

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

# Shared Responsibility: Frequently Asked Questions



### 1. What is Shared Responsibility?

Shared Responsibility (SR) is the set of commitments that RSPO Members must adhere to in order to achieve RSPO's vision as a global Partnership to make palm oil sustainable. All members share sustainability requirements that are the same across all member categories. Specific requirements may vary from one member category to another, reflecting the unique roles of different member categories towards palm oil sustainability.

Growers do their part by implementing the RSPO Principles and Criteria (P&C) Certification and non-grower members do their part by implementing the RSPO Supply Chain Certification (SCC) and by implementing the Shared Responsibility requirements (Annex 1), which were endorsed by the RSPO Board of Governors (BoG) in November 2019.

### 2. Which members are subjected to the Shared Responsibility requirements?

All RSPO Members are accountable and share the responsibility in driving market transformation. However, the Shared Responsibility (SR) requirements only apply to the following categories of RSPO Ordinary membership: Environmental NGOs (ENGOs), Social NGOs (SNGOs), Banks and Investors, Retailers, Consumer Goods Manufacturers (CGMs) and Processors and Traders (P&Ts).

Excluded from the SR requirements are growers who do their part by implementing RSPO P&C certification, and Ordinary members that <u>only</u> hold a traders or distributor licence, as outlined in the Definition section of the SCC Standard (<u>here</u>).

# 3. What are the topics and themes for Shared Responsibility and how were these developed?

The topics and themes for the Shared Responsibility requirements were selected by the RSPO P&C Task Force during the P&C review in 2017-2018. The themes reflect the three pillars of sustainability – People, Planet, and Prosperity – and also align with the RSPO P&C 2018. A wide array of topics related to environmental sustainability, human rights, complaints and grievances, and Free, Prior and Informed Consent (FPIC) are covered by the SR requirements. Additionally, volume uptake requirements were included to promote the use of sustainable oil palm products.

### 4. How was Shared Responsibility formed?

The Terms of Reference for the Shared Responsibility Task Force (SRTF) were developed based on the results of the 2013 P&C review in 2018 and was endorsed by the RSPO BoG in September 2018. The SRTF deliverable was the RSPO Shared Responsibility Requirements and Implementation document, endorsed by the RSPO Board of Governors (BoG) in November 2019.

In May 2020, the <u>Shared Responsibility Working Group</u> (SRWG) was established to work on the practical implementation of the Shared Responsibility requirements. The SRWG is still ongoing and the latest information can be found in the website (<u>Minutes of Meeting of SRWG</u>).

### 5. Where can I find the Shared Responsibility requirements?

Shared Responsibility requirements that are applicable to your member category can be found in Annex 1 of the <u>RSPO Shared Responsibility Requirements and Implementation</u> document. Ordinary non-grower members report to the RSPO Secretariat on the SR requirements, via the <u>Annual Communication of Progress (ACOP)</u> report and through the <u>MyRSPO membership portal</u>.

### 6. When did the SR requirements become mandatory?

The SR requirements became mandatory since the RSPO Shared Responsibility Requirements and Implementation document was endorsed by the Board of Governors (BoG) in **November 2019**. All RSPO Members shall adopt and implement environmental and social standards no lower than those set out in the P&C, as stated in the RSPO Member Code of Conduct, Clause 3.2.

### 7. How can the data for the Shared Responsibility requirements be collected?

The required data to show compliance with the Shared Responsibility requirements is collected using the existing mechanisms such as **Membership application**, the annual **ACOP report** and the **MyRSPO 'SR Policies'** section must be updated by members.

Referring to the uptake volumes (certified and total) reported by RSPO Members in ACOP, the RSPO Secretariat assesses the uptake performance of members, taking into account that the uptake target baseline is annually calculated based on the actual, used volumes of the previous year, reported in the previous ACOP.

For new members, the baseline is based on the uptake volume reported during their Membership application. New members shall report their Certified Sustainable Palm Oil (CSPO) uptake baseline answering Questions 6 and 7 of the membership application. <u>The RSPO Factsheet on calculation for yearly Shared Responsibility Uptake Target</u> volume helps members calculate their uptake baseline and target volume.

Please refer to the Chapter 3 of the <u>Shared Responsibility Verification Manual</u> to see the details on the *Reporting tools and data collection for Shared Responsibility performance*.

### 8. How will the data for the Shared Responsibility requirements be measured?

The RSPO Secretariat has developed the RSPO Shared Responsibility <u>Scorecard webpage</u> to show the SR performance of RSPO Members. The SR performance scoring methodology is publicly available on the website. The scores are tabulated based on members' self-reported public commitments in MyRSPO and ACOP (See Section 3 of Verification Process), and are an indication as to where members are in their sustainable palm oil journey. Scores range between 0 and 10, 10 being the maximum score. The SR Scorecard acts both as an incentive for members to improve their SR performance, as well as to have a transparent monitoring system showing the sustainability journey of RSPO Members.

Please refer to Section 3.2 of the <u>Shared Responsibility Verification Manual</u> to see the details about the *Verification of the SR requirements*.

### 9. What if I am already reporting on requirements similar to the SR requirements?

In the endorsed verification process defined in the <u>Shared Responsibility Verification Manual</u> (section 3.2.2), members have the choice to disclose which other external sustainability systems they have in place which are in line with the SR requirements. Nevertheless, members are requested to upload in their individual MyRSPO profile evidence that shows their SR requirements implementation, i.e. SR performance, for the RSPO Secretariat to proceed with their measurement, as explained in question 7 and the Section 3.2.1 of <u>Shared Responsibility Verification Manual</u>.

