are ongoing in seven countries. In 2023 alone, IS-Credits worth US$7.0 million directly benefited 85 certified independent smallholder groups.

These are just a few of the encouraging developments disclosed by this year's Impact Report. Despite this substantial progress, a persistent challenge remains – how do we better communicate the many positive impacts of sustainable palm oil on our natural habitats, food systems, small farmers and their communities?

A key milestone this year has been bolstering our Standards with a new innovative digital infrastructure, prisma, so our members will be able to provide evidence of sustainability actions on the ground, and thus tell a better story of sustainable palm oil, from seed to shelf. We encourage our members to be part of this ongoing sustainability story, and voice these positive impacts louder and to a wider audience.

After reflection now comes action. The time has come to look ahead and leverage our heightened knowledge and capacity to continue optimising our systems, and foster our growth as a global sustainability alliance. As always, we continue to be grateful for the strong collaboration and commitment of our membership body. With solid foundations, we look ahead with optimism to continue to create meaningful and transformative impacts for years to come.

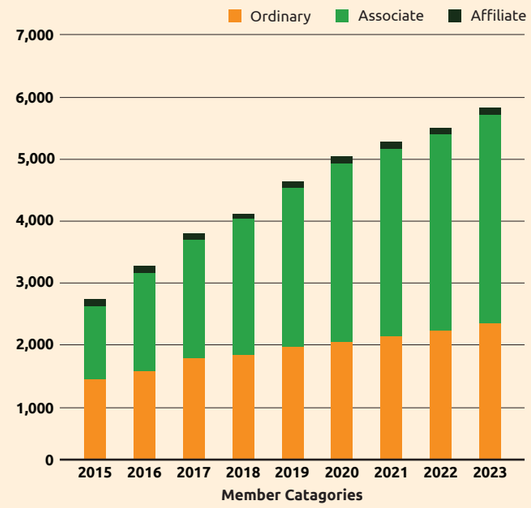
RSPO in Numbers

Total RSPO Membership

+129 RSPO Ordinary members in 2023; Ordinary members represent 39% of membership

+197 Supply Chain Associate members in 2023; Associate members represent 59% of membership

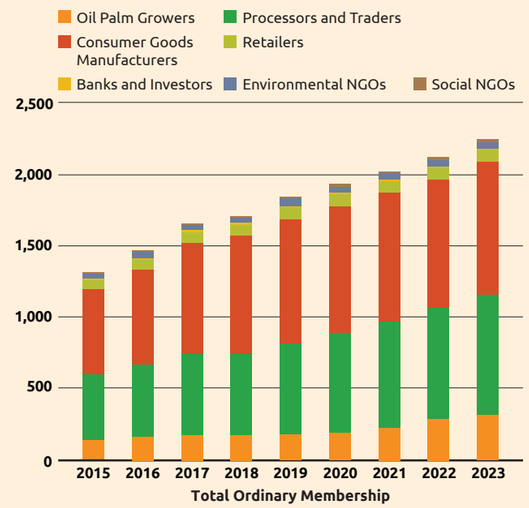
RSPO membership has doubled since 2015

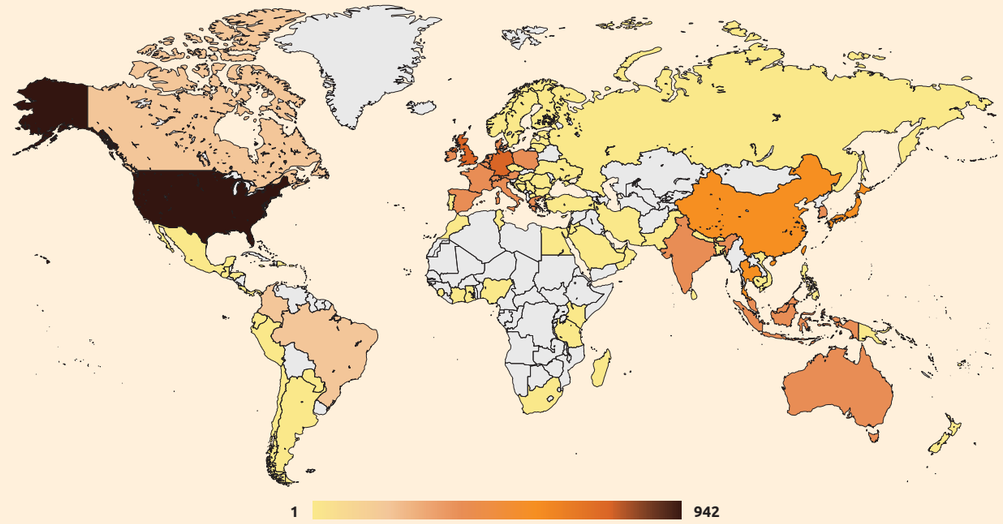


Total RSPO Ordinary Membership

Ordinary membership grew by 6.1% in 2023, driven by 8.4% growth in Processor and/or Trader (P&T) members, as well as Independent Smallholder Groups and Consumer Goods Manufacturers (CGMs)

P&C and CGM members represent 37% and 41% of all Ordinary members





Country	Number of Members								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
United States	166	267	406	482	540	610	622	630	672
Germany	327	386	436	462	477	487	486	496	492
United Kingdom	353	406	428	425	452	455	465	463	472
Japan	38	52	78	117	177	229	262	285	303
China	45	61	82	82	129	169	205	235	286
Italy	141	171	179	198	216	225	236	250	258
Netherlands	176	201	223	225	233	222	221	213	220
Indonesia	113	112	121	102	106	126	138	165	198
France	134	140	148	177	187	184	179	179	180
Thailand	61	70	76	80	88	97	127	163	176
Spain	84	100	128	146	164	157	155	163	175
Australia	98	120	129	135	147	160	158	160	164
Others	909	1,107	1,295	1,428	1,661	1,870	1,979	2,064	2,203

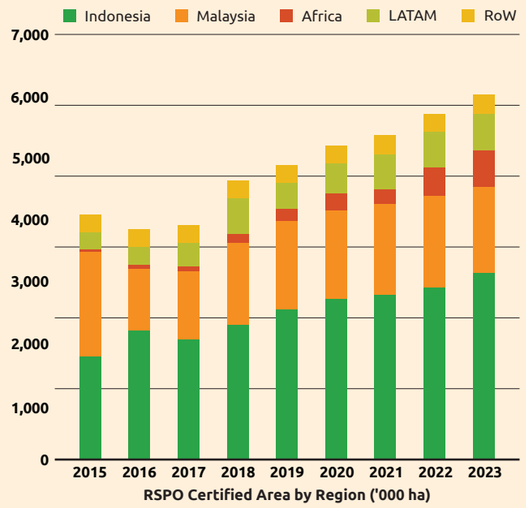
RSPO members across the world

RSPO Certified Area

+263,028 ha in 2023; total certified area is now 5.2 million ha

RSPO certification has expanded to 23 countries, from 14 in 2015

RSPO certified area has grown by 49% since 2015



CHAPTER

02

Celebrating 20 Years of RSPO's Sustainability Journey

April 2024 marked a special milestone for the RSPO, as our global partnership celebrated its 20th anniversary since formal establishment in 2004 by founding members: the World Wildlife Fund (WWF), the Malaysian Palm Oil Association (MPOA), Unilever, AAK, and Migros.

Over the past two decades, RSPO has evolved from a small gathering of 200 stakeholders from 16 countries, who first convened to address the growing demand for sustainable palm oil, into a global partnership of over 6,000 members spanning 103 countries and territories. United by a shared vision to transform one of the world's largest commodity sectors into a force for good, RSPO has positively influenced the production, trade and consumption of palm oil, in balance with protecting natural resources, ecosystems and wildlife habitats, and while promoting the livelihoods of smallholder farmers and rights of communities worldwide.

As RSPO turns 20 years old, founding members reflect on the earliest days and milestones, and look towards the next 20 years in shaping a more sustainable future for the palm oil industry.

Looking Back

Dato' Lee Yeow Chor, Chairman of the Malaysian Palm Oil Association (MPOA), underscores the pivotal role of RSPO, affirming that "RSPO is now widely recognised as the global gold standard for certified palm oil, particularly in Western countries. Twenty years ago, RSPO and its members took a significant step forward, and today, the palm oil sector is at the forefront of addressing ESG concerns and sustainability. Our membership has grown tremendously, and over 6,000 members now share the responsibility to promote sustainable palm oil."

"Palm oil was becoming the dominant vegetable oil worldwide, but that came with consequences," says Tim Stephenson, President, Global Sourcing and Trading and Sustainability, AAK. "We needed to ensure a sustainable supply, and that's when different organisations came together to frame RSPO and support sustainable palm oil."

The first RSPO General Assembly in October 2004, held in Jakarta, Indonesia

The second Roundtable (RT) Meeting on Sustainable Palm Oil in October 2004, held in Jakarta, Indonesia

Sustainability Milestones

Since 2004, RSPO has achieved several notable milestones. In 2005, the first RSPO Principles and Criteria (P&C) for the production of sustainable palm oil was released as a two-year pilot. In 2007, RSPO approved the 2007 P&C for general adoption, accompanied by a Certification System to govern compliance and assurance to the new standard, laying the foundation for progress and inclusivity while addressing significant environmental and social impacts of palm oil production.

A year later, the world saw the first shipment of Certified Sustainable Palm Oil (CSPO) arrive in Rotterdam, the Netherlands from Malaysia.

"AAK imported the first Certified Sustainable Palm Oil (CSPO) shipment into Europe from United Plantations in 2008, and we're very proud of that,"
says Tim Stephenson, President, Global Sourcing and Trading and Sustainability, AAK.

"The first impact created. That was the starting point; it showed a major consumer goods manufacturer's acceptance of the RSPO Standard,"
shares MR Chandran, RSPO founding Advisor.

The first RSPO shipment of CSPO arrives in the Port of Rotterdam, in the Netherlands in 2008

Thailand exports its first RSPO shipment of CSPO from Laemphong Port, Krabi to Hamburg, Germany in 2013

In 2011, the global RSPO certified area reached 1 million hectares, and the RSPO Trademark was launched. Since then, the RSPO label has expanded in usage from 12 to 79 countries and territories, appearing on over 600 consumer products. In 2011, the first Supply Chain Certification System was introduced and in 2013, the Principles and Criteria were revised for the first time. In 2014, the global RSPO certified area reached 3 million hectares and RSPO membership exceeded 3,000 in 2016. In 2018, the revised 2018 Principles and Criteria were adopted and in 2019, the first RSPO Independent Smallholder (ISH) Standard was launched. In 2021, RSPO membership reached a new milestone of 5,000 members and in 2023, the global RSPO certified area grew to a landmark 5 million hectares.

Most recently, RSPO will be launching prisma (Palm Resource Information and Sustainability Management) in 2024, our innovative new digital platform for certification, trade and traceability, which will transform trade practices and support regulatory compliance across the palm oil industry.

"The time has come for RSPO to harmonise with other certification bodies and initiate a dialogue to create a universal standard. We also need to engage smallholders and work closely with governments to align national standards with sustainability goals," says Chandran.

The Next Stage of a Sustainable Palm Oil Industry

In this anniversary year of RSPO, representatives of the founding members reflect on the past two decades of the sustainability journey, sharing their insights on upcoming challenges and vision for a sustainable palm oil future.

Kamal Seth, WWF's Global Palm Oil Director, emphasises the importance of stronger regulations and frameworks in the coming years. "For the next 20 years, we want to see more robust global regulations that promote a responsible palm oil industry. We want to see supply chain actors go beyond certification initiatives like a verified supply chain, ensuring palm oil production is free from deforestation conversion and human rights violations."

Martin Huxtable, Global Sustainable Sourcing Director at Unilever, shares his vision for the future: "We need a shared ambition for truly sustainable palm oil, with equal standards across the industry. Those standards should deliver positive, verified impacts for people and nature. A sustainable palm oil sector should balance social, environmental, and economic objectives, and all stakeholders - governments, the private sector, and civil society - must share the responsibility to secure a sustainable future without unfairly burdening a few."

"The bottom line is sustainable palm oil - that is what we want to market and prove to the world," Chandran remarks.

Tim Stephenson echoes this optimism, saying, "We're at a turning point where regulation is increasing, and RSPO is well-positioned to help members meet those new requirements. RSPO is strong, and I'm confident about the future."

The RSPO Criteria Working Group (CWG), which drafted the first RSPO Principles and Criteria, visit an indigenous Mah Meri community in Carey Island, Selangor, Malaysia

Photo Credit: WWF Indonesia/Noverica Widjojo

Press conference announcing the first RSPO certified Indonesian independent smallholder group(Asosiasi Petani Sawit Swadaya Amanah) on 13 August 2013

A Unified Path Forward

As RSPO looks ahead, the focus remains on scaling our impact through collective action, innovative solutions, and an unwavering commitment to sustainability from its diverse membership. "RSPO is strategically evolving to meet current and forthcoming challenges," says José Roberto Montenegro, Co-Chair of the RSPO Board of Governors. "Our next steps will ensure the industry remains accountable and adaptable to the broader sustainability platforms shaping the global market."

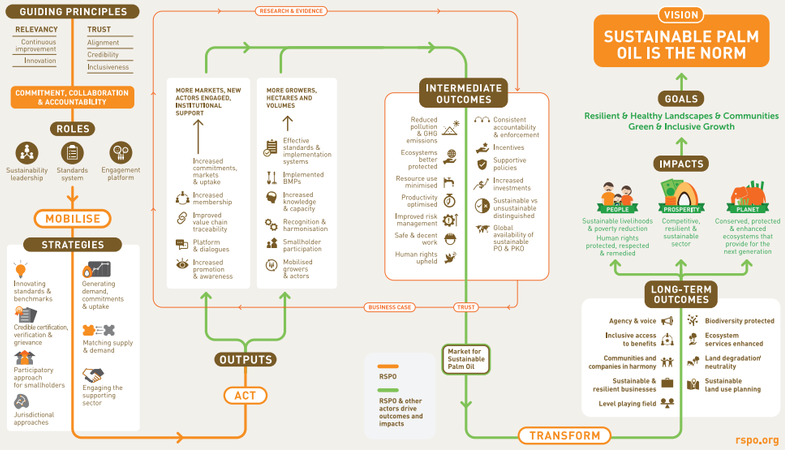
Reflecting on two decades of achievements, it is clear that RSPO's collective efforts have reshaped the palm oil industry. With renewed purpose, RSPO stands ready to build on this legacy, driving a more sustainable, inclusive, and responsible future for palm oil.

RSPO Theory of Change

A Theory of Change (ToC) is a conceptual framework developed to help organisations determine which social, environmental or economic/commercial change they want their programmes to contribute to, and why. In broad terms, a ToC is a description of a sequence(s) of event(s) that is expected to lead to a particular expected change(s) and/or intended impact(s).

RSPO's First Theory of Change (2017)

In 2017, RSPO introduced its first Theory of Change, outlining a strategic plan to transform global markets and make sustainable palm oil the norm. By engaging stakeholders, setting standards, and demonstrating leadership in sustainability, RSPO has built a strong framework and created an environment that promotes sustainability in the palm oil industry. Through collaboration across the value chain, every stakeholder plays a part in driving this change. The RSPO's vision is centred on three key pillars - People, Planet, Prosperity - which guide our progress and strategies. Since its launch, the Theory of Change has provided clear pathways for achieving meaningful impact across the industry.



Revised RSPO Theory of Change: Collaborating for Change

The world is evolving quickly: climate change, biodiversity loss, and the demand for ethical business practices have reshaped the sustainability landscape. In response, the revised Theory of Change marks a new chapter for RSPO and the palm oil industry. It represents not just a refinement of our approach but also a bold step toward creating lasting, impactful change.

The revision was necessary due to the changing dynamics in the sector and the urgent need for RSPO to address sustainability challenges while preparing for the future, as well as a requirement of the ISEAL Impacts Code of Good Practice Version 2.0, to which RSPO must adhere to as a Code Compliant member of the ISEAL Alliance. The main goal of the revision is to better clarify RSPO's ambitions, expected changes and intended impacts, ensuring that our complex interlinked and interconnected activities remain aligned with strategic direction.

How RSPO is responding to a changing world

Following public consultation and feedback from diverse stakeholders, the updated RSPO Theory of Change (ToC) reflects RSPO's new vision as 'a global partnership to make palm oil sustainable'. The ToC now outlines the desired changes and the actions required to achieve lasting, measurable impacts for People, Planet, and Prosperity. The revision process, which began in July 2022, involved extensive input from both internal and external stakeholders.

Key Tools in the ToC Revision:

ToC Diagram: Two visual diagrams are used – a detailed version explaining the causal pathways (see pg. 13), and a simplified version highlighting key outputs, outcomes, and impacts for broader communication (see pg. 14).
ToC Narrative Document: A detailed document that explains RSPO's intended outcomes, outlining the pathways to change, underlying assumptions, and potential risks.
ToC Microsite: An interactive platform that visually demonstrates and dynamics illustrates the different interlinked connections and dependencies within the revised ToC.
ToC Monitoring and Evaluation (M&E) Framework: A framework for measuring progress and achieving goals. It includes Key Performance Indicators (KPIs) for each output, intermediate outcome, and long-term outcome, using data from RSPO standards, systems, and procedures.

Moving Beyond Linear Thinking: A Holistic Approach

One of the key improvements in the revised ToC is moving away from a linear cause-and-effect model. Sustainability in palm oil production is multi-dimensional, involving many interconnected factors. The revised ToC embraces the complexity and outlines the pathways that drive sustainable outcomes.

What this means for the wider industry - and you

At its heart, the revised RSPO ToC is about collaboration. No single stakeholder can bring about the necessary change alone. Whether you are a smallholder, a large producer, a consumer, or a sustainability advocate, your role is crucial. Through shared commitment, palm oil can be produced, sourced, and consumed in ways that benefit people, protect the planet, and create long-term prosperity for all.

By embracing innovation and adopting better sustainability practices, we can create lasting positive impacts and transform global markets. By anticipating future challenges and integrating new insights, RSPO is ready to lead the next phase of sustainable palm oil transformation.

Vision
Impact
Long-term (5+ years) Outcomes
Intermediate (1-5 years) Outcomes
Outputs
Actions & Interlocking Themes
Enablers

Guiding Principles
Sustainability Leadership through Communication, Collaboration and Certification

A global partnership to make palm oil sustainable

RSPO is a partnership for progress and positive impact, facilitating global change to make the production and consumption of palm oil sustainable

The palm oil value chain equitably balances the interests of People, Planet and Prosperity

PEOPLE

L1 Value and utility is derived by palm oil producers of all sizes (smallholders, medium & large growers) from complying to RSPO Standards, systems and procedures

L2 Labour and social benefits are enhanced across the palm oil value chain, including in human rights, living wages and non-discrimination

L3 Stakeholder equity (especially for women and Affected Communities) in palm oil production is increased

PLANET

L4 Effective climate mitigation actions are implemented, resulting in greenhouse gas emissions reduction and carbon sequestration

L5 Sustainable environmental practices are demonstrated by RSPO Members and partners, offering a scalable model to other agricultural commodities

L6 Sustainable ecosystem management is implemented to achieve no deforestation and promote restoration of environmental value

PROSPERITY

L7 Global trade and markets for certified sustainable palm oil products are resilient and growing, with RSPO recognised as a model for inclusive agriculture

L8 In partnership, palm oil sustainability standards are adapted, embedded and implemented in production and consumption markets/industries (especially emerging ones)

L9 Contemporary environmental and social expectations are met by constant progress and innovation in standards, operations and certification, improving prosperity for all

M1 Changes in representation, voice and participation among palm oil producers of all sizes (smallholders, medium and large growers) is realised and recognised

M2 Focus on ethical practices is increased, towards sustainable palm oil benefitting human rights, workers, communities and smallholders

M3 RSPO Standards, Certification and traceability are continuously improved, to provide enhanced social, environmental and commercial value

M4 Productivity and practices of sustainable palm oil are improved to meet growing demand, lessen food insecurity and minimise land pressure

M5 Environment and work health risks are reduced, in particular improving waste management, restricting hazardous chemicals, limiting land degradation and lowering fire risk

M6 Mechanisms for nature protection/restoration and climate change mitigation are effectively incorporated into RSPO Standards, systems and procedures

M7 Adoption of RSPO Standards is expanded through partnerships, collaborations and learning exchanges, to accelerate global sustainable development

M8 RSPO Certification is accepted by an increasing number of members, partners and stakeholders as the credible standard for palm oil

M9 Ethical behaviour and environmental sustainability are prioritised by markets/industries across the palm oil value chain

M10 Demand, supply and awareness of certified sustainable palm oil products in the value chain is increased

O1 RSPO Standards, systems and procedures are refined to be:
a) clear, accessible, implementable and auditable
b) applicable in differing contexts and geographies
c) able to meet market expectations and regulations

O2 Interoperability between RSPO Standards and the RSPO Assurance System is improved, with risk-proofing enhanced

O3 Implementation of, and compliance to, RSPO Standards and key documents is effective, fair and impactful, supported by appropriate auditing and a transparent grievance system

O4 RSPO Members and partners are equipped with appropriate knowledge and tools to apply ethical and sustainable practices

O5 Innovation is explored through collaboration (including pilot projects, national/international initiatives, multilateral partnerships)

O6 Participation and diversity of RSPO membership is increased (especially smallholders and medium growers, financial institutions and NGOs)

O7 RSPO's convening power, and shared responsibility of RSPO Members, partners and stakeholders, is strengthened

O8 Commitments of RSPO Members and partners across the value chain is increased, to maximise production, consumption and awareness of certified sustainable palm oil products

O9 Regional strategies are developed for adoption by RSPO Members and partners, to incentivise growth in supply and demand of certified sustainable palm oil products

Standards, Certification & Assurance

- Define, develop and regularly review RSPO Standards to meet stakeholder expectations
- Increase relevance of RSPO Standards, systems and procedures, based on national or regional characteristics
- Strengthen RSPO Assurance System, including comprehensive accreditation, risk assessment and auditing
- Improve certification and compliance to be fair, transparent, verifiable and trustworthy

Engagement & Partnerships

- Establish strategic partnerships and provide guidance to catalyse collaboration.
- Engage Global North and Global South to improve sustainability awareness/capacity and contribute to policy-making
- Facilitate dialogue and consensus building between RSPO Members, partners and stakeholders
- Increase the size and scale of RSPO Membership, and encourage meaningful participation

Market Transformation

- Encourage conversion from conventional to certified production, procurement, processing and consumption
- Monitor, analyse and assess emerging commercial, consumer and regulatory trends and risks
- Address supply/demand issues, where possible, to support and drive certified uptake
- Evaluate suitable and specific approaches for transforming production and consumption markets/industries

Monitoring, Evaluation & Learning ✳ **Membership Services** ✳ **Know-how & Toolkits** ✳ **Information Platforms**

LEGEND

Outputs — Intermediate outcomes — Long-term outcomes

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RSPO Impact Framework

The RSPO Theory of Change (ToC) was revised in 2023 to provide greater clarity and purpose to the actions, strategies and outputs required of RSPO and RSPO members to achieve our vision of transforming palm oil into a sustainable global commodity. The revised RSPO ToC moves beyond a linear cause-and-effect model, better reflecting the interconnected pathways that lead to the expected changes and intended impacts. As each stakeholder across the value chain plays their part, RSPO's vision is brought to life through its three core Impact Pillars: People, Planet, Prosperity. To ensure continuous learning and adaptability, the progress of the revised ToC is carefully monitored and measured through a comprehensive Results Framework. This allows RSPO to track its journey towards achieving its vision, identifying areas for adjustment if necessary, while also addressing any potential unintended consequences and mitigating any unexpected negative impacts.

With the revision of the ToC, the RSPO Impact Framework has also been updated. First introduced in the 2022 RSPO Impact Report, the Impact Framework redefined how the impacts of RSPO and RSPO members are measured. This was achieved through a thorough review of available data and detailed mapping against the United Nations' Sustainable Development Goals (SDGs). The framework allows us to better articulate what has been achieved so far and how much further we must go.

The initial version of the Impact Framework was structured as seven Impact Themes, and 15 Impact Indicators under those themes. The updated RSPO Impact Framework is now structured around nine Impact Themes, which align with the nine Long-term Outcomes set out in the revised ToC, organised around the pillars of People, Planet, Prosperity.

Each Impact Theme is supported by specific indicator(s), totalling 21 Impact Indicators across the Framework. These indicators are grounded in data drawn from RSPO standards, systems and procedures, as well as the actions and outputs of RSPO members and the RSPO Secretariat. They are also mapped to UN SDG goals and targets identified as priorities for RSPO (see Appendix 1, pg. 134). The Results Framework of the revised ToC has been incorporated into the updated Impact Framework, providing annual updates on the progress of RSPO's efforts through the Impact Report/Update.

This structured approach ensures that RSPO remains at the forefront of driving meaningful change, offering a transparent and measurable way to communicate its achievements and challenges, as we continue to shape a more sustainable palm oil industry.

The RSPO Impact Framework

RSPO Impact Pillar	RSPO Theory of Change Long-Term Outcomes	RSPO Impact Theme	RSPO Impact Indicator	Indicator Description
PEOPLE	**L1 -** Value and utility is derived by palm oil producers of all sizes (smallholders, medium & large growers) from complying to RSPO Standards, systems and procedures	Improving Lives and Operations	Smallholder Inclusion	Progress on encouraging participation of smallholder farmers towards sustainability
			Smallholder Certification	Progress on the scale of smallholder farmers within RSPO certification
			Continuous Improvement	Improvements to palm oil producer operations and smallholder farmer livelihoods through RSPO certification
	L2 - Labour and social benefits are enhanced across the palm oil value chain, including in human rights, living wages and non-discrimination	Respecting Labour & Human Rights	Workers and Working Conditions	Status on respecting workers' rights and labour conditions through RSPO certification
			Human Rights Risk	Status and risk level of human rights breaches within RSPO certification
	L3 - Stakeholder equity (especially for women and Affected Communities) in palm oil production is increased	Promoting Equity, Equality and Inclusivity	Gender Welfare	Progress on inclusivity, equal access, empowerment and needs of women through RSPO certification
			Community Engagement	Progress in engaging communities and relevant stakeholders on their concerns, and mechanisms to address or remedy such concerns
PLANET	**L4 -** Effective climate mitigation actions are implemented, resulting in greenhouse gas emissions reduction and carbon sequestration	Limiting Climate Change	Emissions Mitigation and Avoidance	Progress on climate change goals through emissions mitigation and avoidance within RSPO certification
	L5 - Sustainable environmental practices are demonstrated by RSPO Members and partners, offering a scalable model to other agricultural commodities	Demonstrating Environmental Stewardship	Environmental Sustainability	Progress towards environmentally sustainable practices within RSPO certification
			Fire Risk	Progress of mitigating and minimising fire risks within RSPO certification
			Water Management	Progress towards responsible usage of water and protecting freshwater ecosystems within RSPO certification
	L6 - Sustainable ecosystem management is implemented to achieve no deforestation and promote restoration of environmental value	Protecting and Restoring Nature	Safeguarding Nature	Progress on achieving no deforestation within RSPO certification
			Remediation	Status of upholding responsibility of palm oil producers regarding historical deforestation through RSPO procedures
			Biodiversity	Progress towards preserving and enhancing biodiversity within RSPO certification
PROSPERITY	**L7 -** Global trade and markets for certified sustainable palm oil products are resilient and growing, with RSPO recognised as a model for inclusive agriculture	Transforming Markets	Certified Supply and Consumption	Progress on shifting global production and consumption of palm oil towards sustainability
			Shared Responsibility	Progress on matching certified consumption to certified production, and all RSPO members follow in the spirit of RSPO Principles and Criteria
	L8 - In partnership, palm oil sustainability standards are adapted, embedded and implemented in production and consumption markets/industries (especially emerging ones)	Working Together	Partnerships and Collaborations	Progress in developing partnerships, including for research, to support, implement and improve RSPO standards or strategies
			Convene for Change	Progress in enabling dialogue and engaging stakeholders to adopt, enable, achieve, advance or reference RSPO standards globally, by country or by industry
	L9 - Contemporary environmental and social expectations are met by constant progress and innovation in standards, operations and certification, improving prosperity for all	Advancing and Ensuring Sustainability	Certification Trends	Progress on the reach, extent and traceability of RSPO certification in the global palm oil and palm oil products market
			Jurisdictional Approach	Progress on scaling up the impact of RSPO through landscape-level certification based on the Jurisdictional Approach
			Knowledge and Resources	Availability of information and platforms to support progress towards sustainability and to continuously improve RSPO standards, systems and procedures


Credit: iStock

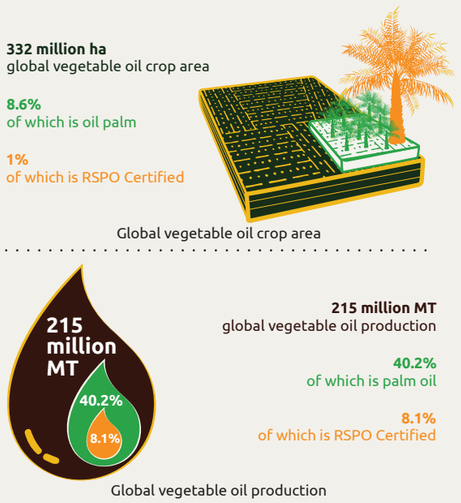
Highlights of RSPO Impacts

The data outputs and distinct outcomes of RSPO and our various standards, systems and procedures is expansive. The goal is to become broader, deeper and better in learning from what is working and what is not. In order to narrate on the expected change and intended impacts we can report on, or the significant stories we can tell. Aligned with the revised RSPO Theory of Change and its Results Framework, this Impact Report covers the nine Impact Themes and 21 Impact Indicators in depth, narrating the beneficial impacts we can report and the significant stories we can tell. For brevity, here are 27 highlights of RSPO's key achievements that advance People, Planet and Prosperity, and 1 Key Impact.

Key Impact

8.1% of supply from 0.9% of land

RSPO Certification represents 0.9% of the global vegetable oil crop production area, producing 8.1% of global vegetable oil supply[1]



[1]Includes palm oil and palm kernel oil, as both vegetable oils are produced from the same crop area (oil palm). RSPO area/production from RSPO Assurance data. Global palm oil data from RSPO estimates sourced from USDA, FAOStat, national sources or industry bodies. Global vegetable oil data from FAOStat (2023 estimates).

Improving Lives and Operations

Smallholder Inclusion

US$5 million in RSSF funding to support 107 projects and 48,990 farmers in 13 countries since 2013 (+26 projects, +4,787 farmers from 2022)

Improving Lives and Operations

Smallholder Certification

Independent Smallholder (ISH) certification has expanded to Colombia, Ecuador and Honduras; 40,247 individual ISH certified globally (+11,268 from 2022)

Improving Lives and Operations

Continuous Improvement

261,792 IS-Credits worth US$7.0 million bought to directly benefit 85 certified ISH groups (+68,627 IS-Credits, +US$1.53 million from 2022)

Respecting Labour and Human Rights

Workers and Working Conditions

591,830 workers represented by RSPO P&C Certification globally (+47,794 from 2022)

Respecting Labour and Human Rights

Human Rights Risk

84% of RSPO complaints involving Human Rights-related allegations closed (+3% from 2022)

Promoting Equity, Equality and Inclusivity

Addressing Grievance

Average of 272 working days to close RSPO complaints post-Complaints and Appeals Procedures implementation in 2017

Promoting Equity, Equality and Inclusivity

Gender Welfare

Women represent 15% and 22% of management and administration in certified mills and estates, respectively

Promoting Equity, Equality and Inclusivity

Gender Welfare

28% of certified independent smallholders worldwide are women (highest in Thailand, 42%)

Promoting Equity, Equality and Inclusivity

Community Engagement

9 RSPO Community Outreach & Engagement programmes in 7 countries, working with over 200 local grassroots organisations to reach over 4,750 affected stakeholders

Limiting Climate Change

Emissions Mitigation and Avoidance

Cumulative GHG emissions (~2 million MT CO_2e) equal to 468,864 cars avoided since 2015 (+24,420 from 2022) – equivalent to motor vehicle fleet of Cameroon

Limiting Climate Change

Emissions Mitigation and Avoidance

Average GHG emissions of 3.2 tCO_2e/MT of CPO within RSPO P&C Certification; almost half of certified mills/ plantations report emissions of 1.0 tCO_2e/MT or less

Demonstrating Environmental Stewardship

Environmental Sustainability

Unauthorised usage of restricted pesticides has been eliminated within RSPO Certification

Transforming Markets

Certified Supply and Consumption

CSPO supply reached a new milestone at 16.1 million MT; +4.3% growth or 649,772 MT increase in production year-on-year

Transforming Markets

Certified Supply and Consumption

CSPO consumption grew to 9.8 million MT; +7.2% growth or 666,773 MT increase in downstream usage year-on-year

Transforming Markets

Shared Responsibility

56% of applicable P&T, CGM and Retailer members met their 2023 CSPO SR uptake targets

Demonstrating Environmental Stewardship

Environmental Sustainability

Through RSPO Certification, 19,164 ha of peatlands have been conserved or rehabilitated globally

Demonstrating Environmental Stewardship

Fire Risk

Probability of 0.6% of hotspots detected within RSPO concessions in Indonesia and Malaysia vs. 9.7% detected in non-RSPO concessions

Demonstrating Environmental Stewardship

Water Management

39,657 ha of riparian reserves have been set aside for protection under RSPO Certification

Working Together

Partnerships and Collaborations

Since 2018, RSPO has partnered/ collaborated with over 250 companies, organisations, institutions and governments to advance sustainability goals

Advancing and Ensuring Sustainability

Certification Trends

5.2 million ha of certified oil palm area globally across 23 countries (+263,028 ha from 2022)

Advancing and Ensuring Sustainability

Certification Trends

Average CSPO yield of 4.3 MT/ha vs. Average overall global palm oil yield of 3.2 MT/ha vs. Average non-RSPO palm oil yield of 3.0 MT/ha

Demonstrating Environmental Stewardship

Water Management

Average water footprint of 5.05 m^3/MT of palm oil production within RSPO P&C Certification, significantly lower than other vegetable oils (e.g., soybean, rapeseed)

Protecting and Restoring Nature

Safeguarding Nature

466,609 ha conserved under RSPO Certification (+103,952 ha from 2022) – an area 19 times the size of Kuala Lumpur

Protecting and Restoring Nature

Remediation

317 Compensation Plans approved – remediating an area nearly twice the size of Mumbai (112,954 ha, +11,778 ha from 2022)

Advancing and Ensuring Sustainability

Certification Trends

Midstream and downstream facilities certified under the RSPO Supply Chain Certification (SCC) Standard increased to 6,907 sites worldwide (+479 from 2022)

Advancing and Ensuring Sustainability

Jurisdictional Approach

Two JA Pilots have completed Step 1 (Pilot) of the JA Piloting Framework and progressing to Step 2 (Application); one JA Pilot has almost completed Step 1

Advancing and Ensuring Sustainability

Knowledge and Resources

RSPO has participated in or led 5 ISEAL Innovation Fund projects

prisma - RSPO'S Certification, Trade, and Traceability System for Sustainable Palm Oil Management

prisma
by RSPO
Palm Resource Information & Sustainability Management

To prepare RSPO for the next 20 years, RSPO is now developing our new digital certification, trade and traceability system – prisma, which stands for 'Palm Resource Information and Sustainability MAnagement'. Over the past two decades, RSPO has grown more complex and RSPO standards, systems and procedures have become more intricate and complicated. In recognition of the challenges to come, it was necessary for RSPO to consider a more holistic approach to the key information systems that underpin our processes and unify them under a single integrated system architecture.

Aimed at improving trade and compliance to meet current and emerging global regulations, prisma highlights the core functions and interdependence of the new traceability system. It will bring RSPO stakeholders together on a single platform, organising information and increasing efficiency to enhance alignment and accountability. The focus on standardising audit reports within prisma's certification module will allow for better data analysis, strengthening adherence to the RSPO Standards and providing a flexible and responsive framework that can adapt to the evolving global sustainability landscape.

Like a prism dispersing light into a spectrum of colours, prisma encompasses various sustainability components within the palm oil sector's multistakeholder supply chain. It symbolises RSPO's collective commitment to sustainability, showing how different elements can come together to create a more sustainable future for the palm oil industry.

Inspired by the importance and versatility of the oil palm fruit, the prisma logo features a palm leaf encasing the palm kernel. This design represents RSPO's commitment to leading a global partnership for sustainable palm oil, highlighting the connection between agriculture and technology and signalling a deeper dedication to advancing the sector.

Together with our partners, RSPO is fully committed to driving the sustainable palm oil industry forward through innovative solutions. Our focus on certification, trade, and traceability will future-proof RSPO, ensuring compliance with today's standards and preparing for the evolving opportunities of sustainability.

The platform is being developed by Singapore-based agritech firm, Agridence, along with NGIS, which is providing geospatial risk assessment capabilities.

The Port of Rotterdam in the Netherlands. Credit: iStock

Improving Lives and Operations

CHAPTER

03

Improving Lives and Operations

Long-term Outcome (L1): Value and utility is derived by palm oil producers of all sizes (smallholders, medium & large growers) from complying to RSPO Standards, systems and procedures

Fostering smallholder empowerment is central to RSPO's mission to combat poverty, enhance economic security, and build sustainable livelihoods, aligning with United Nations SDG 1 (No Poverty) but also SDG 2, SDG 5, SDG 8 and SDG 9. By equipping small-scale oil palm farmers with essential knowledge, resources, and tools, RSPO helps them access and thrive in evolving markets. This inclusive approach strengthens economic resilience, promotes community well-being, and advances social equity across the supply chain.

The Sustainable Development Goals Report 2024 underscores the critical need for such efforts: "The global working poverty rate declined to 6.9% in 2023, reflecting steady progress since 2015. However, nearly 241 million workers still lived in extreme poverty in 2023, with little improvement anticipated for 2024." This global reality emphasises the urgency of initiatives like RSPO's, which focus on empowering vulnerable communities.

The path ahead is long but essential. Engaging and certifying smallholders and oil palm growers of all sizes fosters the adoption of ethical and sustainable practices. Through this, RSPO cultivates a culture of responsibility and accountability, building a more inclusive, equitable, and resilient palm oil supply chain. By improving operations and livelihoods, every mill, plantation, and smallholder becomes a driver of positive change, creating lasting impacts for communities, the environment, and the industry.

Smallholder Inclusion

US$5 million in RSSF funding to support 107 projects and 48,990 farmers in 13 countries

RSPO has **conducted 326 STA trainings in nine countries** to empower 15,448 participants

Palm oil and oil palm products are the result of cultivating the Elaeis genus of oil palms, including the African oil palm (*Elaeis guineensis*) or the American oil palm (*Elaeis oleifera*) and any variant, hybrid, variety and breed of these two palm species. While large-scale plantations dominate global production, a significant share of oil palms is cultivated by small-scale farmers or through subsistence-level farming practices. Such operators are known as smallholders[1]. RSPO estimates that there are at least seven million smallholders worldwide who earn a living (fully or partially) from oil palm cultivation.

