

RSPO

Roundtable on Sustainable Palm Oil

IMPACTS BROCHURE 2019





RSPO IN BRIEF

Our vision:

“

To transform the markets to make sustainable palm oil the norm

”

About RSPO

The Roundtable on Sustainable Palm Oil (RSPO) is a not-for-profit, international membership organisation that unites stakeholders from the different sectors of the palm oil industry: oil palm producers, processors and traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social non-governmental organisations (NGOs), to develop and implement global standards for sustainable palm oil production.



Photo Credit: RSPO & Jonathan Perugia

RSPO Impacts Brochure 2019

Since 2014, we have published an Impact Report or Impact Update on an annual basis to share with our stakeholders the environmental and social impacts of our organisation and the RSPO standards.

The impacts brochure aims to summarise some of the key impacts highlights presented in the RSPO Impact Update 2019. Unless otherwise stated, it covers and presents data that reflects the reporting timeframe of 1 July 2018 to 30 June 2019, or that is taken as at 30 June 2019.

All RSPO Impacts Reports and Impact Updates can be accessed at <https://www.rspo.org/key-documents/impact-reports>



RSPO IN BRIEF

Working Towards Change

A summary of our performance update as at 30 June 2019

Our Strategies and Approach



Innovation in standards and benchmarks

Working with stakeholders and other systems to define the principles, criteria and practices that make sustainable palm oil production happen.



Credible certification, verification and grievance

Developing a framework of assurance that builds stakeholder confidence and trust that sustainability requirements are met.



Participatory approach for smallholders

Ensuring the inclusion of more smallholders in the RSPO system to produce sustainability and benefiting from sustainable palm oil production and trade.



Jurisdictional approaches for collective impact

Catalysing platform for collective impact.



Demand generation, commitments and uptake

Furthering commitments and uptake of sustainable palm oil to incentivise sustainable production.



Matching demand and supply

Increasing and diversifying the supply base and market to ensure the long-term security of demand and market access for growers.



Engagement of supporting sector

Creating an enabling environment through being a catalyst, advocate, and partner for policies and incentives, investment, regulation, and enforcement.





RSPO IN BRIEF

Outputs



Increased membership

4,349

registered members across 94 countries as of 30 June 2019, representing an annual increase of **11%** since 2018.



Increased commitments, market and uptake

6,255,840

metric tonnes (MT) of CSPO taken up by the market between 1 January 2018 and 31 December 2018, a year-on-year growth of 2%.



Smallholder participation

5,304

independent smallholders are certified as at 30 June 2018 (an increase of 52% since 2018), covering **24,757** hectares of certified area.



Effective standards and implementation systems

27

certification bodies accredited to conduct RSPO certification audits.



Implemented BMPs

3,891,983

hectares of plantations are RSPO certified across 16 countries, a 22% increase compared to 2018. There are 389 RSPO certified mills with production volume of 14.29 million MT of CSPO and 3.21 million MT of CSPK.

Outcomes



Reduced pollution and GHG emissions

1.4 million

tCO₂e/year of carbon emissions savings from avoided land clearance, peat avoidance and conservation area sequestration in new development by RSPO members.



Biodiversity protected

237,501

hectares of HCV area identified and managed by RSPO certified members within their certified concessions.



Inclusive access to benefits

The RSPO Smallholder Support Fund (RSSF) has provided financial support for 37 smallholder projects in 12 countries since November 2013,

benefitting **29,414**

individual smallholders.

Vision: To transform markets to make sustainable palm oil the norm



RSPO IN BRIEF

2019 Key Changes

- 1 New Standing Committees (Market Development, Assurance, Standards, Smallholder)
- 2 Clearer governance structure pertaining to Board of Governors (BoG), Standing Committees, Working Groups and Task Forces

During the year, RSPO’s governance structure underwent a review to align with RSPO’s ToC to mobilise resources. This was done to materialise shared responsibility towards the achievement of desired outputs and outcomes in light of the revisions to RSPO Principles and Criteria (P&C) 2018. The review resulted in the formation of new standing committees.

RSPO is managed by a Board of Governors (BoG), supported by Standing Committees, Working Groups and Task Forces. Decisions made across all levels are consensus based.

RSPO Research

RSPO Commissioned Research

In 2018, we released a Research Agenda with the aim to help focus, inform and coordinate our research work to test and validate our ToC. Following the launch of the Research Agenda, we conducted a survey with internal and external stakeholders to determine three priority research topics to be commissioned in 2019/2020. The survey has since been completed and the research survey results are available on the RSPO Research and Evidence webpage.

With the research survey results at hand, we have released research tenders for the top three identified priority research topics, reviewed and selected the proposals received, and commissioned the researches.