### 10. What are the sanctions if the Shared Responsibility requirements are not met?

Referring to RSPO SR Verification Manual Section 4.2, sanctions are focused on shifting behaviour with an emphasis on positive reinforcement, rather than response to infractions. The intent of sanctions is to encourage underperforming RSPO Members to improve their Shared Responsibility performance. Sanctions play a critical role in achieving SR implementation and ensuring accountability. The types of sanctions will be periodically reviewed by the SRWG. The RSPO Secretariat will manage the sanctions process (i.e., issuing of sanctions, list of potential suspensions/termination, letter mechanism). The triggers of sanctions are shown in Table 2.

Table 2. Overview of triggers of sanctions				
What	Sanction			
Failure to submit ACOP (including SR reporting requirements)	Following the standard ACOP sanction mechanism:  - First non-submission: Warning letter  - Second consecutive non-submission: Suspension of membership  - Third consecutive non-submission: Termination of membership			
Failure to report in MyRSPO SR Section.	<ul> <li>First year of non-reporting: Warning letter</li> <li>Second consecutive year non-reporting: Warning letter</li> <li>Third consecutive year of non-reporting: Recommendation<sup>1</sup> to the BoG for suspension of membership</li> <li>Fourth consecutive year of non-reporting: Recommendation<sup>2</sup> to the BoG for termination of membership</li> </ul>			
Failure to report on Step 2 of the verification process	Publish performance in the SR Scorecard			

<sup>&</sup>lt;sup>1</sup>. List of members recommended to be suspended with the justifications given by the members

<sup>&</sup>lt;sup>2</sup>. List of members recommended to be terminated with the justifications given by the members.

# 11.What are the annual (percentage point) uptake targets for my membership category?

For Processors and Traders (P&Ts), Consumer Goods Manufacturers (CGMs) and Retailers eligible to comply with SR implementation (see question 2 of this FAQs), the following percentage point uptake targets apply:

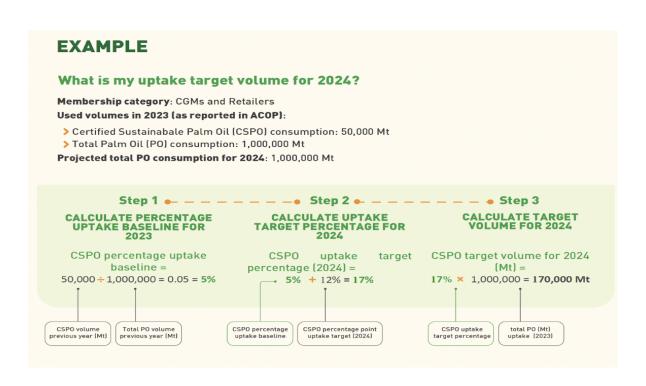
	Processors and Traders		CGMs & Retailers	
	CSPO	СЅРКО	CSPO	СЅРКО
Year 1 (2020)	2%	NA	15%	NA
Year 2 (2021)	2%	NA	12%	7%
Year 3 (2022)	2%	NA	12%	NA
Year 4 (2023)	2%	NA	12%	NA
Year 5 (2024)	2%	NA	12%	NA

- CSPO uptake targets are applicable at group level
- CSPO uptake targets can be reached by buying physical RSPO Certified products (IP, SG or MB) or by buying RSPO Credits when it is not possible to buy physical certified products.
- No CSPKO targets due to the tightness of the market
- Members shall report their annual CSPO uptake in their ACOP.

### 12. How do I calculate the yearly uptake volumes?

<u>The RSPO Factsheet on calculation for yearly Shared Responsibility Uptake Target</u> helps members calculate their uptake baseline and target volume, including an example for CGM; P&T and Retailers.

### **EXAMPLE** What is my uptake target volume for 2024? Membership category: Processors and Traders Used volumes in 2023 (as reported in ACOP): > Certified Sustainabale Palm Oil (CSPO) consumption: 50,000 Mt > Total Palm Oil (PO) consumption: 1,000,000 Mt Projected total PO consumption for 2024: 1,000,000 Mt Step 1 • - - - - - • Step 2 • - - - - - • Step 3 CALCULATE PERCENTAGE CALCULATE UPTAKE UPTAKE BASELINE FOR TARGET PERCENTAGE FOR 2023 2024 CALCULATE TARGET VOLUME FOR 2024 CSPO uptake target CSPO percentage uptake CSPO target volume for 2024 baseline = percentage (2024) = (Mt) =50,000 ÷ 1,000,000 = 0.05 = **5**% → 5% + 2% = **7**% **7% ×** 1,000,000 = **70,000 Mt** Total PO volume previous year (Mt) CSPO volume revious year (Mt) CSPO percentage poin uptake target (2024) total PO (Mt) uptake (2023)



## 13. Does a Member need to hold a Supply Chain Certification (SCC) to comply with Shared Responsibility requirements?

The SR requirements are only applicable to Ordinary Members except growers. Members need to comply with the implementation of the SR requirements regardless if they hold a RSPO Supply Chain Certificate or not.

### 14. How can I update my contact details?

Please follow the guidance document to update the contacts in MyRSPO.

### 15. What action I need to take if my membership category is changed?

If your membership category is changed from "Ordinary" to "Supply Chain Associate" then SR is not applicable to your organisation. Whereas if your membership category changed from "Supply Chain Associate" to "Ordinary" then SR is applicable to you. Please make sure you complete the SR Policies section in MyRSPO.

### 16. Please provide an example of "self verification" statements?

Example of the self verification statements:

- "Member X confirms the implementation of the RSPO Shared Responsibility requirements in our palm oil related operations"
- "Moreover, member X has the following sustainability schemes in place: xxxxxxx, covering the SR requirements xxxxxx"

Find out more at rspo.org