Smallholders primarily earn their livelihoods by harvesting Fresh Fruit Bunches (FFB) from their oil palm plots and selling them to nearby palm oil mills. Smallholder operations typically fall into two categories: **scheme smallholders**, who operate under contractual agreements with mills and receive support from them, and **independent smallholders** (ISHs), who maintain autonomy over their operations and business relationships with mills.

RSPO offers certification pathways for both types of smallholders. However, the journey, particularly for ISHs, can be a lengthy and complex process. On average, it takes at least three to five years from the initial point of interest for an independent smallholder to be ready for RSPO Certification[2], which is why RSPO's approach to smallholder inclusion begins much earlier, before certification and before even RSPO membership.

RSPO encourages smallholder participation in sustainability through the RSPO Smallholder Support Fund (RSSF), which is funded by allocating 10% of RSPO's annual revenue from Certified Sustainable Palm Oil (CSPO) trade. The RSSF provides financial assistance to ISHs to improve livelihoods through sustainable agriculture and enhanced productivity, while reducing environmental and social impacts. Grants support key initiatives such as certification preparation, livelihood enhancement projects, one-off assessments, and audit costs, all aligned with sustainable practices and compliance readiness.

Since the RSSF's creation in 2013, a total of US$5.0 million has been allocated to the Fund and US$3.0 million has been disbursed to support 107 projects involving 48,990 independent smallholders across 13 countries (Figure 1). In 2023 alone, 26 new RSSF projects were funded to benefit 4,787 new ISHs across the world in six countries.

	Total Funding Approved (US$)	Total Funding Disbursed (US$)		RSPO Membership (ISH Groups)	RSPO Certification (of ISH Groups)		Certified ISHs	Certified Production Area	Certified FFB Volume
2013-2023	**5,035,592**	**3,024,396**		**234**	**109**		**40,247**	**109,350**	**2,000,028**
Change vs 2022	***+19.7%***	***+2.1%***		***+57***	***+26***		***+11,268***	***+24,806***	***+428,229***
Of which				29.1%	45.9%		56.6%	56.7%	56.8%
RSSF Projects			*ISH Groups funded by RSSF*	**ISH Groups (change vs 2022)**		*Certified ISH Groups funded by RSSF*	**Certified ISH Groups (change vs 2022)**		
Total	**48,990 (107 Projects)**			**68 (+5)**	**50 (+14)**		**22,797 (+20.0%)**	**62,005 (+15.9%)**	**1,136,836 (+23.2%)**
Indonesia	22,243 (60 Projects)			42 (+10)	33 (+13)		11,304 (+40.1%)	26,122 (+37.2%)	537,864 (+33.1%)
Malaysia	1,020 (8 Projects)			3 (=)	3 (=)		2,253 (+13.0%)	8,634 (+4.2%)	156,892 (+9.6%)
Latin America	6,184 (12 Projects)			6 (+1)	0 (=)		- (=)	- (=)	- (=)
Africa	15,086 (8 Projects)			1 (-10)[3]	2 (+1)		5,050 (+1.3%)	8,241 (+3.2%)	20,562 (+22.6%)
ROW	4,357 (19 Projects)			16 (+4)	12 (=)		4,190 (+6.0%)	19,391 (+4.6%)	418,732 (+17.3%)

Figure 1 - RSSF funding as a pathway to ISH certification, as of 31 Dec 2023

[1] RSPO defines a smallholder in general as an oil palm grower with a total accumulative planted area of oil palm smaller than or equal to 50 hectares (ha). This definition may vary by country, with the Indonesian National Interpretation of the RSPO Principles and Criteria setting the threshold for smallholders as smaller than or equal to 20 ha, while Ecuador's smallholder threshold is smaller than or equal to 75 ha.
[2] For RSPO membership and RSPO certification, an independent smallholder must form a legally-recognised group with other ISHs to have the organisational capacity and scale for compliance. The group is the RSPO member and the RSPO Unit of Certification.
[3] The reduction in ISH groups within RSPO membership in Africa reflects the consolidation of 10 ISH groups in Ghana that joined RSPO in 2016, with the consolidation carried out in 2023.

RSSF projects are a strong avenue for eventual engagement with RSPO. Nearly 30% of ISH groups within RSPO Membership and almost half of RSPO Certified ISH groups are beneficiaries of RSSF funding. RSSF-funded certified ISH groups also continue to represent a majority of all certified independent smallholders, total certified production area and total certified FFB volume.

Positive impacts on smallholder livelihoods are often generated by RSSF projects even before a group joins RSPO. In 2015, an RSSF-funded project with Solidaridad West Africa involving four farms in Nigeria led to the implementation of agricultural Best Management Practices (BMPs) by the participating smallholders, which almost tripled their FFB yield from 2.7 MT/ha to 7.4 MT/ha without the use of inorganic fertilisers.

The RSPO Smallholder Engagement Platform (RSEP)

The RSPO Smallholder Engagement Platform (RSEP) is an initiative designed to connect smallholder groups—whether already certified or working towards certification—with potential project partners. These partners include facilitators who are able to provide coordination and support for engagement or organisation, as well as market players who would like to provide independent funding for smallholder projects or who wish to purchase RSPO IS-Credits (see Continuous Improvement, pg. 33). RSEP also serves as an informational hub, offering insights into the needs and activities of smallholder groups, fostering collaboration to advance sustainable practices. RSPO data indicates that independent smallholders who received assistance pre- and post-Certification have the strongest sustainability and productivity gains, so any suitable interest or offer to assist them is welcome.

Check out our website[4] for more information!

Beyond financial assistance, RSPO also supports independent smallholders with knowledge through the RSPO Smallholder Trainer Academy (STA). Launched in November 2019 with support from RSPO Members and partners, the STA uses a “train-the-trainer” approach to build capacity and capability of ISH group managers and individual smallholders on topics related to topics related to oil palm sustainable practices and readiness for RSPO Certification, which they can disseminate to their group members or peers.

The aim of the STA is to build a pool of Master Trainers across sectors and organisations as a global community to promote sustainable palm oil practices through smallholder knowledge. The trainings span a range of topics and are provided in six languages - English, Bahasa Indonesia, Bahasa Malaysia, French, Spanish and Thai. Since 2019, RSPO has conducted 326 physical and virtual STA trainings in nine countries to empower 15,448 participants, with a priority on including female smallholders (who represent 37% of all participants).

[4] https://rspo.org/as-a-smallholder/rsep/

Sustainable Farm Management Training Initiative in Sabah, Malaysia

In November 2023, Forever Sabah and RSPO Smallholder Trainer Academy launched the Sustainable Farm Management Training in Kampung Mananam, Sabah, empowering 17 smallholders with sustainable palm oil practices. The training covered farm management, financial literacy, occupational safety and health (OSH), rare, threatened and endangered (RTE) species, and social training, led by five trainers in a hands-on environment. Participants showed keen interest in future programmes on fertiliser use, seedlings, and pest management. The ‘Training the Trainers’ approach also equipped locals to sustain knowledge-sharing. Benefiting 20 villages, this initiative equips Kampung Mananam smallholders with skills for long-term community and environmental benefits.

RSPO STA Master Trainer Programme in Johor, Malaysia

In June 2024, the RSPO Smallholder Trainer Academy (STA) launched its inaugural Master Trainer Programme in Batu Pahat, Johor, Malaysia. The six-day training engaged 11 participants from organisations like ISH group PERTANIAGA, P&G’s Center for Sustainable Small-owners (CSS), the Asia School of Business (ASB), and smallholder-focused social enterprise Wild Asia, aiming to strengthen the pool of STA Master Trainers in Malaysia to better promote sustainable oil palm practices. Led by qualified STA Senior Master Trainers, the programme blended theory with site visits to learn about FFB quality grading, conservation at Important Bird Areas, and smallholder farming on mineral and peat soils. Collaboration with certification body the BSI Group also provided insights into RSPO ISH certification processes, equipping participants to drive sustainability and empower smallholders.

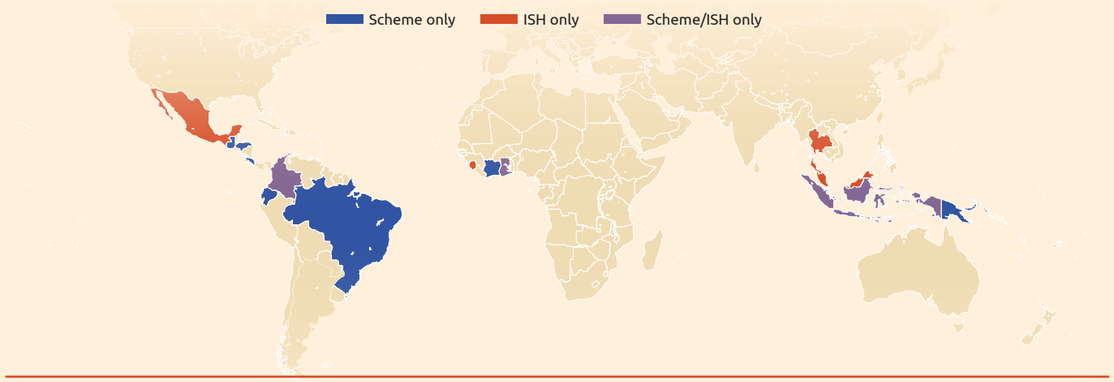
Smallholder Certification

Independent smallholder certification has **expanded to Colombia, Ecuador and Honduras**

There are **40,247 individual ISHs and 124,241 individual scheme smallholders** certified

RSPO offers a certification pathway for both kinds of smallholders: **scheme smallholders**, who work in fixed partnerships with certified palm oil mills and certified through that mill under the RSPO Principles and Criteria (P&C); and **independent smallholders**, who manage their plots independently and are certified under the RSPO Independent Smallholder (ISH) Standard. Certified mills (or Units of Certification, Units for short) are required under Principle 5 of the 2018 RSPO P&C to act fairly and transparently with all smallholders, and provide opportunities to improve inclusion and livelihoods, where possible.

As of December 2023, over 164,000 smallholders across 15 countries are RSPO Certified (Figure 1). Indonesia represents over 70% of this number (nearly 100,000 scheme smallholders and over 25,000 ISH), followed by Papua New Guinea (nearly 19,000 scheme smallholders) and Thailand (over 7,000 ISH).



	Certified Smallholders		Certified Production Area		Certified FFB Volume	
Scheme	**124,241**	**(-10.3%)**	**300,124**	**(-9.2%)**	**5,632,624**	**(-5.0%)**
Indonesia	99,629	(-13.3%)	168,597	(-14.3%)	3,267,995	(-11.4%)
Malaysia	-	-	-	-	-	-
Latin America	1,094	(-24.7%)	47,971	(-14.4%)	1,369,004	(+3.8%)
Africa	4,537	(-7.2%)	26,401	(-2.1%)	212,271	(-14.3%)
Row	18,930	(+10.3%)	47,963	(+13.3%)	783,354	(+16.8%)
Independent	**40,247**	**(+38.9%)**	**114,384**	**(+32.9%)**	**2,000,022**	**(+27.2%)**
Indonesia	25,579	(+65.2%)	58,418	(+59.9%)	1,051,557	(+46.4%)
Malaysia	2,281	(+14.4%)	9,270	(+13.3%)	156,893	(+11.4%)
Latin America*	158	(+35.0%)	2,246	(+66.6%)	20,736	(+292.7%)
Africa	5,113	(-0.1%)	8,427	(-0.6%)	21,682	(-5.5%)
RoW	7,116	(+13.5%)	36,023	(+14.3%)	749,154	(+9.4%)
Total Smallholders	**164,488**	**(-1.8%)**	**414,508**	**(-0.5%)**	**7,632,646**	**(+1.8%)**

Figure 1 - Distribution and statistics of RSPO certified smallholders (scheme, ISH)

Individually, they may be small in size, but collectively RSPO certified smallholders have stature. They manage over 414,500 hectares of production area, larger than the total oil palm production area of Ghana. They are certified to produce 7.63 million MT of Fresh Fruit Bunches (FFB), representing some 2% of global palm oil production. In 2023 alone, independent smallholders added 428,000 MT to the total smallholder certified FFB volume—equivalent to Ecuador's total RSPO certified FFB volume in 2023.

And there is potential for certification to accelerate. Based to ACOP 2023 reporting[1], an additional 473,000 ha of scheme smallholder area—primarily in Indonesia and Ghana—has yet to be certified. There are also 13,000 more independent smallholders with over 120,000 ha of production area who are working towards certification, reflecting the recent growth of new ISH groups joining RSPO, as well as the expansion of existing groups.

Taken together, it is possible for the total RSPO Certified smallholder area to double through existing RSPO membership alone. But it will take time. An example of this is Asociación de Productores de Palma Aceitera de Santa Lucía (RSPO Member ID: 1-0440-23-000-00), the first RSPO ISH group in Peru, which joined as an RSPO member in March 2023 but only expect their 11 members to achieve RSPO Certification in 2026. Certification, and therefore sustainability, of smallholders will not happen overnight. The current momentum in smallholder certification growth is the fruit of RSPO and RSPO Members' efforts to improve smallholder inclusion in our standards, systems and procedures over the last decade.

[1]Annual Communication of Progress, a mandatory reporting requirement for all Ordinary members of RSPO

RSPO Group Certification of FFB Production

Access to certification for oil palm growers of all sizes is an important consideration for RSPO. To allow individual growers to certify their FFB against the RSPO P&C collectively under a single certificate, Group Certification of FFB Production was introduced in 2016. Under this system, individual growers may group together with an appointed Group Manager under an Internal Control System (ICS) instead of each grower seeking separate certification. This approach went on to form the foundation of the RSPO ISH Standard in 2019, and a revision of the Group Certification of FFB Production in 2022 provides additional flexibility, options and pathways to certification. The revised system now allows for a combination of smallholders, (scheme and independent) and/or medium growers[2] to join together under one group certificate. It also allows certified mills to act as the group manager for smallholders and medium growers within its FFB supply base for certification.

Effective 17 October 2023, an interim measure allows any individual growers, including those with landholdings above 500 ha, to apply for RSPO Group Certification of FFB Production, as endorsed by the RSPO Board of Governors. This provides further flexibility for small, medium and large-scale oil palm growers to be collectively certified based on different FFB supply arrangements, which can vary considerably from country to country.

However, there is another trend of concern. The overall number of certified scheme smallholders (certified under the scope of their partner mill's RSPO P&C certificate) has decreased consistently since 2021. This is mainly localised to Indonesia, with a net decline of 15,308 scheme smallholders and 28,099 ha certified scheme smallholder area in 2023.

Understanding the cause or causes of this decline is necessary, as it could hinder RSPO's efforts to increase smallholder inclusion. We are continuously refining RSPO standards, systems and procedures for implementability and auditability, as well as capacity building of smallholders, and we are paying attention to this trend in scheme smallholder certification. Smallholders are the farthest upstream in the palm oil supply chain, and the most vulnerable to shifts and disruptions in the market. Ensuring that they are included in RSPO is a necessity.

[2]Medium growers are defined by RSPO as oil palm growers with accumulative planted area of oil palm larger than than 50 ha and smaller than or equal to to 500 ha

From Illegal Logging to Agroforestry: the Journey of Smallholders in Aceh

Tenggulun Village in Indonesia's Aceh Tamiang regency has witnessed a remarkable shift, with forest encroachment and illegal logging activities significantly decreasing, thanks to the Utilisation of Sustainable Palm Oil Farmers Forest Areas programme. Oil palm smallholder farmers in the region have now earned the title 'Defenders of Leuser', as they actively protect the Leuser Ecosystem Forest Area, an ancient ecosystem of lowland rainforests, peat swamps, montane/coastal forests, and alpine meadows 35 times the size of Singapore (2.6 million ha).

Building on the initial success of PESATRI (the first RSPO ISH group in Aceh) in creating the programme, its second Verified Sourcing Area (VSA) initiative launched in June 2021, engaging over 2,200 farmers from 47 clusters. In February 2023, Unilever funding provided further enhancement, launching the Sustainable Oil Palm Plantation Programme that expanded the second VSA to 3,000 farmers. PESATRI envisions Aceh Tamiang as a global sustainability model to all oil palm smallholders in Indonesia and the world.

¡Bienvenido! Colombia Welcomes Its First RSPO Certified Independent Smallholders

In March 2023, Colombia's Unión Temporal Entrepalmeros group became the first independent smallholders in the country and the second in Latin America to receive RSPO Certification under the 2019 RSPO Independent Smallholder (ISH) Standard. Managing nearly 900 hectares of certified land and producing 15,456 MT of FFB annually, this milestone marks a major step forward for sustainable palm oil in Colombia and Latin America.

Supported by RSPO Members Palmas del César, Unilever, and the Solidaridad Network, the group has managed to improve their farming practices since first engagement with RSPO in 2016. Supported in this process by an all-female senior management team from Palmas del César (see Women Transform Palm Oil Practices in Colombia, pg. 52), the Entrepalmeros group has now achieved RSPO compliance and, more importantly, inculcated good agricultural practices that has benefited their livelihoods. As of 31 December 2023, 41 of the group's total of 248 members were RSPO Certified, with 703 ha of certified production area and 248 ha of conservation area. Entrepalmeros is continuing work towards eventual certification of all the group's members and oil palm area.

Continuous Improvement

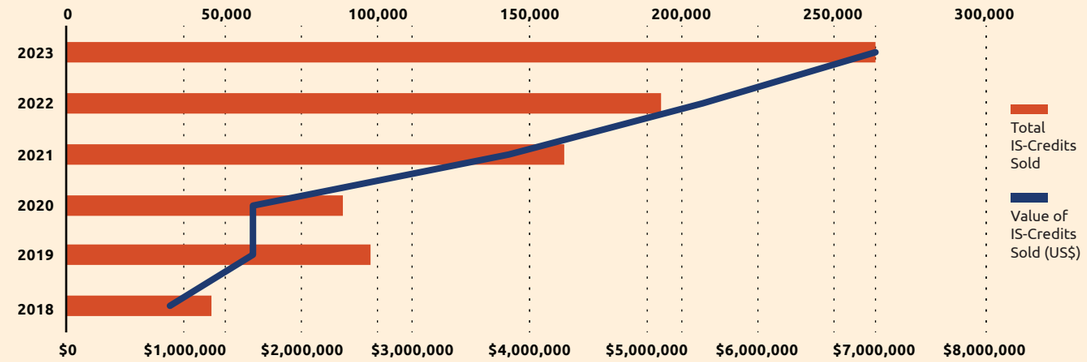
261,792 IS-Credits worth US$7.0 million bought to directly benefit 85 certified ISH groups

Certified ISH groups have seen **long-term productivity gains in terms of yields**

RSPO Certification is a pathway to sustainability, but sustainability itself is a journey of continuous improvement. For certified mills and plantations, the RSPO Principles and Criteria (P&C) requires regular monitoring of market conditions and risks (particularly forward planning for replanting cycles) to ensure they are viable and sustainable businesses in the long-term. This commitment extends to other areas such as soil fertility, responsible agricultural practices and consistent documentation (See Environmental Sustainability, pg. 67), to assist in optimising operational productivity and maintaining/improving yields, while creating positive impacts that are verifiable and traceable.

For smallholders, what happens after achieving certification is equally important. Compliance comes with a cost, and RSPO Certification must continue to make financial sense. Scheme smallholders can benefit from the livelihood improvement programmes of their partner mills, but the very nature of independent smallholders means they need other support mechanisms.

When certified smallholders sell their FFB to a certified mill, they usually receive a premium price. Most mills calculate this premium based on the oil extraction rate (OER)—the amount of oil obtained from the fruit. Some mills add an RSPO premium, since sourcing from certified smallholders supports traceability and confirms legality, which is important given the current market and regulatory emphasis on these aspects. But what happens if there is no certified mill in the vicinity?



Year	Total IS-Credits sold by certified ISH and sales value (US$)			
	ISH Groups Selling IS-Credits	Total IS-Credits Sold	Value of IS-Credits Sold (US$)	Average Value of IS-Credits sold per ISH Group
2018	18	46,770	$876,154	$48,675
2019	32	98,062	$1,622,156	$50,692
2020	41	88,675	$1,624,121	$39,613
2021	50	161,824	$3,849,378	$76,988
2022	65	193,165	$5,494,024	$84,523
2023	85	261,792	$7,022,653	$82,619

Year	Average Price per IS-Credit (US$)		
	IS-CSPO	IS-CSPKO	IS-CSPKE
2018	$16.78	$56.07	$2.14
2019	$14.79	$49.03	$1.80
2020	$13.98	$59.34	$1.15
2021	$17.86	$87.21	$0.83
2022	$12.62	$156.83	$0.51
2023	$10.61	$192.81	$0.58

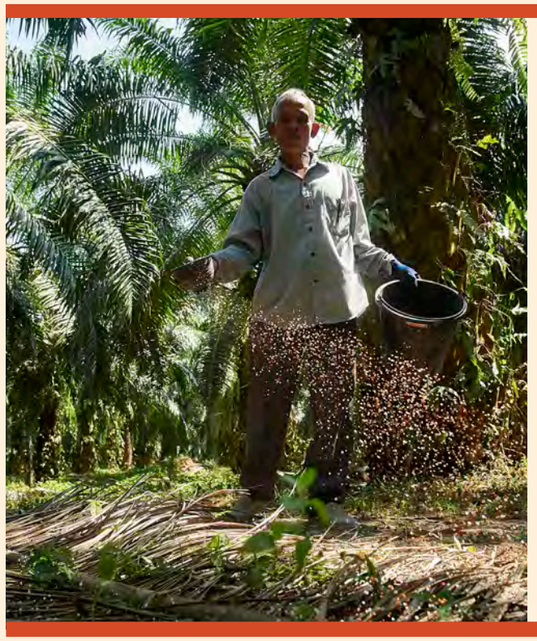
Figure 1 - IS-Credits sales and value (2018-2023)

In 2017, RSPO Independent Smallholder Credits (IS-Credits) were introduced, providing a direct market mechanism for ISH groups who choose this pathway or are required to adopt it. The mechanism allows downstream RSPO Members to purchase IS-Credits from certified ISH groups, bypassing the long, often complex supply chain to directly compensate ISHs for their sustainable best practices. The three types of IS-Credits (IS-CSPO, IS-CSPKO, IS-CSPKE) are calculated by converting certified FFB volume into equivalent tonnage of palm oil, palm kernel oil and palm kernel expeller. The IS-Credit price—denominated in US dollars and which fluctuates based on market dynamics— represents the premium smallholders receive.

RSPO Certified ISH groups can choose to sell FFB physically (at a premium price) or virtually (as IS-Credits), or both. In Thailand, where the industry is clustered regionally, with mills and smallholders having a symbiotic relationship, most groups sell physically. But in Indonesia, where geography is complex and dispersed, IS-Credits are often the only option. And the market has responded (Figure 1).

Trade has grown from 46,770 IS-Credits worth US$876,154 in 2018 to 261,792 IS-Credits worth US$7.0 million in 2023. And the significant rise in availability of IS-Credits has not diluted the market; even with trade volumes more than quintupling, the average total value for groups selling IS-Credits has not only maintained but also grown by 70%, from US$48,675 per group in 2018 to US$82,619 per group in 2023. The number of individual ISHs who directly benefited from RSPO IS-Credits trade in 2023 was 28,450.

Regenerative Agriculture: How Does It Fit In?



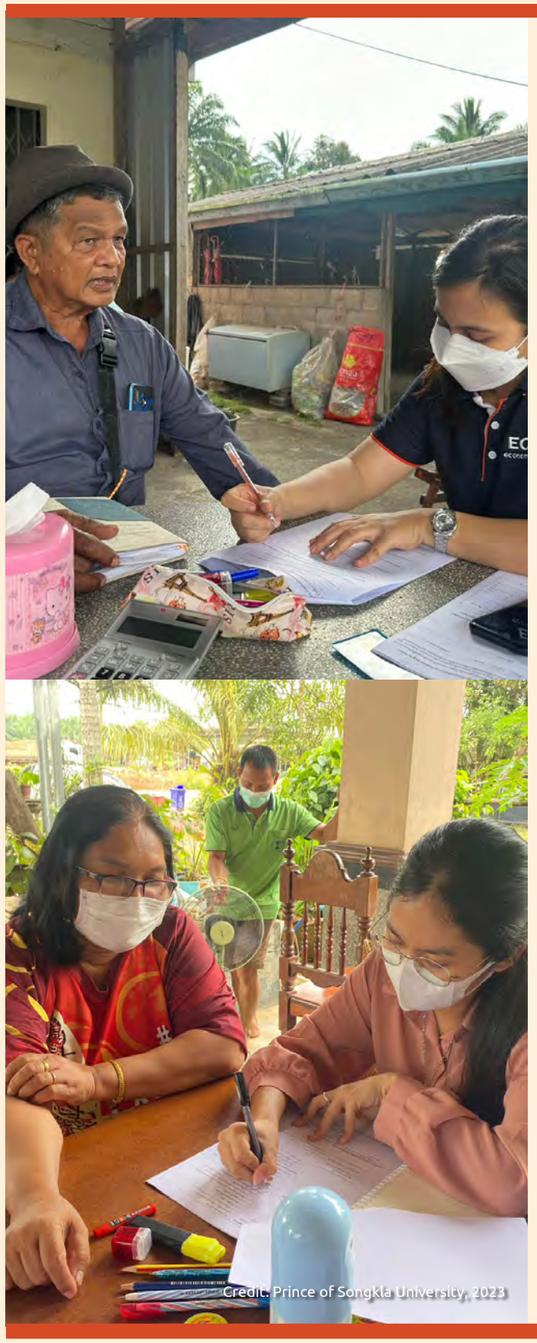
The concept of regenerative agriculture is a combination of farming approaches focusing on restoring and enhancing ecosystems while improving agricultural productivity and resilience. The term dates back to the 1980s and has seen a recent resurgence[1]. Many of the techniques it encompasses—such as cover crops, no-till, mulching and avoiding synthetic input—are established techniques generally considered as Good Agricultural Practices (GAPs)[2] or Best Management Practices (BMPs). RSPO Standards already reference or recommend such practices. In this way, RSPO Certification can potentially be seen as a forward-looking transition for certified mills, plantations, and smallholders towards regenerative agriculture, simultaneously supporting ecosystem health and sustainable operations.

Productivity is another indicator of continuous improvement. RSPO Standards, systems and procedures strike a balance between the economically viable and profitable production of sustainable palm oil without compromising the environment, labour and communities. Since 2008, when RSPO Certification began, CSPO yields have consistently averaged 1.1 MT/ha above global palm oil yields[3], even accounting for factors such as adverse weather (See Certification Trends, pg. 119). FFB yields of scheme smallholders have also been steady at 17-19 MT of FFB/ha of production area, averaging 1.0 MT/ha above global FFB yields[3].

For independent smallholders, the productivity gains are equally evident. In Thailand, long-established RSPO ISH groups that joined as members in 2012 have seen their already high average FFB yields improve by 0.9 MT/ha between 2013 and 2023, with their group membership more than doubling. More recent Thai ISH groups have also experienced growth in productivity and membership. In Indonesia, gains are even more striking. The first Indonesian ISH groups joined RSPO in 2012 and 2013. Since then, their FFB yields have improved by 4-6 MT/ha, attracting more smallholders to join these groups. Among recent ISH groups in Indonesia that became RSPO Members in 2018 and 2019, we also observe improvements in yields with a more gradual growth of 0.5-1.5 MT/ha (indicating the productivity gains are a process of continuous improvement) alongside expansion in group membership.

[1] Giller, K.E., Hijbeek, R., Andersson, J.A., & Sumberg, J. (2021). Regenerative Agriculture: An agronomic perspective. Outlook on Agriculture, 50(l), 13-25.
[2] Newton, P., Civita, N., Frankel-Goldwater, L., Bartel, K., & Johns, C. (2020). What is Regenerative Agriculture? A Review of Scholar and Practitioner Definitions Based on Processes and Outcomes. Front. Sustain. Food Syst, 4, 577723.
[3] Estimated based on historical RSPO data on certified production area and CSPO production (extrapolated from CSPO Certified Volumes), and historical USDA data on global oil palm harvested area and global crude palm oil production.

Does RSPO Certification of Independent Smallholders Improve Their Livelihoods?



To examine this key question, RSPO commissioned a comprehensive study by Prince of Songkla University[4] in 2022 to examine Thailand's diverse palm oil sector and evaluate the environmental, economic, and social impacts of RSPO Certification in its smallholder dominated industry. Concentrated in the southern provinces of Surat Thani, Krabi, Chumphon and Nakhon Si Thammarat, the Thai oil palm sector supports over 400,000 farm households. At the time of the study, there were 19 certified ISH groups in Thailand with over 5,400 individual farmers operating a certified area of 27,295 ha (2.8% of Thailand's total oil palm area).

The study found that RSPO Certification yielded positive economic outcomes for Thai smallholders, even in groups as small as 60 members, with annual income gains of THB 10.416 million (US$287,401) in the largest groups. Certification also enabled Thai smallholders to access better market opportunities, acquire resources, improve yields and negotiate premium prices for their FFB. Average net returns (income) of certified smallholders were calculated to be THB 637,826 (US$17.6) per harvested rai[5] per household, more than twice that of non-certified smallholders at THB 279,943 (US$7.72).

Certification was also observed to have improved knowledge, business relationships, family health, operational safety and sustainability awareness among smallholders, with higher adoption of environmentally friendly agricultural practices. Nearly all certified smallholders surveyed (97.5%) strongly agreed on the benefits of belonging to a RSPO certified group. The researchers also noted positive spillover effects. Over 90% of certified smallholders reflected that their knowledge could help non-certified farmers, and 52.5% said that they had helped increase awareness among their non-certified peers about sustainability in oil palm cultivation. The study concludes that this allows RSPO groups in Thailand to act as "a centre of sharing knowledge and experiences" through the process of certification.

[4] 'Oil Palm Development in Thailand: Trends and Progress of Sustainability Efforts in Palm Oil Production and Procurement', (August 2023, Thongrak, Kongmanee, Kiatpathomchai)
[5] Customary Thai unit of area. Equivalent to 1,600 square metres or 1.6 hectares.

CHAPTER

04

Respecting Labour and Human Rights

Long-term Outcome (L2): Labour and social benefits are enhanced across the palm oil value chain, including in human rights, living wages and non-discrimination

Palm oil production, like any agricultural system, involves labour and affects people. Workers and communities, therefore, are integral rights holders in the palm oil value chain. RSPO acknowledges the crucial role of workers, and the rights of communities and their livelihoods, as an indispensable component of defining sustainable palm oil.

Each and every worker engaged in producing sustainable palm oil has the right to fair treatment and equal opportunities to fulfil their potential with dignity, in safety, free from discrimination, and in a safe working and living environment. Communities with rights to land and resources must have those rights protected, respected and remedied with due respect, honest representation, and principled conflict resolution.

Through our production standards, RSPO growers and smallholders are required to operate legally, transparently, ethically and responsibly with accountability. And in that way, achieve respect for labour and human rights. However, In a world of increasing regulatory scrutiny, there must also be strong and credible assurance of RSPO labour and social requirements. RSPO works together with our Accreditation Body ASI (See Partnerships and Collaborations, pg 109) to ensure high standards of quality, integrity and impartiality in Certification Bodies and auditors tasked with assessing compliance against RSPO Standards. And in doing so, we can ensure that workers and human rights are respected as intended.

Workers and Working Conditions

591,830 workers are represented by RSPO P&C Certification globally

Over 90% of RSPO certified Units have developed formal grievance systems

The International Labour Organization (ILO) estimates that some 25% of the global workforce is involved in agriculture[1]. While workforce statistics for global palm oil production are not available, it is likely to be in the tens of millions. In Indonesia alone, various sources estimate the workforce involved in oil palm cultivation and palm oil production from some 4 million workers (directly employed)[2] to nearly 17 million (including indirectly employed workers and smallholders)[3]. Labour is fundamental to the production of palm oil, and therefore labour rights are fundamental to the production of sustainable palm oil.

RSPO Standards ensure that, through certification, workers' rights are protected. This includes a prohibition of discrimination in any form; adequate pay, safe working and living conditions; rights to collective bargaining and freedom of association; no child labour; no harassment or abuse; no forced or trafficked labour; occupational health and safety; and women's empowerment (See Gender Welfare, pg. 49).

Data from 496 RSPO Metrics Templates[4], representing 515 RSPO Units of Certification (Units for short), provides a more precise assessment of key labour aspects (Figure 1). Globally, RSPO certified Units employed 591,830 workers in 2023, with 89% working in estates and 11% in mills. Indonesia alone accounts for over 350,000 of these workers. The number of workers employed by certified Units has been steadily increasing, from an estimated 500,000 in 2021 and 544,036 in 2022, as the number of Units grows and the number of growers pursuing RSPO certification increases. Worker distribution between estates and mills has remained consistent, indicating that plantation operations are the most labour-intensive part of palm oil production.

CERTIFIED PALM OIL MILLS	2023 (change vs. 2022)	2022 (change vs. 2021)	2021		2023	2022	2021
Demographics Total number of mill workers	**64,127** (+2,332)	**61,795** (+6,795)	**55,000** (est)	**Indonesia**	33,852	31,200	N/A
				Malaysia	13,206	13,354	N/A
				Latin America	8,682	10,438	N/A
				Africa	4,893	3,426	N/A
				ROW	3,494	3,377	N/A
Demographics and Employment Non-locals as a percentage of total mill workers	**9.9%** (-3.1%)	**13.0%** (-2.7%)	**15.7%**	**Indonesia**	6.5%	10.6%	1.5%
				Malaysia	25.6%	27.9%	19.7%
				Latin America	6.1%	6.7%	10.1%
				Africa	1.1%	2.9%	20.8%
				ROW	4.4%	4.9%	0.0%
Training Non-management workers trained as a percentage of total non-management mill workers	**80.4%** (+0.2%)	**80.2%** (+0.8%)	**79.4%**	**Indonesia**	81.6%	81.7%	81.4%
				Malaysia	84.4%	84.2%	86.9%
				Latin America	61.4%	61.2%	58.8%
				Africa	94.8%	92.3%	85.7%
				ROW	89.4%	91.9%	90.2%
Internal Grievance Open cases as a percentage of all cases received at year-end	**4.1%** (-0.6%)	**4.7%** (-4.1%)	**8.8%**	**Indonesia**	3.5%	4.2%	5.5%
				Malaysia	4.0%	4.9%	11.7%
				Latin America	2.7%	1.5%	1.1%
				Africa	57.1%	36.7%	24.6%
				ROW	21.0%	23.5%	6.1%

CERTIFIED OIL PALM ESTATES	2023 (change vs. 2022)	2022 (change vs. 2021)	2021		2023	2022	2021
Demographics Total number of estate workers	**527,703** (+45,462)	**482,241** (+37,241)	**445,000** (est)	**Indonesia**	318,459	275,555	N/A
				Malaysia	87,019	87,340	N/A
				Latin America	49,374	50,906	N/A
				Africa	48,680	42,317	N/A
				ROW	24,171	26,123	N/A
Demographics and Employment Non-locals as a percentage of total estate workers	**22.7%** (-1.0%)	**23.7%** (-4.3%)	**28.0%**	**Indonesia**	14.2%	15.4%	17.7%
				Malaysia	75.9%	76.1%	75.1%
				Latin America	13.0%	7.3%	1.3%
				Africa	3.3%	3.2%	4.1%
				ROW	1.9%	1.7%	0.3%
Training Field workers trained as a percentage of total field estate workers	**86.0%** (-0.9%)	**86.9%** (-0.9%)	**87.8%**	**Indonesia**	89.6%	90.5%	91.3%
				Malaysia	91.8%	91.2%	92.7%
				Latin America	83.8%	88.3%	87.8%
				Africa	73.1%	71.4%	54.3%
				ROW	68.6%	65.7%	94.4%
Internal Grievance Open cases as a percentage of all cases received at year-end	**7.2%** (-1.4%)	**8.6%** (+6.1%)	**2.5%**	**Indonesia**	12.5%	9.6%	4.0%
				Malaysia	5.2%	5.4%	1.6%
				Latin America	5.7%	29.6%	4.9%
				Africa	36.6%	17.9%	0.0%
				ROW	11.8%	17.5%	33.3%

Figure 1 - Labour-related statistics of RSPO Certified Units

[1]Source: ILOSTAT. The global workforce 2023 was 1.98 billion; workforce in agriculture was 490 million
[2]Source: National Development Planning Agency (BAPPENAS)
[3]Source: Indonesian Palm Oil Association (GAPKI). Indirectly employed workers include services provided that support palm oil production such as transportation, suppliers of fertilisers and plantation equipment, and suppliers of operational/office tools and equipment
[4]Introduced in May 2021 as a requirement of the RSPO Principles and Criteria (P&C) 2018. The reference set of Metrics Templates for 2023 represents 99.6% of current RSPO Units of Certification/Units [i.e., a palm oil mill(s) and its supply base(s)]

With a near complete 2023 dataset of Metrics Templates, a more consistent pattern in employment demographics emerges (in line with previous extrapolated trends), which can also be an indication of risk. Malaysia has the highest proportion of non-local workers (75.9% in plantations and 25.6% in mills), reflecting the Malaysian sector's reliance on migrant workers. Shortage of migrant workers[5], in fact, has been linked to tepid productivity in Malaysia since 2020. In contrast, Indonesia and other regions predominantly employ local workers. However, the proportion of non-local workers in Latin American estates has seemingly increased, from 1.3% in 2021 and 7.3% in 2022 to 13.0% in 2023, which should be monitored for potential labour risks.

Labour productivity in certified Units can be estimated. In Malaysia, one worker is, on average, linked to 47.0 MT of CSPO produced. Indonesia and Latin America follow at 40.2 and 42.5 MT per worker, respectively, with Africa being the least productive region by this metric, at 13.5 MT per worker. However, it is certified Units in the Rest of the World that have the highest labour productivity, at 63.1 MT of CSPO per worker.

Similarly the land-labour ratio[6] in certified Units can also be estimated. From the same 2023 dataset, Malaysia had the highest ratio at 10.1:1, meaning an estate requires one worker for every 10.1 ha of production area. Ratios in Latin America, the Rest of the World and Indonesia are lower, at 6.4:1, 6.3:1 and 6.0:1 respectively, while Africa has a low ratio of 4.4:1.

The RSPO Labour Auditing Guidance (LAG)

In 2022, RSPO published the Labour Auditing Guidance (LAG) to enhance auditing processes for labour indicators of the 2018 RSPO P&C. Designed to assist Certification Bodies (CBs), the LAG is a supplement to the RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard document, aimed at improving the audits on the labour requirements of the 2018 RSPO P&C. It provides CBs with a clearer methodology that ensures a consistent approach to plan and conduct RSPO P&C audits, emphasising continuous improvement and long-term sustainability throughout the certification cycle.