More information on our research work can be found at <https://rspo.org/impacts/research-and-evidence>

Priority Research Topics for 2019/2020

- 1 Cost-Benefit Analysis (CBA) of RSPO Certification for Smallholders
- 2 Impacts of RSPO on Working and Living Conditions of Oil Palm Plantation Workers
- 3 Contribution of RSPO to the Protection of Biodiversity (Especially Rare, Threatened and Endangered Species)

RSPO Membership

As at 30 June 2019, we recorded 4,349 (2018: 3,920) members in 94 countries, an 11% increase since the start of the reporting period.

We gained a commendable growth in membership for palm oil processors and traders as well as consumer goods manufacturers, registering an increment of 8% and 5% respectively.

It is encouraging to see the broadening of our membership in non-grower Asia regions, particularly in Japan, India, and China. The shift in Asian retailer towards embracing sustainable palm oil is also seen in Singapore’s NTUC FairPrice Co-operative through their participation in RSPO membership in 2018, a first of its kind from an Asian retailer.



More information on our memberships can be found at <https://rspo.org/members>

RSPO IN BRIEF

Ordinary Membership

(Total: 1,781 as at 30 June 2019)

Consumer Goods Manufacturers



846
(2018: 804)

Processors and Traders



621
(2018: 577)

Oil Palm Producers



171
(2018: 175)

Retailers



74
(2018: 73)

Environmental NGOs



41
(2018: 38)

Social NGOs



11
(2018: 12)

Banks/Investors

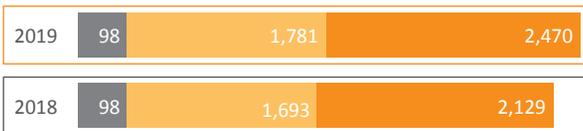


17
(2018: 14)

Note: The decrease in membership observed in oil palm producers is owing to both non-compliance to RSPO's Code of Conduct and group consolidation.

Our Members

(Total: 4,349 as at 30 June 2019)



Affiliate Members
 Ordinary Members
 Supply Chain Associate Members

Top 15 Countries of RSPO Membership

(as at 30 June 2019)

United States 518 (2018: 446)		Germany 471 (2018: 451)	
United Kingdom 434 (2018: 432)		Netherlands 233 (2018: 228)	
Italy 210 (2018: 200)		France 187 (2018: 161)	
Belgium 160 (2018: 149)		Spain 157 (2018: 138)	
Japan 147 (2018: 90)		Malaysia 143 (2018: 139)	
Australia 140 (2018: 132)		Indonesia 100 (2018: 123)	
China 100 (2018: 87)		Thailand 84 (2018: 76)	
Poland 82		Others 1,183	

Note: The decrease in membership observed in Indonesian members is due to both non-compliance to RSPO's Code of Conduct and group consolidation.

RSPO IN BRIEF

RSPO P&C Certification



More information on our certification process is available at <https://rspo.org/certification>

RSPO P&C Certification System and Standards

Oil palm growers

are certified through strict verification of compliance with RSPO P&C 2018.

Individual growers

wishing to certify their Fresh Fruit Bunches (FFB) against the RSPO P&C 2018 can do so under the Group Certification scheme.

Supply chain actors

that use RSPO certified sustainable oil palm products are audited against the RSPO Supply Chain Certification Standards (SCCS).

RSPO P&C Certified Management Units in 2019

As at 30 June 2019, RSPO P&C 2013 certified area¹ grew by over 22% year-on-year to 3,891,983 hectares across 16 countries.

Indonesia and Malaysia remain the largest oil palm producing nations collectively accounting for 81% of the total RSPO certified area. In Africa, certified area has increased by 56% since 30 June 2018.

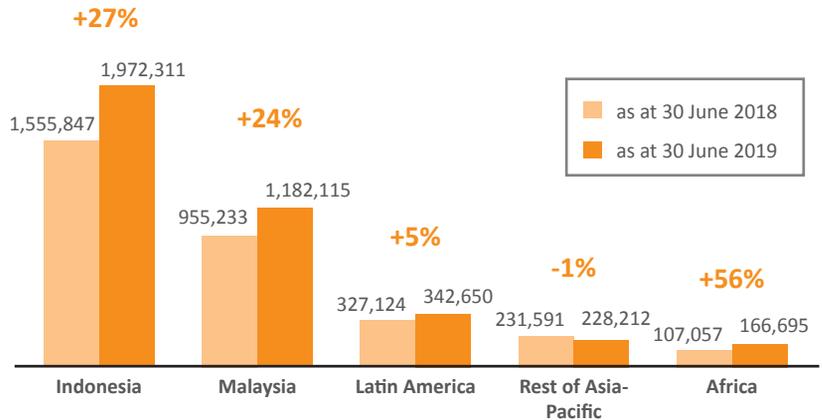
As at 30 June 2019, there are 389 certified palm oil mills with annual certified production volume of 14,290,537 MT of Certified Sustainable Palm Oil (CSPO) and 3,208,976 MT of Certified Sustainable Palm Kernel (CSPK), recording a stable annual growth of 5% and 2% respectively. The total certified production area² cultivated by RSPO members increased by 23%, covering an area of 2,891,608 hectares.

