

REFLECTING ON A DECADE OF GROWTH

IMPACT REPORT 2019

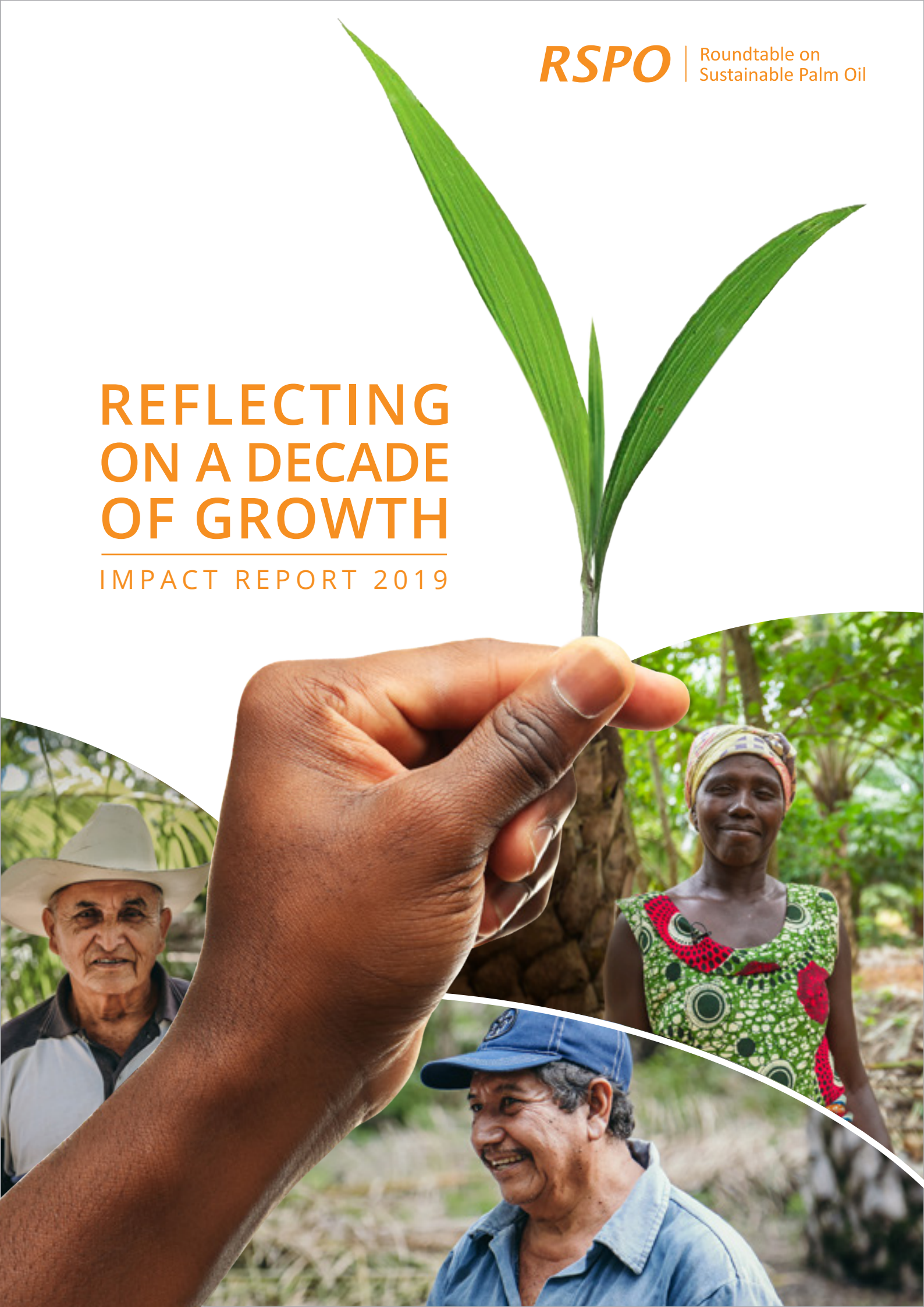




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CO-CHAIRS' LETTER

by Anne Rosenbarger and
Dato' Carl Bek-Nielsen

Dear fellow members and stakeholders,

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More than 10 years after its establishment, the RSPO has seen exponential growth and achieved much success on our collective journey towards transforming the market to make sustainable palm oil the norm. Therefore, for this year's Impact Report, we have chosen the theme *"Reflecting on a Decade of Growth"* to document our efforts and achievements over the past decade. ”

It is no doubt that we have come a long way. Our membership has grown from just 558 members in 2010 to 4,577 members as at 31 December 2019; and from merely 41 member countries/territories to 94 countries/territories. RSPO certified area has also seen significant growth of 579% to 4.2 million hectares during this period. During this time, the RSPO Secretariat has also grown significantly in order to better serve and support our members and stakeholders, and to help us all edge closer to achieving our shared vision. Though we fully acknowledge and accept, we still have a ways to go.