A key feature introduced is the triangulation methodology, which involves three crucial steps: document review, on-site observations, and interviews with relevant personnel, in order to enhance the accuracy of labour rights assessments. With the LAG, RSPO reaffirms our commitment to addressing challenges in, and enhancing assurance of, labour rights auditing to drive meaningful and lasting change in palm oil production.

"The RSPO Guidelines makes labour audits more comprehensive, although it requires a considerable amount of time." - note from an RSPO P&C auditor.

[5]In Indonesia, non-local workers include transmigrants – inter-province resettlement under the transmigrasi initiative to move people from densely-populated areas (Java) to less populous areas (e.g., Kalimantan, Sumatra, Papua)
[6]Variations in land-labour ratio can be attributed to differing job categories (e.g. planting, harvesting, fertilising, maintenance etc.), FFB yield levels, topography, labour availability, mechanisation level, and worker skill levels

For capacity building and to enhance worker skills, the RSPO Principles and Criteria requires certified Units to offer training and equal access to such trainings, especially on issues related to RSPO Standards. Training levels have stayed relatively constant since 2021. In 2023, 80.4% of non-management workers in mills received at least one relevant training, and 86.0% of field workers in estates as well.

To address any issues that do arise (including disputes involving other affected stakeholders), RSPO requires the development of mechanisms to address complaints and grievances by certified Units. Some 93.9% of certified Units have formal grievance systems, which must be accessible by workers, smallholders, and other affected parties. From available Metrics Template data, there is a broad spread in the percentage of cases closed out of all cases received by the end of each calendar year[7], from Africa with 42.9%, to Indonesia and Malaysia at 96%, and Latin America at 97.4%. These percentages, however, need to be interpreted with caution as a high number of cases received could either reflect a high number of human rights violations and/or robust working grievance systems where workers (and affected parties) have access and can seek remedies by knowing and exercising their rights.

Living Wages: RSPO's Strategic Direction

A Living Wage is defined as the remuneration received for a standard workweek by a worker in a particular place, sufficient to afford a decent standard of living for the worker and her or his family[8]. Elements of a 'decent standard of living' include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events. The concept has been integral to RSPO since the 2007 RSPO Principles and Criteria with the requirement for 'decent living wage' to be paid to all workers as an Indicator in the 2018 RSPO P&C. The term has been rephrased to 'Living Wage' to ensure consistency of terminology used globally.

Recognising existing implementation challenges, RSPO has adopted a revised Living Wage Strategy, approved by the Living Wage Task Force (LWTF) and endorsed by the RSPO Standards Standing Committee (SSC) in 2023. The Strategy introduces a stepwise approach with milestones and outcomes towards achieving Living Wage payment. RSPO is currently progressing on Step 1, involving a pragmatic approach to improving prevailing wage calculations and strengthening RSPO members' capacity through socialisation and development of procedures, tools, and supporting documents.

STEP 1 Standardised prevailing wage calculation and wage data collection system

STEP 2 Living Wage benchmarks and identification of Living Wage gaps

STEP 3 Verification and closing Living Wage gaps

RSPO Stepwise Living Wage Trajectory

[7] This includes historical open cases from previous year
[8] Definition from the Global Living Wage Coalition

Human Rights Risk

84% of RSPO complaints involving Human Rights-related allegations closed (+3% from 2022)

Average of **272 working days to close RSPO complaints** post-Complaints and Appeals Procedures implementation in 2017

Within RSPO Certification, human rights risk is evaluated through independent audits by accredited third-party Certification Bodies (CBs), as assessed against the RSPO Principles and Criteria. Within the scope of the RSPO P&C, these include requirements for RSPO Units of Certification to establish policies/mechanisms on upholding human rights (including protection for Human Rights Defenders), to establish grievance mechanisms that recognise complaints and enable access to remedy, to require Free, Prior and Informed Consent (FPIC) process(es) for palm oil development, and to respect the rights of indigenous people and local communities to their land. However, policies and procedures are not enough to capture the broader picture of human rights in practice.

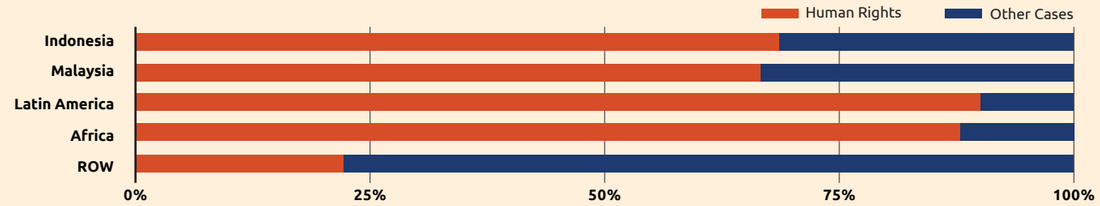


Figure 1 - Complaints involving Human Rights-related allegations as a percentage of total RSPO complaints

As part of the broader library of RSPO Standards, systems and procedures, RSPO provides a mechanism to address complaints against members through the RSPO Complaints System. An impartial and transparent process that provides stakeholders with an avenue to address grievances, the Complaints System was established in 2009 and strengthened in 2017 with the implementation of the Complaints and Appeals Procedure (CAP). Focused on independence, transparency and credibility, the system has received 199 complaints as of December 2023. A complaint is formally accepted following an initial diagnosis process if the allegations, if proven to be true, would amount to a breach of the RSPO Key Documents[1]. Allegations are catalogued by category, with some complaints linked to multiple categories of allegations. Using RSPO Complaints data to evaluate the incidence of Human Rights-related complaints, we can begin to better understand risk levels associated with the compliance of RSPO members to human rights requirements within RSPO P&C Certification.

Of the 199 complaints (as of 31 December 2023), 68% involved Human Rights-related allegations This risk appears to be more common in certain regions or countries (Figure 1). Categorically, allegations concerning Land[2] show a high incidence (Figure 2), although Labour and Other Human Rights issues are also apparent. Labour issues raised in RSPO complaints are mainly related to wage and unfair dismissal. There are also allegations related to health and safe working conditions, issues related to medical and insurance, and issues related to trade unions/collective bargaining. Allegations categorised under Other Human Rights include those related to threats against Human Rights Defenders/whistleblowers and related to gender discrimination.

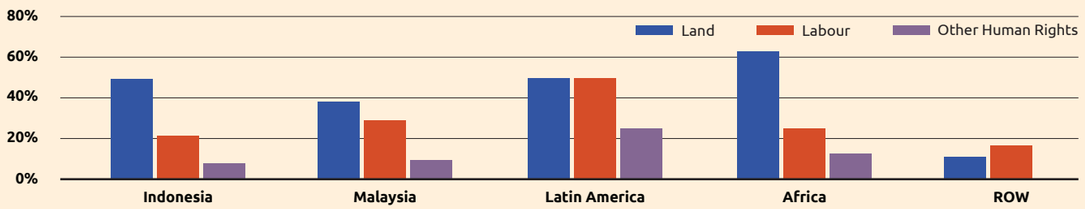


Figure 2 - Cases involving Human Rights-related allegations as a percentage of total RSPO Complaints cases by category and country[3]

These insights from the RSPO Complaints System are instructive. Ongoing digitisation and analysis of Human Rights-related Non Compliances (NCs) and Opportunities for Improvement (OFIs) reported through RSPO P&C audits (in aggregate and by country) is also assisting in providing a fuller understanding of human rights risk within RSPO Certification. As we gain a better understanding of human rights risk and national variations of such risks, RSPO will be able to assist our members and stakeholders to address these risks, as well as provide guidance to Certification Bodies (CBs) and auditors on specific issues to focus on during audits.

[1] Including but not limited to the RSPO Principles and Criteria (P&C), Code of Conduct and Membership Rules.
[2] FPIC/Land cases include complaints cases concerning lands rights with allegations of FPIC process - Customary rights, FPIC process - Disputed land claims, Memorandum of Understandings (MoU), Negotiated agreements, Compensation and plasma (scheme smallholders).
[3] Complaints cases may fall under multiple categories. The number of HRSS cases by category presented here captures all cases associated with a specific category, not the unique number of cases.

Human rights risk can also be managed proactively by RSPO Members through the implementation of Human Rights Due Diligence (HRDD)—an ongoing process by which companies identify, prevent, mitigate, and account for their impacts on human rights. Recognising the challenges of assessing human rights risks in complex upstream supply chains such as palm oil, the revised 2024 RSPO Principles and Criteria[4] includes a new requirement for certified Units to conduct HRDD. Guidance is being developed by RSPO to help members in navigating and implementing HRDD in alignment with evolving market and regulatory expectations (see The Importance of Human Rights Due Diligence, pg. 46)

Improving the RSPO Complaints System

The RSPO Complaints System is a fair, transparent and impartial process to duly handle and address complaints against RSPO members for allegations of breaches of any of the provisions within RSPO Key Documents. It is not intended as a replacement for legal requirements and mechanisms in force. The System is regulated by the Complaints and Appeals Procedures 2017 (CAP 2017), endorsed by the Board of Governors in June 2017 and amended as of December 2018, and guided by the principles of accessibility, efficiency, impartiality, accountability and independence. As of December 2023, 199 complaints have been received in the System, 88% of which have been closed (including Environmental-related complaints; see Environmental Sustainability, pg. 67), with an average of 272 working days for closure (post-CAP implementation in 2017).

In regards to complaints involving Human Rights-related allegations, some 84% of such complaints have been closed. Closures vary by region and category, and these percentages need to be interpreted with considerable caution as the closure rate is more broadly reflective of the efficiency of the RSPO Complaints System. Data for open cases may also reflect structural or operational challenges (e.g., complex investigations, lengthy clarifications subject to responses from local authorities and/or governments). With these caveats in mind, the closure rate of complaints involving Human Rights-related allegations may also indicate a higher level of human rights risk in Latin America and Indonesia. RSPO will continue to monitor these risks closely.

Five years after its introduction and implementation, RSPO began a formal review of the CAP 2017 in June 2023. With the objective of improving the existing Complaints System, the review also considers the potential elevation of the RSPO Complaints System into a wider RSPO Grievance System that harmonises various intricate processes and aspects within the library of RSPO's Standards, systems and procedures. Guided by a multi-stakeholder Steering Group, the review is expected to be completed in 2025, with implementation to follow.

Total Complaints cases involving Human Rights-related allegations

	Indonesia	Malaysia	Latin America	Africa	ROW
Land	61	8	10	10	2
Labour	27	6	10	4	3
Other Human Rights	10	2	5	2	0

Number of closed cases involving Human Rights-related allegations

	Indonesia	Malaysia	Latin America	Africa	ROW
Land	51	7	9	10	2
Labour	20	6	6	3	3
Other Human Rights	8	2	2	2	0

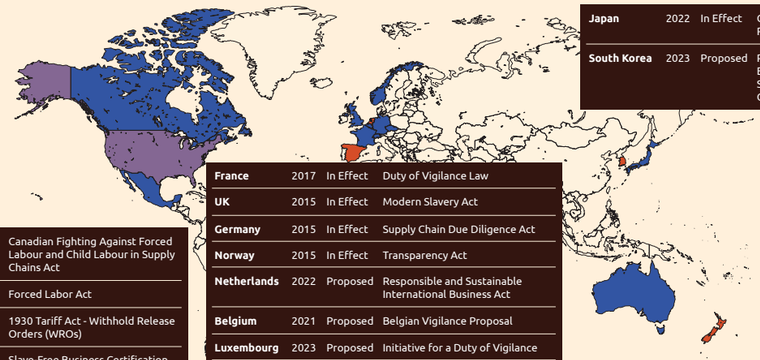
Closed cases as a percentage of all cases involving Human Rights-related allegations

	Indonesia	Malaysia	Latin America	Africa	ROW
Land	83.61%	87.50%	90.00%	100.00%	100.00%
Labour	74.07%	100.00%	60.00%	75.00%	100.00%
Other Human Rights	80.00%	100.00%	40.00%	100.00%	N/A

Statistics of complaints involving Human Rights-related allegations by region/country

[4] Adopted at the 21st RSPO General Assembly on 13 November 2024. The revised 2024 RSPO P&C is effective 12 months after adoption (13 November 2025)

The Importance of Human Rights Due Diligence



Canada	2024	In Effect	Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act
Mexico	2023	In Effect	Forced Labor Act
USA	1930	In Effect	1930 Tariff Act - Withhold Release Orders (WROs)
	2022	Proposed	Slave-Free Business Certification Act
France	2017	In Effect	Duty of Vigilance Law
UK	2015	In Effect	Modern Slavery Act
Germany	2015	In Effect	Supply Chain Due Diligence Act
Norway	2015	In Effect	Transparency Act
Netherlands	2022	Proposed	Responsible and Sustainable International Business Act
Belgium	2021	Proposed	Belgian Vigilance Proposal
Luxembourg	2023	Proposed	Initiative for a Duty of Vigilance
Spain	2022	Proposed	Protection of Human Rights Law
Switzerland	2022	In Effect	Swiss Code of Obligations
Austria	2024	Proposed	Supply Chain Act
EU	2023	In Effect	Corporate Sustainability Reporting Directive (CSRD)
	2024	In Effect	EU Corporate Sustainability Due Diligence Directive
	2024	In Effect	Forced Labour Regulation
Japan	2022	In Effect	Guidelines on Respecting Human Rights in Responsible Supply Chains
South Korea	2023	Proposed	Proposed Act on Human Rights and Environmental Protection for Sustainable Management of Companies
Australia	2019	In Effect	Modern Slavery Act
New Zealand	2022	Proposed	Modern Slavery Act

Laws/regulations in effect

Proposed laws/regulations

Laws/regulations in effect and proposed

In effect and proposed Human Rights Due Diligence laws/regulations by country, as of 30 September 2024 (non-exhaustive)

In 2011, the United Nations Guiding Principles on Business and Human Rights stated that companies have a responsibility to undertake Human Rights Due Diligence (HRDD). Since then, various jurisdictions have introduced or are considering legislation mandating HRDD, especially in Europe and North America. This trend is expanding globally: in 2023, South Korea proposed corporate HRDD legislation emphasising supply chain accountability, while Mexico implemented a Forced Labor Ban on imports under the USMCA in May 2023, targeting goods produced through forced or child labour. Even India is looking at elements of human rights risk, with the Securities and Exchange Board of India (SEBI) introducing its Business Responsibility and Sustainability Reporting (BRSR) framework in 2021 and its BRSR core framework in 2023 that mandates ESG reporting for India's top 1000 public-listed companies progressively by 2027[5].

There are several methodologies available for conducting Human Rights Due Diligence, including the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Global Company Human Rights Due Diligence Tool. In general, HRDD methodologies conform to the following steps:

- Embedding responsible business practices
- Identifying and assessing adverse impacts in operations and supply chains
- Cease, prevent or mitigate such adverse impacts
- Track implementation and results of these actions
- Communicate transparently on such adverse impacts
- Cooperate or remediate, where appropriate.

The labour, social, and human rights requirements of the RSPO P&C and the RSPO ISH Standard broadly align with foundational HRDD elements. However, RSPO Certification itself is not equivalent to HRDD, as Human Rights Due Diligence goes beyond compliance to ensure proactive risk management and accountability in line with international human rights standards, HRDD involves additional steps for transparency in addressing human rights risk and systemic risk assessment as a corporate commitment. Assessing human rights risk can be challenging, though, especially in complex upstream supply chains like palm oil where supply chains can be dispersed, indirect, and often fluctuate. In recognition of contemporary market and regulatory expectations regarding human rights, the revised 2024 RSPO Principles and Criteria (P&C) includes a new requirement on HRDD to be conducted. To assist, RSPO is developing supporting guidance for RSPO members to implement HRDD within their palm oil operations in order to adapt to the emerging reality of HRDD as a condition of trade.

[5] Applicable to stock exchanges in India overseen by SEBI, including BSE (formerly known as the Bombay Stock Exchange), the Calcutta Stock Exchange, the Metropolitan Stock Exchange of India and the National Stock Exchange of India. The BSRS framework applied to the top 1000 public-listed companies by market capitalisation on a voluntary basis in the SEBI's FY2021 and became mandatory in FY2023. The BSRS core framework is mandatory for the top 150 public-listed companies beginning FY2023, expanding to the top 250, top 500 and top 1000 companies annually through FY2026.

Dayak indigenuous peoples from Borneo.
Credit: Unsplash, licensed by Shaggy Sirep

Promoting Equity,
Equality and Inclusivity

CHAPTER

05

Promoting Equity, Equality and Inclusivity

Long-term Outcome (L3): Stakeholder equity (especially for women and affected communities) in palm oil production is increased.

A stakeholder is any individual or group with a legitimate and demonstrable interest in oil palm cultivation and palm oil production activities, or those directly/indirectly affected by the outcomes of those activities and development. Enhancing and ensuring representation of such stakeholders, particularly vulnerable groups like women and affected communities, is a core focus of RSPO's vision.

In an RSPO context, Stakeholders must be treated equitably, ensuring fairness and justice. They deserve impartial and unbiased regard (equality) and access to opportunities and resources without suppression or marginalisation (inclusivity). RSPO's requirements and mechanisms to ensure ethical and responsible conduct practices are pathways to securing these rights. By acting as a neutral custodian and ally for sustainable development, RSPO ensures that relevant stakeholders are included, not excluded, in its strategies and actions.

Gender Welfare

Women represent 15% and 22% of management and administration in certified mills and estates

28% of certified independent smallholders worldwide are women

The late Kofi Annan, seventh Secretary-General of the United Nations, once said: “Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance.” RSPO recognises that women are an essential segment of the workforce within oil palm cultivation and palm oil production. The RSPO Principles and Criteria (P&C) cover fundamental women’ s rights and welfare such as no discrimination in employment, training, access to facilities and work equipment, protection of reproductive rights, no harassment or violence, and equal opportunities to secure land titles. The RSPO Independent Smallholders (ISH) Standard also mandates practices that are gender inclusive.

Data from 496 RSPO Metrics Templates, representing 515 RSPO Units of Certification, provides an understanding of gender demographics (Figure 1). Of the 591,830 workers represented by RSPO P&C Certification worldwide, women account for 21.5% of the workforce in certified mills and estates. In certified estates, women make up 23.1% of the workforce, with female representation highest in Africa at 31.5%. In certified mills, the proportion of women is lower, with a global average of just 8%. The highest female participation in mills is found in the Rest of the World at 15.7%.

CERTIFIED PALM OIL MILLS	2023 (change vs. 2022)	2022 (change vs. 2021)	2021		2023	2022	2021
Participation and Inclusion Female workers as a percentage of total workers	**8.0%** (+0.1%)	**7.9%** (+0.4%)	**7.5%**	**Indonesia**	5.0%	5.0%	4.9%
				Malaysia	11.9%	11.5%	11.0%
				Latin America	9.3%	12.2%	8.6%
				Africa	11.2%	6.7%	7.9%
				ROW	15.7%	8.8%	7.6%
Equal Access Female:Male ratio of workers trained	**1.3:1**	**2:1**	**2:1**	**Indonesia**	1.5:1	1:1	0.7:1
				Malaysia	1:1	2:1	3:1
				Latin America	1.2:1	0.7:1	1.3:1
				Africa	0.8:1	1:1	1.2:1
				ROW	1.3:1	1:1	0.8:1
Empowerment Female workers in management roles as a percentage of total management roles	**15.4%** (+2.1%)	**13.3%** (+2.2%)	**12.1%**	**Indonesia**	13.1%	9.0%	6.4%
				Malaysia	16.4%	17.2%	20.2%
				Latin America	18.7%	16.5%	12.3%
				Africa	12.2%	11.4%	10.7%
				ROW	9.9%	15.9%	5.3%

CERTIFIED PALM OIL ESTATES	2023 (change vs. 2022)	2022 (change vs. 2021)	2021		2023	2022	2021
Participation and Inclusion Female workers as a percentage of total estate workers	**23.1%** (-0.5%)	**23.6%** (+2.6%)	**21%**	**Indonesia**	24.0%	25.6%	23.2%
				Malaysia	20.6%	20.6%	19.8%
				Latin America	10.1%	11.1%	8.2%
				Africa	31.5%	29.1%	25.6%
				ROW	29.5%	27.8%	30.0%
Equal Access Female:Male ratio of estate workers trained	**1:1**	**1:1**	**2:1**	**Indonesia**	1:1	1:1	0.7:1
				Malaysia	1.1:1	1:1	1:1
				Latin America	0.9:1	0.7:1	1.2:1
				Africa	0.8:1	0.8:1	0.8:1
				ROW	2:1	1.5:1	1:1
Empowerment Female workers in administrative roles as a percentage of total administrative roles	**21.9%** (-1.4%)	**23.3%** (-0.9%)	**24.2%**	**Indonesia**	19.5%	19.1%	17.2%
				Malaysia	26.9%	29.2%	30.5%
				Latin America	19.0%	20.8%	24.6%
				Africa	26.3%	26.9%	26.3%
				ROW	23.5%	24.1%	24.1%

Figure 1 - Gender Demographics in a sampling of RSPO Certified Units (2023)

The workforce gender gap may be due to the differing nature of jobs in estates and mills. Work roles in mills tend to be more physically demanding, traditionally leading to a more male-dominated workforce. General industry observations and available research[1] indicates that work for women in palm oil production is mainly in activities such as loose fruit collection, fertiliser or pesticide application, weeding and tending of seedlings. This type of work allocation is also seen in other agricultural commodities. In such contexts, non-discrimination policies should ensure that job opportunities are open to both women and men, provided they meet the physical and non-physical skills requirements of the roles.

[1] Elmhirst, R., Siscawati, M., Basnett, B.S., & Ekowati, D. (2017). Gender and generation in engagements with Oil Palm in East Kalimantan, Indonesia: Insights from Feminist Political Ecology. The Journal of Peasant Studies, 44:6, 1135-1157. Doi: 10.1080/03066150.2017.1337002

From the same dataset, 12.8% of female workers in certified mills and 30.3% in certified estates are employed on a contractual basis (i.e., without permanent full-time employment), compared to 8.0% and 20.3% of their respective male workers. This gender gap holds across all regions, especially in Africa where 55% and 70.3% of female workers in mills and estates, respectively, are on contracts, compared to 35.3% and 64.3% of their male counterparts. While there may be a higher risk of discriminatory practices or loss of opportunities for contract workers (which includes fixed-term, short-term, casual, seasonal and day workers), this may also be an inherent attribute of specific job markets in individual countries or regions. Compared to other regions, Africa has a notably higher proportion of contract-based employment in certified mills (31.4% vs. a global average of 7.4%) and in certified estates (44.1% vs. 15.6%).

The 2018 RSPO P&C requirements ensure equal access to training for all workers, regardless of gender. Analysis of the Metrics Template data shows a balanced approach to training opportunities across certified mills and estates in all countries and regions, with women and men receiving training in proportion to their representation in the workforce. In 2023, 91% and 80% of the female workforce in certified mills and estates, respectively have received training.

In certified mills, women hold 15.4% of management positions, a 2.1 percentage point increase from the previous year, with Latin America having the highest proportion at 18.7%. The percentage of women in administrative roles on certified estates stands at 21.9%, a decrease of 1.4 percentage points from 2022. Malaysia has the highest representation of women in administrative roles at 26.9%. A survey of corporate sustainability reports of several RSPO grower members, including SIAT[2], SD Guthrie[3], and Socfin[4], also indicates an upward trend in women holding administrative or management positions. While noting the numbers, the data also indicates that glass ceilings remain for women workers. A qualitative study[5] on female employees in Malaysia's oil palm plantation industry highlights persistent gender challenges related to the nature of work, societal acceptance, physical demands, safety concerns, worker management, and prevailing stereotypes.

In Her Own Words: Plantation Manager Guenaelle Renevot

"Coming from the agricultural sector and graduating with a Master's degree in Agronomy from CNEARC Montpellier (France) in 2006, I've since worked on numerous agricultural projects in Africa and Asia. In 2012, I joined the palm oil industry, starting as an Assistant and later becoming Plantation Manager in 2019. Advancing in this male-dominated environment was not always easy.

In Africa, women are highly respected as the pillars of the family. At SAC, women play a key role across the palm oil production chain. Over the years, the percentage of women working for SAC has steadily increased. Most notably, 50% of our tractor drivers are women, and we have recently trained women workers that volunteered to harvest Fresh Fruit Bunches. Women have lower absenteeism rates, and with proper tools and training, they now aspire to roles traditionally held by men."

Guenaelle Renevot, Plantation Manager at Socfin Agricultural Company Ltd (SAC) in Sierra Leone
SAC is a group member of Socfin SA (RSPO Member ID: 1-0269-19-000-00)

[2] SIAT (2023). Sustainability Report 2023. Retrieved from https://www.siat-group.com/wp-content/uploads/2024/10/SIAT-Sustainability-report-2023-KPI-report.pdf
[3] SD Guthrie (2023). Sustainability Report 2023. Retrieved from https://www.sdguthrie.com/wp-content/uploads/2024/05/Sime-Darby-Plantation-Sustainability-Report-2023.pdf
[4] Socfin (2023). Sustainability Report 2023. Retrieved from https://socfin.com/wp-content/uploads/2024/05/2023-Socfin-Sustainability-report_LD.pdf
[5] Roslam, A.I.A., Aziz, N.N.H., Azam, N.H.M, Saili, J. (2023). Exploring the challenges faced by female executives in the Malaysian oil palm plantation industry: a qualitative study. Food Research 7 (Supplementary 2):83-89. doi:10.26656/fr.2017.7(S2).6

Within the global demographics of RSPO certified independent smallholders, 28% are women. Female representation is notable in Indonesia (26%), Malaysia (32%) and Colombia (32%), with Thailand showing the highest representation at 42%. If scheme smallholders are included, the overall female representation of smallholders engaged with certified mills is 19%[6], with Malaysia and Latin America standing out at 27% and 24%, respectively.

The RSPO acknowledges that there is a lot more to be done to transform the gender narrative in oil palm cultivation and palm oil production, and the need for continuous improvement of our strategies and interventions, particularly with regards to women's empowerment principles in the palm oil sector.

Women Transform Palm Oil Practices in Colombia

One small step for four women, one giant leap for gender empowerment. In a transformative move, Colombian grower Palmas del César established an all-female Change Management Unit to lead a group of oil palm smallholders towards RSPO Certification. Handpicked as vital agents of change, Yudy Alarcon, Gloria Duarte, Viviana Dueñas and Karen Quintero worked with 41 farmers from Unión Temporal Entrepalmeros to apply good agronomic, environmental and social practices across 898 ha of cultivated area in the municipalities of San Alberto, San Martín, Sabana and Rionegro.

"Working with issues related to sustainable practices can oftentimes be met with resistance among smallholders, but little by little, we have been able to guide, orient and convince them of the benefits of good agricultural practices", says Gloria. In March 2023, Entrepalmeros was certified under Milestone B, the final phase of the RSPO Independent Smallholder (ISH) Standard's stepwise approach, in line with Palmas del César's goal of certifying 100% of its smallholders by 2026.

It was momentous. Entrepalmeros is the first ever ISH group in Colombia and in South America to be RSPO certified. "We have shown that we have all the capabilities and competencies to achieve change in the Colombian oil palm sector. My advice to all women is to be resilient in our professional lives, and to trust in our abilities and strengths as catalysts of transformation", says Viviana.

Efforts went beyond just securing certification. The four women also secured formal employment for some 100 workers and provided training on diverse topics from emergency response and safe handling of pesticides to financial management and systematic documentation. "Women in the palm agriculture sector have the capacity to do any job or activity that the sector demands of us", says Yudy.

After their admirable feat, Yudy, Gloria, Viviana and Karen are now focusing their technical expertise to assist a second group of 68 smallholders operating some 1,000 ha towards RSPO Certification. "Women, including those of us in the palm oil agriculture sector, are fighters. It is important to include us in leadership positions because we deserve these opportunities, and can handle the challenges that come with these roles", says Karen.

[6] Largely due to the significantly higher number of male scheme smallholders in Indonesia

Women of the Mah Meri tribe from Carey Island in Peninsular Malaysia. Credit: Alamy

Community Engagement

RSPO has initiated **nine Community Outreach & Engagement programmes in seven countries**

With nine IMO partners, the programmes have **reached over 4,750 affected stakeholders**

In the RSPO Principles and Criteria, affected communities refers to a community (including indigenous peoples, tribal peoples, local communities, displaced persons and other land users) that is likely to be significantly affected by oil palm development. This includes those who are directly affected (e.g., communities with land holdings and usage rights within the area of development), as well as those who could be indirectly affected (e.g., by possible longer-term changes to ecosystem services such as access to water).

Inclusion of affected communities is a fundamental aspect of sustainability within RSPO. As required by the RSPO P&C, an RSPO Unit of Certification (UoC or Unit for short) must identify, communicate and continuously engage with affected communities, must receive consent for development through a process of Free, Prior and Informed Consent (FPIC), and must behave ethically, transparently, and with accountability towards such affected communities and other relevant stakeholders. RSPO Units must also have grievance systems and/or resolution mechanisms designed to address and remedy to resolve conflicts or disputes that arise, if legitimate.

If the disagreement is unable to be resolved bilaterally between the Unit and the affected community(ies) or stakeholder(s), it may be brought to the attention of the RSPO Complaints System (see Improving the RSPO Complaints System, pg. 45). For example, in May 2022, together with the guidance of the RSPO Complaints Panel, IOI Pelita Plantation (a subsidiary of IOI Corporation Berhad) and eight local communities from the Tinjar area of Sarawak signed a landmark final settlement agreement to return 4,615 ha of land back to those affected communities, ending a decades-long land dispute.

Outreach and Engagement

RSPO also engages with affected communities in its own right. In 2016, the RSPO Community Outreach & Engagement Programme was initiated, The programme aims to secure informed and vigorous engagement of communities with the RSPO at all levels, by establishing strengthened outreach through intermediary organisations (IMOs) in Asia, Africa, and Latin America, to bolster RSPO's responsiveness to and credibility with civil society organisations that uphold its standards.

PROGRAMME	Country	Year, Duration	IMO Partner	Status
Enhancing the Position of Local Communities, Smallholders and Labourers through Capacity Building for IMOs in Accessing and Using the RSPO System	Indonesia	2016, 12 months	The Institute for Community Studies and Advocacy (ELSAM)	Completed
Building Capacity to Bridge the Gap: Between IMOs and the intended target audience (local and indigenous communities, smallholders, women's group and plantation workers) by improving understanding and access to the RSPO system	Malaysia	2018, 18 months	Sabah Environmental Protection Association (SEPA)	Completed
Improving Communication and Understanding of the RSPO Standard and mechanisms and their application in Liberia and at the West Africa Level	Liberia	2018, 12 months	Sustainable Development Institute (SD)	Completed
Enhancing the Position of Local Communities, Smallholders and Labourers Through Capacity Building for IMOs in Accessing and Using the RSPO System	Colombia	2019, 30 months	Instituto de estudios para el desarollo y la paz (INDEPAZ)	Completed
Paving the Way for Transformation and Acceleration of the Implementation of Sustainable Palm Oil Standard by Independent Smallholders in Indonesia	Indonesia	2021, 24 months	Forum Petani Kelapa Sawit Berkelanjutan Indonesia (FORTASBI)	Completed
Community Outreach & Engagement Program for Nigeria	Nigeria	2022, 20 months	Foremost Development Services Limited (FDS)	Completed
Promoting RSPO's Responsiveness to Enhance the Effectiveness of Remedy Mechanism by Strengthening the Civil Society Consolidation and Engaging with the Business Association and National Human Rights Institution	Indonesia	2022, 30 months	The Institute for Community Studies and Advocacy (ELSAM)	On going
Strengthening Local Communities, Smallholders and Labours in Guatemala and Honduras through RSPO Mechanisms	Honduras & Guatemala	2023, 24 months	Stichting Oxfam Novib (OXFAM) & CNV Internationaal	On going
Conflict Prevention Platform Phase I-Sabah	Malaysia	2024, 12 months	BC Initiative	On going

Figure 1 - List of RSPO Community Outreach & Engagement Programmes

Under this effort, RSPO has carried out nine programmes in seven countries with nine different IMO partners, with the support of US$2.96 million in RSPO funding. Through these nine programmes, RSPO has worked with over 200 local grassroot organisations/community groups to reach 4,750 individual affected stakeholders.

The RSPO Community Outreach & Engagement Programme has been generally received positively by the communities and stakeholders engaged. Across all regions, it is important to underline that in general, community representatives, labour groups, smallholders, local NGOs, and various other organisations have been open and willing to explore the mechanisms offered by RSPO to find solutions to the problems faced. In Nigeria, Liberia, Colombia and Indonesia, the RSPO Principles and Criteria (P&C) and RSPO Independent Smallholder (ISH) Standard received positive responses from smallholders involved in community outreach programmes there. The approaches and opportunities offered by RSPO have created positive expectations from farmers that they will be able to improve the way they manage their plantations and improve their livelihoods. In Malaysia and Indonesia, there are indications that there are high levels of requests from communities to submit complaints to RSPO in areas where they are highly vulnerable to conflict and disputes. Interim approaches, such as the development of the RSPO Conflict Prevention Platform (CPP), are being initiated.

Figure 2 - Map of RSPO's Intermediate Organisation (IMO) partners and programmes

Moving forward, benefits conferred by the programme are apparent. Based on the nine programmes conducted so far, RSPO is looking to distil that knowledge and learnings into developing a platform that sets out best practices for supporting, empowering, and including affected communities into RSPO systems. Completed programmes will be reviewed to ascertain if the mechanisms developed have been sustainable in ongoing application and can be used independently, while RSPO seeks new and innovative ways to empower communities to build resilience. Nearly a decade of experience from RSPO community outreach and engagement points to the continued need to provide strong avenues that support communities in preventing or addressing disputes through common understanding and awareness, resolving them in a meaningful manner before they polarise.

A Nigerian Connection: Strengthening Ties With Local Communities In Nigeria

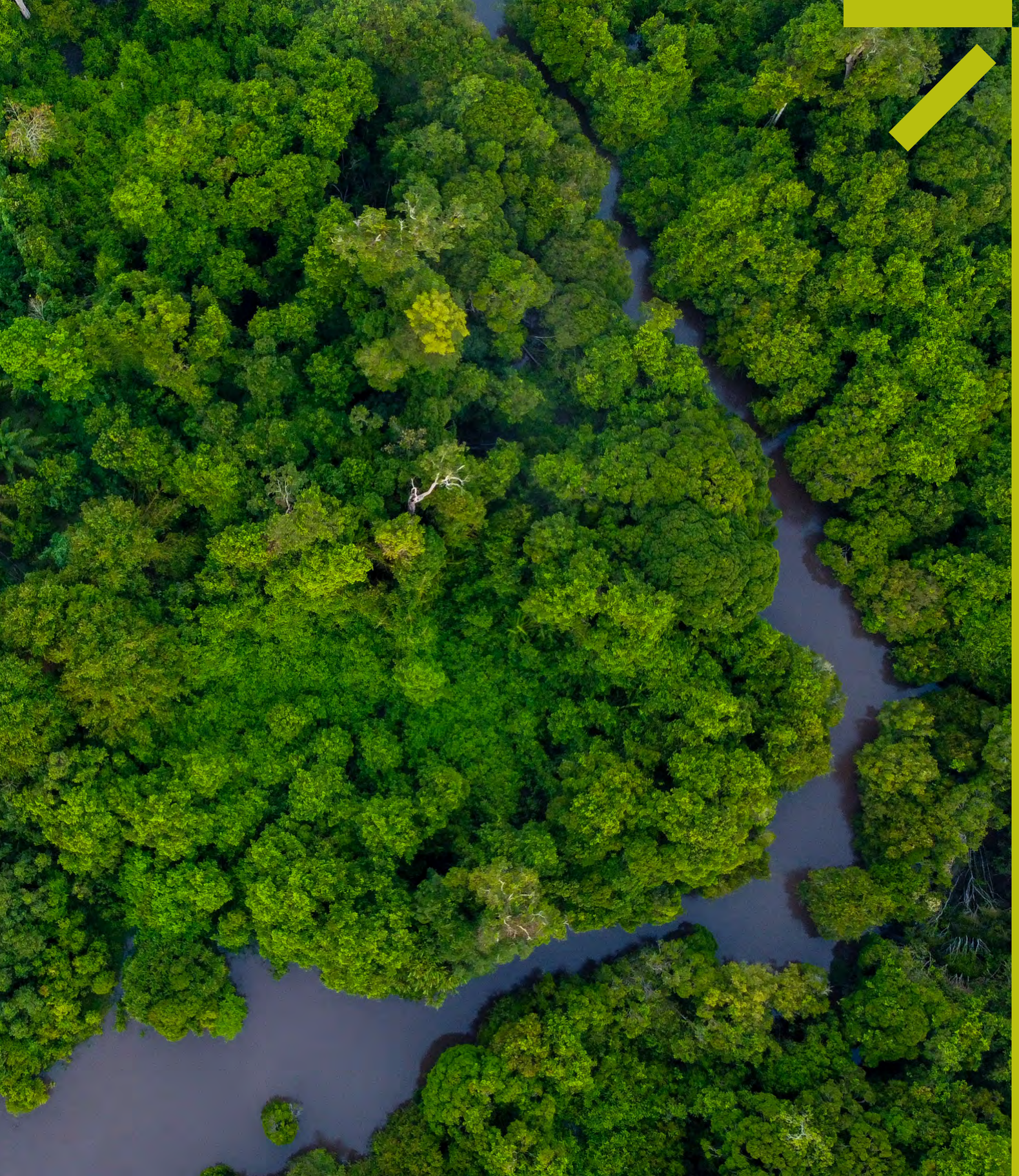
As part of its IMO programme, RSPO has launched initiatives to promote sustainable practices and community engagement in Nigeria, Africa's largest palm oil producer. In 2022, RSPO committed US$300,000 to boost sustainable palm oil production in Edo State, Nigeria's top palm oil-producing region and a leader in Certified Sustainable Palm Oil (CSPO) volumes.

Since October 2022, the Nigerian RSPO Community Outreach programme, in collaboration with IMO partner Foremost Development Services (FDS), has conducted surveys and capacity building for local communities and NGOs across Nigeria as part of RSPO's broader strategy to strengthen ties in emerging palm oil-producing regions.

A baseline study found that smallholder oil palm production in Edo State is predominantly led by male farmers with an average experience of 11 years, but barriers like limited credit access, high costs, and inadequate training hinder the potential of these smallholders. RSPO Members, including Presco Plc and Okomu Oil Palm Company Plc, have been able to support farmers with infrastructure, improved seedlings, and training.

Over three phases, the Nigerian programme has engaged 11 communities, with particular focus on indigenous peoples, despite challenges like political and logistical obstacles. By fostering dialogue and promoting sustainable practices through engagement, RSPO aims to balance oil palm cultivation and palm oil production with community rights and environmental protection. Not just in Nigeria, but across the world.