¹Certified area includes the mill, mature and immature oil palm area, buildings and infrastructure, HCVs and any area within the boundary of the management unit.

²Production area includes mature oil palm areas only.

Certified Area by Region

(Total: 3,891,983 hectares as at 30 June 2019)



Note: All Figures are inclusive of certified area for smallholders certified under group certification.

Annual Certified Production Volume of CSPO and CSPK (MT)



Note: All figures are inclusive of annual volumes of CSPO and CSPK of all smallholders certified under group certification. Data taken as at 30 June for each respective year.



RSPO PRINCIPLES AND CRITERIA UPDATE

Overview of RSPO Principles and Criteria (P&C) 2018 Review

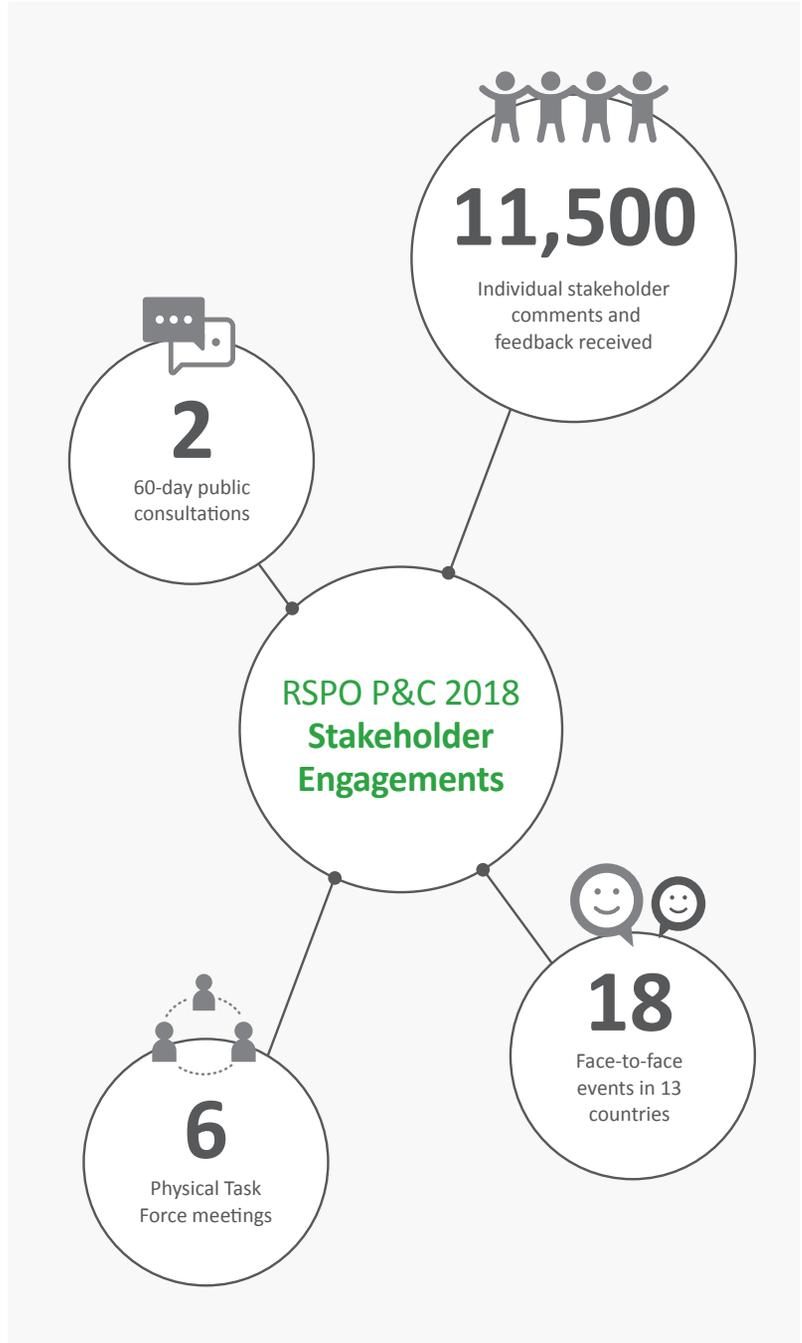
The RSPO P&C is the core of our certification process and is applicable for sustainable palm oil production worldwide. Aligned with ISEAL Alliance best practice, we review our P&C every five years.