One of the major highlights of 2019 was definitely the endorsement of the landmark rules that signify the urgent call for Shared Responsibility (SR), a concept that is made more urgent now with the adoption of the 2018 RSPO Principles and Criteria (P&C). While this is not an entirely new concept - it was previously referred to as "commensurate effort" in the RSPO Code of Conduct, members across all categories throughout the supply chain are now mutually accountable and need to work together to ensure the supply and demand of RSPO certified sustainable palm oil (CSPO) is more evenly weighted. With these rules, we expect to see more active participation from downstream stakeholders in joining us on this journey, not only in promoting the production of CSPO but also in increasing its uptake. As growers have already committed to a much tougher standard, largely to meet the expectations of buyers with No Deforestation, No Peat, No Exploitation (NDPE) policies, it is only fair for buyers to step up in a similar way in both their sustainable sourcing policies and procurement decisions. The P&C must be thoroughly embedded in how all members conduct business or engage with the palm oil supply chain.



↑ 4,577

Reaching 4,577 registered members across 94 countries/territories as of 31 December 2019.

↑ 579%

P&C certified area grew by 579% to 4.2 million hectares in the last decade.

In 2019, we also achieved two of our main milestones in the Smallholder Strategy - the launch of the RSPO Smallholder Trainer Academy (STA) programme and portal, and the endorsement of the RSPO Independent Smallholder (ISH) Standard. This new and separate standard, produced exclusively for independent smallholders, responds to their needs with a simplified approach to certification that better considers the diversity and incentives, as well as challenges faced by smallholders globally. The inclusion of smallholder farmers is indeed fundamental for RSPO to achieve our desired impact and we will continue to strive to create a supportive environment that empowers smallholders to achieve sustainable livelihoods.

The formation of the Assurance Standing Committee (ASC) in 2019 is another needed initiative to help ensure robust assessment, verification and certification against the RSPO standard. Yet, we heard stakeholders loud and clear that a new structure is needed to strengthen this system further.

Besides that, the endorsement of the RSPO Dispute Settlement Facility (DSF) Framework, Principles and Terms of Reference (ToR) by the Board of Governors (BoG), further demonstrates our commitment to ensure transparency and maximum disclosure of our reports and outcomes while respecting the right to confidentiality of the parties involved.

Following the adoption of the 2018 P&C in November 2018, it is crucial that all our procedures and standards are updated accordingly to cater to an increasing degree of distributed management for it to keep pace. In a move to enhance the assurance of the chain of custody of RSPO certified materials along the supply chain, we also kickstarted the revision of the 2017 RSPO Supply Chain Certification (SCC) Standard and Systems in 2019, as well as the RSPO P&C Certification System and New Planting Procedure (NPP) document.

Besides that, the BoG has also endorsed the RSPO Governance Review for Reorganisation of Standing Committees, Task Forces and Working Groups, where four standing committees have been established - Assurance, Market Development, Smallholder, and Standard. Through the working group and task force under each standing committee, we encourage members to address complex and difficult challenges and work towards developing solutions.

2020 will see us welcome a new CEO as the head of the RSPO. The end of 2019 also saw the announcement of the departure of our longtime CEO Datuk Darrel Webber, who after eight years, first as Secretary General then Chief Executive Officer, grew the RSPO from 300 members to well over 4,000. Before this, Darrel was also instrumental in the role he played as a member of an environmental NGO, prior to joining the organisation. On behalf of the RSPO Board of Governors and membership, we thank Darrel for these contributions that will have a lasting impact on the industry.

In the second half of 2020, we will welcome Beverley Postma, an experienced CEO and scale-up strategist who thrives at the interface of business, government, and civil society. She joins RSPO from GreenOcean Group, a Singapore-based sustainable business consultancy to take the lead of our organisation at this pivotal juncture. Beverley is also the Founder and Executive Director of Food Industry Asia, the leading industry association for food companies in Asia, and was Chief Executive Officer of HarvestPlus based in Washington, D.C., where she managed a global team of more than 170 staff across fifteen countries.

We and the board are delighted to welcome Beverley as the new Chief Executive Officer of RSPO. We are confident that with her more than 20 years of experience in the global food industry, Beverley will help RSPO reach new heights and create a greater impact on the sustainable palm oil value chain.

Moving forward, we will continue to work closely together with Beverley, and our valued members and stakeholders to implement the requirements of the 2018 RSPO P&C, and actively implement the shared sustainability requirements and obligations to achieve our vision and goals. We also expect to see our members throughout the supply chain to work together to increase the uptake of CSPO. We are leading the way, and as we go along, we will continue to review and improve the SR requirements and mechanisms.

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.



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