

Resolution GA15-6b

Proposed Resolution to be adopted at the 15th General Assembly of the
Roundtable on Sustainable Palm Oil (RSPO)

15th November 2018

Title: REQUIRING MEMBERS INVOLVED IN PRIMARY PROCUREMENT TO PUBLISH THIRD-PARTY SUPPLYING MILLS LISTS

Submitted By: Aidenvironment

Supported by: Sime Darby Plantations Berhad, Wilmar International Limited, PT. Musim Mas, Bunge Loders Croklaan B.V., Orangutan Land Trust, The Zoological Society of London, Lingkar Komunitas Sawit (LINKS)

Background:

The RSPO's vision is to make sustainable palm oil the norm. One norm that has already been embraced by many RSPO members is for mid and downstream companies to publish their third-party supplying mills lists. Unfortunately, not all RSPO members have so far adopted this good practice¹.

The publication of supplier lists enables industry stakeholders to determine whether palm oil from non-compliant growers ends up in supply chains of companies committed to the RSPO and equivalent policy.

The General Chain of Custody requirements of the RSPO Supply Chain Standard apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products. This includes oil palm mills and refineries, traders and manufacturers. This standard requires these member organizations to make available information about transactions involving certified palm oil products.

However, there are currently no rules requiring these organizations or other RSPO members to make their entire supplier lists public.

Previously, this information was occasionally published in the audit report of Chain of Custody audits of refineries². This allowed public scrutiny of palm oil supply chains and the purchasing policies of RSPO members and contribute to wider transparency in the sector.

Potential Benefit/Risk:

There is a risk that not all members involved in primary procurement support increased

transparency into what is sometimes considered confidential business information. We do not propose that the supplier lists require disclosure of volume or value of traded goods.

If this measure is not extended to downstream companies who typically procure palm oil indirectly there is a danger that a two-tier system is created, with far greater transparency demands placed on one section of the industry than another. However, it must be acknowledged that the downstream section of the industry is often more complicated, with far more stakeholders than the midstream trading/ refining process. A provision in this Resolution that gives the RSPO Secretariat one year to extend transparency requirements to downstream companies should allay traders' fears and provide the Secretariat with enough time to devise a workable solution.

The benefit of the Resolution is for RSPO to promote consistency among its membership ranks by adopting a new, already broadly supported norm. The disclosure will help trader- refiners to identify responsible supply/suppliers and engage non-compliant suppliers.

As most large trader-refiners already publish their supplier lists, the RSPO risks being 'left behind' in the palm oil industry transformation drive if it does not require all its members to follow this industry trend.

THIS RESOLUTION PROPOSES:

- 1) To adopt changes that would make it mandatory for RSPO member organizations involved in primary procurement (i.e. purchasing directly from a mill) to make public their entire third-party supplying mills list, including the supply from its own mills. Lists could be made public on company websites or via the RSPO audit process. The lists should include the name of the supplying mill, the name of the parent company who owns the mill and the mill GPS coordinates. Mill lists should be updated every quarter. The RSPO Secretariat should develop measures to ensure the accuracy of the list is verified by an accredited 3rd party auditor within 18 months of publication.**
- 2) For the RSPO Secretariat to review and determine within one year from the date of this Resolution how a similar level of supply chain transparency can be promoted to incorporate RSPO members who are not involved in primary procurement**

Contact Information:

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References:

¹ Aidenvironment: RSPO members who have published supplier lists, September 2018

² PT Synergy Oil Nusantara Palm Oil Refinery Batam, Riau Kepulauan Province, Indonesia Date of assessment: September 22 to 23, 2015

Palm oil companies with public supply lists

Company	RSPO Member
AAK	Yes
ADM	Yes
Apical/ Asian Agri	Yes
Bunge/ Loders Croklaan	Yes
Colgate	Yes
Ferrero	Yes
First Resources	Yes
Fuji Oil	Yes
General Mills	Yes
Golden Agri Resources	Yes
IOI	Yes
Kellogg's	Yes
Louis Dreyfus Company	Yes
Mars	Yes
Mewah	Yes
Musim Mas	Yes
Neste Oils	Yes
Nestlé	Yes
Olam	Yes
P&G	Yes
Pepsico	Yes
PZ Cussons	Yes
Reckitt Benckiser	Yes
Sime Darby	Yes
Unilever	Yes
Wilmar	Yes