Spearheaded by the RSPO P&C Review Task Force, we initiated the review of the P&C 2013 in April 2017 to maintain its relevance and improve its effectiveness for our members. This review is crucial in safeguarding the achievement of our shared vision of making sustainable palm oil the norm, and aligning with the RSPO ToC.

The RSPO P&C 2018 was adopted during GA15 following the completion of a series of stakeholder engagement sessions. While the new standard came into effect immediately, RSPO grower members have a one year grace period, and therefore, are required to be fully compliant with the P&C 2018 by November 2019.

As part of our Standard Operating Procedures for Standard Setting, National Interpretations (NI) for individual countries must be revised within 12 months of the date of adoption (i.e. by 15 November 2019). Relevant countries are currently revising their NI of the P&C 2018, considering input from public consultations.

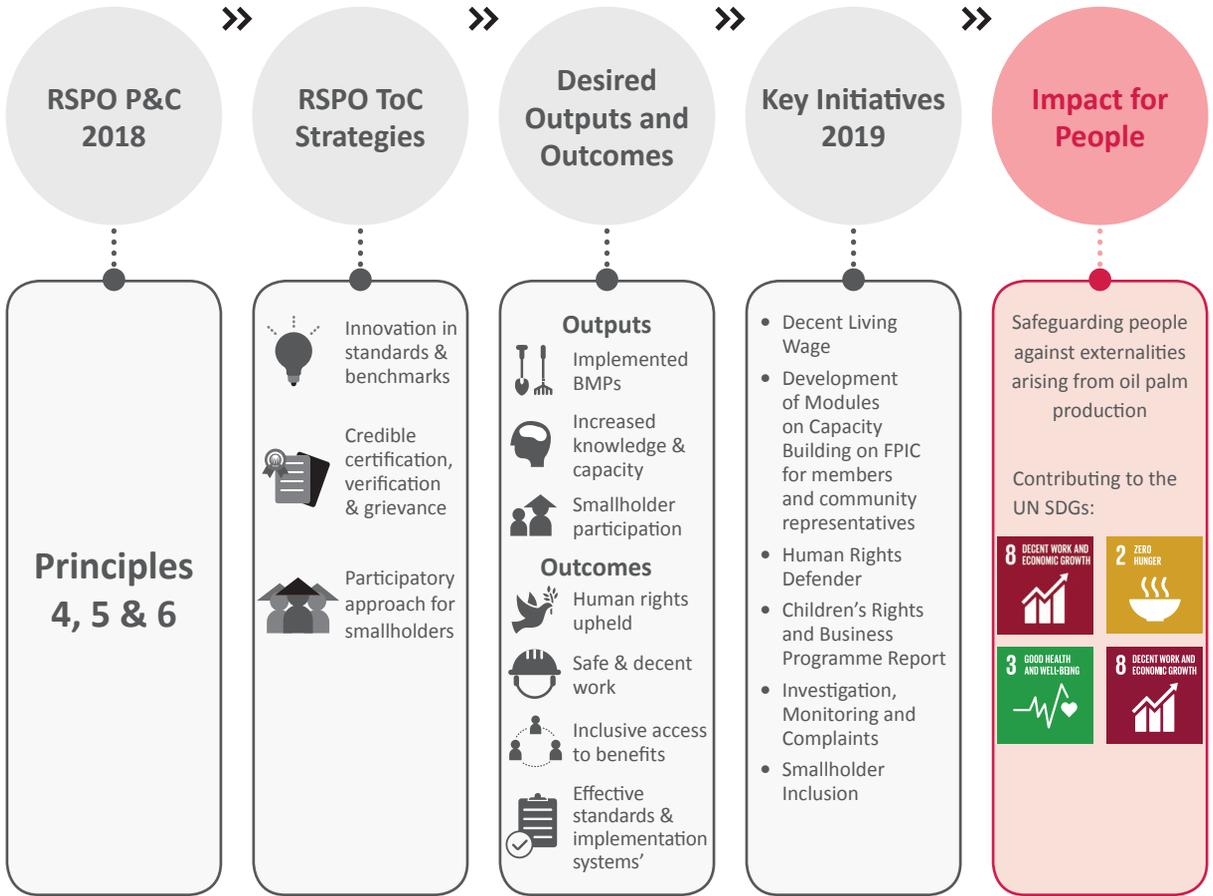
RSPO P&C 2018 is an outcome-based standard which is aligned to the RSPO ToC. To achieve this, we are developing a metrics template to help us collect data that demonstrates outcomes.



