# Palm Oil Innovation Group A journey towards responsible palm oil

# Supporting the Palm Oil Innovation Group – Q&A

# What is the palm oil innovation Group (POIG)?

POIG is an initiative developed by leading palm oil growers as well as international social and environmental NGOs to ensure that truly responsible palm oil becomes available in the market place without delay. POIG is not an RSPO alternative or a new certification standard, but builds on the current RSPO certification system through the development of additional verifiable indicators to show that palm oil produced by growers that are verified as POIG compliant has effectively broken the link between palm oil, deforestation, peatland degradation and social conflict in their operations.

# Who can join as POIG members and supporters?

Currently, only growers and NGOs can be full members of POIG because at this time there are only grower indicators defined in the Charter. Palm Oil Buyers, such as retailers and manufacturers are encouraged to join as supporters if they already have in place a responsible palm oil sourcing policy which is compatible with the POIG Charter. In addition, POIG supporters will need to make a public statement of support for the POIG Charter. Once the support group and the existing Organising Committee has agreed on POIG Charter components for palm oil buyers, your company will be invited to join as a full member. Membership is entirely voluntary and you can choose to withdraw at this stage if your company does not wish to make further commitments.

In the future POIG also intends to cover the rest of the palm oil value chain such as financial institutions.

#### What does it mean to be a POIG supporter?

POIG supporters will help promote the POIG Charter in the marketplace and to growers. In addition, supporters will be asked to develop additional Charter components relevant to their role in the palm oil value chain. You will be asked to contribute your expertise in supply chain mapping and procurement challenges to set ambitious but realistic requirements for responsible manufacturers and retailers to demonstrate that you too are innovators. The process is open only to companies which have existing ambitious commitments that are compatible with the POIG Charter, and will be supported by innovative growers and leading NGOs so you will be working with peers interested in finding solutions to meet challenging commitments.

#### Why should we join as POIG supporters?

By supporting POIG and the POIG Charter, companies can help raise the standard for responsible palm oil production, encouraging suppliers which are already RSPO compliant to strengthen their performance and address concerns which have not yet been incorporated into the RSPO certification standard.

In addition to existing RSPO members, POIG is supported by a number of NGOs who have previously been critical of the RSPO, providing companies with additional assurance that their palm oil sourcing is considered best practice.

By sourcing palm oil from POIG verified producers you will have the assurance, verified through independent third party certification bodies, that the palm oil that you buy breaks the link between deforestation and social conflict. Such assurance reduces reputational risks and may provide front-runner advantages in the market place. So it is a simply way to ensure your policies are being met by your suppliers.

#### Is POIG an alternative to RSPO?

No, POIG is an initiative which builds on the current RSPO standard. While POIG members recognise that RSPO sets a global standard for certified sustainable palm oil, it currently lacks critical safeguards, including on the protection of forest, peatlands and the climate, and requires improvements in the auditing, enforcement and implementation of its environmental and social safeguards. POIG is not aiming to replace the RSPO or to develop a certification standard for palm oil production or the mechanisms to certify production or supply chains. We believe that the foundations for adequate systems already exist within the RSPO. POIGs aim is to improve these. For instance innovations by POIG members will provide additional tools and mechanisms to help growers prevent deforestation, climate change, social conflict and human rights abuses. The POIG Charter indicators for growers demonstrate how producers can be verified to show that they are producing palm oil responsibly. In addition, POIG requires robust efforts towards traceable supply chains and enhanced disclosure of performance. POIG wishes to work with the RSPO to ensure that these innovations are taken up by the RSPO itself.

#### By supporting POIG, will we be required to source from POIG growers?

No, as supporters, you are not making any commitments to preferential purchasing from other POIG members, but assisting POIG in identifying relevant requirements for your sector and hence help set the bar for responsible palm oil procurement.

However current POIG members do believe that the POIG Charter represents the best current thinking on what is responsibly produced sustainable palm oil. The expectation is that responsible palm oil procurement standards would be compatible with the POIG Charter and by establishing a system of independent verification of POIG grower members against the POIG Charter POIG aims to facilitate the sourcing of responsibly produced sustainable palm oil.

# Overview of commitments:

# Supporters

- •POIG-aligned sourcing policy in place
- Public support for POIG Charter
- •Contributes to POIG palm oil buyers' Charter component development
- •No mandatory cost involved and no commitment to join as members
- •Timeframe July-November 2014

# Member

- Membership expected to be open in late November 2014
- •Commitment to POIG palm oil buyers' Charter components once developed
- Potential membership fee applicable (TBC in November 2014 by members)

# What time and resources would we need to contribute?

Supporters should expect to participate in email exchanges and 2-3 physical meetings to develop POIG Charter indicators for the manufacturer and retailer sectors. Meetings and calls will take place from August-November in Europe and Asia (in connection with RT12 in Kuala Lumpur).

#### *Is there a cost involved in being a supporter?*

POIG is currently funded by the Organising Committee. At this stage, there is no cost involved for supporters. POIG welcomes voluntary monetary contributions to help drive the initiative, as well as contributions in kind (e.g. hosting meetings or telephone conferences). Once membership for retailers and manufacturers are formalised, a membership fee may be agreed amongst all members, depending on specific work plans agreed.

# How do we join?

Contact <u>info@poig.org</u> to request Terms of Engagement and supporter application forms. Please submit a link or a PDF of your current publicly available palm oil procurement policy.