RSPO engagement with smallholders and local communities in Indonesia



Limiting Climate Change

CHAPTER

06

Limiting Climate Change

Long-term Outcome (L4): Effective climate mitigation actions are implemented, resulting in greenhouse gas emissions reduction and carbon sequestration

Climate change stands as the most urgent global challenge of our time, requiring unified action. While it cannot be undone, its most severe impacts can be mitigated by limiting the rise in average global temperatures to 1.5°C above pre-industrial levels, as outlined in the Paris Climate Accords (2015).

Since 2004, RSPO has been steadfast in addressing greenhouse gas (GHG) emissions linked to palm oil production, a commitment that will endure for decades to come. Transforming the industry in this way contributes to global climate action while enhancing climate resilience. With shifting weather patterns threatening agriculture, production systems must start adapting now.

RSPO employs targeted mechanisms to tackle climate change. These include emissions avoidance by preventing the release of sequestered carbon in new oil palm developments and emissions mitigation through annual GHG risk profile calculations to minimise operational emissions. Beyond these, RSPO standards incorporate ancillary measures: addressing deforestation risk (See Safeguarding Nature, pg. 81), protecting carbon-rich peatlands (See Peat Matters, pg. 70), prohibiting open burning during land development (See Fire Risk, pg. 72), and remedying historical non-compliant land clearing (See Remediation, pg. 85).

These integrated approaches highlight RSPO's pivotal role in fostering sustainability and resilience, enabling the palm oil industry to contribute meaningfully to global climate goals. By addressing emissions and safeguarding ecosystems, RSPO helps mitigate climate risks while fostering a more sustainable future for agriculture.

Emissions Mitigation and Avoidance

Cumulative **GHG emissions equal to 468,864 cars avoided** since 2015

Average GHG emissions of 3.2 tCO_2e/MT of CSPO, nearly **50% of Units at 1.0 tCO_2e/MT or less**

Avoiding Emissions

Effective emissions management starts with avoidance strategies to prevent greenhouse gas (GHG) releases. RSPO places significant emphasis on emissions avoidance and sequestration by requiring that new oil palm developments be meticulously planned and assessed to minimise or eliminate emissions risks from the outset.

Since its introduction in 2010, the RSPO New Planting Procedure (NPP)—updated in 2015 and 2021—has governed all new land clearing for oil palm development within RSPO membership, regardless of certification status. Central to the NPP is the GHG Assessment Procedure for New Development, a tool to estimate carbon stocks and identify potential emissions sources. This procedure ensures the conservation of critical areas, including High Conservation Values (HCVs) areas, High Carbon Stock (HCS) forests, and peatlands, aligning development with RSPO's sustainability objectives.

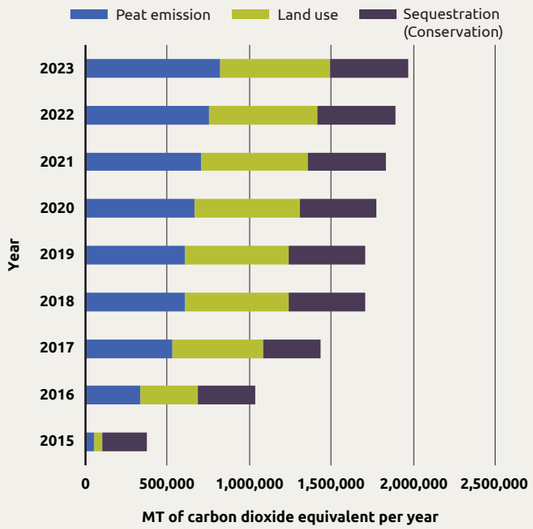


Figure 1 - Cumulative emissions avoidance through RSPO procedures for new oil palm developments (2015-2023)

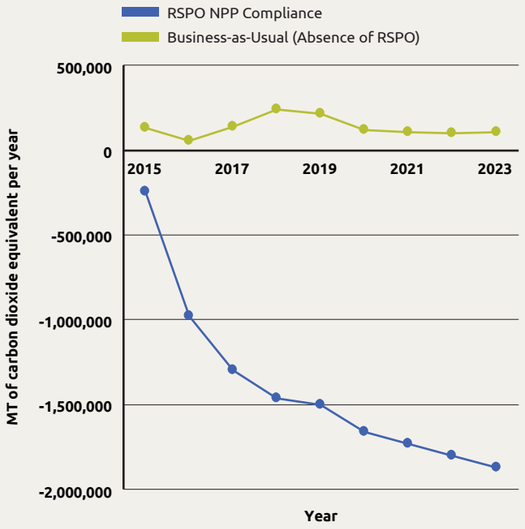


Figure 2 - Two scenarios on cumulative GHG emissions since 2015: with RSPO NPP and without RSPO NPP

Since 2015, when the RSPO New Planting Procedure began incorporating GHG assessments for new developments, RSPO estimates that nearly 2 million MT of carbon dioxide (CO_2) equivalent per year (tCO_2e/year) has been avoided through the NPP's requirements (Figure 1)[1]. In 2023, over 75,000 tCO_2e/year of potential emissions were instead sequestered through the NPP, bringing the cumulative total amount to 1.97 million tCO_2e/year avoided since 2015. This is equivalent to the estimated emissions produced by 468,864 passenger cars driven each year[2], comparable to the total motor vehicle fleet of Cameroon[3].

An alternative perspective on the collective impact of RSPO members avoiding carbon emissions is to consider a hypothetical scenario without RSPO or compliance with New Planting Procedure (NPP) requirements was absent. Using RSPO's internal methodology for calculating emissions avoided, scenario analysis (Figure 2) indicates that, without RSPO and its procedures, there would have been a net increase in emissions. In the worst-case scenario, 103,220 tCO_2e per year would have been emitted, instead of being sequestered, from areas that are currently conserved under RSPO Certification.

[1] Historical emissions-related NPP data has been amended to strengthen methodology. The NPP emissions avoidance figure for 2022 has been adjusted to 1.9 million MT tCO_2e/year, to replace the previous figure of 2.2 million MT tCO_2e/year published in the RSPO Impact Update 2023.
[2] Calculated using the United States Environmental Protection Agency (EPA)'s Greenhouse Gas Equivalencies Calculator.
[3] Cameroon = 467,000 registered vehicles, comprising 373,000 passenger cars and 94,000 commercial vehicles (2019): Source: Organisation Internationale des Constructeurs d'Automobiles (OICA).

Trade Tools for Climate Action at COP28

Addressing climate change demands collective action. At COP28 in Dubai, United Arab Emirates in 2023, Bonsucro and RSPO co-hosted a side event, Trade Tools for Climate Action: Sustainability Standards Systems Leading Climate Action in Global Agricultural Value Chains, alongside other voluntary sustainability standards (VSS). Supported by the Aquaculture Stewardship Council (ASC), Better Cotton Initiative (BCI), Gold Standard, Roundtable on Sustainable Biomaterials (RSB), and the ISEAL Alliance, the event showcased how sustainability standards and certification schemes act as credible tools for driving climate action in the forest, land, and agriculture sectors.

Joseph D'Cruz, CEO of the RSPO Secretariat, emphasised RSPO's contributions to advancing climate action within the palm oil industry and highlighted synergies with other VSS addressing commodities like sugarcane, cotton, farmed seafood, and biofuels. D'Cruz also underlined the critical role of smallholders in combating climate change, noting their potential as agents of sustainability when equipped with the right tools and practices.

The event underscored the complexity of climate challenges and the necessity for unified efforts across sectors. As time runs out to mitigate climate impacts, collaborative actions, inclusive solutions, and robust sustainability systems remain vital to fostering meaningful progress toward sustainable development and climate resilience.

Mitigating Emissions

Economic activities, including the operations of oil palm estates and mills, inevitably produce greenhouse gas (GHG) emissions. While these emissions cannot be entirely avoided, they can be reduced and minimised. RSPO prioritises avoiding GHG emissions in new oil palm developments but also focuses on mitigating the climate impact of operational activities within certified palm oil mills and plantations.

From the ACOP 2023 reporting cycle, RSPO members with grower operations identified three primary sources of GHG emissions (Figure 3): Palm Oil Mill Effluent (POME), cited by two-thirds of respondents, followed by fertiliser application (49%) and land use change (40%). Fossil fuel usage ranked lowest. Emissions from peatlands can be significant, but not all plantations involve cultivation on peat.

Addressing these emissions starts with creating action plans. Over 55% of grower members have established a GHG baseline—a crucial reference point for emissions reduction. Members already certified under the RSPO Principles and Criteria (P&C) are more likely to have such baselines (67.8%) compared to uncertified members (39.4%). Emissions mitigation plans with annual reduction targets have also been widely adopted: 68.4% of certified growers and 84.6% of uncertified growers with baselines have established these plans. By targeting the primary sources of emissions in palm oil estates and mills, RSPO members are advancing toward reducing the climate impact of their operations.

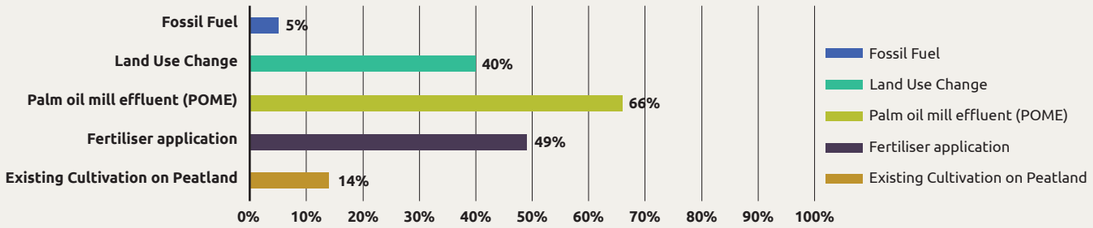


Figure 3 - Key GHG emission sources identified by RSPO members with oil palm grower operations (ACOP 2023)

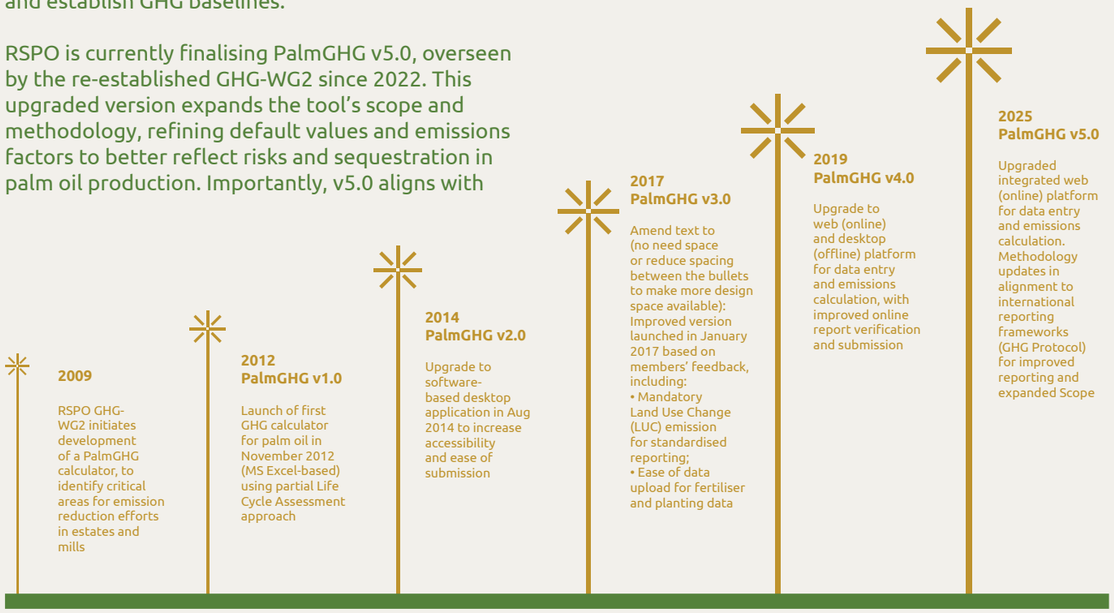
Upgrading The RSPO PalmGHG Calculator

According to Climate Watch[4], the three main sources of human-caused greenhouse gas (GHG) emissions are energy, agriculture, and industrial processes, followed by waste and land use change/forestry. Oil palm cultivation and palm oil production are connected to all five sources to varying degrees. To address this, RSPO developed the PalmGHG calculator, enabling growers to assess GHG emissions levels and risks within their operations.

The initial version of PalmGHG was created by RSPO's Greenhouse Gas Working Group 2 (GHG-WG2) between 2009 and 2011. Continuously refined, the tool is now in its fourth version, PalmGHG v4.0. It aids compliance with the 2018 RSPO Principles and Criteria (P&C), which require certified Units to develop plans to minimise emissions, monitor risks, and establish GHG baselines.

RSPO is currently finalising PalmGHG v5.0, overseen by the re-established GHG-WG2 since 2022. This upgraded version expands the tool's scope and methodology, refining default values and emissions factors to better reflect risks and sequestration in palm oil production. Importantly, v5.0 aligns with the GHG Protocol, the world's main referenced standard for GHG measurement and management. RSPO has collaborated with the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD)—initiators of the GHG Protocol—to ensure compatibility with Scope 1, Scope 2 and (partial) Scope 3 emissions inventory requirements.

Set to launch in mid-2025, PalmGHG v5.0 will integrate into RSPO's new prisma system (see prisma, pg. 21), providing members with a robust tool for emissions accountability and continuous improvement.



Analysis of 410 digitised PalmGHG v4.0 reports[5] from Units certified under the 2018 RSPO P&C reveals that GHG emissions profiles can vary significantly across operations. The data highlights a wide spectrum of reported emissions levels, underscoring the diverse nature of certified oil palm cultivation and palm oil production.

The average GHG emissions reported were 3.2 MT of CO_2e per MT of crude palm oil (CPO), but the median value was significantly lower at 1.02 tCO_2e/MT of CPO. This notably means that nearly half (48.3%) of RSPO-certified Units reported emissions levels of 1.0 tCO_2e/MT of CPO or below, with 46 Units even reporting net negative emissions. This suggests that many certified mills and plantations have been able to reduce their operational emissions. However, a smaller subset of Units with high emissions risk skews the average upwards.

[4] https://www.climatewatchdata.org/
[5] Extracted from 410 digitised audit reports of Units (from the period 2019-2023). Emissions per product data for each Unit was used for this analysis.

Key factors driving higher emissions include cultivation on peat, fertiliser application practices, and POME management. While most PalmGHG reports attribute the largest share of emissions to direct operations, some Units identify their wider supply base groups or third-party suppliers as major emission sources.

This variation in emissions underscores the need for targeted mitigation strategies rather than generalised approaches. The upcoming PalmGHG v5.0 calculator, aligned with the GHG Protocol, aims to better support RSPO members in identifying and addressing specific emissions risks to achieve more effective mitigation.

Innovating With FSC To Enhance Downstream GHG Emissions Traceability

As climate change becomes increasingly evident, supply chains worldwide are under pressure to prioritise climate-related data and transparency. Emerging regulations, such as the EU Corporate Sustainability Reporting Directive (CSRD) and U.S. Securities and Exchange Commission (SEC) mandates, now demand traceability and impact verification. Market-driven initiatives like the Greenhouse Gas Protocol, Science Based Targets Initiative (SBTi), and Task Force on Climate-Related Financial Disclosures (TCFD) are setting global benchmarks, with Scope 3 emissions reporting becoming the ultimate goal—capturing a commodity's entire emissions profile across its supply chain.

The launch of PalmGHG v5.0 marks a significant milestone in achieving emissions traceability, though it represents only the beginning. To tackle this shared challenge, RSPO and the Forest Stewardship Council (FSC) have been collaborating since 2023 under a two-year ISEAL Innovation Fund grant. This partnership focuses on developing traceability and technology solutions to transfer climate-related data across complex supply chains, such as palm oil and pulp, and downstream to end users.

By leveraging both organisations' expertise in navigating multi-step product transformations, the initiative aims to establish best practices, codify traceability specifications, and pilot solutions that could extend beyond palm oil and pulp into other commodities or sustainability systems. Currently in the discovery and development phase, the project is set to begin piloting in early 2025. This collaborative effort exemplifies RSPO's commitment to aligning with global climate goals and advancing comprehensive supply chain accountability.


Credit: iStock

Demonstrating Environmental Stewardship

CHAPTER

07

Demonstrating Environmental Stewardship

Long-term Outcome (L5): Sustainable environmental practices are demonstrated by RSPO members and partners, offering a scalable model to other agricultural commodities.

Being an effective environmental steward means demonstrating responsible use and protection of natural resources through sustainable practices that enhance ecosystem resilience and human well-being. Simply put, it is about managing land and resources responsibly.

RSPO's ecosystem of required sustainable environmental practices spans diverse areas, including waste management, pollution prevention, restricted use of hazardous chemicals, land degradation control, soil fertility maintenance, and conservation of scarce resources. These responsible practices are deeply interconnected with RSPO's broader intended impacts. For instance, securing riverbanks by prohibiting planting in riparian reserves can prevent soil erosion, landslides, and fertiliser or chemical runoff. This not only avoids pollution and protects freshwater biodiversity but also ensures clean water for communities downstream.

Good Agricultural Practices (GAPs) and Best Management Practices (BMPs), while generally tailored to characteristics or needs of specific operations and their localities, do collectively align with the principles of regenerative agriculture (see *Regenerative Agriculture*, pg. 35). Two decades of RSPO Certification and implementing these practices have demonstrated reduced risks, tangible benefits, and strengthened business viability. RSPO members have set a precedent, offering valuable insights that could be applied to other agricultural systems.

Environmental Sustainability

Unauthorised usage of **restricted pesticides has been eliminated** within RSPO Certification

90% closure rate of 70 environment-related RSPO complaints cases

Once oil palm cultivation and palm oil production is established, the journey of sustainability still continues. The RSPO Principles and Criteria (P&C) and the RSPO Independent Smallholder Standard (ISH) embed environmentally sustainable practices into Units of Certification (UoC or Units for short), focusing on pollution management, human well-being, land degradation reduction, ecosystem enhancement, and climate change mitigation.

At present, RSPO's metricated environmental data is limited, but ongoing digitisation and dataset refinement aims to provide deeper insights. In regards to environmental risk, data from the RSPO Complaints System (see Improving the RSPO Complaints System, pg. 45) offers an indicative view of risk levels. Since 2009, 70 of the 199 complaints received have involved Environment-related allegations, primarily issues of deforestation, pollution, fire, and new plantings. Geographically, most complaints with Environment-related allegations originate from Indonesia (40%), followed by Malaysia (33%) and Latin America (30%), highlighting potential key risk areas by country or region (Figure 1).

As of 31 December 2023, 90% of complaints with Environment-related allegations had been closed, an increase from 83% in 2022. These percentages need to be interpreted with considerable caution as closure rates are generally more reflective of efficiencies of the RSPO Complaints System. However, this does reflect RSPO's commitment to addressing and mitigating environmental risks and challenges effectively.

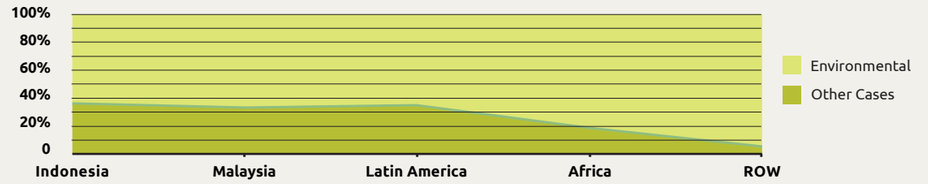


Figure 1 - Complaints involving Environment-related allegations as a percentage of total RSPO complaints cases[1]

Pests and Chemicals

Integrated Pest Management (IPM), mandated in the RSPO P&C, is a sustainable approach to managing pests, diseases, weeds, or invasive species in certified operations. IPM prioritises natural or organic methods to monitor and control outbreaks, reducing reliance on pesticides[2] and minimising environmental and/or health risks. As a proactive strategy, IPM emphasises prevention and targeted interventions, aligning with RSPO's commitment to environmentally responsible and sustainable agricultural practices.

Where pesticide use is unavoidable, usage and application must be managed to safeguard the environment, the health of workers, the well-being of surrounding communities, and avoiding potential contamination of soil or water bodies. Prophylactic application of pesticides (for preemptive eradication) and usage of restricted pesticides (including paraquat) are prohibited, except in exceptional circumstances validated through a due diligence process or authorised by government authorities.

In 2023, prophylactic use of pesticides occurred in only 2.4% of Units, a slight reduction from 2.5% in 2022. Application of restricted pesticides were reported by 6.3% of Units, down from 6.9% in 2022 (Figure 2). In all instances, auditors confirmed during RSPO P&C audits that the application or usage complied with required due diligence processes, in line with recommendations by qualified agronomists, or was authorised by relevant authorities.

Prophylactic Use of Pesticides	**2.4%**	**Indonesia**	**1.5%**
		Malaysia	**3.9%**
		Latin America	**0.0%**
		Africa	**3.7%**
		Rest of the World	**14.3%**
WHO 1A or 1B or Stockholm/ Rotterdam Convention pesticides, or paraquat	**6.3%**	**Indonesia**	**9.8%**
		Malaysia	**3.1%**
		Latin America	**0.0%**
		Africa	**0.0%**
		Rest of the World	**7.1%**

Figure 2 - Pesticide usage in a sample of a RSPO certified Units (2023)

[1]Complaints may fall under multiple categories. The number of complaints with Environments-related allegations by category presented here captures all complaints associated with a specific category, not the unique number of complaints.
[2]Categorised into four main chemical substances: herbicides, fungicides, insecticides and bactericides

Soil, Land and Waste

To ensure optimal yields and maintain soil fertility, RSPO mandates the implementation of Good Agricultural Practices (GAPs) supported by a nutrient recycling strategy. This includes the reuse of palm waste, by-products, and residues to optimise usage of inorganic or chemical fertilisers. Unchecked application of fertiliser can harm ecosystems, biodiversity, and human health, as well as significantly contributing to a Unit's GHG emissions inventory (See Mitigating Emissions, pg. 61).

RSPO also enforces strict requirements to prevent soil erosion, land degradation, and ground movement. Planting on steep slopes (greater than 25°) is prohibited, and replanting on areas of marginal or fragile soils must be carefully managed based on soil maps and surveys. Peatlands are a particular concern. The drainage of tropical peatlands, often undertaken to expand available agricultural land, results in land subsidence that leads to eventual increased flood risks and soil salinity risk in coastal areas. Exposed peat oxidises into CO^2, which converts peatlands that are reliable carbon sinks into a significant source of carbon emission. Moreover, desiccated peat is highly flammable, posing fire risks that can lead to persistent underground smouldering that is difficult to extinguish and emit noxious haze that is harmful to human health (see Fire Risk, pg. 72).

Operationally, oil palm cultivation and palm oil production do largely follow a circular approach, with minimal waste. RSPO encourages the transition of RSPO Units towards a circular economy model by embedding mechanisms to reduce, reuse, recycle, reclaim, recover, and restore within RSPO Standards. Non-repurposable waste, if any, must be disposed of responsibly, adhering to rules on handling toxic and/or hazardous materials in the Unit's waste management plans.

Invasive Species and How to Manage Them

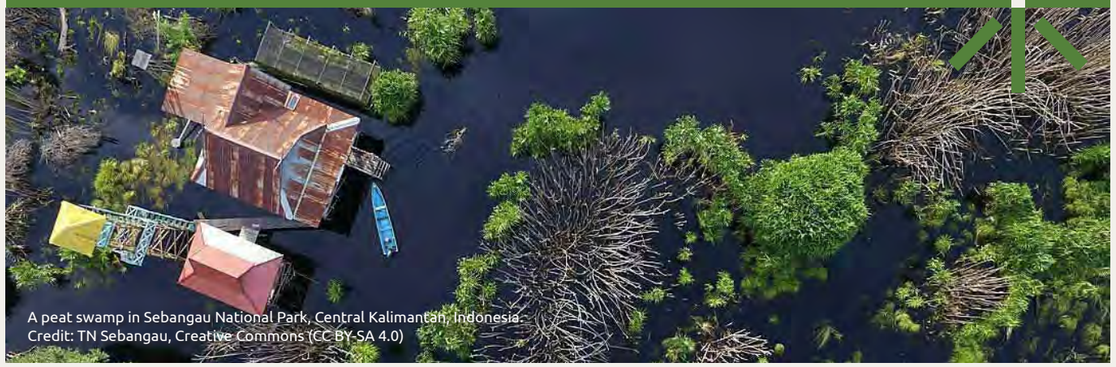
Introducing non-native species into an environment that has not evolved to accommodate them poses significant risks, not only to ecosystem health and biodiversity but also to agricultural operations. These risks can lead to severe consequences, such as disease outbreaks and crop failure. Common examples of invasive species in palm oil production include Lantana camara, Clidemia hirta, and the Golden Apple Snail (*Pomacea canaliculata*).

RSPO strictly prohibits the introduction of invasive species listed in the Global Invasive Species Database, the CABI Digital Library, and/or relevant national regulations. For invasive species that have already been introduced, RSPO requires rigorous monitoring and management to localise their impact and prevent further spread. This proactive approach safeguards both environmental and agricultural sustainability.

These rules are aspects of overall Integrated Pest Management (IPM), a requirement in the RSPO P&C. IPM generally consists of four steps: setting action thresholds (when do pests become an economic threat?); monitoring and identification (which beneficial vs. harmful organisms to deploy?); prevention (what cost-efficient methods or first line defences, e.g., crop rotation or pest-resistant varieties, can be used?); and then active control (when to use less risky approaches such as mating-disruption pheromones or mechanical trapping?).

In Southeast Asian oil palm plantations, for example, the most common pests are bagworm moths and rats. For bagworms, endemic insects (Sycanus sp. also known as assassin bugs) can act as natural predators for targeted pest control instead of using invasive non-native insects. For rats, the Common Barn Owl (*Tyto alba*) can hunt up to five rats a night, as well as being a naturally-occurring species across most of the equator.

Peat Matters: Managing, Protecting and Restoring Tropical Peatlands



A peat swamp in Sebangau National Park, Central Kalimantan, Indonesia. Credit: TN Sebangau, Creative Commons (CC-BY-SA 4.0)

A peatland is a naturally-occurring wetland ecosystem containing peat, an accumulation of partially decayed vegetation or organic matter. While only covering 3% of Earth's land surface, peatlands store up to 44% of all terrestrial below-ground carbon, roughly 600 Gigatonnes worth. In the tropics, water-logged tropical peatlands contain vast amounts of soil carbon, estimated at 102 Gigatonnes across 42 million hectares. The world's largest—the Cuvette Centrale in Africa's Congo Basin—is actually larger in size than Bangladesh (16.7 million ha)[5]. However, tropical peatlands intersect with the same areas where oil palm is or could be cultivated. The consequences of agricultural development on peat can be severe, with significant environmental and operational risks.

Recognising this, RSPO has progressively tightened its requirements regarding peatlands. The 2007 RSPO P&C limited planting on peat by depth; the 2013 RSPO P&C further tightened the depth threshold; and the 2018 RSPO P&C prohibited any planting on peat, regardless of depth. RSPO also mandates that existing plantations on peat be responsibly managed, and degraded peatlands must be rehabilitated.

To support these requirements, the RSPO Peatland Working Group 2 developed a comprehensive suite of interlinked documents and procedures. The process begins with identification, requiring RSPO Members to catalogue and disclose all peat areas within their managed land, using RSPO's definition of peat.

After identification, Best Management Practices guide the responsible management, protection, and restoration of peatlands (whether planted, unplanted, set aside, or undergoing rehabilitation). These practices ensure compliance with peat-related indicators in the P&C.

Existing plantings on peat must undergo a Drainability Assessment to evaluate whether replanting is viable. Where replanting is not feasible, transitioning to more suitable crops (paludiculture) or rehabilitating peatlands with native vegetation is required. For independent smallholders under the RSPO ISH Standard, tailored mechanisms were developed to support smallholder management of existing plantings on peat and to assess flood risks for replanting feasibility. This comprehensive approach reflects RSPO's commitment to protecting these critical ecosystems while supporting sustainable palm oil practices.

The full set of RSPO peat-related mechanisms collectively cover an exhaustive range of scenarios and obligations, described in the diagram below (along with the progress RSPO can report so far[6]). There are nearly 400,000 ha of peatlands within managed areas of 38 RSPO growers, mostly in Indonesia (93%). Of this, 376,091 ha are existing planted areas on peat to be managed using the RSPO Manual on BMPs and subject to Drainability Assessments. Some 17,345 ha are unplanted peatlands set aside for conservation, while 3,206 ha of degraded peatlands are undergoing active rehabilitation.

[3]Estimates from International Union for Conservation of Nature (IUCN).
[4]Cole, L., Åkesson, C., Hapsari, K., Hawthorne, D., Roucoux, K., & Girkin, N. et al. (2022). Tropical peatlands in the anthropocene: Lessons from the past. Anthropocene, 37, 100324. doi: 10.1016/j.ancene.2022.100324.
[5]Crezee, B., Dargie, G., Ewango, C., Mitchard, E., Emba B., O., & Kanyama T., J. et al. (2022). Mapping peat thickness and carbon stocks of the central Congo Basin using field data. Nature Geoscience, 15(8), 639-644. doi: 10.1038/s41561-022-00966-7
[6]Based on analysed data collected from verified Peatland Inventory submissions, RSPO Drainability Assessment Procedure submissions, submitted RSPO Metrics Template (2018 P&C) and a sample of 652 digitised audit reports from the period 2019-2023.

	Identify	Manage	Protect and Restore
RSPO PRINCIPLES AND CRITERIA	*through* - **RSPO Organic & Peat Soil Classification:** Definition of 'peat' within RSPO **- Peatland Inventory:** Documentation and reporting of all areas of peat (planted, unplanted, rehabilitated)	*through* - **RSPO Manual on BMPs for Existing Oil Palm Cultivation on Peat (Volume 1):** Guidance on best practices for managing existing plantings on peat **- Peat Audit Guidance:** Specification of important requirements necessary to demonstrate compliance during audits	*through* - **RSPO Manual on Management & Rehabilitation of Peatlands (Volume 2):** Guidance on managing set-aside peatlands and rehabilitating degraded peatlands **- RSPO Drainability Assessment Procedure:** Determine feasibility of replanting on peat and set timeframes for phasing out of oil palm
	Disclose - 38 RSPO growers and 92 units with peatlands (in Indonesia, Malaysia and Papua New Guinea) **Locate** - 376,019 ha of existing planted area on peat (93% in Indonesia, 7% in Malaysia) - 20,552 ha of unplanted area on peat and rehabilitated peatlands (96% in Indonesia)	**Apply** - Best Management Practices (BMPs) implemented in 227,422 ha of certified and 148,596 ha of non-certified planted area on peat **Comply** - High rate of compliance assessed by auditors - 4 Non-Compliances (NCs) out of a total 652 audit reports analysed; NCs issued to UoCs transitioning from the 2013 P&C to the 2018 P&C, corrected in subsequent audits	**Avoid** - 17,345 ha of unplanted peatlands set aside for conservation (96% in Indonesia) **Rehabilitate** - 3,206 ha of degraded peatlands undergoing rehabilitation (95% in Indonesia) - 62 Drainability Assessment submissions (85% in Indonesia, 15% in Malaysia), of which 29 are completed and 33 are ongoing
RSPO ISH STANDARD	**Manage** *through* **- RSPO Smallholder Best Management Practices Manual for Existing Oil Palm Cultivation on Peat:** Guidance on best practices for smallholders to manage existing plantings on peat	**Protect and Restore** *through* **- RSPO ISH Flood Risk Assessment Template:** Determine feasibility for smallholders replanting on peat based on likelihood and severity of assessed flood risk	

Raising the water table (again): RSPO documents and procedures to protect set-aside peatlands and restore degraded peatlands

A peat dome in Sebangau National Park, Central Kalimantan, Indonesia.
Credit: Mankdhay rahman, Creative Commons (CC BY-SA 4.0)

Credit: iStock

Fire Risk

Probability of 0.6% of fire hotspots detected in RSPO concessions (Indonesia, Malaysia)

26% of hotspots are actual in-concession fires, **mostly spread from outside open burning**

RSPO takes fire seriously. Fire prevention is embedded within multiple indicators of the RSPO Principles and Criteria (P&C) and the RSPO Independent Smallholder (ISH) Standard, explicitly prohibited from being used for land preparation, waste management, and pest control (unless under extraordinary circumstances with approval from government authorities). Fire prevention and control measures must be implemented, while neighbouring stakeholders must be engaged to reduce fire risk. A fire can start deliberately or naturally. But once it starts, it can spread. With potentially devastating consequences—the Southeast Asian transboundary haze events in 1997 and 2015 or the severe wildfires in Brazil's Amazon in 2024 which spread as far as São Paulo, some 2,734km away.

Available data and evidence from the internal RSPO Fire Hotspot Monitoring system, active since January 2018, suggests that RSPO requirements to minimise fire risk are effective. Drawing from satellite monitoring data sources such as the NASA Fire Information for Resource Management System (FIRMS) and the Global Forest Watch Pro platform, the system detects hotspots within certified and non-certified RSPO concessions, as well as known non-RSPO oil palm concessions. Any detection of a hotspot—which potentially is or could become a fire—prompts an Hotspot Alert for ground verification, investigation, and action.

Since monitoring began, the number of hotspots detected within RSPO concessions as a percentage of any and all hotspots detected in Indonesia and Malaysia has remained consistently low (Figure 1) and significantly below hotspots detected in known non-RSPO concessions: 1.2% vs 12.1% in 2022. Even with a strong El Niño weather pattern holding sway in 2023/24, this lower probability in RSPO concessions still held true even as total hotspots grew by 765.2% to 519,742. In fact, the probability actually decreased, to 0.6%, compared to 9.7% in known non-RSPO concessions. When looking specifically at oil palm concessions on peat, the difference is even more striking: 0.06% compared to 3.6%.

	2021	2022	2023	2021	2022	2023
Total Hotspots Detected	85,471	67,922	519,742	-	-	-
	Of which			*Probability of occurrence*		
Hotspots (RSPO concessions[1])	1,216	847	2,903	1.4%	1.2%	0.6%
Hotspots (non-RSPO concessions[2])	10,107	8,208	50,192	11.8%	12.1%	9.7%
Peat Hotspots (RSPO concessions[1], on peat)	98	51	303	0.10%	0.08%	0.06%
Peat Hotspots[2] (non-RSPO concessions, on peat)	3,579	2,647	18,426	4.2%	3.9%	3.6%

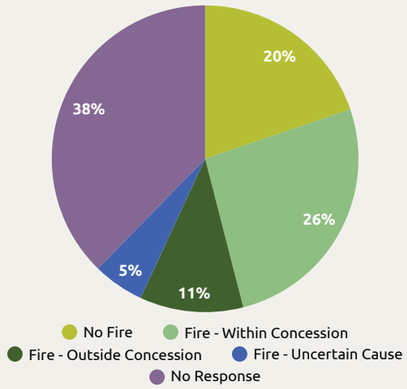


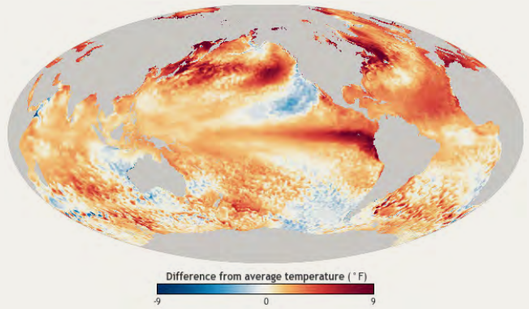
Figure 1 and 2: Fire Hotspots in RSPO and non-RSPO concessions in Indonesia and Malaysia 2021-2023 (left); Responses to Hotspot Alerts in RSPO concessions, 2023 (right)

The return of a strong El Niño in 2023/2024 did bring additional challenges, as the actual number of hotspots increased dramatically. Here, there are more granular indications that the proactive measures required by RSPO have managed to address fire risk. Of the Hotspot Alerts triggered based on detections within RSPO concessions in 2023, only 26% were actual in-concession fires (down from 28% in 2022), with over half being the result of fires spreading from off-concession open burning by surrounding land users. Of the remaining hotspots, 11% were actually outside of the RSPO concession and 20% were false alarms[3].

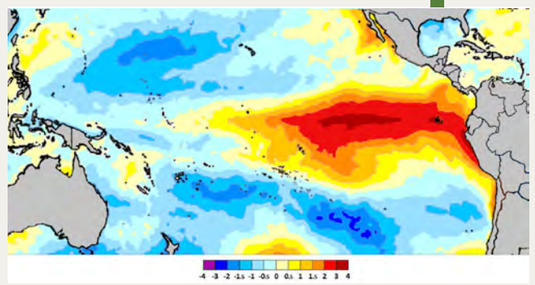
In Indonesia and Malaysia at least, rigorous implementation of sustainable practices by RSPO Members and robust monitoring by RSPO appears to have contributed to a reduction of fire risk even amidst climatic uncertainties in recent years. RSPO is committed to ensure that effective fire mitigation and prevention mechanisms are put in place through RSPO Standards, systems and procedures. Which in turn underscores and supports the resolve of RSPO Members to address fire risks as a model of responsible environmental stewardship in oil palm cultivation, palm oil production, and sustainable agriculture.

[1]Oil palm concessions owned or managed by RSPO members, including certified and non-certified plantations.
[2]Based on known non-RSPO oil palm concession data in Indonesia and Malaysia available in geospatial platforms. The data library for Malaysia is largely incomplete, leading to under-counting. Hotspots detected in non-RSPO concessions represent the minimum level of occurrence, with the exact degree of unaccounted discrepancy undetermined.
[3]Remaining Hotspot Alerts were 5% actual fire of unknown causes and 38% with no response. This does not always indicate a lack of action: a consolidated report can be provided for multiple hotspots detected in the same time period and locality. Detection is also temporal; an existing hotspot may be flagged as a new one every seven days by monitoring satellites if the heat signature persists (especially in remote areas) and a single report may be provided for one hotspot with multiple detections.

What Is An El Niño?



El Niño formation in the Pacific (July 2023). Credit: NOAA (adapted), Creative Commons (CC BY 3.0)



Pacific sea surface temperature patterns leading to an El Niño. Credit: Maulucioni, Creative Commons (CC BY-SA 4.0)

The main weather pattern affecting palm oil production is the Pacific El Niño-Southern Oscillation. Major oil palm cultivating countries in Southeast Asia and Latin America are affected, in contrasting ways. During an El Niño, when the Pacific's sea surface temperatures are warmer than usual, it brings dry conditions (drought) to Asia and wet conditions (deluge) to the Americas. During a La Niña, when temperatures are cooler than usual, conditions invert. On the other side of the planet, the Atlantic Equatorial Mode or Atlantic Niño causes similar conditions, with a major impact on rainfall (or lack of) in West Africa.