Our RSPO P&C 2018 is available for download at <https://rspo.org/principles-and-criteria-review#updates>

IMPACTS 2019 - IMPACT FOR PEOPLE

Summary of Impact





IMPACTS 2019 - IMPACT FOR PEOPLE

Number of Complaints Cases by Year (2009 - 2019)



■ No of Complaints Received ■ No of Complaints Closed
— Total No of Complaints Open at Year-end (Cumulative) — Total No of Complaints Closed (Cumulative)

Note: Figures for 2009 to 2018 are representative of full calendar year (1 January - 31 December). Figures for 2019 are inclusive up to 30 June 2019. *Comparative information has been restated to conform with current year's presentation



146,133

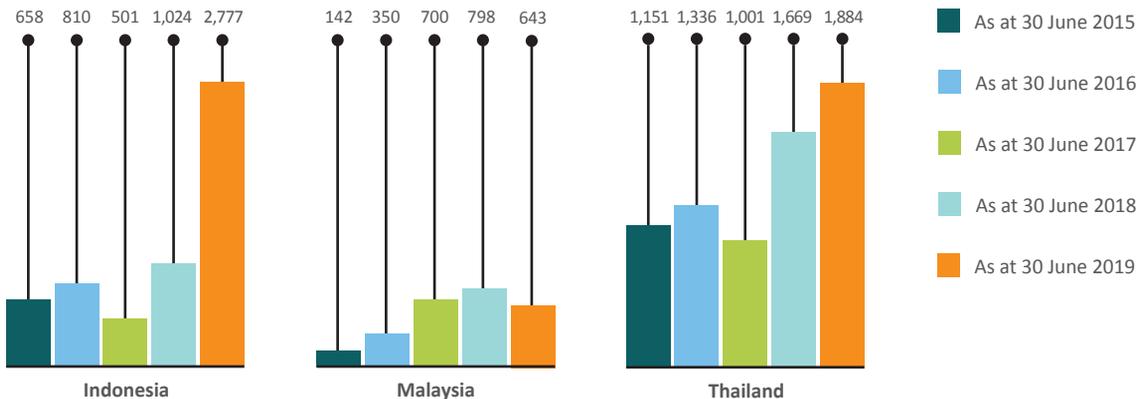
Total Smallholders
(2018: 55,099)



401,879 ha

Total Smallholders' Area
(2018: 284,320 ha)

Number of Independent Smallholders under Group Certification





IMPACTS 2019 - IMPACT ON OUR PLANET

Impact on Our Planet

SETTING THE BIODIVERSITY BAR FOR PALM OIL CERTIFICATION

The IUCN National Committee of the Netherlands recently published a report where it assessed the rigor of biodiversity and assurance requirements of six sustainability standards with the largest market share in certified palm oil production. The report concludes that:



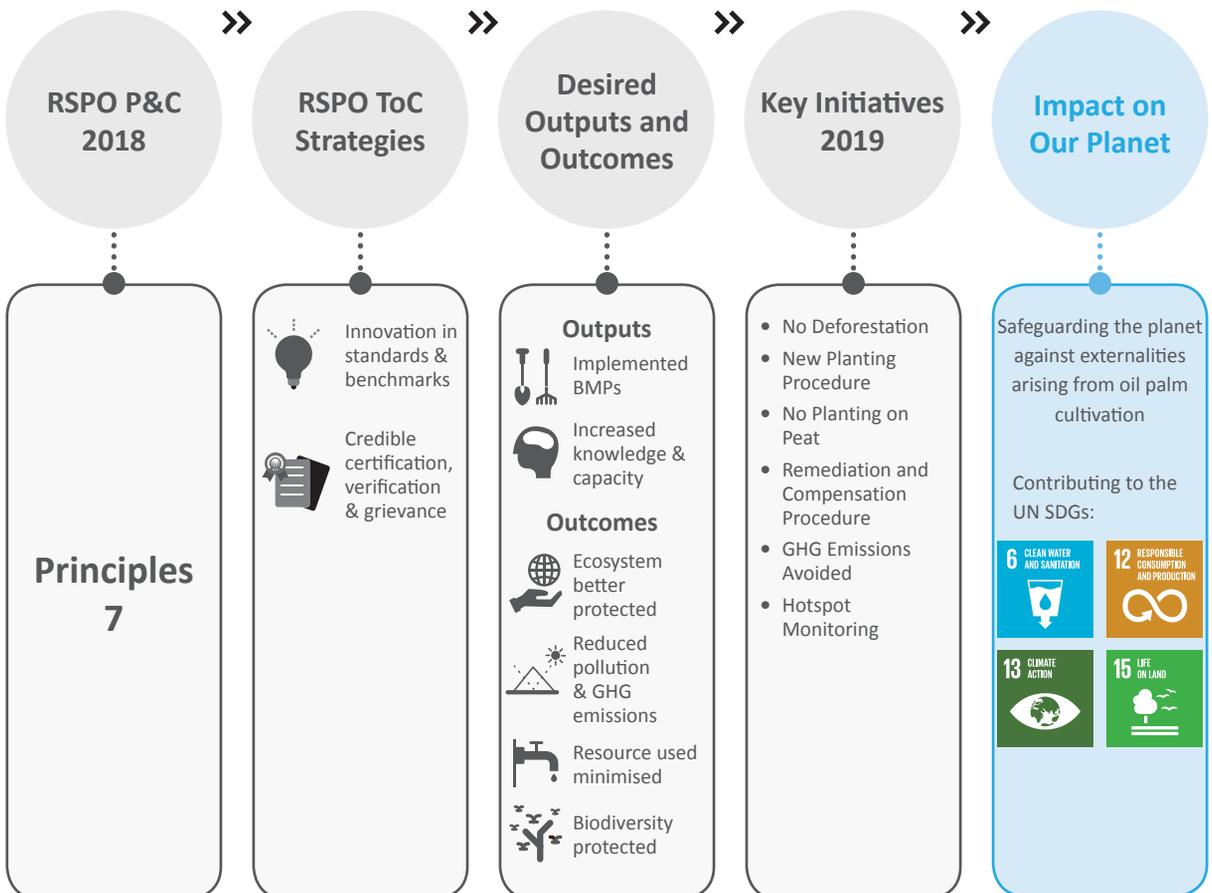
RSPO's P&C 2018 provides the best standard to protect biodiversity.



