

RSPO Statement: Sustainable Palm Oil Certification and Trading Systems

Kuala Lumpur, 26 June 2007: The Roundtable on Sustainable Palm Oil (RSPO) took another step closer towards its stated objective of bringing sustainable palm oil to the market. A Certification protocol with recommendations for a complete scheme for certifying palm oil production against the RSPO Principles & Criteria for Sustainable Palm Oil Production (RSPO P&C, which includes the generic Guidance and Indicators) has been approved by the RSPO Executive Board. Trial or pilot audits using the draft system are already underway. It is expected that results from these audits will be shared at the upcoming 5th Roundtable Meeting on Sustainable Palm Oil (RT5) scheduled during 20-22 November 2007 in Kuala Lumpur. The Certification systems Protocol gives clear guidance to Certification Bodies on how to become accredited (i.e. registered) as RSPO certifiers. This will allow palm oil producers to approach these Certification Bodies with the request to undertake an RSPO audit. The Certification Protocol is now available on the RSPO web site. A document detailing which steps producers need to take to engage with Certification Bodies is in preparation.

In addition to this, a document has been developed which describes a range of trading systems and options for trade in certified palm oil. The document on Supply Chain Options is now available on the RSPO web site. This document covers the following 3 options:

1. Segregated supply chains (which will lead into a Separate Commodity Grade in case of sufficient volume of Sustainable Palm Oil)
2. Controlled Mixing of certified and non-certified palm oil (also referred to as Mass-balance)
3. Parallel Certificate Trading (Book and Claim)

It is the view of the RSPO Executive Board (EB) that all options as well as rules for the use of claims together with transaction and trading systems would be implemented in the future when trade in certified palm oil increases. The allowance of more options provides flexibility and robustness in supplying the market with certified sustainable palm oil. For the time being, allowed claims can vary as follows:

- "This product contains RSPO certified palm oil" (option 1)
- "This product contains x % RSPO certified palm oil" (option 2)
- "This product supports the trade in sustainable palm oil" (option 3)

Further elaboration of claims is in process.

As well, the RSPO EB endorsed GreenPalm Brokers Ltd U.K. in the trading of RSPO palm oil certificates. GreenPalm would act as the sole RSPO endorsed broker for trade in certificates of RSPO palm oil. RSPO will maintain a clear database for volumes of certified oil and certificates traded to ensure the integrity of the system.