

Palm Oil Innovation Group



A journey towards responsible palm oil

Eligibility and Terms of Engagement

For New Members

May 2016

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Introduction to the Palm Oil Innovation Group

The Palm Oil Innovation Group (POIG) aims to support the RSPO through building on RSPO standards and commitments and by both demonstrating innovation to implement RSPO existing standards as well as with additional critical issues. With a focus on the three thematic areas of environmental responsibility, partnerships with communities, and corporate and product integrity, POIG members will strengthen their commitments to socially and environmentally responsible palm oil production.

POIG focuses on leveraging its experience to create innovations in the palm oil industry and act as advocates for these innovations. POIG will demonstrate that by setting and implementing ambitious standards, the industry can in particular break the link between deforestation, and human, land and labour rights violations, and palm oil. The POIG Charter is currently focused on palm oil producer companies (those who generate a majority of their profit from growing and processing Fresh Fruit Bunches). A retailers and manufacturers component of the POIG Charter was launched in November, 2015.

POIG is open to any stakeholder in the palm oil sector who supports this Charter and shares this vision. POIG wants to explore ways to increase the market demand for palm oil products that are produced by innovators within the industry who are operating in accordance with this Charter, so in particular welcomes the support of manufacturers and consumers. It is expected that additional Charter components will be added for traders/processors, investors, and consumers who support the Charter to ensure these standards apply to the full supply chain.

Objectives and Purpose

The Palm Oil Innovation Group:

- promotes and supports innovation and improvements in oil palm plantation and extraction mill management and throughout the supply chain on a range of environmental, social, supply chain and governance issues, and seeks to have the innovations rolled out across the palm oil industry and reflected in the RSPO standard.
- creates added value for innovative and progressive producers and supply chain partners through increased market recognition and demand for palm oil products from innovative and improved practices.
- acts as a forum for open discussions and sharing of experience with innovations and improvements in: oil palm plantation practices, extraction mill management practices, responsible procurement, and product traceability and verification throughout the supply chain.
- acts as a forum to collectively engage with governments towards achieving recognition and support for innovations, and have them included in regulations and law.

Membership eligibility and commitment requirements

The Palm Oil Innovation Group (POIG) membership is currently open to involvement for all organisations who support the objectives and purpose of POIG and its Charter. Where the organisation is involved in more than one sector, all requirements for the sectors in which it operates must be met.

Membership status is open only to organisations which meet the following requirements:

- **Palm Oil Producers**, defined as organisations which generate the majority of their revenues from the cultivation and processing of oil palm fresh fruit bunches. Palm oil producer members must commit to meet the requirements of the POIG Charter, and be independently verified as compliant with the POIG verification indicators within their first year of membership.
- **NGOs**, defined as not-for-profit organisations with a stated social and/or environmental mission that is in line with the POIG Charter.
- **Retailers / Manufacturers**, defined as companies that generate the majority of their revenues from the manufacturing or from sale of consumer goods manufacturing products. Retailers and manufacturers that are members of the POIG must have publicly committed to support the POIG Charter, as well as adhere to the requirements in the Retailers & Manufacturers Charter.
- **Traders/Processors**, defined as palm oil companies that generate the majority of their revenues from the trading and processing of palm oil, palm kernel oil and/or their fractions and/or derivatives. These companies may also cultivate oil palm fresh fruit bunches (FFB); but do not generate a majority of their revenue from this aspect of their operations. Members must have made a public commitment to follow the POIG Charter. A traders/processors component of the POIG Charter will be launched in 2016.
- **Other sectors** in the palm oil supply chain and financing can apply for membership, provided that a full commitment to the requirements of the POIG Charter is made. In addition, the organisation must be willing to contribute to further POIG Charter components and setting out requirements for its sector.

In addition to these requirements, all members must adhere to the [POIG Terms of engagement](#).

In order to be recognised as a signatory of POIG, organisations must ensure that a member of the organisations highest decision-making body signs a [Membership Confirmation Letter](#).

Terms of Engagement for Members of the Palm Oil Innovation Group

It is fundamental to the integrity, credibility and continued evolution of the Palm Oil Innovation Group ('POIG' 'the initiative') that every signatory supports, promotes and works towards the implementation and promotion of the POIG Charter and its objectives and purposes.