Read more at

<https://www.iucn.nl/en/updates/iucn-nl-compares-sustainability-certification-for-palm-oil>

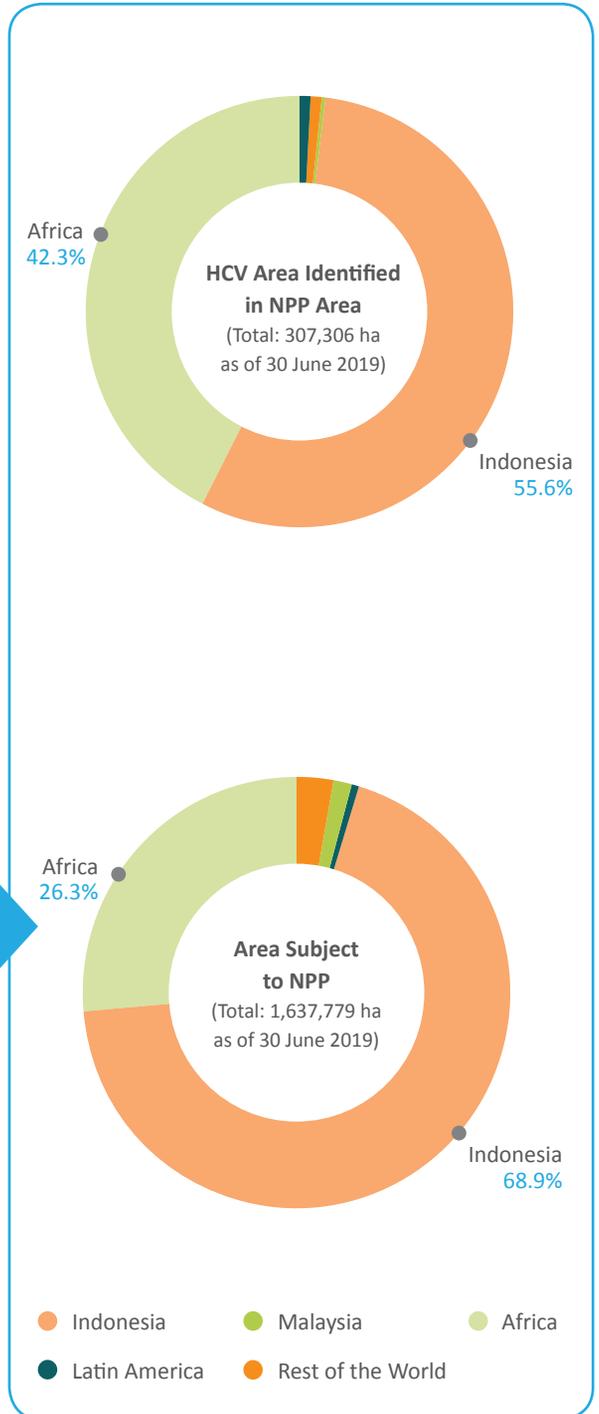
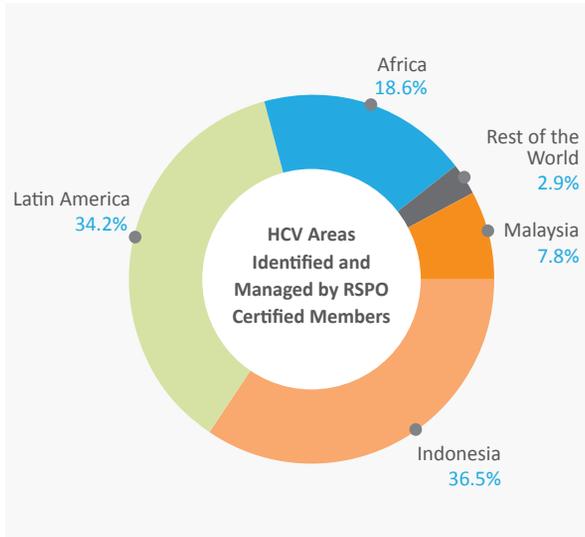
Summary of Impact