In recent years, the Pacific has gone from three consecutive La Niña cycles from 2020/21 to 2022/23 directly into a strong El Niño in 2023/24, with a La Niña expected for 2024/25. This sequence is unprecedented, without the typical neutral period in between. In the Atlantic, a strong Atlantic Niño in 2023/2024 is now giving way to an Atlantic Niña in 2024/2025, also an unusual pattern. The climatic phenomena that govern conditions for oil palm cultivation are shifting rapidly, causing more extreme dryness or more severe precipitation. Beyond impacting the health of the oil palms and workers involved, this also implies that beyond Fire Risk, RSPO may soon have to also address Flood Risk.

A wild forest fire in Chaco, Argentina.
Credit: Unsplash, licensed by Fachy Marín

Water Management

Average water footprint of 5.05 m³/MT of palm oil production in certified mills

39,657 ha of riparian reserves protected under RSPO Certification

Water is the cornerstone of agriculture, essential for growth, operations, and trade. In oil palm cultivation and palm oil production, water is integral at every stage. Healthy oil palms require adequate water to yield quality fruits. In remote areas, rivers often serve as vital transport routes for Fresh Fruit Bunches (FFB) to mills. Within these palm oil mills, water plays a key role in oil extraction, primarily through steaming the fruit.

However, water is not just an input—it is also an impacted resource. Agricultural run-off can pollute surface and groundwater, threatening the health and rights of local communities and downstream users. Contaminants such as pesticides and chemicals can harm biodiversity and human health, while fertiliser run-off can lead to algae blooms, depleting oxygen in water bodies and suffocating aquatic life. Liquid waste from palm oil milling, if untreated, can exacerbate these negative effects.

Adding to these challenges, shifting climate patterns increase the likelihood of water scarcity, heightening risks of disputes over access. Sustainable water management is thus essential to balance production needs with environmental stewardship, protecting ecosystems, communities, and the future viability of palm oil operations.

Water Input

RSPO mandates water stewardship through comprehensive water and environmental management plans, ensuring sustainable water use, waste treatment, and eco-friendly agricultural practices to protect ecosystems and uphold community water rights (See Environmental Sustainability, pg. 67).

	Freshwater Usage per CSPO produced (m^3/MT)	Freshwater Usage per CSPO produced (m^3/kg)
Indonesia	6.06	0.006
Malaysia	4.84	0.005
Latin America	5.49	0.006
Africa	6.14	0.005
Rest of the World	2.82	0.003
Global Average	5.05	0.005

Figure 1 - Estimated freshwater usage per MT or kg of CSPO produced (2023)

Research	Measurement	Indicative Data
Malaysia (2014)[1]	Water for milling process for CPO production (243 mills in Peninsular Malaysia, Sarawak and Sabah)	7.5 m^3/MT (with dilution)* 3.5 m^3/MT (without dilution)* **Dilution is where water is added to clarification process for better oil separation*
Thailand (2015)[2]	Average Water Footprint for producing CPO (7 mills in southern/eastern Thailand)	3.11-7.27 m^3/MT (Average of 5.02 m^3/MT)
Indonesia (2017)[3]	Total water quantity for CPO production (1 mill in South Sumatera, non-RSPO)	5.06 m^3/MT
Malaysia (2020)[4]	Total water consumption for CPO production (Peninsular Malaysia, n=N/A)	3.81 m^3/MT
Ghana (2023)[5]	Total water consumption by small-scale crude palm oil extraction mills (25 mills in 4 regions of Ghana)	0.760-2.391 litres per l of palm oil (~0.853-2.686 m^3/MT)

Figure 2 - Comparative indicative data from independent research on water consumption by palm oil mills for palm oil production

Based on data from 495 Metrics Templates submitted by Units of Certification (UoCs or Units for short) during their annual RSPO audits, average freshwater use at certified mills was 5.05 cubic metres (m^3) per MT of CSPO (Figure 1). Usage is fairly even across most regions, though notably lower in the Rest of the World, and consistent since 2021 (when data became available).

[1]Subramaniam, V., Muhamad, H., Hashim, Z., & Choo, Y. M. (2014). Water footprint: Part 3 - The production of crude palm oil in Malaysian palm oil mills. Journal of Oil Palm Research 26(4):292-299
[2]Suttayakul, P., H-kittikun, A., Suksaraoj, C., & Mungkalasiri, J. (2015). Water footprints of products of oil palm plantations and palm oil mills in Thailand. The Science of The Total Environment 542(Pt A):521-529 doi:10.1016/j.scitotenv.2015.10.060
[3]Kospa, D., Lulofs, K., & Asdak, C. (2017). Estimating water footprint of palm oil Production in PTP Mitra Ogan Baturaja, South Sumatera. International Journal on Advanced Science Engineering and Information Technology 7(6):2115. doi:10.18517/ijaseit.7.6.2451
[4]Sabli, N. S., Zainon, Z., Devi Kanniah, K., & Kamaruddin, S. N. (2020). Estimating water footprint of palm oil production: Case study in Malaysia. Journal of Environmental Treatment Technique, 8(3):1163-1167.
[5]Awere, E., Obeng, P., & Bonoli, A. (2023). Water consumption and wastewater generation from small-scale crude palm oil extraction in Ghana. Water Practice and Technology 18(1):86–101. doi:10.2166/wpt.2022.158

While specific research on RSPO certification's impact on water footprints is limited, general studies on water use in palm oil milling provide indicative data (Figure 2). Water consumed to produce 1 MT of crude palm oil varies by location and extraction methods. Certified and non-certified mills show no significant differences. This is logical, as water remains a fixed input, making major divergences unlikely. Interestingly, small-scale extraction mills (e.g., artisanal mills in Africa, see Certified Palm Oil Production in Africa, pg. 97) appear more water-efficient due to their modest and intermittent operations.

However, water sources may vary. There are generally three categories of water sources: freshwater (or blue water, input from nearby lakes, rivers, aquifers or piped); rainwater; and wastewater (or grey water, recycled water with some impurities for re-use). The 2020 study[4] in Malaysia noted that almost all water consumption at palm oil mills were of freshwater, with a minor component of wastewater. The authors also noted minimal water consumption at plantations (and nurseries), which are almost entirely fed by rainfall, which leaves milling and its wastewater as the dominant part and main potential risk in palm oil's water footprint.

Abundant rainfall makes oil palm a less 'thirsty' crop. While there is no available direct research on the water footprint of certified palm oil against other vegetable oils, a 2018 University of Coimbra paper[6] provides some level of comparison. The researchers looked at the inventory of water consumed (in m^3/kg) at different parts of the production life cycle (cultivation, transport/collection and extraction) for palm oil (Colombia, Malaysia), soybean oil (Argentina, Brazil, USA) and rapeseed oil (Canada, France, Germany, Spain, USA). At the cultivation and collection stages, palm oil has the lowest water consumption of all. At the extraction stage, only palm oil data was available, and the paper's data on this is in line with RSPO's own indicative data (though not directly comparable due to potential methodological differences).

Water Output

Once crude palm oil is produced at a mill, the wastewater generated, known as Palm Oil Mill Effluent (POME), poses environmental risks despite being non-toxic. With its high biological oxygen demand (BOD) and elevated temperature, untreated POME can severely harm aquatic life if discharged into water bodies.

RSPO Certification mandates that POME must be treated to at least meet nationally regulated impurity levels, particularly for BOD, before discharge. Basic treatment includes composting POME for fertiliser or diverting it into demarcated anaerobic pools where bacteria naturally degrades organic matter in the effluent to reduce its BOD. The treated water can then be reused in the mill, recycled for purposes like irrigation or sanitation, or safely released.

Advanced POME treatment can capture the methane naturally emitted during anaerobic digestion. This methane, a greenhouse gas (GHG), can either be flared or converted into biogas for onsite energy or plugged into external power grids, promoting sustainable energy use (and revenue generation, in the case of selling electricity).

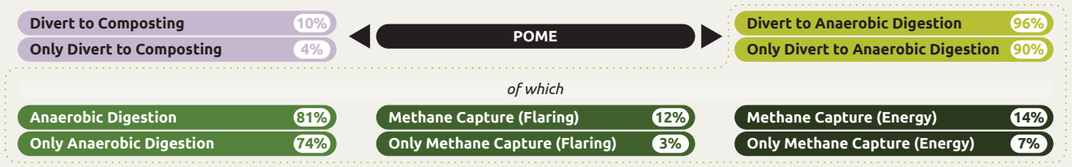


Figure 3 - POME usage and treatment in a sample of RSPO certified Units

An analysis of 385 digitised PalmGHG v4.0 reports from 2019-2023 (Figure 3) indicates that all POME in RSPO certified Units is treated through either composting (4%), anaerobic ponds (90%), or a combination of the two (6%). Among Units using anaerobic ponds, 74% rely solely on anaerobic digestion, while a smaller proportion captures methane for flaring (3%) or as biogas for power generation (7%). A handful of Units employ a mix of the three anaerobic digestion methods, demonstrating varied approaches to sustainable POME management.

[6]Caldeira, C., Quinteiro, P., Castanheira, E., Boulay, A., Dias, A., Arroja, L., & Freire, F., (2018). Water footprint profile of crop-based vegetable oils and waste cooking oil: Comparing two water scarcity footprint methods. Journal of Cleaner Production, 195. doi:10.1016/j.jclepro.2018.05.221
[7]This generally involves removing oil palms planted from the area, replaced with native natural vegetation such as Putat Nasi shrubs (Malaysia), Guadua bamboos (Latin America) or Afzelia Mahogany trees (West Africa)

Separation Anxiety: Protecting Riparian Reserves

Riparian reserves are natural or non-harvested land strips bordering rivers, streams, wetlands, and lakes. These zones are vital for conservation and environmental integrity as planting oil palms in these fragile areas (also known as riparian buffer zones) can harm soil and water quality, leading to erosion, landslides, and pollution that degrade water bodies.

Within RSPO Certification, riparian reserves must be protected, or rehabilitated if degraded to restore its physical functions, including water filtration, river bank stabilisation, erosion control, flood management, and biodiversity. As of December 2023, RSPO certified growers have set aside 39,657 ha of riparian reserves for protection, distributed across Indonesia (28.3%), Latin America (25.8%), Rest of the World (25.8%), Malaysia (12.5%) and Africa (7.6%).

Rejuvenating The Pengabuan River In Jambi, Indonesia

In October 2023, a stretch of the Pengabuan river in Indonesia's Jambi province reopened to the public after years of closure, marked by celebrations among its communities. Spearheaded by a local youth and independent smallholders from the RSPO certified group Forum Petani Swadaya Merlung Renah Mendaluh (FPS-MRM), in tandem with the local governments of Sungai Rotan village and the Tanjung Jabung Barat Regency, their ecosystem regeneration practices reversed years of pollution from chemical fertiliser run-off and damage from illegal fishing methods involving poison, using funds from revenue generated through sales of their RSPO IS-Credits (see Continuous Improvement, pg. 33).

For five years, members of FPS-MRM enforced a prohibition of all fishing, polluting, garbage dumping, and other damaging activities within a 'Lubuk Larangan' zone (a traditional Indonesian method to restore degraded rivers and rejuvenate fish stocks) of Pengabuan. They then focused on stabilising riverbanks, restocking fish populations, and supporting river guardian communities. It worked. The initiative managed to reverse declining populations of endemic fish species such as the giant gourami (Osphronemus goramy), golden mahseer (Tor putitora), and hampala barb (Hampala macrolepidota). And local villagers can fish and bathe in the river once more, supporting communal food and health security.

Protecting and Restoring Nature

CHAPTER

08

Protecting and Restoring Nature

Long-term Outcome (L6): Sustainable ecosystem management is implemented to achieve no deforestation and promote restoration of environmental value

Oil palms are cultivated within Earth's equatorial belt, between the Tropic of Cancer and the Tropic of Capricorn. Here is where the world's most valuable ecosystems and greatest biodiversity is found. Here is also where over 3 billion people or 40% of the global population lives; by 2050, the United Nations projects that that number will grow to nearly 5 billion people or 50% of all human beings.

The challenge is thus: how do we protect vulnerable natural environments yet still allow for equitable economic development? Protecting and restoring nature is essential to maintain biodiversity and limit climate change for today and tomorrow. Creating sustained economic growth is essential to alleviate poverty, reduce inequalities and generate prosperity. Achieving this balance lies at the core of RSPO's vision.

Sustainable palm oil production allows for continued development, but not at the expense of environmental value. RSPO advocates for practices and sets rules on identifying important ecosystems to be protected for ecological balance, acknowledging historical unsustainable development through restoration initiatives, and conserving/enhancing native biodiversity. In balance, RSPO seeks to harmonise the benefits that agricultural development can bring with our existential imperative of protecting nature and environmental value.

A Raggiana Bird of Paradise in Papua New Guinea.
Credit: JJ Harrison, Creative Commons (CC BY-SA 4.0)

Safeguarding Nature

466,609 ha conserved, an area 19 times the size of Kuala Lumpur

461,031 ha of new plantings considered for development, with 96,711 ha set aside for conservation

Out of an estimated 1.45 billion ha of tropical rainforest that once covered the planet, only a third, or 534 million ha, remains intact[1]. A further 428 million ha has been degraded, and the remainder converted—for agriculture, for mining, for industry and for human society. Over half of the world's known species of flora and fauna are found in the remaining tropical forest[2]. Protecting what remains, and taking steps to restore some of what has been lost, is what the RSPO stands for.

RSPO mandates the protection of forests or areas identified as having High Conservation Values (HCVs) and High Carbon Stock (HCS). As of December 2023, RSPO members have collectively set aside 466,609 ha of forests and lands designated as essential for conservation (Figure 1). This is an area more than 19 times the size of Kuala Lumpur, the capital of Malaysia[3]. Protected and managed by RSPO Units of Certification, these conserved areas are distributed across 21 countries, with the highest proportion in Indonesia (160,826 ha), Gabon (85,250 ha), Brazil (79,864 ha), Mexico (40,137 ha), and Malaysia (22,943 ha).

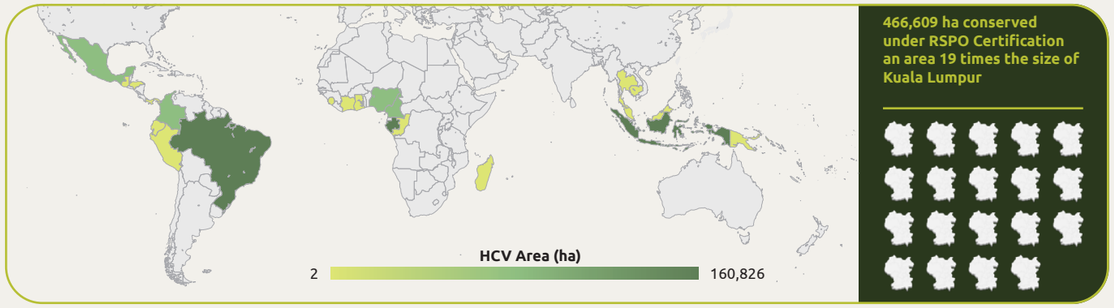


Figure 1 - Distribution of RSPO conservation area by country in hectares (2023)

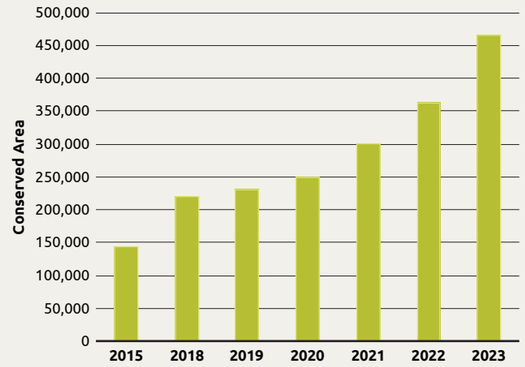
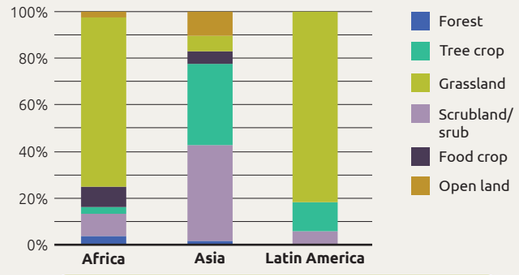


Figure 2 - RSPO conservation area by hectarage and by country (2015-2023)



Africa	Asia	Latin America	Approved area for NPP development
89,362	172,836	4,241	

Figure 3 - Cumulative land profile of areas approved for oil palm development

From a historical context (Figure 2), the total conservation area of RSPO certified units has tripled between 2015 (144,967 ha) and 2023 (466,609 ha). Geographical coverage has also expanded considerably, from 10 countries to 21 countries. There is also another collective 6,986 ha of conserved areas managed by certified independent smallholder groups under the RSPO ISH Standard.

These conservation areas cover existing operations. For new oil palm developments, the RSPO New Planting Procedure (NPP) is used to assess areas for conservation and areas that can be developed. Applicable to all new plantings, land clearing and/or acquisitions/expansions under RSPO membership, approximately 461,031 ha of proposed new plantings have been submitted to RSPO since 2015 for consideration. Out of this, 266,438 ha were approved for development (Figure 3). The most common types of land approved for development were grasslands in Africa and Latin America, and shrubland/scrub or areas previously used for other tree crops in Asia. NPP assessments also identified 96,711 ha to be set aside for conservation due to environmental or social importance through HCV, HCS or combined HCV-HCS assessments.

[1]State Of The Tropical Rainforest Report (2019), Rainforest Foundation Norway
[2]National Geographic, https://education.nationalgeographic.org/resource/rain-forest/ (retrieved Oct 2024)
[3]The city of Kuala Lumpur is 23,400 ha in size

Conservation, in itself, is not guaranteed protection. Potential non-compliant land clearing can occur, whether intentionally or accidental. For example, if conservation or protected areas have been degraded by forest fires or other natural disasters such as landslides, typhoons/hurricanes/cyclones, or earthquakes, the area should be left to rehabilitate naturally or managed in accordance with requirements of the RSPO Standards.

Using geospatial and remote-sensing technology, RSPO also monitors RSPO Member concessions for potential deforestation and fires (see Fire Risk, pg 72). If a risk alert is triggered, RSPO engages with the member and investigates for verification. To duly handle and address complaints of deforestation or environmental issues against RSPO Members, the RSPO Complaints Systems provides a fair, transparent and impartial process to investigate such allegations for potential breaches of any provisions in the RSPO Standards or other RSPO Key Documents (see Improving the RSPO Complaints System, pg. 45; Environmental Sustainability, pg. 67).

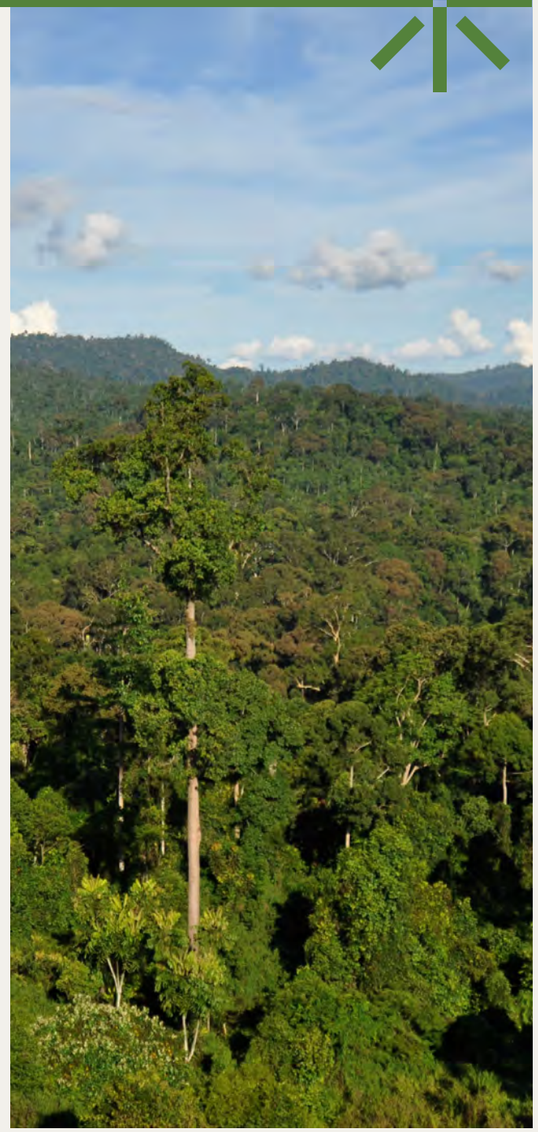
What Is A Forest?

The Food and Agriculture Organization (FAO) defines 'forests' as "lands of more than 0.5 hectares, with tree canopy cover of more than 10 percent, which are not primarily under agricultural or urban land use". The Accountability Framework Initiative (AFi) expands this to include "natural forests and tree plantations", where 'natural forest' include primary forests, regenerated (second-growth forests) that have recovered much of their previous ecological structure, managed natural forests with low intensity/small-scale cultivation, and partially degraded forests from anthropogenic or natural causes not yet been converted to other use.

Over four iterations of the RSPO Principles and Criteria (the 2005 pilot, 2007, 2013 and 2018), RSPO's approach to addressing deforestation issues has evolved, adding rigour and clarity at each stage to align with generally-accepted definitions of 'forest' as land that cannot be cleared. To balance our three impact pillars, our approach includes qualitative elements to determine what a 'forest' is.

Since November 2005, RSPO Standards have not allowed conversion of any primary forests. Areas required to maintain or enhance (one or more) High Conservation Values (HCVs) have also been a mainstay since November 2005. An HCV area is one with biological, ecological, social, or cultural outstanding significance or of critical importance at a global, regional or national level, broken down into six categories[4]:

- **HCV1 (Species diversity)**
- **HCV2 (Landscape ecosystems)**
- **HCV3 (Vulnerable ecosystems)**
- **HCV4 (Ecosystem services)**
- **HCV5 (Community services)**
- **HCV6 (Cultural values)**

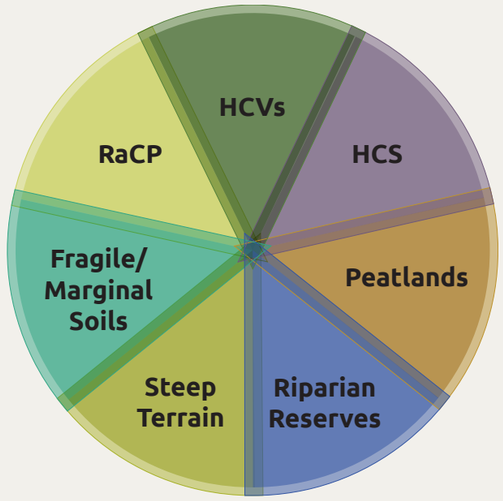


[4]Descriptions of each HCV have been shortened. For full descriptions of each HCV, please refer to the HCV Network website at www.hcvnetwork.org

High Carbon Stock (HCS) was adopted from November 2018 onwards, as a complementary approach to identify forests that may not be covered by the HCV approach. HCS assessments distinguish between carbon-rich natural forests for protection and areas of scrub/degraded lands with low carbon and biodiversity values that may be developed.

In combination, HCVs and HCS approximate the AFi's definition of 'natural forest', particularly regenerated (second-growth) forest. In combination, RSPO standards, systems and procedures actually go beyond 'forest', extending to other critical ecosystems and areas. HCVs and HCS, for example, may already include 'other wooded land' (canopy cover between 5-10% that is environmentally or socially valuable). The Remediation and Compensation Procedure (RaCP) mandates reforestation, afforestation or rehabilitation as a membership requirement and certification prerequisite (See Remediation, pg. 85). Biodiverse and important grasslands in Latin America and Africa are under consideration for RaCP as well.

Peatlands, which may or may not be considered 'forest' based on canopy cover extent, are under blanket RSPO protection (See Peat Matters, pg. 70) with a dedicated assessment and management system to accommodate its complexity. Areas of steep terrain or marginal/fragile soils must be protected (See Environmental Sustainability, pg. 67), as must ecologically important riparian reserves (See Protecting Riparian Reserves, pg. 78).



Illustrative rendition of RSPO approach to conservation and addressing deforestation risk

Combining all of the above, RSPO has protected, rehabilitated, remediated and restored (or is in the process of) some 646,700 ha of valuable forests and areas globally. While also allowing for development to proceed in suitable areas.

But what about emerging regulations? This, too, is a complex question. There are several deforestation-related legislations introduced to regulate trade.

- The European Union Deforestation Regulation (EUDR) adopted the FAO definition of 'forest' as its definition of 'deforestation'. However, the EUDR Guidance Document released in October 2024 clarifies that set aside or temporary fallow lands (e.g., abandoned/relinquished due to environmental, economic or litigation force majeure, or for nurseries/replantings) are not considered 'forest' if agricultural activities resume within ten years, even if second-growth forest has grown in the interim.

- The UK Environmental Act 2021, already passed by the UK but requiring secondary legislation for forest-risk commodities, uses the FAO definition. But expands this to include "land that is wholly or partly submerged in water, whether temporarily or permanently", which may include borderline areas of mangroves, peatlands or tidal/intertidal zones.

- The draft US FOREST Act, reintroduced in November 2023, adapts the FAO definition into a specific definition of 'natural forest' that specifies "a species composition a significant percentage of which is native species". Which means that the type of trees and plants matter as much as the presence of trees and plants. The draft Act also applies only to 'illegal deforestation' not general 'deforestation', in respect of the sovereign laws of production countries.

Each of these definitions might differ slightly in writing, but will vary substantially in actual practice. Each will require some level of ground verification in addition to geospatial detection from the sky. From a palm oil perspective, RSPO believes that our combined approach to conservation and addressing deforestation risk is aligned with generally-accepted definitions of 'forest' and deforestation regulations, with enhanced verification allowed with the development of prisma. While also simultaneously exceeding them by including other critical ecosystems, in balance of People, Planet and Prosperity.

Remediation

317 Compensation Plans approved, **remediating an area of 112,954 ha**

Average time to complete RaCP processes **significantly reduced since 2021**

The RSPO Remediation and Compensation Procedure (RaCP), adopted in 2015, is an initiative that captures RSPO Members' dedication to restoring nature by signing up to be a member, as part and parcel of RSPO's approach to conservation and addressing deforestation risk.

Any new land development conducted after November 2005 must be disclosed to RSPO as part of the membership process. If developed without prior assessment (using the High Conservation Value/HCV approach), a Land Use Change Analysis (LUCA) is initiated to ascertain if any environmental or social liability had been incurred. If so, onsite (in-situ), offsite (ex-situ) or in-kind remedies are necessary to compensate for the loss of important conservation areas or to address negative social impact. Remediation is therefore an avenue for RSPO members to address past deforestation by being responsible growers as a prerequisite for certification.

As of 31 December 2023, RSPO had received 2,842 Disclosures, of which 53% did not involve non-compliance[1] (Figure 1). Of the remainder, 1% are ongoing cases and 46% (1,319 cases) had Non-Compliant Land Clearance (NCLC) that proceeded to LUCA. The cumulative NCLC extent, as of December 2023, is some 969,982 ha out of a total oil palm area of 3.2 million ha in 22 countries.

Completion of the LUCA process ascertains any identified non-compliance. There are 610 such cases, which require either a Remediation Plan or a Compensation Plan[2], depending on the nature of the non-compliance. Of the 119 cases requiring Remediation Plans, 86% have been approved for implementation.

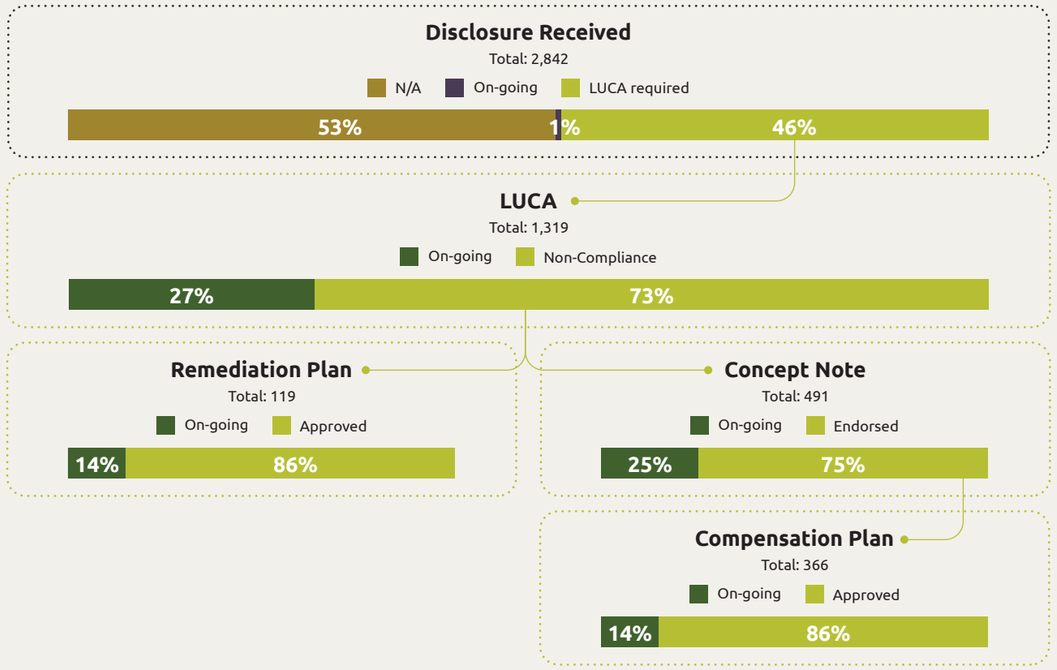


Figure 1 - RaCP case progress/completion at each step of RaCP process (as of Dec 2023)

Of the 491 cases involving environmental or social liabilities, the total Final Conservation Liability (FCL) is 163,964 ha[3]. To address this, a Concept Note for a Compensation Plan must be submitted. Once a Concept Note has been endorsed, the Compensation Plan may proceed for approval to be implemented. As of December 2023, Concept Notes for 366 cases have been endorsed (75% of Notes submitted) and Compensation Plans for 317 cases have been approved (86% of Plans submitted). This has led to the remediation and compensation of 112,954 ha globally - a cumulative area nearly twice the size of the City of Mumbai[4], distributed across Indonesia (83,976 ha), Latin America (20,021 ha), Africa (8,272 ha), Malaysia (606 ha) and the Rest of the World (79 ha).

[1]Based on only active members under the oversight of the RSPO. The figure has been adjusted from the previous Impact Report 2022 and Impact Update 2023
[2]Remediation Plans are where only environmental remediation is required due to clearing of prohibited areas (e.g., peat, steep slopes). Compensation Plans are where conservation or social liabilities have been determined due to clearing of conservation areas (HCVs). Cases requiring Compensation Plans may also include environmental remediation.
[3]After excluding converted agro-forestry or degraded areas where development is permitted under RSPO rules
[4]The size of the City of Mumbai is 60,340 ha.

There has been noteworthy progress in improving turnaround times for case processing across the various phases of RaCP since 2021, when additional resources were put in place at the RSPO Secretariat. Post-2021, the average time to complete LUCA is 126 calendar days (from 670 pre-2021), to endorse Concept Notes is 178 days (from 195 pre-2021) and to approve Compensation Plans is 147 days (from 306 pre-2021). For transparency and accountability, the online RaCP Tracker monitors and regularly updates the progress of all submissions.

As RaCP cases are cleared, new cases are also submitted. Some 173 new cases were received between January and December 2023. The level of incoming Disclosures currently outpaces case closures. This does indicate continued interest in pursuing RSPO Membership and Certification, but requires careful allocation of the RSPO Secretariat's resources to manage volume of work for processing alongside ongoing cases.

Case Study: Belem Bioenergia Brasil S.A., RaCP Project in Moju, Pará, Brazil

"The Remediation and Compensation Executive Plan (RaCP) aims to restore biodiversity, and the functioning of riverside areas and deforested areas in the management units, in addition to creating a pilot project for the restoration and rehabilitation of 316.55 ha in the municipality of Moju, state of Pará, located in the Brazilian Amazon rainforest.

The RaCP Plan began in 2022, with acquisition of the aforementioned land for compensation purposes, around which are located three nearby communities. The consultations carried out revealed great satisfaction of these communities with the acquisition of the area, as a native forest close to their homes will be maintained, which will be of fundamental importance for the preservation of the Sucutuba stream, on which they depend, as well as the fauna of the surrounding region. In addition, there will be periodic maintenance of the roads that serve these communities, as well as the generation of local jobs with the activities that will be developed in the area. They will also receive native plants that will be cultivated in a nursery to be installed on site.

Considering that the company already has family partnership projects in nearby regions, which in itself generates a positive view of the company, the RaCP Executive Plan contributes even more to this favourable perception. The forest provides a better quality of life for these people, contributing to aspects such as the climate and the feeling of well-being. The remediation and compensation areas contribute to maintenance of the region's biodiversity, forming ecological corridors and providing a favourable ecosystem for fauna, especially RTE species. The attention given to the remediation areas, which also undergo a natural regeneration process, contributes significantly to the preservation of water bodies and, consequently, benefits the communities that depend on them."

Credit: Belem Bioenergia Brasil S.A.

RSPO is also developing a comprehensive Monitoring and Evaluation (M&E) system, which will enable us to better assess the impacts of our members' RaCP projects, ensuring that they lead to tangible and positive outcomes for both the environment and the communities involved. Because RaCP does not just prescribe a hectare-for-hectare compensation approach; all Compensation Projects must also deliver outcomes that are:

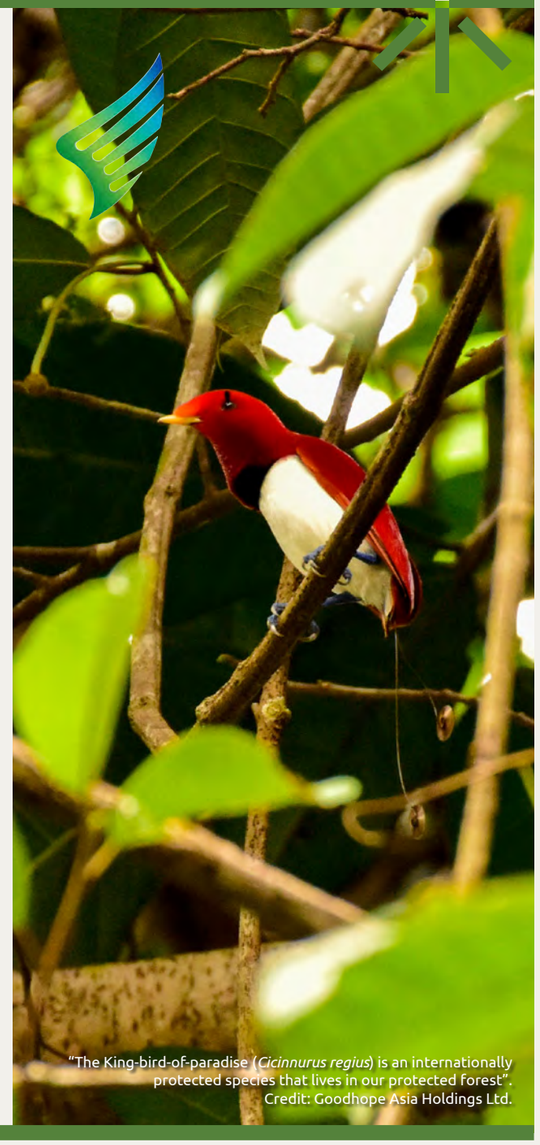
- Additional (going above current commitments and efforts),
- Long-term (at least 25 years, preferably in perpetuity),
- Equitable (with engagement and involvement of relevant stakeholders and affected communities), and
- Knowledge-based (informed by sound scientific and/or traditional ecological knowledge).

Case Study: Goodhope Asia Holdings Ltd., RaCP Project in Nabire, Papua, Indonesia

"Our RaCP programme in Nabire was launched in 2020. It is now in its fourth year of implementation and is slated to end in 2045. The programme's activities are focused on protecting 4,475 ha of tropical forest and enhancing the livelihoods of two indigenous communities from the Yerisiam Gua tribe and three transmigrant villages located in the vicinity. The actual compensation liability was 3,500 ha, but the forest area we had earmarked outside our concession was larger—4,475 ha—so Goodhope chose to protect the entire area. Our main partner is PILI Green Network, an Indonesian NGO specialising in environmental conservation. We've adopted a landscape approach, collaborating with communities and local and central governments.

By the fourth year of our remediation plan, we have successfully rehabilitated 67.3 ha of HCVs, primarily in riparian buffer zones, meeting our target. Goodhope formed Forest Patrol teams from local indigenous youth, who know the land best as it is their customary territory. We provided them with training and equipment for regular monitoring to detect threats and identify loss of jungle flora and fauna. Farmer groups manage two nurseries with native tree saplings to restore lost vegetation, as identified by patrols.

A recent PILI survey on flora and fauna confirmed stable biodiversity in our protected forest, identifying 89 new flora species, 10 new bird species, 3 amphibians, 2 reptiles, and 1 mammal. Our lobbying efforts led to the designation of 107,000 ha in Nabire Regency, including our 4,475 ha, as an Essential Ecosystem Area (KEE). We realise that to be successful in forest protection we need to provide the local communities with alternatives to reduce their dependence on forest and timber. So, we engage them in food crop cultivation, producing dried seafood, and honey."


"The King-bird-of-paradise (*Cicinnurus regius*) is an internationally protected species that lives in our protected forest".
Credit: Goodhope Asia Holdings Ltd.

Biodiversity

High level of compliance (99.1%) to biodiversity-related requirements in RSPO Standards

Independent Smallholder Credits allow **certified smallholders to be conservation leaders**

According to the International Union for Conservation of Nature (IUCN), there are some 2.15 million species on Earth that have been described by science. The latest IUCN Red List (version 2024-2) evaluated 166,061 of these species as an indication of the health of the world's biodiversity. The indications are sobering. Over 28% of the species surveyed—more than 46,300 species—are threatened with extinction, including 26% of mammals, 12% of birds, 41% of amphibians, 21% of reptiles, 36% of trees and 44% of corals.

Protecting tropical biodiversity and enhancing its status for current and future generations is a key goal of RSPO. Areas where oil palm is cultivated overlap with the habitats of emblematic species such as orangutans, elephants, chimpanzees, tigers, jaguars and more. Responsible palm oil production aims to ensure that these species, and their less iconic but no less valuable brethren, can continue to thrive in parallel with development.

By conserving valuable forests and ecosystems (See Safeguarding Nature, pg. 81) and restoring the extent and function of habitats (See Remediation, pg. 85), biodiversity benefits. The RSPO Principles and Criteria (P&C) also stipulates that all rare, threatened and endangered (RTE) species shall be protected, with programmes to educate workers about their importance to prevent capture, harm, collection, trade, possession or killing. The status of these species must be regularly monitored and updated, to ensure biodiversity is an ongoing priority.