POIG is an initiative developed jointly by private-sector representatives and non-governmental organisations, based around a set of formal requirements known as the 'POIG Charter'. POIG is currently not envisioned as a legal organisation with a formal governance structure. However, all members must adhere to a common set of Terms of Engagement as set out here:

Decision-making

POIG is guided by the founding members¹ of the initiative who form the POIG Organising Committee. Decision-making with regards to the initiative is always taken by this Committee and in consensus. Further organisations may be invited to join the Organising Committee, subject to approval by all founding members. Decision-making in the case of disputes or exclusion shall include conflict of interest requirements.

Implementation of the Charter

Members to whom the Charter applies will work towards implementation and verification of compliance, as well as public reporting of progress.

'Members to whom the Charter does not apply directly will implement parallel standards relevant to their own organisation including addressing POIG Charter 3.1 and 3.3.

Commitment and external communication

Support of POIG must be endorsed by a member of the highest decision-making body of the signing organisation.

Members will acknowledge their commitment to the POIG Charter through explicit endorsement. This must include the proactive promotion and education of the Charter requirements both internally within members' own organisations, in communication and publicity materials (including web), and externally to their value chains and wider stakeholder groups.

Members will not make any misleading or unsubstantiated claims about the production, procurement or use of responsible palm oil that meets POIG standards.

¹ Founding members currently in the Organising Committee: Rainforest Action Network, Greenpeace, Forest Peoples Programme, WWF, DAABON, Agropalma. New Britain Palm Oil is a founding member of the Palm Oil Innovation Group, and carried out a successful verification audit against the POIG Charter requirements and pilot indicators in October 2014. In February 2015 NBPOL was acquired by Sime Darby Bhd, which is not a POIG member. POIG requires membership at a parent-company level so NBPOL is not currently a POIG member.

Members will refrain from publishing communications that advocate the boycott of palm oil in general. However, members are free to communicate on specific initiatives or organisations deemed to act contrary to the objectives of the POIG Charter.

Members will share information on external communications on palm oil related issues which may affect other members directly. This may include public campaigns or commercial actions which adversely affects the reputation of other members.

Any disagreement or dispute over commitments and external communications will be addressed by the POIG Organising Committee.

Active participation

As an innovation group it is imperative that all members are actively involved in driving forward and are contributing to the POIG objectives and purpose and the ongoing implementation of the Charter.

Members are expected to ensure that appropriate resources are set aside to support the initiative and must make every effort to participate in meetings and respond to written communications in a timely manner.

Members are responsible for ensuring that their commitment to the objectives of POIG is underpinned by adequate resources within its organisation.

Members to whom the Charter does not directly apply will actively seek to promote responsible palm oil as defined by the POIG Charter and will give explicit public recognition to those members engaged in implementing the POIG Charter.

Within three months of joining the initiative, members will provide a detailed time-bound plan to achieve compliance with the Charter and its components (if applicable), and these terms of engagement. Producer members will also be required to submit a half-yearly progress report.

Members are expected to contribute to the funding of necessary and agreed administrative or technical work required to evolve and promote the initiative. Budgets and member contributions are agreed annually in November and invoiced in January.

Exclusion of members

Breaches of these terms of engagement or non-compliance with the Charter may lead to exclusion from the initiative.

Members will seek to resolve grievances directly with other member organisations in a timely fashion, and will not make unsubstantiated allegations of breaches against other members.

Prior to taking public action in cases of unresolved allegations of breaches of these terms of engagement or of the requirements set out in the Charter, members must report breaches to the Organising Committee, which will deal with the alleged breaches.

Members which are alleged to be in breach of these terms of engagement or the requirements of the Charter will be given up to one month to respond and up to three months to rectify the breach or put

in place a time bound plan that outlines the step that the member will take to achieve compliance with the Charter. The time bound plan will need to be approved by the Organising Committee.

Members can be excluded from the initiative only once the Organising Committee has reviewed the alleged breaches and agreed to exclusion in consensus. The member affected by the potential exclusion or dispute does not take part in the decision.

Anti-competitive behaviour

Members will refrain from any behaviour which can be construed as anti-competitive practice.

Validity of these terms of engagement

This document is subject to ongoing review and may be changed to suit the evolution of the initiative. All changes must be reviewed and approved by the POIG Organising Committee.

Member Confirmation Letter

TO: Palm Oil Innovation Group

On behalf of [Organisation name] I am officially signing our commitment to the Palm Oil Innovation Group Charter. As a member organisation, we support the objective and purpose of POIG and commit to implementing the Charter and adhering to the POIG Terms of Engagement.

I also permit the Palm Oil Innovation Group to list our organisation name and logo as a member on public documents.

Sincerely yours

Signature of representative _____
Date

Name and title of representative

Supporting organisation's address

Tel: _____

Fax: _____

Email: _____