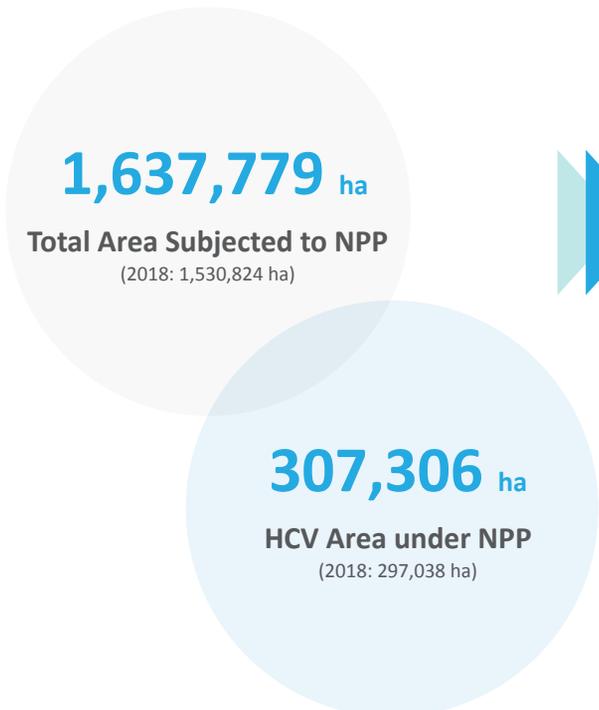


IMPACTS 2019 - IMPACT ON OUR PLANET

Protection of HCV Areas and HCS Forests



New Planting Procedure (NPP)



IMPACTS 2019 - IMPACT ON OUR PLANET

Greenhouse Gas (GHG)

PalmGHG Calculator Update

The P&C 2018 requires RSPO grower members to estimate and monitor GHG emissions from existing plantations and new developments using the 'PalmGHG Calculator' and 'New Development GHG Calculator' respectively.

In December 2018, PalmGHG v4 was introduced with improvements to the report submission process, and flexibility of both online and offline versions for plantations with poor network connectivity. It is mandatory to use PalmGHG v4 for all audits taking place after 31 December 2019.



More information on the PalmGHG calculator is available at <https://rspo.org/certification/palmghg/palm-ghg-calculator>

GHG Emission Savings from New Development

Large amounts of GHGs are emitted from the development of new plantations; primarily from land clearing and development of peatlands.

RSPO members are required to conduct a GHG assessment prior to any new developments to ensure they are designed to minimise GHG emissions.



As at 30 June 2019

1.4 mil

tCO₂e savings

from avoided land clearance, peat avoidance and conservation area sequestration



Equivalent to

297,835

Passenger vehicles removed from the road in a year

** Passenger vehicles refer as 2-axle 4-tire vehicles, including passenger cars, vans, pickup trucks, and sport or utility vehicles.*

Source

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

IMPACTS 2019 - IMPACT ON PROSPERITY

Impact on Prosperity

COMPANIES COMMITTED TO SUSTAINABLE PALM OIL PRODUCTION HAVE STRONGER EQUITY RETURNS

A new report by Climate Advisers, a consultancy specialising in climate and financial risk in the land sector, has shown that companies within the palm oil supply chain that commit to sustainable production have higher equity returns compared to their industrial counterparts. The report shows that:



