



The Palm Oil Innovation Group

Membership Eligibility & Terms of Engagement

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Introduction to the Palm Oil Innovation Group

The Palm Oil Innovation Group (POIG) is a multi-stakeholder initiative that strives to achieve the adoption of responsible palm oil production and procurement practices by key players in the supply chain through developing and sharing a credible and verifiable benchmark that builds upon the Roundtable on Sustainable Palm Oil (RSPO) and creating and promoting innovations. Founded in 2013, the initiative was developed in partnership with leading NGOs as well as with progressive palm oil producers.

POIG aims to support the RSPO through building on RSPO standards and commitments 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 including workers’ rights, and corporate and product integrity, POIG members will strengthen their commitments and actions on socially and environmentally responsible palm oil production and procurement.

POIG focuses on leveraging the experience of its members to create innovations in the palm oil industry and acting as an advocate for these innovations. POIG will demonstrate that by setting and implementing ambitious standards, the industry can break the link between palm oil production and the destruction of forests and peatlands, the exploitation of communities and workers, and climate change. The [POIG Charter](#) is primarily focused on palm oil producer companies.¹ A [retailers and manufacturers component](#) of the POIG Charter was launched in November 2015, and a [traders and processors component](#) in November 2017. Additional components may be added for other key stakeholders in the future to ensure these standards apply to the full supply chain.

¹ Those who generate a majority of their profit from growing and processing Fresh Fruit Bunches (FFB).

Objectives & Purpose

POIG:

- 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

POIG is currently open to any NGO, oil palm grower, oil palm trader, oil palm processor, retailer or manufacturer who supports the POIG Charter and shares our vision. Membership status is open only to organisations which meet the below requirements. Where an 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 (FFB). Palm oil producers are required to be at least 50% RSPO certified, with a commitment to becoming 100% RSPO certified within two years, to be eligible for membership. Upon joining POIG, producer members must commit to meet the requirements of the POIG Charter and undergo independent verification of compliance with the [POIG Charter Verification Indicators](#) within their first year of membership.
- **Non-governmental Organisations (NGOs)**, defined as not-for-profit organisations with a stated social and/or environmental mission that is in line with the POIG Charter. NGO members must be prepared to make a public commitment to support POIG and the POIG Charter upon joining the initiative.

- **Retailers / Manufacturers**, defined as companies that generate the majority of their revenues from the manufacturing or sale of consumer goods. Retailers and manufacturers that are members of POIG must be RSPO members, have publicly committed to support the objectives of the POIG Charter and comply with the requirements of the POIG Charter for Retailers & Manufacturers.
- **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. Only traders/processors that physically handle or process palm oil or palm kernel oil are eligible. 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. Traders/processors that are members of POIG must be RSPO members, have publicly committed to support the objectives of the POIG Charter and comply with the requirements of the POIG Charter for Traders & Processors. In addition, traders/processors that cultivate oil palm FFB are required to fully comply with POIG grower requirements for their own production and obtain independent verification of compliance.
- **Other membership categories** may be established. Organisations with an interest in becoming a POIG member and in contributing to the development of a Charter for their role in the palm oil supply chain, are invited to express their interest by contacting info@poig.org.

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, applicants must ensure that a member of their organisation's highest decision-making body signs a [Membership Confirmation Letter](#). In cases where organisations are operating under a parent organisation or within a group structure, the Membership Confirmation Letter must be signed by the highest decision-making body of the parent organisation or Group. As POIG requires membership commitment from the highest level of an organisation, applications from subsidiaries will not be accepted.

Once the Membership Confirmation Letter has been submitted to info@poig.org, the application will be reviewed by POIG. All applications are subject to POIG's Due Diligence requirements, and membership will only be confirmed after the due diligence process has been completed. As part of the due diligence process and application evaluation, applicants will be requested to provide a supplemental list of documentation and materials.

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 Organising Committee, a decision-making body comprising of eight members, including six of the seven founding members² of the initiative. 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 and components

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

Members to whom one or more of the existing Charter components³ applies, will work towards implementation of these Charter components, as well as public reporting of progress.

Members to whom the Charter does not apply directly will in parallel implement requirements 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. Where an organisation is operating under a parent organisation or within a group structure, support of POIG must be endorsed by the highest decision-making body of the parent organisation or Group.

² Founding members currently in the Organising Committee: Rainforest Action Network, Greenpeace, Forest Peoples Programme, WWF, DAABON, Agropalma. New Britain Palm Oil (NBPOL) 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.

³ 'Components' currently refers to the Charter for Retailers & Manufacturers and the Charter for Traders & Processors.

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.

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 with the condition that such communications do not imply active endorsement by POIG as an organisation. In such cases, members shall also make reference to POIG as the benchmark for best practices.

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.

Further information on the communications requirements for POIG members are set out in the [POIG Communications Policy & Guide](#).

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.

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.⁴

Exclusion of members

Breaches of these terms of engagement or non-compliance with the Charter and/or its components 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 and/or its components, 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 and/or its components⁵ 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.⁶ 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.

⁴ POIG's member contribution guidelines (membership fee structure) can be made available upon request. Please contact the Secretariat at: info@poig.org

⁵ Non-compliances identified during POIG verification audits should be addressed in accordance with the POIG Verification Audit Requirements.

⁶ It should be noted that some breaches may be considered serious enough to result in immediate suspension of the organisation's membership, at the discretion of the POIG Organising Committee.



Membership 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 and Charter components. As a member organisation, we support the objective and purpose of POIG and commit to implementing the Charter and its components (if and where applicable) 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 and materials (including the POIG website).

Sincerely yours,

Signature of representative

Date

Name and title of representative

Organisation's address

Tel: _____

Fax: _____

E-mail: _____