

Sustainability Standard for Supply Chain

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This presentation looks into the current sustainability standard for the palm oil supply chain. Whereas the P&C focus on the upstream (production), the SCS focusses on the downstream (processing & trading). The link between upstream and downstream is the palm oil mill, which is certified under the P&C, i.e. as part of the upstream.

(1) Why the need for an upstream and downstream Sustainability Standard?

- a. Palm oil is the world's most widely used vegetable oil, and demand keeps growing, and it is produced in the world's most sensitive areas in terms of biodiversity, carbon sinks, and scarcity of arable land: hence the need for a sustainability standard in the upstream.
- b. Sustainable palm oil is not only about how plantation are established and managed, it is also about how mills, warehouses and refineries are run. And selling sustainable palm oil requires a certain level of traceability: the value of RSPO as a standard depends on trust in the auditability of the whole supply chain, from estate to manufacturer of end product. Hence also downstream.

(2) The content of the RSPO sustainability standard

- a. The P&C consists of 8 principles, 39 criteria and 124 indicators, which can be summarized as: "where?" and "how?"
- b. The Supply Chain System starts at exit mill, stop at last refiner. Trace via Utz, trade via GP. Three physical program levels: IP, SG, MB. There are two key documents: "standard" (for companies), "system" (for CB).

(3) Challenge: a credible and yet user friendly Sustainability Standard?

- a. Indeed a challenge, a constant battle. Not a for-ever-fixed standard but a slope: has to keep pace with external demands.
- b. Hence the reviews. The review of the P&C is dealt with elsewhere. After that, the SCS will also be reviewed. Hence also some projects to improve customer satisfaction (see 4.)

(4) Some recent projects, developments, a look ahead

- a. UTZ has successfully migrated to RSPO eTrace; next step is development of an integrated system.
- b. Increasing market demand for more traceability, beyond the level of insight that the RSPO P&C or SCS can currently deliver.

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