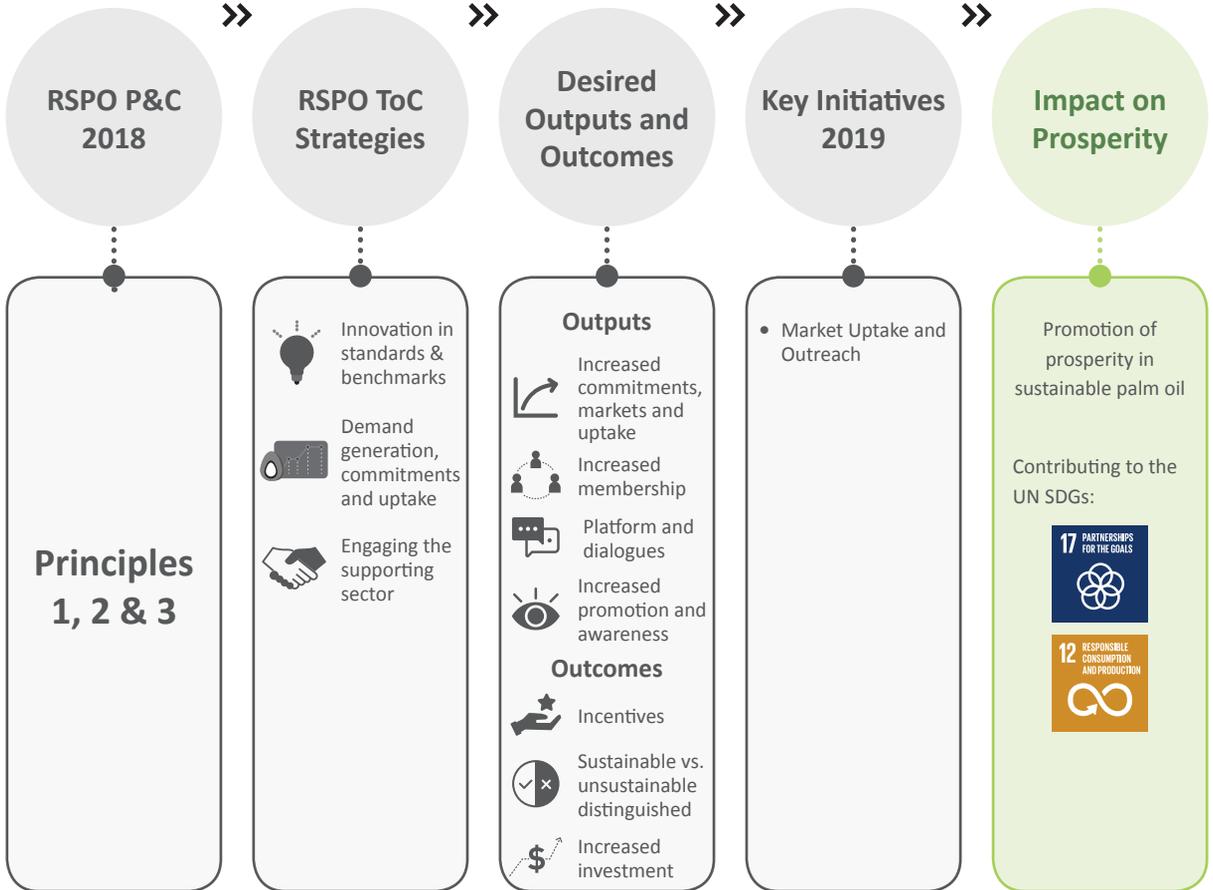
RSPO members outperform non-members by 24.7 percentage points”



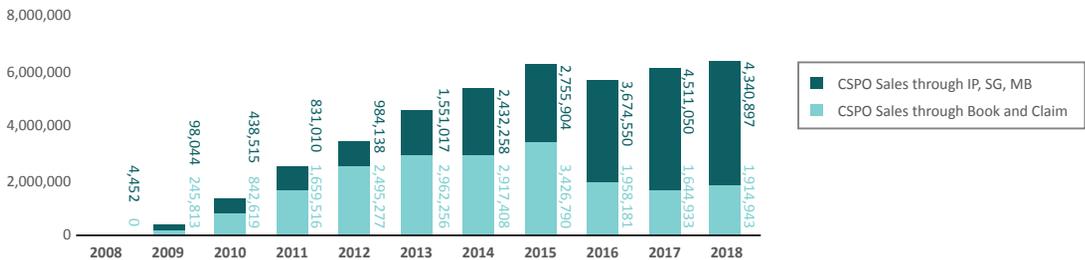
Read more at <https://www.climateadvisers.com/news/companies-committed-to-sustainable-palm-oil-production-have-had-substantively-stronger-equity-returns/>



Summary of Impact



Annual Sales of CSPO (MT)



* All figures are based on full calendar year data (1 January-31 December)

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.

www.rspo.org

RSPO IMPACT UPDATE 2019



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