

Resolution GA18-2b

Proposed Resolution to be adopted at the 18th General Assembly (GA18) of RSPO Members

2 December 2021

TITLE: Strengthening the Code of Conduct to clarify that it embraces all stages of the supply chain, in particular refineries

Submitted By: WWF International, Forest Peoples Programme, Robeco Institutional Asset Management B.V, Beiersdorf AG, Zoological Society of London, HUTAN Kinabatangan Orang-utan Conservation Programme, Oxfam International, Both ENDS

Background:

As the RSPO Code of Conduct states, it is fundamental to the integrity, credibility and continued progress of the RSPO that every member supports, promotes and works towards the production, procurement and use of Sustainable Palm Oil. All Ordinary and Affiliate Members must act in good faith towards this objective and commit to adhering to the principles set out in the Code. This includes a requirement for ALL members to implement equivalent standards to the RSPO P&C wherever relevant, as stated under Clause 3.2.

RSPO Code of Conduct for Members 2017, Clause 3.2:

"Members to whom the P&C do not apply directly will implement parallel standards relevant to their own organisation, which cannot be lower than those set out in the P&C."

One of the many fundamental requirements under the 2018 P&C is a no-deforestation approach, as mandated under Principle 7:

RSPO Principles & Criteria 2018, Criterion 7.12:

"Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced."

Therefore, in the sense of shared responsibility and as required under the Code of Conduct, the principle of no deforestation, among other key issues, such as legality, just land acquisition, FPIC, respect for workers' rights and women's rights, shall be implemented by all members in all stages of the supply chain as relevant. Unfortunately, it seems that not all RSPO members have so far adopted this practice or are not aware that principles in parallel with the 2018 P&C – including no-deforestation requirements – need to be applied across the whole supply chain.

Proposed Resolution:

To mandate the RSPO Secretariat, jointly with the Shared Responsibility Working Group, to:

- Review and amend Clause 3.2 of the Code of Conduct for Members, to ensure it is clear that it
 applies to palm oil refineries and other facilities across the whole supply chain, and therefore
 that failing to meet parallel standards to the RSPO P&C e.g. through deforestation activities –
 amounts to a breach of the Code of Conduct;
- To develop a clear wording within 6 months to make this amendment;
- To ensure the clarified wording of Clause 3.2, and its implications for members not subject to the P&C, is communicated clearly to all members.

Potential Benefits:

- Ensuring an even playing field for all members, with responsibility for sustainable practices –
 including a deforestation- free supply chain shared by every RSPO member in the supply
 chain.
- The prevention of deforestation, and other activities in breach of the RSPO P&C 2018, by non-certified members in the supply chain.
- Clarification and communication of these obligations under the Code of Conduct will support all members to ensure they are not unknowingly in breach of the Code.

Potential Risks & Mitigation:

It is possible some existing or potential members not subject to the P&C, who had not previously understood these existing obligations under the Code of Conduct, may see this as a tightening of restrictions around their activities and therefore a disincentive for membership. However, implementing this resolution will help to clarify that this is an existing requirement and will support all members in understanding the commitments they need to work towards as part of shared responsibility.

Proposed Standing Committee/Working Group/Task Force in overseeing the Resolution:

Shared Responsibility Working Group

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References:

RSPO Code of Conduct for Members 2017: RSPO Principles and Criteria 2018