Orangutans Released in Salat Island: Smallholders as Conservation Leaders

In May 2023, three orangutans—Lanting, Junior, and Praca—were released into the forests of Salat Island in Central Kalimantan, Indonesia as part of a pre-release process to prepare them for eventual reintroduction to their natural habitat. This initiative was made possible through a partnership involving RSPO Members, including independent smallholder group APKSM, Fortasbi, PT Sawit Sumbermas Sarana (PT SSMS), and the Borneo Orangutan Survival Foundation (BOSF).

Funds from RSPO IS-Credits enabled APKSM smallholders (see Continuous Improvement, pg. 33) to support the orangutans by providing essential provisions, including a year's supply of food sourced through the local community. Salat Island, acquired by PT SSMS in 2016 for orangutan rehabilitation, offers an ideal habitat with natural barriers like rivers to protect the primates from poachers. Since 2016, 100 rescued orangutans have undergone rehabilitation here, with 50 successfully returned to the wild.

Credit: PT SSMS

This project exemplifies how independent oil palm smallholders are able to contribute to conserving biodiversity, with APKSM being the first known RSPO certified independent smallholder group to engage in orangutan conservation. The success of the Salat Island project has now inspired APKSM, PT SSMS and Fortasbi to pursue similar projects for other endangered species, such as elephants. Smallholders can play a critical role in sustainability, if and when they are given the opportunity and resources to do so.

Fortasbi, which represents independent smallholder groups in Indonesia, is also working to better connect smallholders with NGOs/companies involved in conservation, believing that Indonesia's vast network of small-scale farmers can become a powerful force for environmental protection. With the right support, smallholders can learn to balance palm oil production with vital conservation efforts, making significant contributions to the protection of endangered species in Indonesia.

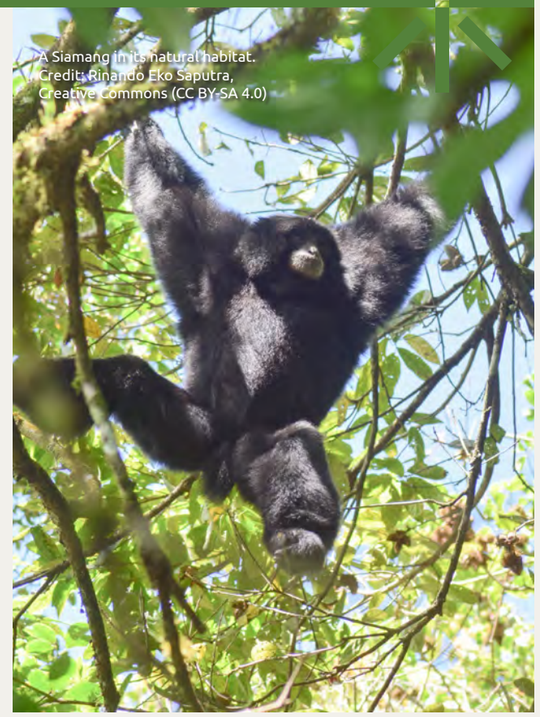
Measuring the impact of certification on biodiversity, however, is challenging if using compliance data alone. Based on a sample of 652 digitised RSPO P&C audit reports (from the period 2019-2023), compliance with biodiversity-related requirements is high, at 99.1%[1]. However, this does not tell us much about the actual on-the-ground status of biodiversity. Case studies from RSPO certified growers provide some impactful examples of positive quantitative and qualitative impacts (See Biodiversity Champions, pg. 94), but objective substantiation of the impacts of biodiversity-related management practices requires ground-level research and evidence.

In 2020, RSPO commissioned a research study to determine if RSPO Certification benefitted tropical wildlife (especially species of conservation importance). Surveying five RSPO certified operations in Indonesia, Malaysia and Latin America, the report[2] found that "well managed oil palm plantations can play a role in biodiversity conservation if forests set aside are large enough and threats to biodiversity and habitat are managed effectively." The researchers noted that while the size of conserved areas matter, management matters more; especially in areas where activities beyond the concession are known to negatively affect biodiversity and where a hands-off approach would not achieve conservation objectives. They also noted that the level of investment associated with conservation depends on company ambitions, severity of local threats (e.g., hunting) and size of protected areas (to allow for economies of scale), while availability of qualified local conservation talent is a constraint that could be improved with capacity building. Even within a small sample, there was considerable variation in the approaches and strategies taken by individual RSPO members based on individual characteristics of their plantations, suggesting that prescriptive approaches to enable biodiversity conservation may not be practical.

Other available research have come to similar conclusions: RSPO certification has the potential to reduce biodiversity loss and even enhance it. But this is highly dependent on synergy with corporate objectives, specific conditions in and around the plantations, and levels of connectivity between patches of HCVs and forests. Given this, RSPO does require members to have good biodiversity management practices in place as a foundation through RSPO Standards. Then, as the 2020 study points out, RSPO should enhance that by facilitating incentives to encourage wider and deeper implementation of these practices through the mechanism of certification.

[1]The handful of Non-Compliances issued were mainly to Units transitioning from the 2013 RSPO P&C to the 2018 RSPO P&C standard. All NCs were corrected in subsequent audits.
[2]Meijaard, E., Ancrenaz, M., &van Balen, B. (2020). Biodiversity impact of RSPO certification – an assessment of good practices. https://rspo.org/wp-content/uploads/biodiversity-impact-of-rspo-certification-an-assessment-of-good-practices-2021.pdf

Biodiversity Champions: RSPO Excellence Awards


A Siamang in its natural habitat. Credit: Rinando Eko Saputra, Creative Commons (CC BY-SA 4.0)

Every year, at the annual RSPO RT conference, the RSPO Excellence Awards highlights outstanding biodiversity and conservation projects by RSPO members. At RT2022, held in Kuala Lumpur, Malaysia, the nominees for the Conservation Leadership award were:

Agroamerica Tropical Oil Holding Corp: Supporting the 19,098 ha biodiversity Conservation Project in Southeast Laguna del Tigre National Park (LTNP), Maya Biosphere Reserve (MBR), Guatemala. LTNP contains the most significant remaining nesting concentration of the critically endangered Central American Scarlet macaw (*Ara macao cyanoptera*), as well as jaguars (*Panthera onca*) and Yucatán black howler monkeys (*Alouatta pigra*).

PT Austindo Nusantara Jaya Agri: Pendaki is a citizen science-based approach to monitor biodiversity across ANJ's entire management unit, from conservation/planted areas to housing/infrastructure. It supplements conventional monitoring methods (e.g., transects, camera traps) with citizen scientists (ANJ employees) to inform and identify biodiversity observed.

United Plantations Berhad: Established a Biodiversity Department in 2010, collaborating with Copenhagen Zoo on 'Quantifying Biodiversity and Meta-Population in Oil Palm Landscape'. By protecting ecosystems, species numbers have increased: 72 mammals, 210 birds, 59 reptiles, 28 amphibians, 123 fish, and 322 tree species have been recorded in UP's conservation areas.

FORTASBI Indonesia: Spotlighting Anton Sukardi, a young man from Lubuk Lawas in Jambi, who initiated restoration of the Lubuk Larangan river that flows in his village with traditional practices. Anton, and his 10 friends from the Karang Taruna group, were compelled to protect the river because it was polluted, not as clear as when he was a child. (See Rejuvenating the Lubuk Larangan River, pg. 78).

Musim Mas Holdings Pte. Ltd.: Various conservation efforts to reduce the negative impacts on biodiversity, as well as carbon absorption. Commitment to continuous improvement and driving innovation internally and leading by example to inspire and influence.

Wilmar International Limited: Partnership with Yayasan Kalaweit Indonesia since 2014 to return Siamang (*Symphalangus syndactylus*) to their natural habitat. Siamang reintroduced into Wilmar's PT Kencana Sawit Indonesia (PT KSI) HCV area were translocated from the Supayang Rehabilitation Center in West Sumatra.

At RT2023, held in Jakarta, Indonesia, the nominees for the Conservation Leadership award were:

Bumitama Agri Ltd: The Bumitama Biodiversity Conservation Project (BBCP) covers over 8,300 ha in Ketapang, West Kalimantan, aimed at stabilising wildlife habitats, such as Bornean orangutan (*Pongo pygmaeus*), BBCP links Bumitama's forested areas with existing forest outside to form vital wildlife migration corridors, with the FlyForest project using remote-control drones to reforest previously inaccessible terrains to promote diverse forest cover.

Olam Palm Gabon: In 2012, OPG developed six oil palm plantations, totaling 202,000 ha, of which 106,000 ha were set aside as HCV areas. Over 70% of this is forest, with the remaining 30% being natural savannah. OPG has demonstrated conservation gains for three critically endangered species: Central Chimpanzees (*Pan troglodytes troglodytes*), Western Gorillas (*Gorilla gorilla*) and Forest Elephants (*Loxodonta cyclotis*).

Poligrow Colombia SAS: Poligrow's Habitat Bank consists of 1,564 ha of gallery or riparian forests registered with and regulated by the Ministry of Environment and Sustainable Development of Colombia as a mechanism for gaining biodiversity.

Credit: iStock, ake1150sb

Transforming Markets

CHAPTER

09

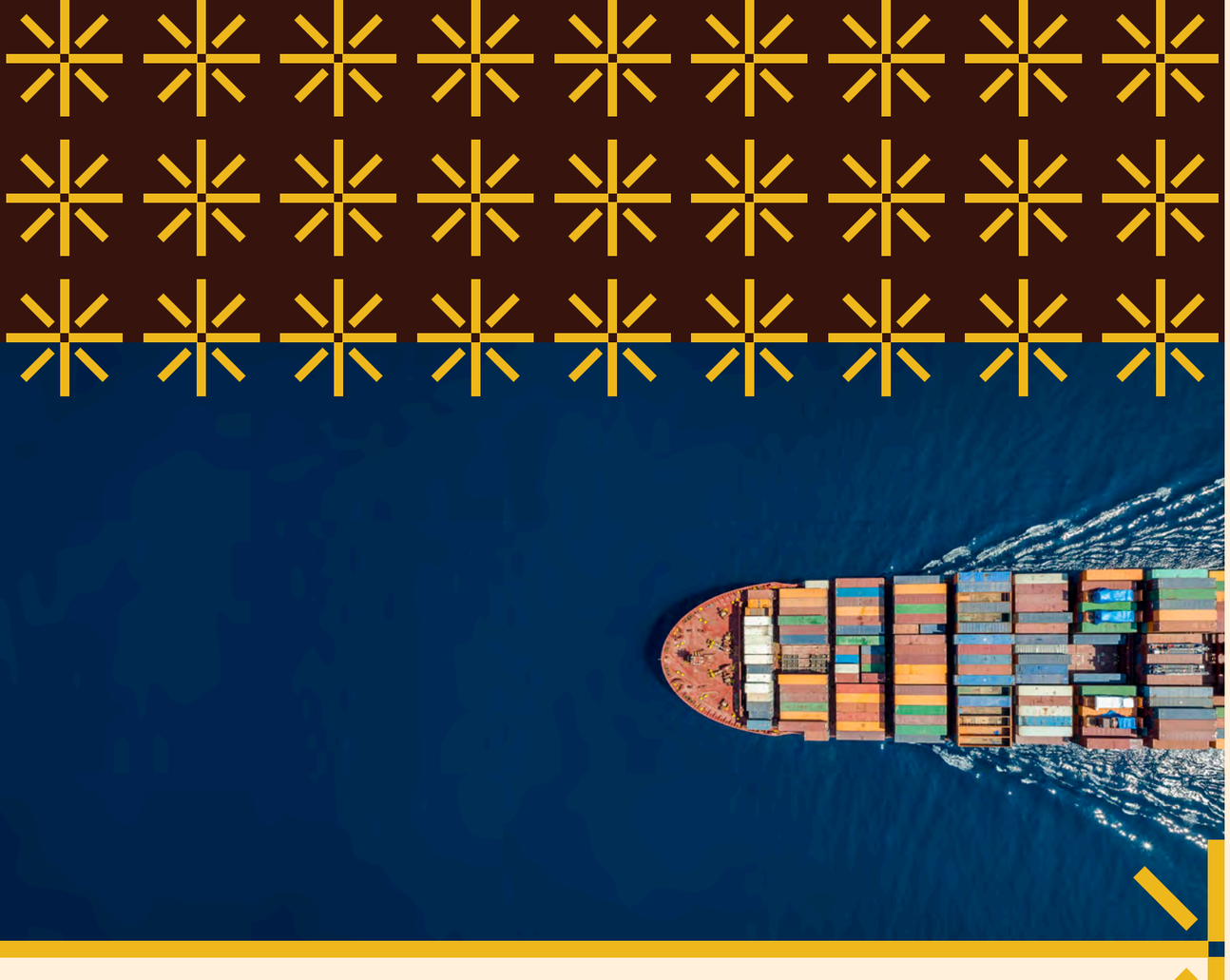
Transforming Markets

Long-term Outcome (L7): Global trade and markets for certified sustainable palm oil products are resilient and growing, with RSPO recognised as a model for inclusive agriculture

As RSPO celebrates its 20th anniversary, we reflect on two decades of transformation that have reshaped the palm oil sector and global markets, steering supply and value chains toward sustainable practices. RSPO certification has been a driving force in this shift, progressively influencing market dynamics to make environmentally conscious, socially responsible, and ethically produced certified sustainable palm oil a reality rather than an aspiration. By establishing rigorous standards that prioritise the planet and its people, RSPO has empowered plantations, companies, and consumers to adopt responsible practices and embrace a more transparent supply chain.

While RSPO does not directly control or intervene in markets, its leadership in sustainability has expanded the global scale of certified volumes. This growth is propelled by the conscious choices of responsible businesses and consumers. Certified sustainable palm oil and its derivatives have become increasingly accessible and impactful, ensuring relevance yesterday, today, and tomorrow.

As we look to the future, RSPO's vision is to continue transforming markets so that sustainability becomes the norm. Together, we can contribute to a healthier planet, better livelihoods, and a resilient industry that drives shared prosperity for all.



Certified Supply and Consumption

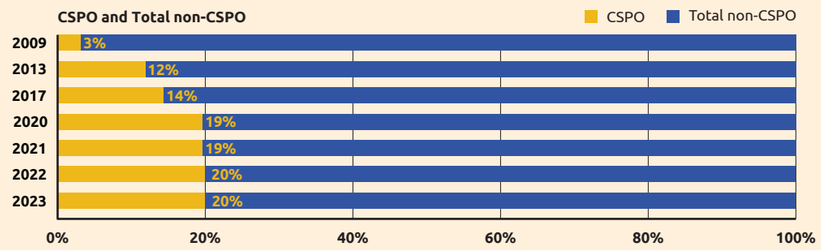
The supply of CSPO has reached a new milestone, growing to **16.1 million MT of production**

CSPO represents **20.1% of total global palm oil supply**

Upstream (Supply)

In 2023, the supply of Certified Sustainable Palm Oil (CSPO) reached a significant milestone, increasing by 4.2% year-on-year to 16.1 million MT. This represents a substantial rise of 649,772 MT in production, although the pace of growth has slowed since 2021. CSPO's share of the global palm oil supply edged up to 20.1%, against a total production of 79.9 million MT in 2023 (Figure 1).

While the supply context for palm oil improved in 2023, challenges persisted. Climate conditions remained volatile, with three consecutive La Niña events (2020–2022) transitioning directly into the fifth-strongest El Niño on record in 2023, without a neutral phase. Although the impacts were less severe than expected in Indonesia and Malaysia, the world's largest producers, other factors continued to strain production. Labour shortages in Malaysia persisted, while ageing profiles of oil palms limited yields and highlighted the urgent need for replanting. Inflationary pressures also moderated but continued to affect input costs and operational expenses.



CSPO Production Volumes

2009	1.2 million MT
2013	7.0 million MT
2017	9.5 million MT
2020	13.8 million MT
2021	14.7 million MT
2022	15.4 million MT
2023	16.1 million MT

Figure 1 - Global CSPO as a percentage of total global palm oil supply

Despite challenges, CSPO supply increased in both Indonesia and Malaysia, growing by 4.3% and 3.5%, respectively, and contributing to 79.8% of total CSPO production. Latin America and Africa remained the fastest-growing regions, with CSPO supply rising by 7.1% to 1.84 million MT in Latin America and by 10.9% to 437,400 MT in Africa. In contrast, supply from the Rest of the World (ROW) experienced a slight decline of 1.6%.

The growth in CSPO supply reflects ongoing progress, but its potential scope is even broader (Figure 2). Including yet-to-be-certified plantations within RSPO membership, the ceiling for potential CSPO supply is 32.0 million MT, equivalent to 40.1% of global palm oil production. This highlights the substantial capacity of RSPO grower members. In Latin America, CSPO production accounts for 34.8% of the region's 2023 palm oil production, with RSPO members representing nearly three-quarters of regional production.

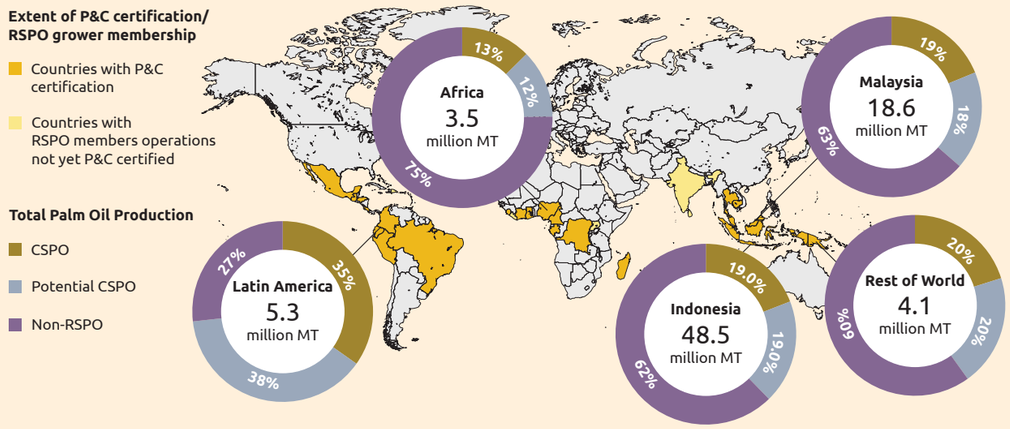


Figure 2 - Global distribution of CSPO, potential CSPO and palm oil production (2023)[1]

[1]CSPO actual production extrapolated from available audit data of certified mills and member Annual Communication of Progress (ACOP) reports. Total palm oil production estimated from USDA Oilseeds: World Market and Trade reports.

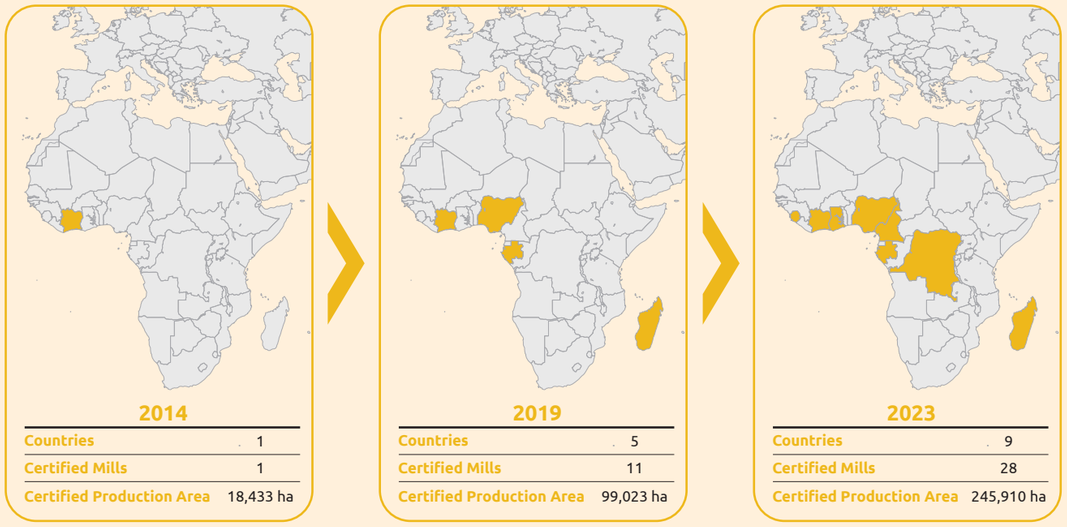
Coming Home: Certified Palm Oil Production In Africa

West Africa, the origin of the oil palm, has a deep cultural and culinary connection to palm oil. However, RSPO Certification and CSPO production in the region have historically lagged. The first RSPO P&C certificate in Africa was issued in 2013 in Côte d'Ivoire. By 2019, Africa's CSPO production stood at approximately 200,000 MT, produced by 11 mills across 5 countries, covering 99,000 hectares of certified production area—just 1.6% of global CSPO production. This trend shifted in 2022, as improved operational efficiencies within RSPO expedited the certification process. By 2023, CSPO production in Africa more than doubled to 437,000 MT, with 28 mills in 9 countries and 245,910 hectares of certified area.

RSPO Certification in Africa faces unique challenges. Striking a balance between economic development and ecosystem conservation is critical. Additionally, the region's processing customs differ significantly. West Africa hosts hundreds, possibly thousands, of artisanal mills—rudimentary facilities used by local communities to process small batches of Fresh Fruit Bunches (FFB) into crude palm oil for subsistence. These mills often operate without environmental, health, or safety regulations, and the oil palm fruits processed may come from wild palm groves rather than cultivated plantations. These groves, integral to the natural landscape, are managed under community supervision and land rights.

Credit: MONUSCO:Abel Kavanagh, Creative Commons (CC BY-SA 4.0)

Traditional certification models are unsuitable for such contexts. To address this complexity, RSPO has commissioned research on artisanal mills and wild palms in West Africa. The studies aim to explore whether RSPO sustainability or certification approaches could be adapted or applied to these unique production systems.



Growth of RSPO P&C Certification in Africa (2014-2023)

Journey of Thai Palm Oil towards Sustainability

To celebrate Thailand's progress in sustainable palm oil, RSPO launched the coffee table book Journey of Thai Palm Oil towards Sustainability on 18 August 2023 in Surat Thani. Supported by the Thailand Alliance for Sustainable Palm Oil (TASPO), the book showcases a decade of sustainability advancements driven by stakeholders across the Thai supply chain.

Surat Thani, recognised as a leader in sustainable palm oil in Thailand, was an appropriate location for the launch, being home to hundreds of RSPO Certified independent smallholders and with thousands more working toward RSPO Certification. To support these RSPO smallholders, RSPO in 2022 signed an MoU with the Surat Thani Provincial Office to improve market access, secure premium prices for certified products, and enhance farmer livelihoods.

As the world's third-largest palm oil producer, Thailand relies on smallholders for 70% of its production. Despite challenges like plantation management and limited financing, over 80 RSPO Certified independent smallholder groups now operate across six provinces in the south of the country, offering a model for global sustainable development.

Movers and Shakers: Palm Oil Production In India

All those delicious street snacks and wonderful dishes found in Mumbai, New Delhi and Chennai depend on vegetable oils, most of which is palm oil and most of which are imported. India is the world's single largest importer of palm oil. However, India is also a new frontier for palm oil production, as the country seeks to reduce its edible oil import bill by producing locally. As a nascent production market, RSPO has been working together with our members and partners in India to inculcate sustainability into the evolving journey of Indian palm oil.

While self-sufficiency is a tall order—Indian imports of palm oil in recent years have consistently been in the 8-10 million MT range—growth in India's domestic palm oil supply will have some level of impact on trade flows. In 2023, India estimated its total domestic area under oil palm cultivation at some 375,000 ha, with production concentrated in the southern states (such as Andhra Pradesh, Karnataka, Tamil Nadu and Telangana) and the northeastern states (such as Mizoram, Arunachal Pradesh and Nagaland). Current palm oil production is some 400,000 MT, which could potentially triple by 2030 based on the India government's projections.

Credit: Unsplash+, licensed by Ashwini Chaudhary (Monty)

RSPO certified mills sold 10.7 million MT of CSPO, as IP, SG and MB physical volumes or as RSPO Credits

Downstream CSPO consumption for final consumer or industrial goods has **grown to 9.8 million MT**

Midstream and Downstream (Sourcing and Consumption)

CSPO sourcing and consumption remained resilient in 2023 despite market disruptions. Of the 16.1 million MT of CSPO produced, nearly 50% (8 million MT) was sold by certified mills under RSPO's three physical chain of custody models: Identity Preserved (IP), Segregated (SG), and Mass Balance (MB). An additional 16.6% (2.67 million MT) was sold as RSPO Credits by mills or certified ISH groups, bringing total RSPO sales to 10.7 million MT or 66.3% of CSPO production (Figure 3). RSPO's share of CSPO sales has steadily increased since 2018, when it accounted for 52% of production.

The remaining 33.7% of CSPO supply entered the market either as ISCC-certified volumes or as conventional palm oil without sustainability claims. ISCC sales, typically 20–25% of CSPO supply, have declined significantly in recent years—from 3.2 million MT in 2020 to 1.4 million MT in 2023—due to Europe's reduced reliance on palm-based biodiesel feedstock. Consequently, CSPO volumes sold as conventional rose from 2.7 million MT in 2020 to 4 million MT in 2023, with increased RSPO sales unable to fully offset the decline in ISCC volumes.

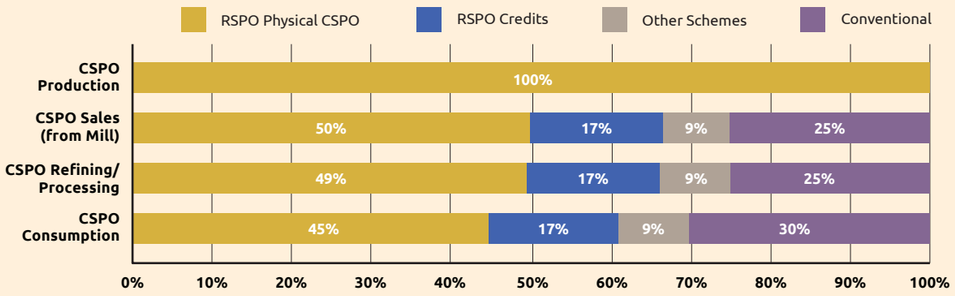


Figure 3 - CSPO production, sales and consumption flow through the supply chain (2023)[2]

[2]CSPO consumption extrapolated from RSPO PalmTrace traceability data and member's Annual Communication of Progress (ACOP) reports. CSPO consumption includes volumes used by Consumer Goods Manufacturers, Retailers and Processors operating in animal feed, biofuels and power generation.

Amid macroeconomic challenges in 2023, the continued growth in RSPO sales highlights the commitment of palm supply chains to sustainable sourcing. Despite a global recessionary climate and a cost-of-living crisis driven by high inflation, CSPO sourcing remained resilient.

As CSPO moves downstream, it undergoes processing into numerous fractions, derivatives, and ingredients, resulting in cumulative supply chain inefficiencies. These inefficiencies reduced the volume of CSPO used in final consumer or industrial products to 9.8 million MT, representing 12.6% of global palm oil consumption.

While inflation and weak consumer sentiment had limited direct impact on CSPO sales, they may have significantly influenced downstream sourcing strategies. Recent years saw an emphasis on physical sourcing of certified material, but 2023 marked a shift toward RSPO Credits. Physical CSPO volumes grew by 3.5%, while RSPO Credits rose sharply by 19.0%[3], driven largely by Consumer Goods Manufacturers. This sector increased physical sourcing by 103,000 MT but expanded RSPO Credits purchases by 644,733 MT (+45.4% year-on-year), likely due to disruptions or constraints in certified sourcing options.

Early 2024 data suggests this spike in RSPO Credits was temporary, with trends now returning to pre-2023 baselines.

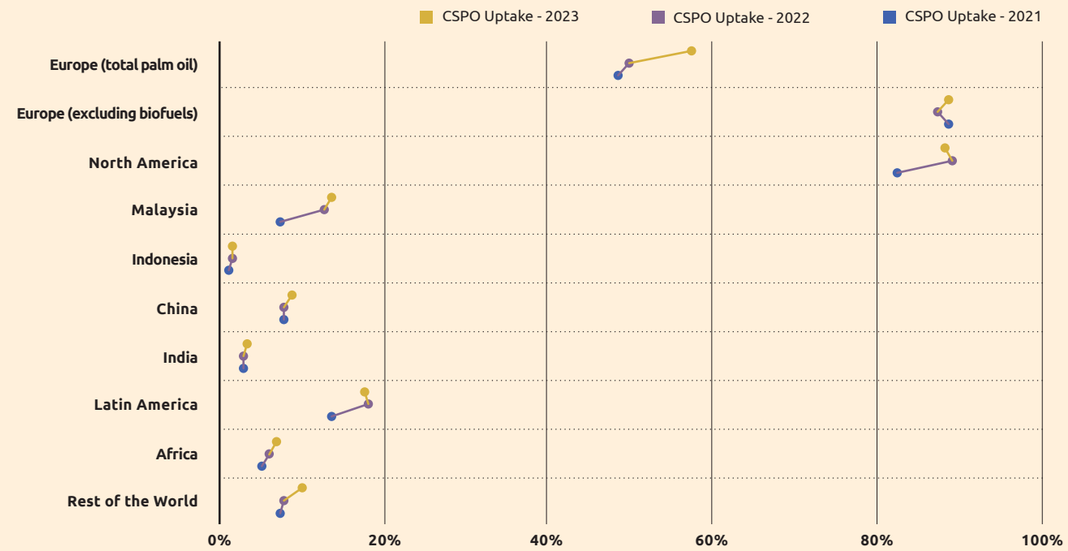


Figure 4 - CSPO uptake by key countries and regions (2023)

Europe and North America continue to dominate CSPO consumption, accounting for 4.7 million MT or 47% of total CSPO uptake, with regional adoption near 90%. However, growth in these mature markets is limited (Figure 4). Recognising this, RSPO has shifted its focus to emerging markets like China, India, Indonesia, and Malaysia, which are at lower levels of certified uptake but show promising progress. Malaysia and Latin America now report double-digit uptake, while growth is notable in Africa (primarily South Africa) and Rest of the World (ROW) regions like Japan and Australia. India's price-sensitive market added nearly 50,000 MT in 2023, while China, despite weak consumer spending and economic challenges, saw an increase in certified uptake due to a sharper decline in overall palm oil consumption.

For CSPKO, supply constraints which disrupted the market in 2022 eased slightly in 2023 as demand moderated, although availability remained tight. Elevated premiums seen during the earlier undersupply began to stabilise midway through 2023 as additional certified kernel crushing facilities became operational. Since December 2019, 48 more SCC Standard certified plants have come online, increasing overall CSPKO availability. Early 2024 trends suggest further easing, with improved supply supporting demand growth in this key segment, partly driven by the COVID-19 pandemic's impact on cleaning product markets.

[3]Data on RSPO Credits sales and purchasing patterns in 2023 has been adjusted to account for RSPO Credits claimed in 2023. Adjustments have also been made to account for an authorised significant bulk over-purchase of Mill Credits and IS-Credits by an RSPO member.

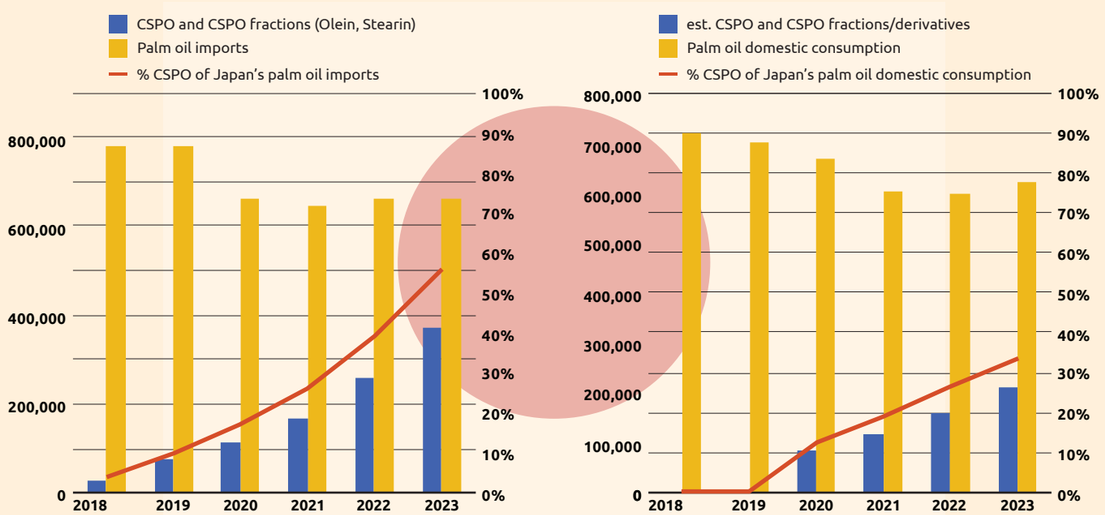
Japan: Land of the Rising Palm Oil Demand

In Tokyo's convenience stores, spotting the RSPO Trademark on bags of crisps, instant noodles, or ubiquitous boxes of Pocky snacks has become increasingly common. This visual shift reflects a significant market transformation: in 2023, over 50% of Japan's palm oil imports and 33% of its domestic palm oil consumption were certified as CSPO. Japanese RSPO members have embraced sustainable sourcing in a remarkable way.

This progress marks a sharp contrast to 2018, when CSPO accounted for just 3.9% of imports and 2% of consumption. The turning point came with preparations for the 2020 Tokyo Olympics, where procurement policies prioritised sustainability, sparking heightened awareness of responsible sourcing. Since then, demand for RSPO-certified products has surged. CSPO trade volumes in Japan rose from 30,300 MT in 2018 to over 370,000 MT in 2023, with consumption climbing from 20,000 MT to over 200,000 MT.

Trade and consumption of CSPKO have also grown, though supply constraints in the market have limited expansion. Early 2024 data suggests this upward trend will continue, supported by preparations for the Kansai World Expo 2025 in Osaka.

Credit: Midori, Creative Commons (CC BY 3.0)



Japanese trade/imports of palm oil and CSPO (2018-2023)*

*Japanese domestic consumption** of palm oil and CSPO (2018-2023)*

*Does not include palm or palm kernel derivatives
**Includes derivatives not captured in import data; excludes exports of products containing palm oil

Sustainable Tourism in Bali

In August 2023, the Indonesian Hotel and Restaurant Association (PHRI) in Bali reaffirmed its commitment to strengthening the island as Indonesia's leading ecotourism destination by adopting sustainable palm products. In collaboration with RSPO, PHRI Bali encouraged the Balinese tourism sector, including hotels and restaurants, to transition towards responsibly produced palm-based products such as cooking oil, soap, shampoo, and candles.

To achieve this, PHRI Bali and RSPO implemented initiatives to increase awareness among stakeholders, promote RSPO-certified products, and highlight efforts by PHRI members already adopting sustainable practices. This effort aligned with Bali's own eco-tourism goals and its Regional Action Plan for Sustainable Development Goals (SDGs).

RSPO member companies have supported this transition, emphasising the competitive advantage of sustainability for Bali's tourism industry. By adopting certified products, businesses in Bali are contributing to environmental preservation and positioning the province as a pioneer in sustainable tourism practices in Indonesia and beyond.


Credit: Jakub Halun, Creative Commons (CC BY-SA 4.0)

Making Make-Up Count: Sustainable Cosmetics

In November 2023, RSPO made its debut at COSMEX2023, in partnership with In-Cosmetics Asia, to promote sustainable palm oil solutions in the Asian cosmetics market. Held in Bangkok, Thailand, the event drew significant interest from traders, distributors, and manufacturers across Asia and beyond, offering RSPO opportunities to expand its global influence and partnerships.

With 30% of exhibitors as RSPO members, including Cargill and Kao, RSPO showcased its standards, distributed the Journey of Thai Palm Oil Towards Sustainability book, and highlighted its commitment to sustainability. A key feature was the session "Sustainable Cosmetics: The Future Face of Beauty", drawing a full house and reflecting growing demand for sustainability.

The RSPO booth at COSMEX2023 in Bangkok, Thailand

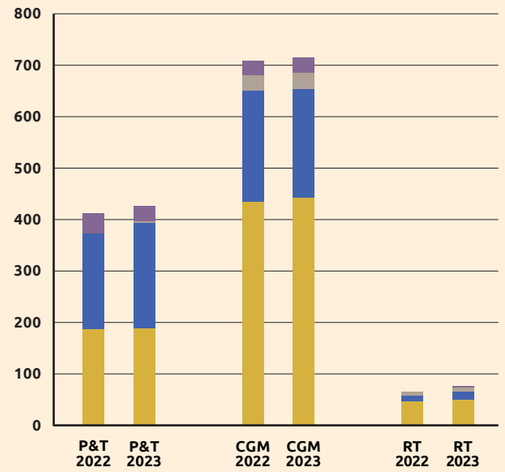
RSPO's presence underscored its role in advancing sustainable beauty practices and shaping the cosmetic industry's future.

Shared Responsibility

Of applicable P&T, CGM and Retailer members, **56% met their 2023 CSPO SR uptake targets**

Average 2023 SR Scorecards indicate improvement, particularly P&T, CGM and Retailers

Introduced in 2019, Shared Responsibility (SR) is a collective framework aiming to align RSPO's Ordinary non-grower members with RSPO's vision of making palm oil sustainable. The framework outlines requirements across four key areas: Transparency and Legality, Social, Environmental, and Resourcing. Members demonstrate their SR commitments through self-reporting during the Annual Communication of Progress (ACOP) cycle and via their MyRSPO profiles on the RSPO website. This approach fosters accountability and ensures active participation in achieving RSPO's sustainability goals.



Shared Responsibility Uptake Targets

Year	P&T	CGM and RT
2021	2%	12%
2022	2%	12%
2023	2%	12%

Uptake Target Performance Category

Category	Definition
Target met	Member met the annual uptake target OR Member increased CSPO uptake to 100%
Did not meet target	Member did not meet the annual uptake target
>95% uptake	Member with >95% CSPO uptake but did not meet uptake target
Did not submit ACOP	Uptake performance is unknown as member did not report ACOP

Figure 1 - Shared Responsibility CSPO uptake target performance (2022, 2023)

To promote CSPO consumption, RSPO's SR framework includes annual uptake targets for downstream supply chain members—Processors and Traders, Consumer Goods Manufacturers, and Retailers. In 2023, 56% of applicable members met their CSPO uptake targets, with sectoral breakdowns of 44% for Processors and Traders, 62% for Consumer Goods Manufacturers, and 67% for Retailers. While the percentage of members achieving or nearing their targets remained consistent with 2022, the absolute number increased from 703 in 2022 to 717 in 2023.

Launched in April 2023, the RSPO Shared Responsibility Scorecard provides a public overview of members' performance on SR requirements across the four thematic areas, including CSPO uptake targets. Scores, ranging from 0 to 10, reflect members' progress in their sustainability journey. Updated in September 2024 for 2023 data, the Scorecard highlights sectoral improvements, with notable average score increases for Processors and Traders (+0.83), Consumer Goods Manufacturers (+0.76), and Retailers (+0.93) compared to 2022.

