

Annex 3

Quick assessment checklist – palm oil - downstream companies (manufacturers, refiners, traders and buyers of products containing palm oil)

This checklist is intended to be used by "deal teams" in preliminary negotiations with a company to assess the company's commitment and capacity on sustainability issues. This is intended to be indicative only and should compliment similar "early-stage" queries on commercial viability.

QUERY	WHAT THE RESPONSE INDICATES
Is the company a member of the Roundtable on Sustainable Palm Oil (RSPO)?	Downstream RSPO members are required to report their progress in promoting the RSPO principles. You can check the RSPO website (www.rspo.org) to see if they have reported on their progress.
Does the company have a public policy on responsible palm oil procurement?	Such a policy is evidence that the company is aware of the reputation and market access risks associated with the sale or use of products containing unsustainable palm oil. In essence the policy should include a commitment to phasing out all trade in palm oil that is not produced in compliance with the RSPO principles. A strong policy will include a target of achieving 100% certified supply of palm oil by a specific date.
Is the company encouraging its suppliers to provide RSPO-certified palm oil?	If the company is serious about implementing its policy, it will have targets, plans and systems to progressively increase the proportion of RSPO-certified palm oil in its supply chains. This would include a plan to phase out suppliers that are not able to supply RSPO-certified palm oil or products containing the same.
Has the company implemented an environmental (and /or social) management system?	A management system is important to ensure that the company has processes and controls governing its operations. Good systems will refer to industry good practices and may have third party certification of management systems e.g. ISO 14001.
Has the company been the subject of complaints, negative media reports, or protests by NGOs, or consumer associations?	Such controversy should put you on alert. That said, it is important to understand the nature and scope of the opposition and to determine if the views of critics are credible and represent local or international perspectives.