RSPO Membership Sector	Average SR score (2022)	Average SR score (2023)[1]
Palm Oil Processors and/or Traders	1.62	2.45 ↑
Consumer Goods Manufacturers	2.07	2.83 ↑
Retailers	3.62	4.55 ↑
Banks and Investors	4.23	4.26 ↑
Environmental or Nature NGOs	3.55	2.99 ↓
Social or Development NGOs	2.66	1.98 ↓

Figure 2 - Average Shared Responsibility scores by membership sector (2022 and 2023)

[1]The Shared Responsibility Scorecard methodology for 2023 was revised to account for the requirement of self verification.

Shared Responsibility Excellence Awards

Since 2022, RSPO has recognised members demonstrating exemplary leadership in SR at its annual Roundtable conference. These recognitions celebrate outstanding contributions and serve as inspiration for others. At RT2022 in Kuala Lumpur, Malaysia, the following 'Wall of Fame' RSPO members received the Shared Responsibility for Market Transformation Award.

Processors and/or Traders: Wilmar International
Consumer Goods Manufacturers: McCormick & Company
Retailers: McDonald's
Banks and Investors: Citi
Environmental NGOs: Fauna & Flora (FFI)
Social NGOs: International Committee of the Red Cross - ICRC

At RT2023 in Jakarta, Indonesia, the following RSPO members were honoured as nominees for the Shared Responsibility Award, recognising exceptional results in their SR Scorecards, effective advocacy of SR, and the tangible positive impact SR had on their business

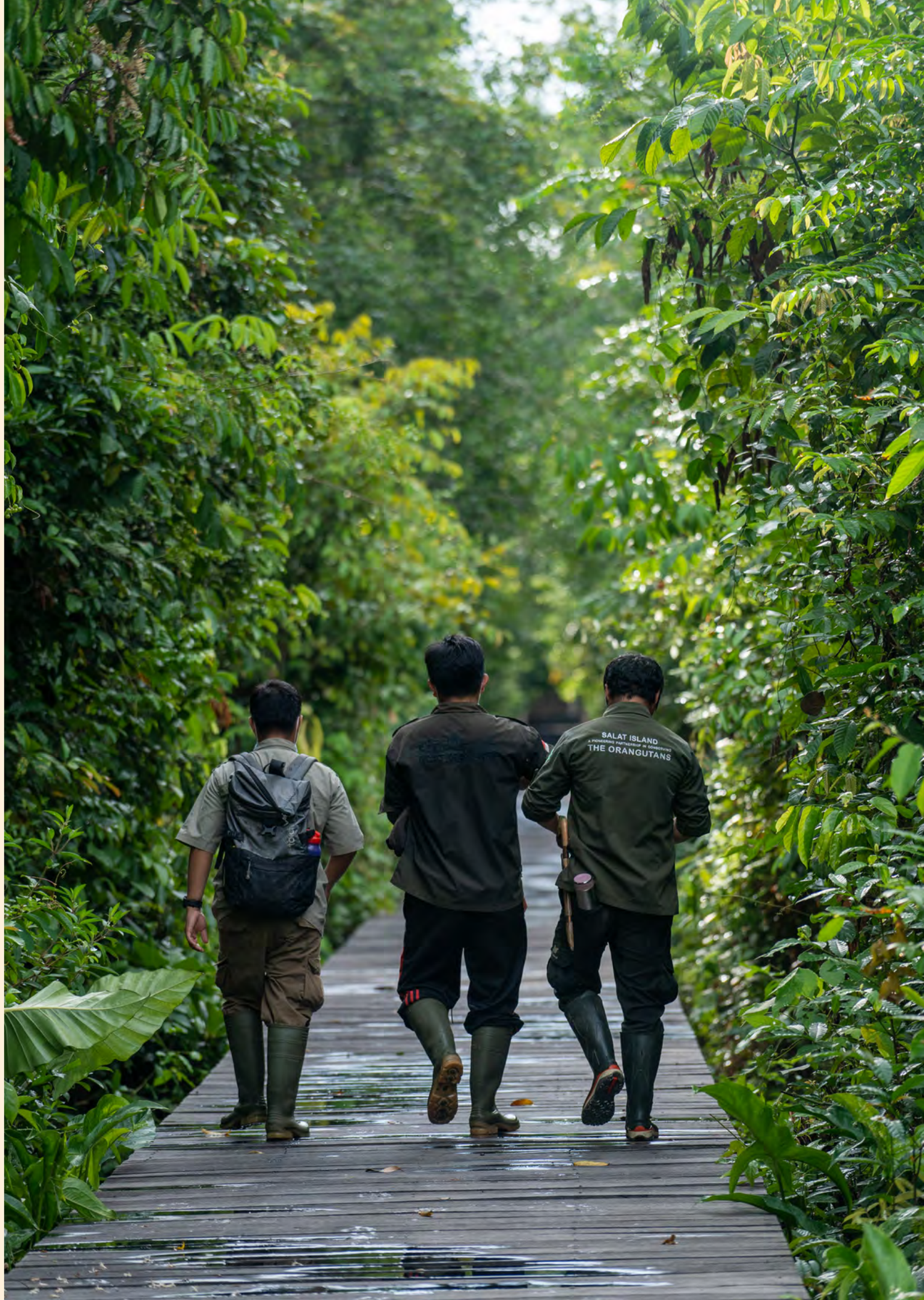
Consumer Goods Manufacturers: The Estee Lauder Companies, for The Estee Lauder Companies' Shared Responsibility Journey
Retailers: Lidl Stiftung & Co KG, for Lidl International's Sustainable Palm Oil Strategy
Banks & Investors: Robeco, for Sustainable investing in palm oil
Environmental NGOs: WWF International, for the Asia Sustainable Palm Oil Links Programme (winner)
Social NGOs: Both ENDS, for Both ENDS Shared Responsibility initiatives

SMILE, a Shared Responsibility role model

Global trade depends on complex supply chains, but oftentimes some participants are left out, especially smallholders at the very start of the chain. Responding to this, RSPO members APICAL, Asian Agri, and Kao Corporation launched the Smallholder Inclusion for Better Livelihood and Empowerment (SMILE) programme in 2020, engaging over 3,000 independent smallholders from Riau, Indonesia on sustainable practices and reducing barriers to market access through certification.

The impact of SMILE has been tangible: cultivation costs were lowered by 30%, while yields were boosted with training. This allows SMILE smallholders to sell their FFB at a premium, with Japan's Kao also committed to purchasing all RSPO IS-Credits from participating smallholders. With the initial success, SMILE expanded to North Sumatra and Jambi in 2023, engaging three new smallholder cooperatives comprising over 1,100 independent smallholders.

Programmes like SMILE exemplify how ambitious collaboration across the supply chain can create a robust ecosystem that balances sustainable production, responsible consumption and equitable inclusivity. Achieving this is a shared responsibility, and is necessary to truly transform the palm oil value chain.



Credit: shutterstock

Working Together

CHAPTER

10

Working Together

Long-term Outcome (L8): In partnership, palm oil sustainability standards are adapted, embedded and implemented in production and consumption markets/industries (especially emerging ones)

RSPO is a global partnership to make palm oil sustainable. This ambitious vision cannot be achieved alone—it requires the cooperation of diverse stakeholder groups, united by a shared purpose, to collectively advance sustainable practices in palm oil. Achieving this goal means enlisting technical expertise and specialised tools to translate RSPO standards, systems, and procedures into practical and actionable steps. It requires amplifying diverse voices to ensure inclusive sustainability, where all perspectives are represented and valued. Success also depends on fostering partnerships and tailored strategies across regions to shift production patterns and influence consumer behaviour. As a roundtable, RSPO offers stakeholders an equal platform, inviting them to participate fully in the collaborative task of adapting, embedding, and implementing RSPO's sustainability mechanisms through consensus and partnership.

Partnerships and Collaborations

Since 2018, **RSPO and over 250 partners and collaborators** have advanced sustainability goals

RSPO held its **first Research Symposium** in September 2023

Implementation and Cooperation

To implement RSPO standards and advance its sustainability goals, RSPO works together with a network of committed partners, as the RSPO Theory of Change recognises that RSPO will only be able to succeed through the active and meaningful contribution of all stakeholders.

These partnerships span a wide range, involving both RSPO members and external collaborators. This includes convening groups comprised of members and technical experts to revise RSPO standards, systems, and procedures—such as the multi-stakeholder revisions of the RSPO Principles and Criteria, National Interpretations of the RSPO P&C (see National Interpretations, pg. 116), and updating the RSPO Complaints and Appeals Procedure (see Improving the RSPO Complaints System, pg. 45). RSPO also collaborates with specialised organisations to develop supplementary guidance, partnering with groups like the Global Environment Centre (GEC) for RSPO Best Management Practices (BMPs) on peatlands and international organisations such as UNICEF to enhance child rights protections.

It can take the form of specific objectives, such as with an Intermediary Organisation (IMO) to engage with local communities in a specific country (see Community Engagement, pg. 53), or piloting potential technology for field application (e.g., worker voice tools). It could also be through Memoranda of Understanding (MoU) on a variety of topics, where the list of active RSPO partnerships includes:

- MoU with the **World Association of Zoos and Aquariums (WAZA)** to consolidate, develop and detail cooperation and effectiveness to achieve common objectives in the field of conservation of biodiversity (signed 2017)
- MoU with **UNICEF** to promote children's rights in the palm oil sector (signed 2017)
- MoU with **China Chain Store & Franchise Association (CCFA)** for bilateral cooperation to promote sustainable products and sustainable supply chains in China (signed 2018)
- MoU with **International Finance Corporation (IFC)** to improve the sustainability performance and increase incomes of oil palm smallholders (signed 2019)
- MoU with the **Global Green Growth Institute (GGGI)** to enhance the sustainability of palm as part of green growth development (signed 2020)
- MoU with **Partners of the Americas (POA)** to mutually collaborate to promote and share good practices related to eradication of child labour, forced labour and encouraging acceptable conditions of work in the palm oil industry (signed 2020)
- MoU with **USAID SEGAR** to advance systemic change in the sustainable palm oil market system in Indonesia (signed 2022)
- MoUs with the **Mexican Federation of Oil Palm Producers (FEMEXPALMA)** to align strategic efforts with an objective to certify 40% of palm oil production in Mexico (signed 2022)
- MoUs with the **Guild of Palm Growers of Guatemala (GREPALMA)** to align strategic efforts with an objective to certify 75% of palm oil production in Guatemala (signed 2022)
- MoU with the **Surat Thani Provincial Office** to support scaling up Surat Thani as the national model city for sustainable palm oil in Thailand (signed 2022)
- MoU with the **Jambi Provincial and District Government** and local organisations to scale up palm smallholder inclusion in the sustainability ecosystem through ISPO certification (signed 2022)
- MoU with the Center for International Private Enterprise (CIPE) to support a more transparent and sustainable palm oil sector in Indonesia (signed 2023)
- MoU with **Solidaridad and AAK** to advance sustainability in the Mexican palm oil value chain and increase engagement with smallholder farmers (signed 2024)
- MoU with the **Indian Vegetable Oil Producers' Association (IVPA)** to promote sustainable cultivation and imports of palm oil in India (signed 2024)

Since 2018, RSPO has partnered and collaborated with over 250 companies, organisations, institutions, and governments to adapt, embed, implement, and advance its sustainability goals.

HCV Network (HCVN)

To ensure the credible application of RSPO standards, systems, and procedures in addressing deforestation risk, RSPO relies on the Assessor Licensing Scheme (ALS), administered by its trusted partner, HCVN. Established in 2014, the ALS enhances the competency of High Conservation Value (HCV) assessors and the quality of assessment reports by licensing qualified assessors for HCV and/or HCV-HCSA assessments, evaluating their work, and providing guidance and support. Reliable assurance and high-quality HCV and HCV-HCSA assessments are essential for RSPO, and we look forward to further strengthening our partnership with HCVN in these efforts.

Assurance Services International (ASI)

ASI is RSPO's trusted partner for independent, third-party assurance. Appointed as RSPO's Accreditation Body (AB) in 2014, ASI approves and oversees Certification Bodies (CBs)—also known as Conformity Assessment Bodies (CABs)—accredited to certify sites and facilities against RSPO standards. As of 30 September 2024, ASI has accredited ten CBs for the RSPO Principles and Criteria and the RSPO Independent Smallholder (ISH) Standard, and 23 CBs for the RSPO Supply Chain Certification (SCC) Standard.

Research and Evidence

Research is a vital tool for understanding the impact of RSPO's work, generating evidence of success, and identifying best practices that can be scaled across the palm oil value chain. It also highlights challenges and guides future initiatives, supporting continuous improvement of RSPO standards, systems, and procedures in sustainable agriculture.

RSPO collaborates with research institutions and researchers through both independent and commissioned studies. For independent research, we support researchers by providing data, reviewing findings, and ensuring conclusions are fair and objective. For RSPO-commissioned research, the RSPO Research Agenda, established in 2018, directs projects that validate the RSPO Theory of Change. The agenda is scheduled for an update in 2025 following the Theory of Change revision. A comprehensive list of independent and RSPO-commissioned studies is accessible in the RSPO Research Library on our website.

To increase research and raise awareness of sustainable palm oil in agriculture and development, particularly among youth and the general public, RSPO also partners with higher education institutions. We currently have partnerships with Monash University Malaysia and Universitas Gadjah Mada (UGM) in Indonesia and aim to expand such collaborations, especially in key palm oil-producing regions.

The RSPO-UGM Memorandum of Understanding

On 7 November 2023, RSPO and Universitas Gadjah Mada (UGM) signed a five-year Memorandum of Understanding (MoU) to enhance collaboration in promoting sustainable palm oil practices in Indonesia through research, education, and youth engagement. Key areas of cooperation identified by RSPO and UGM include:

- Joint research and co-hosted events to address critical palm oil sector issues and encourage knowledge sharing
- Providing practical experience for UGM students through internships, workshops, and career expos
- Programmes to inspire young sustainability advocates

RSPO and UGM will jointly fund these activities, aiming to build capacity and prepare future sustainability leaders. This collaboration furthers RSPO's strategy to better engage academia globally and support sustainable practices in the palm oil industry.

Credit: Universitas Gadjah Mada (UGM)

The First RSPO Research Symposium

RSPO, in partnership with Monash University Malaysia, held the inaugural Joint Research Symposium on Sustainable Palm Oil in September 2023. The landmark event gathered over 100 delegates from 35 institutions worldwide (including researchers, industry experts, and stakeholders) to participate in panel discussions and presentations on key sustainability topics, including circular economy practices, labour rights, smallholder empowerment, and high conservation area protection. As a platform to allow for sharing research, exchanging ideas, and fostering collaboration, the Research Symposium is intended by RSPO to become a recurring gathering of stakeholders and researchers involved in palm oil to enrich the global discourse on sustainable palm oil.

The Research Symposium is the culmination of numerous joint activities between RSPO and Monash University Malaysia, underpinned by RSPO's first-ever MoU with a research institution signed with Monash in December 2020. Looking ahead, RSPO is excited to build on this momentum with future symposia, to drive progress in sustainable palm oil and shape the industry's future.

Convene for Change

RSPO is governed by **balanced and proportional representation**

In collaboration, RSPO has **developed 18 National Interpretations** of the 2018 RSPO P&C

The opening photo of this section shows the formation of RSPO in Zurich, Switzerland, on 8 April 2004—the genesis of an ambitious sustainability vision.

RSPO brings together stakeholders from across the palm oil value chain to act as partners in making palm oil sustainable. Within the organisation, members collaborate to propose, debate, and decide on the creation, adaptation, and implementation of RSPO standards, systems, and procedures to ensure relevance and positive impact. Beyond its membership, RSPO also engages with external stakeholders, including governments and like-minded organisations, to integrate sustainability into the production and consumption of palm oil and its products.

Internal Order

Decisions within RSPO are reached through consensus. The seven Ordinary membership sectors—Oil Palm Growers, Processors and/or Traders, Consumer Goods Manufacturers, Retailers, Banks and Investors, Environment NGOs and Social NGOs—embody RSPO's multi-stakeholder approach, a core principle since 2004. Achieving consensus among these diverse constituencies ensures a balanced and inclusive decision-making process.

Sector/Member Category	Number of Seats
Oil Palm Growers	4*
(Representing Indonesia, Malaysia, Rest of the World and Smallholder)	
Palm Oil Processors and/or Traders	2
Consumer Goods Manufacturers	2
Retailers	2
Banks/Investors	2
Environmental/Nature Conservation NGOs	2
Social/Development NGOs	2

Figure 1 - Representation and composition of the RSPO Board of Governors

Management of the organisation is overseen by the RSPO Board of Governors (BoG) with balanced representation of the seven sectors—four for Oil Palm Growers to represent the key production regions and producer types, and two for each of the other six sectors[1] (Figure 1). For efficient and progressive management, the BoG is supported by four Standing Committees (SCs)—Standards, Assurance, Market Development, and Smallholders—each with thematic workstreams. These SCs may establish Working Groups (WGs) or Task Forces (TFs) as temporary or permanent bodies to address complex challenges. Each SC, WG, and TF also operates on a multi-stakeholder, consensus-based approach with balanced representation, guided by Terms of Reference that outline its objectives, mandate, structure, composition, and management.

Each year, RSPO Members gather for the annual RSPO General Assembly (GA) to set the organisation's direction through major decisions. With over 2,000 Ordinary members across the seven sectors, any member may propose a resolution for GA adoption, and every member has voting rights on these resolutions (see Decisions, Decisions: Proportional Representation, pg. 115). Key proposals adopted at past GAs include new or revised RSPO Standards, amendments to RSPO Statutes, Annual Communication of Progress (ACOP) reporting, and the launch of the RSPO Smallholder Strategy in 2017.

[1]The BoG is supported by the Alternate Board of Governors, based on the same balance and proportion of seats as the BoG.

Decisions, Decisions: Proportional Representation

Balanced representation is essential to RSPO's multi-stakeholder, consensus-based approach, with proportional representation ensuring fairness on key decisions. For instance, when revising the RSPO Principles and Criteria, the designated Task Force allocated 50% of seats to Oil Palm Growers, 25% to Environmental and Social NGOs, and 25% to the other sectors, acknowledging the responsibility of growers in implementation while valuing civil society's input. Similarly, proposed resolutions at the General Assembly require backing from at least three of the seven sectors to ensure broad support. Voting on these resolutions follows a weighted system based on Board of Governors' seat allocation, with Oil Palm Growers holding 25% and each of the other sectors holding 12.5%.

Reaching Out

While RSPO governance bodies meet regularly and the General Assembly is held annually, RSPO's efforts to foster dialogue beyond its membership are ongoing. As a voluntary membership-based standards organisation, RSPO has defined boundaries to its actions. Nonetheless, it actively engages external stakeholders, including supportive governments, to leverage additional mechanisms that promote sustainable palm oil. This collaboration enables a scale of impact that RSPO alone could not achieve.

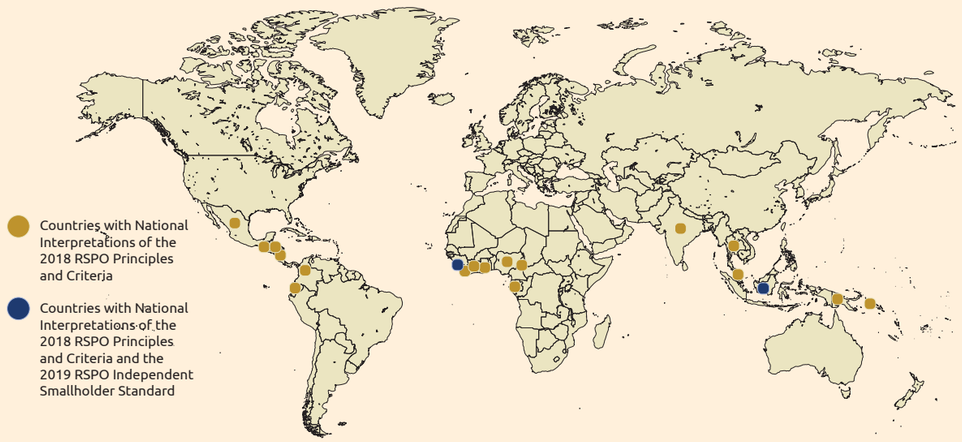
For example, in June 2019 the government of Gabon adopted the RSPO Principles and Criteria as its national standard to govern the Gabonese sustainable palm oil production, becoming the first country to adopt the RSPO P&C into national policy. In 2023, the Edo State government in Nigeria also adopted the RSPO P&C for palm oil development within the state. And in July 2024, the Indonesian Ministry of Agriculture announced that 1,340 smallholder farmers from three RSPO pilot districts in Jambi Province (Tanjung Jabung Barat, Sarolangun and Tebo) had been successfully mapped and registered as part of RSPO's 2022 MoU with the Provincial Government of Jambi to achieve large-scale smallholder inclusion.

RSPO's engagements reach beyond production countries, extending to governments and multi-stakeholder platforms in key consumption regions. This includes supporting alliances or coalitions such as the North America Sustainable Palm Oil Network (NASPON), the Japan Sustainable Palm Oil Network (JASPON), Palm Oil Network Switzerland, the German Forum for Sustainable Palm Oil (FONAP), the Sustainable Palm Oil Coalition for India (I-SPOC), the China Sustainable Palm Oil Alliance (CSPOA) and the oleochemicals-focused Action for Sustainable Derivatives (ASD). These collaborations aim to raise awareness and increase RSPO Certified volume uptake within specific countries and markets, as well as fostering regional strategies to drive sustainable sourcing of RSPO Certified palm oil.

RSPO's ability to engineer credible action among diverse stakeholders grants it significant influence, resulting in RSPO standards, systems or procedures being referenced, accepted, or mandated in various national and international policies and frameworks. In Singapore, the Monetary Authority of Singapore (MAS) references RSPO membership and certification as examples of additional requirements when financing high-risk sectors for environmental risk management[2]. RSPO Annual Communications of Progress (ACOP) data forms an important component of the WWF's Palm Oil Scorecard and the Zoological Society of London's SPOTT assessments, and is the basis of the World Association of Zoos and Aquarium (WAZA)'s sustainability-rating barcode-scanning PalmOil Scan mobile app. And since the 2020 World Expo in Dubai[3], RSPO has been included in the procurement policies of Bureau International des Expositions (BIE) international exhibitions, with the upcoming Kansai Expo 2025 in Japan mandating the sourcing of certified sustainable palm oil for cooking oil and cleaning products, and prioritising certified sourcing for processed food products[4].

Adapting RSPO Standards For Context: National Interpretations

The RSPO Principles and Criteria (P&C) serve as a general standard for sustainable oil palm cultivation and palm oil production that is applicable worldwide. However, local contexts, operational realities, and legal requirements can differ significantly between countries. To enable effective implementation within specific countries, members in that country may initiate a multi-stakeholder National Interpretation (NI) process. This approach allows adaptation of the general RSPO P&C to fit national circumstances, guided by clear rules and supported by RSPO. Such adaptations are essential to maintaining the standard's global credibility while ensuring practical enforceability. For the 2018 RSPO P&C, 18 NIs were developed for implementation in 19 countries. For the 2019 RSPO Independent Smallholder (ISH) Standard, two NIs were developed (Indonesia and a Local Interpretation for Côte d'Ivoire).



Countries with National Interpretations of current RSPO Standards

[2]3.1, Identification and Approach to High-Risk Sectors, Information Paper on Environmental Risk Management (Banks), May 2022, Monetary Authority of Singapore
[3]Chapter 4, G-25, 'Expo 2020 RISE Guidelines for Sustainable Operations
[4]RSPO, MSPO and ISPO are the referenced standards, with a recommendation of purchasing RSPO Credits if physical certified volumes are unavailable (pg. 44, Expo 2025 Code of Sustainable Procurement)

CHAPTER

11

Advancing and Ensuring Sustainability

Long-term Outcome (L9): Contemporary environmental and social expectations are met by constant progress and innovation in standards, operations and certification, improving prosperity for all

The continued growth and expansion of RSPO Certification reflect a broad industry acceptance and commitment to the RSPO Standards. This progress is more than just about an increase in numbers, the scale of RSPO Certification amplifies our ability to drive and sustain positive impacts globally. It also reinforces the implementation of the RSPO Principles and Criteria, as well as the RSPO ISH Standard, supporting their social, environmental and ethical objectives.

Building on a foundation of rigorous certification, credible assurance and trustworthy claims, RSPO is well-positioned to explore innovative certification approaches, such as landscape or jurisdictional models, and to harness technology and digital tools to enhance traceability throughout the supply chain. To advance sustainability, we provide resources and knowledge to our members and the broader palm oil sector, fostering shared prosperity. Leveraging our expertise, we also collaborate with other sustainability systems to address common challenges, thus driving sustainability across commodities to further global sustainable development.

Certification Trends

RSPO P&C certification has reached **a new milestone at 5.2 million ha**

Indonesia and Malaysia account for **75% of certified area**

Reach of Certification

As of December 2023, the certified area under the 2018 RSPO P&C reached 5.2 million hectares across 23 countries, up from 4.9 million hectares in 2022 (Figure 1). Indonesia and Malaysia still represent the majority of certified areas (75%), but Latin America continues to show notable growth, with certification now extending to Panama—the ninth country in the region to join the RSPO P&C certified group. Certification in Africa is also accelerating, adding over 100,000 hectares in 2023, primarily from Cameroon, Côte d'Ivoire, and Nigeria.

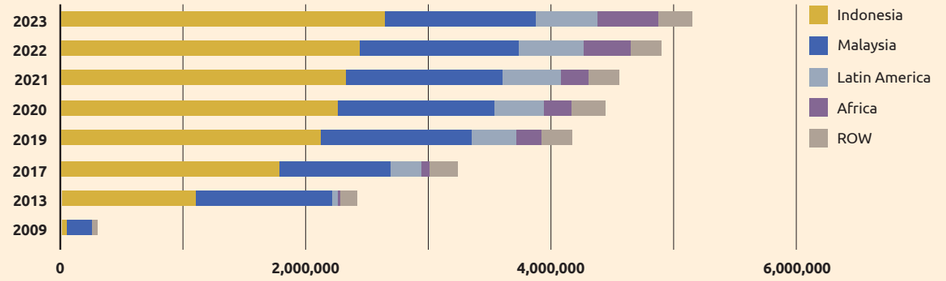


Figure 1 - Evolution of RSPO certified area (hectares/ha) by country or region

Of the 5.2 million hectares of RSPO Certified area, 3.72 million hectares are classified as production areas[1]. Global estimates of total oil palm production area vary; for instance, the FAOSTAT database of the UN Food and Agriculture Organization estimates that, in 2022, over 30 million hectares were harvested for oil palm fruit. This figure likely includes significant subsistence-level cultivation areas in West Africa. Based on the FAO estimates, approximately 12.4% of global palm oil production land is certified under the RSPO P&C certification.

Fresh Fruit Bunches (FFB) ethically harvested from sustainably cultivated, certified production areas were delivered to 515 RSPO Certified mills in 2023, to produce Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK). RSPO certified mills account for 23.6% of the 2,178 palm oil mills tracked by the Universal Mill List[2] (Figure 2). In 2023, the highest number of new RSPO P&C certifications were issued to mills in Indonesia (+17), followed by Latin America (+6) and Africa (+3), reflecting broad-based global growth. The number of certified mills in Malaysia, however, declined by six, likely due to timing fluctuations or certificate expirations, rather than suspensions or member resignations.

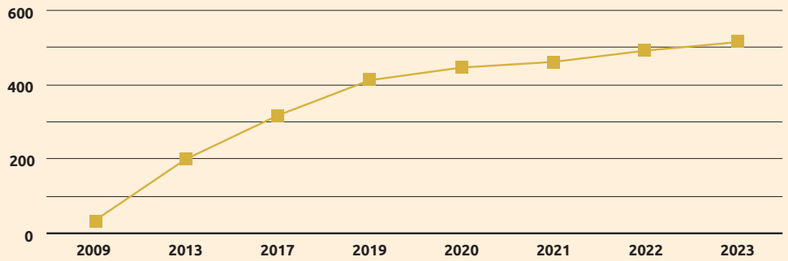


Figure 2 - Evolution of RSPO certified mills (global)

Analysis of RSPO membership and Disclosure data (see Remediation, pg. 85) shows that there are at least 20 potential new RSPO Oil Palm Growers in the membership pipeline (mainly across Indonesia, Latin America, and Africa). Once these members complete the necessary membership prerequisite processes—such as Land Use Change Analysis (LUCA) or the Remediation and Compensation Procedure (RaCP)—their mills will be eligible for initial certification against the RSPO P&C.

[1]The difference between certified and production area is the hectare dedicated to conservation and infrastructure (e.g., buildings such as mills, offices, storage, or infrastructure such as roads, water treatment areas).
[2]The Universal Mill List was launched in 2018, developed by the World Resources Institute (WRI), Rainforest Alliance, Proforest and Daemeter, with contributions from RSPO et. al.

The number of RSPO certified palm oil mills **grew by 22 sites**

Average CSPO yields are 4.3 MT/ha, **nearly 50% higher** than non-RSPO palm oil yields

Traceability and Productivity

The total number and geographical distribution of certified mills is important, as it demonstrates the reach of RSPO Certification. Equally important is the type of traceability supply chain model under which these mills are certified.

Of the 515 certified mills in 2023 (Figure 3), 335 are certified under the Mass Balance (MB) model, and 159 under the Identity Preserved (IP) model, with an additional 21 certified as dual IP-MB. Proportionally, MB certification is most common in Indonesia and Africa, while IP certification is more widespread in other regions. Malaysia and Latin America show a relatively balanced distribution of both types. Since 2018, the growth of new MB mills has surpassed that of new IP mills, reflecting a shift driven by CSPO demand in emerging markets where midstream or downstream IP or Segregated (SG) infrastructure is still limited. In 2023, the number of MB mills increased by 22, while the number of IP mills remained stable.

Country/Region	Certification Model							
	IP		MB		IP, MB		Total	
Indonesia	**50**	(+0)	**208**	(+18)	**10**	(-1)	268	(+17)
Malaysia	**57**	(+1)	**73**	(-6)	**0**	(-1)	130	(-6)
Latin America	**26**	(-6)	**30**	(+9)	**8**	(+3)	64	(+6)
Africa	**8**	(+4)	**18**	(-1)	**1**	(+0)	27	(+3)
ROW	**18**	(+1)	**6**	(+2)	**2**	(-1)	26	(+2)
Total	**159**	(+0)	**335**	(+22)	**21**	(+0)	515	(+22)

Figure 3 - Active certified mills by country/region and Supply Chain Model[3]

By analysing data on certified production areas and output, RSPO can estimate indicative productivity levels for CSPO. In 2022, the global average CSPO yield was 4.3 MT/ha, a slight decrease from 2021 due to weather challenges in Southeast Asia impacting harvests and distribution, as well as the gradual addition of new P&C certifications throughout the year. In comparison, the global average yield for all palm oil was 2.7 MT/ha, suggesting an average yield of 2.4 MT/ha[4] for non-RSPO Certified palm oil.

[3]The number of active P&C certified mills is a combination of the number of new mills (and associated supply base estates, known as a Unit of Certification or unit) receiving their first-ever certifications, and fluctuations in the existing base of certified mills. Such fluctuations can be caused by a number of factors, including current status of P&C certification (e.g., suspensions, lapses or delays, extensions) or status of RSPO membership. Certified mills may also initiate changes to their certification's supply chain model - from MB to IP, or vice versa - as a business decision independent of RSPO rules.
[4]RSPO yields calculated from RSPO Assurance data. Global yield calculated from RSPO estimates for total palm oil production (Source: USDA, national sources) and total palm oil hectarage (RSPO estimates of 25,200,000 ha from national sources, industry bodies or available research studies). RSPO and global yield data for 2022 has been recalculated for accuracy based on updated data sources.

Complying, Verifying, Tracking and Tracing: RSPO Standards

The RSPO has three certification standards—the RSPO Principles and Criteria and the RSPO Independent Smallholder (ISH) Standard for upstream production; the RSPO Supply Chain Certification (SCC) Standard for downstream chain of custody; and the RSPO Rules On Market Communications & Claims for sustainability claims. Together, these four key documents cover the entire sustainability journey of RSPO certification to demonstrate traceability and provide assurance that RSPO certified palm oil and oil palm products, and its many fractions, derivatives and permutations, is sustainable.

Simplified palm oil and palm kernel supply chain (and relevant RSPO Standards)

Compared to other vegetable oils (Figure 4), palm oil—whether CSPO, non-RSPO, or total—is by far the most land-efficient crop. CSPO is over six times more productive than sunflower oil (0.74 MT/ha) and more than 10 and 20 times more productive than soybean and coconut oil, respectively. CSPO accounts for 20.1% of global palm oil production, even though RSPO Certified areas represent 12.4% of the global oil palm planted area. This difference highlights the higher yields and productivity achieved by RSPO Members, which include some of the world's largest plantation companies, potentially reflecting the impact of best management practices required by RSPO Certification.

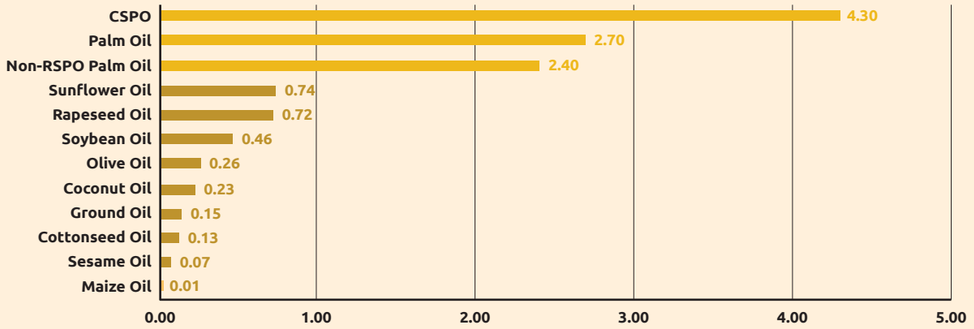


Figure 4 - Comparative average yields (MT/ha) of palm oil (RSPO, non-RSPO) and other vegetable oils[5]

[5]Yields for other vegetable oils based on oil production and area harvested data from FAOStat using 2020 or 2021 data, the latest of which is available.

In terms of productivity, there is considerable variation within RSPO Certification. Some Units of Certification have yields as high as 6 MT/ha or as low as 2 MT/ha. Weather, soil fertility, labour efficiency, seed varieties, and other factors factor into potential yields. A 2017 research study[6] calculated that potential yields could be higher than 8 MT/ha in most regions given optimal conditions. The study highlighted that the key factors impacting yields are pest and disease pressure, water limitations, and sub-optimal nutrient application rates (estimated at 40-90% of recommended rates in Southeast Asia).

Understanding these constraints is essential for RSPO to refine our standards, systems, procedures, and provide guidance to help growers boost productivity. By supporting members to produce more palm oil on the same land area, RSPO can amplify positive impacts, particularly for smaller plantations, while also reducing the pressure for land expansion to meet increasing demand.

EUDR: A Paradigm Shift In Traceability Expectations

The supply chain traceability framework used by most sustainability certification schemes, including RSPO, relies on four chain of custody models: Identity Preserved (IP), Segregated (SG), Mass Balance (MB) and Book and Claim (RSPO Credits). Since 2005, this certification approach has been widely accepted by both producers and the market. However, there was a game change in May 2023 when the European Union Deforestation Regulation (EUDR) was adopted, requiring EU importers and exporters of seven forest-risk commodities, including palm oil, to demonstrate that products were deforestation-free as of 30 December 2020.

This regulatory change is part of a broader trend. The US Forest Act was reintroduced in the US Senate in November 2023, and secondary legislation is being implemented in the UK under the Environment Act 2021 to regulate trade of the same list of forest-risk commodities. While the US and UK regulations have similar (if slightly less stringent) traceability requirements than the EUDR, this shift in market expectations is substantial. Traditional chain of custody certification models alone are no longer enough; detailed data and traceability information are now essential.

With over two decades of experience, RSPO already possesses much of the data required for such regulatory due diligence. The next step is delivering it efficiently. RSPO is developing prisma, a digital certification, trade, and traceability system that provides the digital traceability necessary for members to comply with these new regulations (see prisma, pg. 21). It is also worth noting that palm oil and oil palm products certified and traded as RSPO IP or SG carry the least risk of information gaps, aligning closely with these evolving regulations.

[6]Woittiez, L., van Wijk, M., Slingerland, M., van Noordwijk, M., & Giller, K. (2017). Yield gaps in oil palm: A quantitative review of contributing factors. European Journal Of Agronomy, 83, 57-77. doi: 10.1016/j.eja.2016.11.002.

The number of RSPO certified downstream supply chain facilities **increased to 6,907 sites**

SCC Standard Certification is gaining pace globally, **especially China, Japan, India and Brazil**

Extent of Certification

To ensure credibility of sustainability claims, the RSPO Supply Chain Certification (SCC) Standard plays a vital role in assuring that palm oil produced sustainably is also traded, distributed, refined, or processed as sustainable throughout the complex downstream supply chain. If a product containing CSPO is sold to a non-certified site, the traceability chain halts and products from that supply chain node onwards will no longer be certified or traceable.

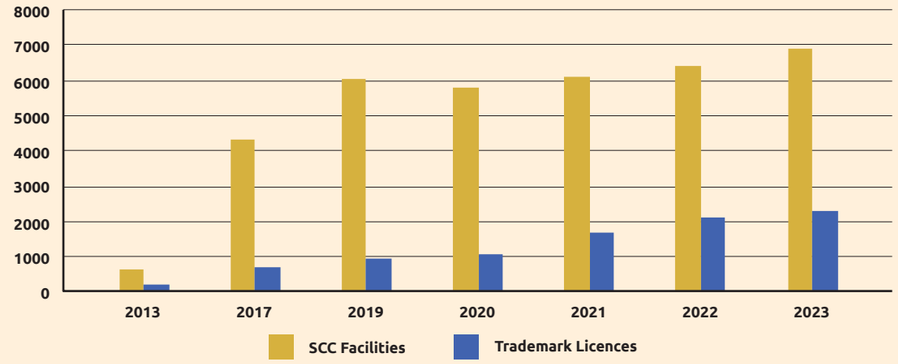


Figure 5 - Evolution of RSPO SCC certified facilities and Trademark licences

The number of RSPO SCC Standard certified facilities has seen significant and consistent growth, with the exception of a COVID-19 related decline in 2020, from only 612 sites in 2013. In 2023, there were 6,907 RSPO certified midstream and downstream facilities (Figure 5), an increase of 479 from 2022, or a 7.5% year-on-year growth.

Most RSPO SCC Standard Certified facilities are located in Europe (51%), followed by North America (16%) (Figure 6). This concentration aligns with high levels of certified consumption in these markets. However, certification is also expanding in other key downstream markets, with notable growth in China (+55 certified facilities since 2022), Japan (+47), India (+25), Brazil (+16), and South Korea (+14). This increase in certification is encouraging, reflecting progress of newer markets toward sourcing RSPO Certified palm oil and related products.

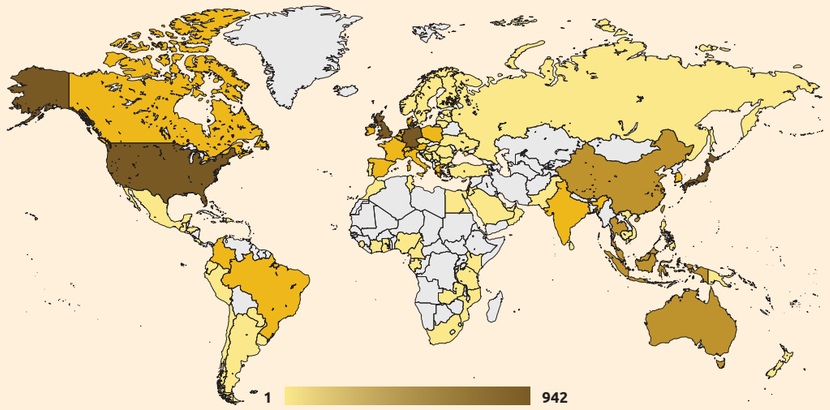


Figure 6 - Global distribution of RSPO SCC certified facilities

On consumer visibility of RSPO Certification, use of the RSPO Trademark has grown from 181 licences covering 27 countries in 2013 to 2,294 licences covering over 100 countries and territories in 2023 (Figure 6), used for both general communications claims and on-pack labelling. This is an increase of 156 licences from 2022, or a 7.3% year-on-year growth.

The RSPO Trademark And Making RSPO Sustainability Claims

In October 2022, the RSPO Rules on Market Communications and Claims was introduced as a standard to govern the usage of the RSPO Trademark and RSPO Labels. Supplementary to the RSPO Supply Chain Certification (SCC) Standard, the rules are broken down into two core areas of communication:

- **General Corporate Communications:** For RSPO Members to confirm their status as members and their support for RSPO's objectives.
- **Product-Specific Communications:** For RSPO Members in the supply chain to communicate to other companies in the supply chain or to end consumers about: the presence of RSPO Certified palm oil or oil palm product content in their products, or that their products support the production of RSPO Certified sustainable palm oil and oil palm products.

Clear rules governing the use of the RSPO Trademark and RSPO Labels are essential to ensure that claims about the use of certified palm oil and related products are accurate and transparent, making information easily understood by stakeholders. These rules also protect the credibility of the RSPO Trademark in the marketplace, especially as new regulations, such as the European Union's Green Claims Directive, are introduced globally to combat greenwashing and help consumers make informed, sustainable choices.

The National Assembly of Ecuador.
Credit: Agencia de Noticias ANDES, Creative Commons (CC BY-SA 2.0)

Jurisdictional Approach

Two JA Pilots (Sabah, Seruyan) have completed Step 1 and **progressing to Step 2**

One JA Pilot (Ecuador) has **almost completed Step 1**

The traditional approach to RSPO Certification focuses on individual mill(s) and their supply bases, or individual independent smallholder groups, which are assessed for compliance with RSPO's sustainable production standards. While impactful, this approach has a limited scope. To amplify change and broaden its impact, RSPO has initiated the Jurisdictional Approach (JA) to Certification—a framework that expands certification efforts across entire landscapes.

A JA involves all relevant producers and stakeholders within a defined jurisdiction, aiming to certify all oil palm cultivation and palm oil production within its boundaries as sustainable. This approach recognises that government involvement can introduce legislative support, strategic leadership, oversight and capacity to drive structural change on a scale that conventional certification methods alone cannot achieve.

The journey towards a Jurisdictional Approach (JA) began in early 2015, when the concept was pioneered at a workshop organised by the Forest, Farms, and Finance Initiative (3Fi), with contributions from RSPO. In November 2015, RSPO formally announced its commitment to JA at the 12th RSPO General Assembly, joined by three state governments that pledged to implement JA within their jurisdictions.

To facilitate this approach, the RSPO Board of Governors approved the establishment of the Jurisdictional Working Group (JWG) in 2018 under the Standards Standing Committee (SSC) to develop JA in alignment with RSPO standards, systems and procedures. Following extensive global public consultation, the RSPO Jurisdictional Approach Piloting Framework was introduced in July 2021. This framework requires the formation of a multi-stakeholder Jurisdictional Entity (JE) with the legal authority, capacity and mandate to implement and enforce JA requirements through an Internal Control System. The JA pathway follows a stepwise approach with four steps (Figure 1).

Step 1 **Pilot**	Step 2 **Application**	Step 3 **Implementation**	Step 4 **Certification**
A jurisdiction decides to pursue JA, and makes public policy statements and/ or places regulation to support this. Step 1 indicators of the jurisdiction are assessed by JWG and if found to have been satisfied, undergo endorsement process by SSC and be **recognised as an RSPO JA Pilot.**	**The JA Pilot legally establishes a Jurisdictional Entity (JE),** governed by a multi-stakeholder board. Landscape and system indicators to be assessed. Following verification by the RSPO Secretariat and external experts, **the JE is accepted as an RSPO member.**	**The JE member establishes the JA's Internal Control System.** Requirements for RSPO Jurisdictional Certification indicators are developed (aligned with RSPO standards, systems and procedures). Following an independent full audit by an accredited Certification Body, **the JE is RSPO certified.**	**The palm oil producers, processors and supply chain actors within the JE can trade RSPO certified palm oil and oil palm products.** Market and sustainability claims can be made based on RSPO rules. Subsequent independent audits by an accredited Certification Body certify continued compliance.

Figure 1 - The RSPO JA Stepwise Approach

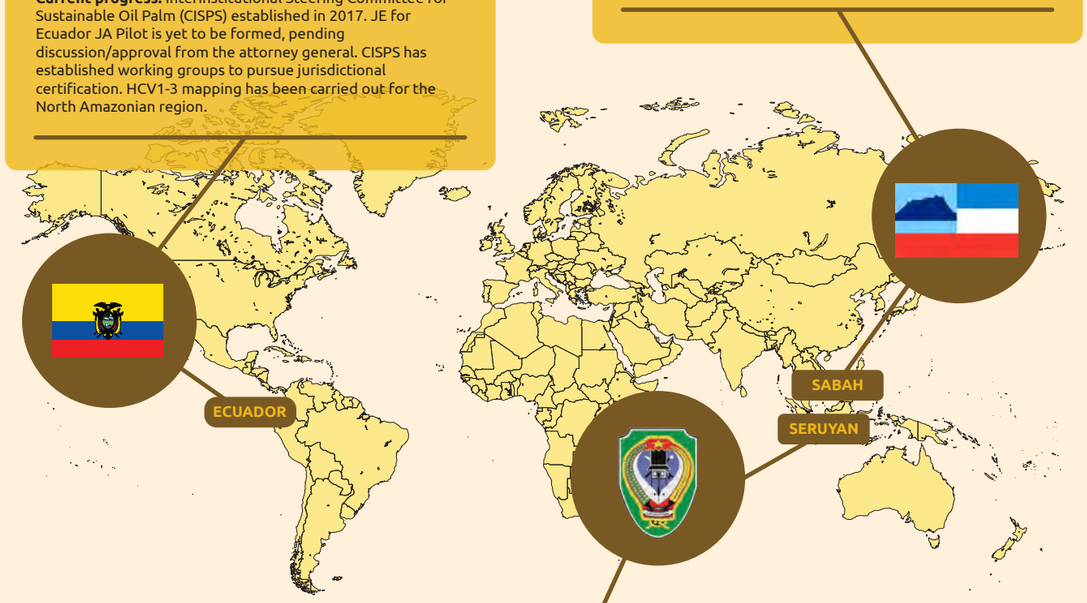
Currently, there are three RSPO-supported JA Pilots advancing towards RSPO Certification:
- **Seruyan in Central Kalimantan, Indonesia** at a district level
- **Sabah, Malaysia** at a state level
- **Ecuador** at a national level, beginning in the Amazon region

Two of these pilots have completed Step 1, achieving official recognition as RSPO JA Pilots, and are now progressing towards Step 2 (Application). Advancing to Step 2 requires the JE to become an RSPO Member. At the 20th RSPO General Assembly in November 2023, RSPO Members adopted a resolution to establish a membership category for JEs, enabling their formal admission into RSPO. This mechanism is currently under development, with the aim of welcoming the first official RSPO JE members soon, to encourage other jurisdictions to join RSPO on the JA journey.

Where Are The RSPO-supported Jurisdictional Approach Pilots?

Location: Ecuador
JA announced: August 2016, by the Ecuadorian Ministries of Agriculture and of Environment, and representatives of the palm oil supply chain in Ecuador
Description: The first oil palm plantations in Ecuador date back to 1953, and the country is now the 12th largest palm oil producing country in the world[2]. The industry supports over 40,000 direct jobs and over 2,500 palm oil growers (some 90% of which are independent smallholders). In 2014, the Ecuadorian ministries responsible for agriculture, environment, foreign trade, industry and investment, together with representatives of the oil palm supply chain, committed to an Interinstitutional Cooperation Framework Agreement to achieve sustainable production. The plan prioritises RSPO certification in Ecuador as a whole, with progressive implementation beginning with jurisdictional certification in Ecuador's Amazon region (Zone 4).
JA status: Ecuador has passed the Step 1 assessment process at Jurisdictional Working Group level and is on its way to be formally recognised as achieving Step 1, pending endorsement process by Standard Standing Committee (SSC).
Current progress: Interinstitutional Steering Committee for Sustainable Oil Palm (CISPS) established in 2017. JE for Ecuador JA Pilot is yet to be formed, pending discussion/approval from the attorney general. CISPS has established working groups to pursue jurisdictional certification. HCV1-3 mapping has been carried out for the North Amazonian region.

Location: Malaysia
JA announced: November 2015, by the Sabah State Government
Description: Sabah is the largest palm oil-producing state in Malaysia. Over 20% of the state's area is planted with oil palm. The Sabah Jurisdictional Entity (JE) is committed to achieving 100% readiness for jurisdictional certification by 2025, as well as aiming to protect over 50% of the state's forest cover and ensure that more than 30% of the state's land area is protected while enhancing nature restoration activities where necessary.
JA status: Recognised as RSPO JA Pilot in 2023 (Sabah Jurisdictional Approach to Sustainable Palm Oil/JASPO)
Current progress: Sabah Jurisdictional Certification Steering Committee established in 2016. A legal entity has been established to take on the role of JE. Progressing towards Step 2 (Application), with responsibilities allocated to relevant persons/organisations for fulfilment of Step 2 indicators. Targeted completion by end of 2025. HCV mapping conducted for the state covering HCV 1-4, HCV 5-6 mapping to be carried out in the JE's current work plan.



Location: Central Kalimantan, Kalimantan, Indonesia
JA announced: November 2015, by the Government of Central Kalimantan Province
Description: Central Kalimantan is the second-largest palm oil producing province in Indonesia (behind Riau), with nearly 20% of the production area operated by smallholders. Seruyan Regency with Central Kalimantan accounts for over 15% of provincial production, with over 20,000 smallholders operating there[1]. The Seruyan Regency Government has committed to achieve and promote sustainable palm oil management since 2014.
JA status: Recognised as RSPO JA Pilot in 2023 (Seruyan Jurisdictional Certification)
Current progress: Sekretariat Yurisdiksi Kabupaten Seruyan established in 2016. In the process of establishing a legal entity to take on the role of JE. Progressing towards Step 2 (Application). Jurisdictional Entity (JE) has been established taking the form of an 'association'. Various working groups established to look into matters supporting jurisdictional certification. HCV 1-4 mapping completed for the district; continued work for HCV 5-6.

[1]Statistik Perkebunan Unggulan Nasional 2021-2023, Kementerian Pertanian Republik Indonesia
[2]Based on 2023 statistics accessed from Production, Supply and Distribution Online Database, United States Department of Agriculture (USDA)

Knowledge and Resources

A new and improved RSPO Learning Centre is currently being developed

RSPO has participated in or led **5 ISEAL Innovation Fund projects**

Library of Knowledge and Resources - RSPO Learning Centre

To ensure sustainable practices are understood and implemented effectively, RSPO Members and stakeholders need access to relevant knowledge and resources. Mindful of this, RSPO is currently developing the RSPO Learning Centre, an innovative platform designed to support sustainable palm oil production by empowering individuals and organisations. This platform will feature two main programmes: the *Sustainability College* (SC) and RSPO *Lead Auditor Courses*. Expected to launch by mid-2025, the Learning Centre will provide essential resources for enhancing sustainability practices and comprehensive training for RSPO Certification.

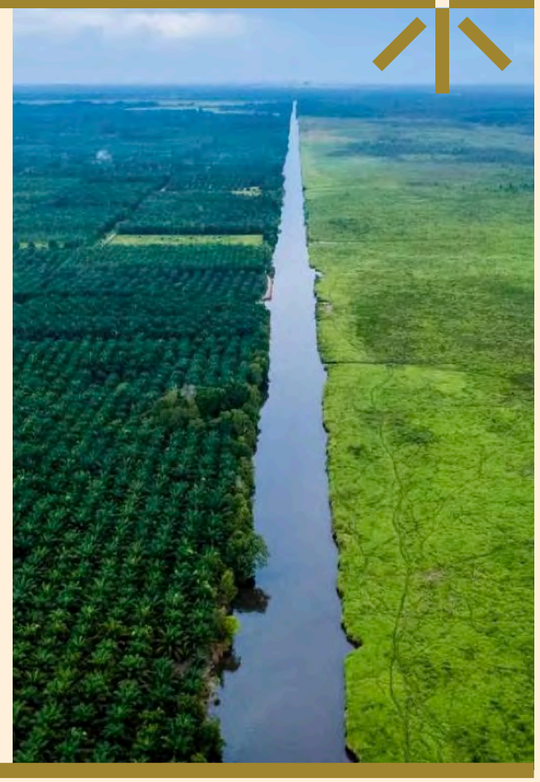
The Sustainability College (SC) is an expansion of the 2018 platform, which offered engaging content on sustainable palm oil, including videos on topics like Free, Prior and Informed Consent (FPIC), Labour Rights, Social Accountability, the Remediation and Compensation Procedure (RaCP), Greenhouse Gas (GHG) Emissions and High Conservation Values (HCVs). As the RSPO Standards have evolved, the new SC will simplify RSPO processes and serve the global RSPO community more effectively.

The RSPO Learning Centre will also house the RSPO Lead Auditor Courses, supporting certification bodies and auditors with consistent training to uphold RSPO certification credibility and reduce interpretation gaps.

How RSPO Supports Our Members: Drainability Assessment Procedure Trainings

Over two decades, RSPO has grown from an idea to a force for change and positive impacts. Our standards, systems and procedures have also increased in amount and in complexity. Providing knowledge and resources for our members to implement RSPO requirements is our responsibility. An example of this is the Drainability Assessment Procedure trainings conducted in 2023—held in Sampit, Central Kalimantan and Ketapang, West Kalimantan with Goodhope Asia Holdings Ltd. and PT. Austindo Nusantara Jaya Agri (Indonesia), and in Kulai, Johor with SD Guthrie Berhad (Malaysia).

A collaborative effort between RSPO and Wetlands International, the training sessions focused on familiarising RSPO members with the updated Drainability Assessment Procedure v2 (endorsed in October 2021) to better evaluate the risk of future subsidence and flooding associated with peatlands (See Peat Matters, pg. 70). Such training supports RSPO growers to more reliably plan for responsible management of existing plantations on peatlands, including potential strategic phasing out of oil palm cultivation, introducing more water-tolerant crop types, or restoring natural vegetation before the drained land subsides below river or sea levels.



Peer Learning and Review

While RSPO plays a key role in providing knowledge and resources to support sustainability among members and stakeholders, it also benefits from insights that enhance its own practices. As a member of the ISEAL Alliance—the global organisation for credible sustainability standards—RSPO aligns the Secretariat's actions with the ISEAL Code of Good Practice, integrating best practices in standards setting, assurance, and impact assessment through independent evaluations. RSPO has been a Code Compliant member of ISEAL since 2015, having joined the Alliance in 2013.

Through the ISEAL platform, RSPO actively engages with sustainability peers such as the Better Cotton Initiative (BCI), Bonsucro, Fairtrade International, Forest Stewardship Council (FSC), Rainforest Alliance, and Textile Exchange. Together, we work to strengthen each other's sustainability systems and address shared challenges, such as data protocols and cross-commodity trade regulations. As an ISEAL Board member, RSPO also draws on our experience to provide guidance across sustainability schemes.

Supported by the ISEAL Innovation Fund and the Swiss State Secretariat for Economic Affairs (SECO), RSPO participates in projects that advance and innovate effective sustainability actions and systems. As of 2024, RSPO has participated in the following ISEAL Innovation Fund projects:

- **(2017-2018)** Appraising and applying Geographical Information System (GIS) tools in auditing (led by Accreditation Services International/ASI)
- **(2020-2022)** Boosting sustainability practice and performance at the landscape level through good water stewardship (led by Alliance for Water Stewardship/AWS)
- **(2020-2023)** Outcome-based standards—a landscape approach (led by Bonsucro)
- **(2024-2025)** Developing climate-related traceability systems for complex value chains (co-lead with Forest Stewardship Council/FSC)
- **(2024-2025)** EUDR and independent palm oil smallholder inclusion—bridging the gaps in interrupted supply chains (lead, with Proforest as partner)

Best Practices for Sustainability Standards: The ISEAL Code of Good Practice

ISEAL Members Week 2023 in Amsterdam, the Netherlands

To enable sustainability systems in delivering against changing stakeholder expectations and driving improvements on sustainability issues that matter, the new ISEAL Code of Good Practice for Sustainability Systems v1.0 provides a globally recognised framework that defines best practices for effective and credible sustainability systems. It integrates and replaces ISEAL's three previous Codes of Good Practice on standards development, credible assurance, and impact reporting. As of 2024, RSPO is Code Compliant against all three ISEAL Codes of Good Practice on Standards Setting (Version 6.0), Assurance (Version 2.0) and Impacts (Version 2.0). RSPO is currently undergoing self-assessment against the new combined ISEAL Code, with compliance assessments scheduled to begin from October 2025.

A hoatzin in the Amazon Forest.
Credit: Murray Foubister, Creative Commons (CC BY 2.0)

APPENDIX 1

Mapping RSPO Impacts and UN SDGs

In revising the RSPO Theory of Change, and updating the RSPO Impact Framework for alignment, we have refined the mapping of our available metrics and data against the 17 UN SDG goals, 169 targets and 248 indicators. This analysis has allowed us to refine our linkages to the SDGs, improve our focus and report on where RSPO and RSPO members are making direct and indirect contributions to SDG target indicators and SDG goals.

The resulting mapping shows how each one of the SDG contributing targets and indicators is associated with the RSPO Impact Themes/Long-Term Outcomes. As part of the mapping, we have assessed what SDG indicators were important to measure either in terms of the risk of not doing so, or the opportunity it presents for RSPO as an extra measure, or for consideration beyond what is delivered by RSPO's current standards, systems and procedures.

This mapping considered three levels of linkages: Level 1 - where RSPO can show a direct or indirect contribution with existing data sources; Level 2 - where RSPO could be making a contribution but where more data or research support is needed, and Level 3 - SDG indicators that may be important for RSPO to contribute towards but further discussion is needed before they are considered for inclusion within our standards, systems or processes.

From the refined mapping, we have identified 26 Level 1, 39 Level 2 and 5 Level 3 linkages between our RSPO Impact Themes/Long-Term Outcomes and RSPO Impact Indicators with the SDGs, for a total of 70 linkages. A summary representation of the mapping is presented here. The full indicator mapping linkage list and analysis is available in the supplementary data file that accompanies this Impact Report. It should be noted that this mapping is intended to be evolutionary, with linkage levels adjusting as RSPO standards, systems and processes evolve.

TARGETS[1]	INDICATOR[1]	RSPO LINKAGE LEVEL			RSPO IMPACT THEME									RSPO IMPACT PILLAR		
		1	2	3	Improving Lives and Operations	Respecting Labour & Human Rights	Promoting Equity, Equality and Inclusivity	Protecting and Restoring Nature	Demonstrating Environmental Stewardship	Limiting Climate Change	Transforming Markets	Working Together	Advancing and Ensuring Sustainability	PEOPLE	PLANET	PROSPERITY
1.1 Reduce extreme poverty	1.1.1 People under international poverty line		✳		✳		✳							✳		
1.2 Reduce poverty by half	1.2.1 People under national poverty line		✳		✳		✳							✳		
	1.2.2 Popuation living in poverty		✳		✳		✳							✳		
1.4 Equal rights & equal access	1.4.1 Access to basic services	✳			✳	✳								✳		
	1.4.2 Secure rights to land	✳			✳		✳						✳	✳		✳
1.5 Climate disaster impact on the poor	1.5.2 Economic loss from disasters		✳		✳				✳	✳		✳	✳	✳	✳	✳
2.3 Double agricultural productivity	2.3.1 Agricultural production volume	✳			✳		✳				✳	✳	✳	✳		✳
	2.3.2 Smallholder farmer income		✳		✳		✳				✳	✳	✳	✳		✳
2.4 Ensure sustainable food production	2.4.1 Sustainable agricultural area	✳			✳								✳			✳
3.8 Universal health coverage	3.8.1 Essential health services			✳		✳								✳		
3.9 Death/illness from chemicals or pollution	3.9.3 Unintentional mortality poisoning		✳		✳				✳	✳			✳	✳	✳	✳
4.3 Equal access to education and training	4.3.1 Education/Training participation	✳				✳							✳	✳		✳
4.5 Eliminate gender disparities	4.5.1 Education/Training gender parity	✳				✳	✳						✳	✳		✳
5.1 No discrimination	5.1.1 Monitoring discrimination	✳					✳							✳		
5.2 No violence	5.2.2 Gender violence	✳				✳	✳							✳		
5.3 Equal opportunities	5.5.2 Women empowerment	✳					✳							✳		
5.a Women access to resources	5.a.1 Secure ownership and land rights		✳		✳		✳						✳	✳		✳
6.1 Safe drinking water	6.1.1 Access to safe drinking water	✳				✳	✳							✳		
6.3 Improve water quality	6.3.1 Safe treatment of wastewater	✳			✳				✳					✳	✳	
	6.3.2 Good ambient water		✳						✳					✳	✳	
6.4 Increase water efficiency	6.4.1 Water efficiency	✳							✳						✳	
	6.4.2 Water stress		✳						✳						✳	
6.6 Protect and restore water ecosystems	6.6.1 Water ecosystems over time	✳						✳	✳	✳		✳			✳	✳
7.2 Increase renewables	7.2.1 Renewable energy share		✳						✳	✳					✳	
7.b Expand sustainable energy	7.b.1 Installed renewable energy capacity		✳						✳	✳					✳	
8.1. Sustained economic growth	8.1.1 Real GDP per capita growth		✳		✳						✳		✳	✳		✳
8.3 Development-oriented policies	8.3.1 Informal employment	✳			✳	✳								✳		
8.4 Global resource efficiency	8.4.1 Global resource material footprint		✳							✳	✳	✳	✳		✳	✳
	8.4.2 Domestic resource material footprint		✳							✳	✳	✳	✳		✳	✳
8.5 Full and productive employment	8.5.1 Average hourly earnings		✳		✳	✳								✳		
8.7 Forced Labour	8.7.1 Child Labour	✳				✳								✳		
8.8 Labour rights and safe work	8.8.1 Occupational injuries	✳				✳	✳							✳		
	8.8.2 Compliance with labour rights		✳			✳	✳							✳		
9.1 Develop sustainable infrasturcture	9.1.1 Rural access to roads			✳	✳		✳							✳		
9.3 Small-scale industry access to finance	9.3.1 Proportion of financing	✳			✳						✳	✳		✳		✳
9.4 Upgrade to sustainable industries	9.4.1 Carbon Dioxide emissions per unit		✳							✳	✳			✳		✳

[1]Due to design space restrictions, the wordings of each UN SDG target and indicator has been shortened as appropriate. For the full wordings of each UN SDG target and indicator, please refer to the 'APPENDIX 1_Mapping_Detailed' tab in the supplementary IR2024_Base_Data Excel file

TARGETS[1]	INDICATOR[1]	RSPO LINKAGE LEVEL			RSPO IMPACT THEME									RSPO IMPACT PILLAR		
		1	2	3	Improving Lives and Operations	Respecting Labour & Human Rights	Promoting Equity, Equality and Inclusivity	Protecting and Restoring Nature	Demonstrating Environmental Stewardship	Limiting Climate Change	Transforming Markets	Working Together	Advancing and Ensuring Sustainability	PEOPLE	PLANET	PROSPERITY
10.2 Empower equality and inclusion	10.2.1 People below 50% median income		✳		✳	✳	✳							✳		
10.3 Equal opportunities	10.3.1 Discrimination & harassment		✳			✳	✳							✳		
10.6 Representation	10.6.1 Voice of developing countries	✳										✳				✳
10.7 Responsible migration and mobility	10.7.1 Recruitment costs		✳		✳	✳								✳		
11.4 Safeguard and protect cultural and natural heritage	11.4.1 Spend on preservation, protection and conservation		✳				✳					✳	✳		✳	✳
12.1 Sustainable consumption and production	12.1.1 Shift to sustainable practices		✳								✳	✳	✳			✳
12.2 Sustainable use of natural resources	12.2.1 Global material footprint		✳							✳	✳	✳	✳		✳	✳
	12.2.2 Domestic material footprint		✳							✳	✳	✳	✳		✳	✳
12.4 Waste management	12.4.2 (a) Hazardous waste treatment		✳		✳				✳					✳	✳	
12.5 Reduce waste generation	12.5.1 Recycling rates		✳		✳				✳					✳	✳	
12.6 Sustainability reporting	12.6.1 Publication of sustainability reports		✳								✳	✳				✳
12.7 Sustainable public procurement	12.7.1 Degree of sustainable policies		✳								✳	✳				✳
12.a Technological support	12.a.1 Installed renewable energy capacity		✳						✳	✳					✳	
13.1 Adapt to climate hazards	13.1 Deaths from climate disasters		✳		✳				✳	✳				✳	✳	
13.2 Integrate climate change measures	13.2.2 Total GHG emissions per year	✳								✳					✳	
14.1 Marine pollution from land activities	14.1.1 Coastal eutrophication		✳		✳				✳					✳	✳	
14.2 Marine and coastal ecosystems	14.2.1 Manegement of coastal ecosystems		✳					✳			✳		✳		✳	✳
15.1 Conserve and restore ecosystems	15.1.1 Forest area coverage	✳						✳		✳	✳		✳		✳	✳
	15.1.2 Protected ecosystems	✳						✳		✳	✳		✳		✳	✳
15.2 Sustainable management of forests	15.2.1 Progress on sustainable management	✳						✳		✳	✳		✳		✳	✳
15.2 Combat land degradation	15.3.1 Degraded land area	✳						✳		✳	✳		✳		✳	✳
15.5 Protect threatened species	15.5.1 Red List Index	✳						✳		✳	✳		✳		✳	✳
15.7 End poaching of protected species	15.7.1 Extent of poaching		✳					✳					✳		✳	
15.8 Control and eradicate alien species	15.8.1 Action on invasive alien species	✳							✳		✳		✳		✳	✳
15.a Financing biodiversity conservation	15.a.1 Incentivise biodiversity conservation			✳				✳			✳				✳	✳
15.b Financing forest conservation	15.b.1 Incentivise forest conservation			✳				✳			✳		✳		✳	✳
15.c Supporting communities to combat poaching	15.c.1 Poached or illicitly trafficked wildlife		✳		✳		✳	✳					✳	✳	✳	✳
16.1 Reduce violence	16.1.3 Population subject to violence		✳			✳	✳							✳		
16.3 Rule of law and justice for all	16.3.1 Victimisation reporting		✳			✳	✳							✳		
	16.3.3 Access to dispute resolution mechanisms		✳			✳	✳							✳		
16.8 Strengthen developing country participation	16.8.1 Proportional voting rights	✳										✳				✳
16.b Promote and enforce non-discrimination	16.b.1 Discrimination and harassment		✳			✳	✳							✳		
17.14 Sustainable development	17.14.1 Sustainable development policies		✳									✳	✳			✳
17.16 Global Partnership for Sustainable Development	17.16.1 Multi-stakeholder development progress			✳								✳	✳			✳

[1]Due to design space restrictions, the wordings of each UN SDG target and indicator has been shortened as appropriate. For the full wordings of each UN SDG target and indicator, please refer to the 'APPENDIX 1_Mapping_Detailed' tab in the supplementary IR2024_Base_Data Excel file

APPENDIX 2

Base Data and Glossary

Base Data

Associated reference datasets previously published in the RSPO Impact Report have been moved to the supplementary data file that accompanies this Impact Report 2024. These datasets show historical data in the areas of RSPO membership, certification coverage, efficiency of the RSPO grievance system and trademark usage, which are also indicative of RSPO's overall impact. Unless otherwise stated, all data presented is representative of the calendar year (1 January to 31 December).

Glossary

Affiliate Members:
RSPO membership category consisting of organisations that are not directly involved in the palm oil supply chain, but have expressed interest in RSPO's objectives and activities. Membership extends to academia, research and development organisations, donors and sponsors. Affiliate members may attend the annual General Assembly as observers.

Annual Communication of Progress (ACOP):
Reports submitted by RSPO members to gauge their progress towards producing, processing, consuming or supporting 100% RSPO certified sustainable palm oil. These reports are mandatory for Ordinary and Affiliate members, and are submitted each year.

Best Management Practices (BMPs):
Practical guidelines to enhance oil palm management.

Certification Body (CB):
Organisation that provides third party auditing and certification services related to a product, process or system, and which can issue a certificate of compliance.

Certified Sustainable Palm Kernel Expeller (CSPKE):
Palm kernel expeller produced by RSPO Supply Chain Certified kernel crusher from palm kernels derived from FFB grown on a plantation that has been managed and certified in accordance with the RSPO Principles & Criteria.

Certified Sustainable Palm Kernel Oil (CSPKO):
Palm kernel oil produced by RSPO Supply Chain Certified kernel crusher from palm kernels derived from FFB grown on a plantation that has been managed and certified in accordance with the RSPO Principles & Criteria.

Certified Sustainable Palm Oil (CSPO):
Palm oil that has been grown on a plantation that has been managed and certified in accordance with the RSPO Principles & Criteria.

Crude Palm Oil (CPO):
A type of unrefined vegetable oil obtained from the fruit of the oil palm tree.

Decent Living Wage (DLW):
The remuneration received by a worker, for work performed on regular hours, in a particular place sufficient to afford a decent standard of living for the worker and her or his family.

Dispute Settlement Facility (DSF):
The Dispute Settlement Facility is a part of the RSPO Complaints System and offers complainants, RSPO members, and relevant stakeholders involved in an active social or environmental related complaint, the opportunity to resolve these matters through mutually agreed terms, with the help of DSF Mediation.

Final Conservation Liability (FCL):
Compensation liabilities incurred by RSPO members as a result of clearance without prior HCV assessment since November 2005. FCL is expressed in hectares.

Free, Prior and Informed Consent (FPIC):
A principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use.

Fresh Fruit Bunch (FFB):
Bunch harvested from the oil palm tree. Each bunch can weigh from 5 to 50 kilogrammes and can contain 1,500 or more individual fruits.

Gender Sensitive:
Refers to provision of equal rights, responsibilities and opportunities for all regardless of gender, sexual orientation and gender identity including men, women, girls and boys, and other gender identities as described by the individual. This principle is applied particularly in relation to labour practices and the treatment of workers.

Greenhouse Gases (GHG):
Term for gases that trap heat within the atmosphere. The primary greenhouse gases are water vapour, carbon dioxide, methane, nitrous oxide, and ozone.

Hectares (ha):
A unit of measurement equivalent to 10,000 square metres, or 100m x 100m.

High Conservation Value (HCV):
The concept of High Conservation Value Forest (HCVF) was first developed by the Forest Stewardship Council (FSC) in 1999 as their 9th Principle. The FSC defined HCVF as forests of outstanding and critical importance due to its environmental, socio-economic, cultural, biodiversity and landscape value.

High Carbon Stock (HCS) Forest:
Forests that are important to local communities or that have high carbon or biodiversity values.

High Forest Cover Country (HFCC):
Landscapes having >60% forest cover (based on recent, trusted REDD+ and national data); <1% oil palm cover; a deforestation trajectory that is historically low but increasing or constant; and a known frontier area for oil palm or where major areas have been allocated for development.

High Forest Cover Landscape (HFCL):
Landscapes having >80% forest cover. Landscape as defined under HCSA Toolkit (Module 5): "The size of a landscape may be determined by (a) identifying the watershed or the geographical land unit containing a cluster of interacting ecosystems; (b) selecting a unit size that encompasses the plantation concession and a buffer of the surrounding area (e.g. 50,000 ha or 100,000 ha); or (c) using a radius of 5 km from the area of interest (for instance, the planned concession)."

Hotspot:
A small area with a relatively high temperature in comparison to its surroundings.

Human Rights Defenders (HRD):
Individuals, groups and associations who promote and protect universally recognised human rights and contribute to the effective elimination of all forms of violations of human rights and fundamental freedoms of individuals and peoples. This includes environmental Human Rights Defenders, whistleblowers, complainants and community spokespersons. The definition does not include those individuals who commit or propagate violence.

Identity Preserved (IP):
The Identity Preserved supply chain model assures that RSPO certified palm oil is kept separate from oil that is not RSPO certified. This oil can be physically traced back to its plantation of origin.

ISEAL Alliance:
Global membership association for credible sustainability standards, which work together to improve the impact and effectiveness of current and potential future members.

Jurisdictional Approach (JA):
In the context of sustainable palm oil, the jurisdictional approach involves the certification of palm oil production at the provincial level, utilising a particular model of rural development. The approach facilitates collaboration between local stakeholders and regional governments to improve the welfare of small-scale farmers, curb the use of environmentally destructive practices such as slash-and-burn clearing, and iron out supply chain inefficiencies.

Land Use Change Analysis (LUCA):
Assessment determining changes to vegetation cover and land use over a given timeframe. Must be completed by RSPO members prior to any conversion or new planting.

Mass Balance (MB):
Supply chain model that allows certified claims to be transferred from one oil palm product to another, either through physical blending or administratively under strictly controlled circumstances.

Metric Tonne (MT):
A unit of mass equivalent to 1,000 kilogrammes.

New Planting Procedure (NPP):
Provides guidance on how and under what conditions new oil palm plantings should be carried out.

Oil Palm:
A species of palm (Elaeis guineensis) and the principal source of palm oil. It is native to west and southwest Africa, but is now cultivated in over 26 countries. Ideal growing conditions occur up to 10 degrees either side of the equator.

Ordinary Members:
RSPO membership category consisting of organisations that have either direct involvement, or have activities around, the palm oil supply chain. Only ordinary members are allowed to submit resolutions and vote at the annual General Assembly.

PalmGHG:
A calculator developed by the RSPO Greenhouse Gas Working Group (2010–2011) and further refined and improved by the RSPO Emission Reduction Working Group to estimate and monitor net GHG emissions from current estate and mill operations, as well as new plantings.

Palm Kernel Expeller (PKE):
By-product of the Palm Kernel Oil extraction process, as a dried residue commonly used as meal in animal feed applications. Also known as Palm Kernel Cake.

Palm Kernel Oil (PKO):
Oil extracted from the kernel or core of the palm fruit.

Palm Oil:
Edible oil extracted from the fruit of the oil palm. Palm oil is one of the few highly saturated vegetable fats. It remains semi-solid at room temperature and is suitable for a wide variety of applications. Palm oil is an ingredient in a large number of products, including margarine, baked goods, chocolate, ice cream, soaps and cosmetics. It is also used as fuel for vehicles and power plants.

PalmTrace:
RSPO's traceability system for certified oil palm products. Certified members use PalmTrace to register their physical sales and processing activities - from mill level to refineries - under the IP, SG and MB supply chain models. PalmTrace also supports RSPO's Book and Claim model by enabling the trade of RSPO Credits.

Peat:
Peat is an accumulation of rotting plant material, forming in wetlands or peatlands.

Remediation and Compensation Procedure (RaCP):
Procedure whereby RSPO members are required to remediate and compensate for land clearance without prior HCV assessment since November 2005.

RSPO Board of Governors (BoG):
RSPO management body comprised of 32 RSPO members, representing each of the seven RSPO membership categories and designated by the General Assembly for two years.

RSPO Complaints and Appeals Procedure (CAP):
RSPO procedure for dealing with complaints arising from a breach of the RSPO Key Documents, and appeals against the decision of the Complaints Panel in relation to such Complaints.

RSPO Complaints Panel:
High-level body that handles complaints against RSPO members.

RSPO Credits / Book and Claim (B&C):
Model where the supply chain is not monitored for the presence of sustainable palm oil. Manufacturers and retailers support the production of RSPO certified sustainable oil palm products through the purchase of credits from RSPO certified growers, crushers and independent smallholders.

RSPO Drainability Assessment (DA) Procedure:
The RSPO DA Procedure has been developed to support growers to assess future subsidence and flood risks of peatlands and adjust their management processes to reduce subsidence rates and prolong the workable lifetime of their plantations.

RSPO Principles & Criteria (P&C):
Guidelines on how palm oil companies and growers should produce palm oil sustainably. It forms the basis of all company assessments for certification and is reviewed every five years.

RSPO Smallholder Support Fund (RSSF):
A fund established by the RSPO to help small, independent operators secure sustainable palm oil certification while minimising costs. The RSSF is funded from 10% of income generated through the trading of CSPO.

Segregated (SG):
The Segregated supply chain model maintains separation between sustainable palm oil from different certified sources and ordinary palm oil throughout the supply chain. The model assures that RSPO certified oil palm products delivered to the end user come only from RSPO certified sources.

Set-aside Area:
Areas set-aside that are not planned to be planted, such as peatlands, areas of fragile or marginal soils, steep slopes, etc., excluding HCV areas.

Smallholders:
Farmers growing oil palm on a plantation of less than 50 hectares. Smallholders may be scheme (supplying FFB under a contractual arrangement with a specific palm oil mill) or independent (supplying FFB to multiple palm oil mills).

Standing Committees:
Committees that oversee RSPO's overall operations, consisting of members from the BoG and RSPO members. Four Standing Committees have been appointed to lead: Standards & Certification, Trade & Traceability, Communications & Claims and Finance.

Supply Chain Associates:
RSPO membership category consisting of companies that procure, use or trade less than 500 MT of CSPO annually. Supply chain associates may attend the annual General Assembly as observers.

United Nations Sustainable Development Goals (SDGs):
A set of 17 aspirational global goals to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The goals build on the successes of the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities.

RSPO is an international non-profit organisation formed in 2004 with the objective to promote the growth and use sustainable oil palm products through credible global standards and engagement of stakeholders.

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