

POIG Charter

Retailers & Manufacturers
October 2019



Photo credit: Ferrero

Palm Oil **Innovation** Group



Palm Oil **Innovation** Charter for Retailers & Manufacturers

Introduction

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 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 including workers' rights, and corporate and product integrity, POIG members will strengthen their commitments to socially and environmentally responsible palm oil production. Therefore, POIG-verified oil comes from POIG members' palm oil plantations and supplying smallholders certified to the RSPO Segregated standard and additionally verified to the POIG Verification Indicators.

POIG focuses on leveraging its experience 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 in particular break the link between deforestation, and human, land and labour rights violations, and palm oil.

As retailers and manufacturers we have come together to help find solutions to the challenges the palm oil industry is facing. Our companies use palm oil in the production of our products, and therefore we see it as our responsibility to contribute to the transformation of the way palm oil is produced. Therefore, we wish to contribute to the goals and initiatives led by the Palm Oil Innovation Group, and with this Charter we outline our commitment to the production of responsible palm oil through implementing the following actions:

1. Transparency and information exchange

- 1.1 Retailers and manufacturers shall contribute to an updated list with information on the availability of palm oil fractions and derivatives, within the limitations allowed by national and international anti-trust guidelines and competition law.
- 1.2 Retailers and manufacturers shall publish a comprehensive list of all direct suppliers, mills and producer groups whose palm oil entered the members' supply chain in the previous year.
- 1.3 Retailers and manufacturers shall produce public reports on progress, including reporting on responsible palm oil procurement bottle necks.

2. Responsible procurement policy and roadmap

- 2.1 Retailers and manufacturers shall maintain a policy stipulating that segregated palm oil which has been third-party verified against the POIG Charter indicators for growers entire operations and landholdings, rather than individual estates, is the ultimate goal.
- 2.2 Retailers and manufacturers shall develop a road map toward practical implementation, which includes specific targets and timelines for global implementation; eliminating RSPO Credits (with exceptions made for smallholder-specific supply chains) and conventional (i.e. not RSPO certified or POIG verified) palm oil from their supply chain.

3. Supply Chain engagement

- 3.1 Retailers and manufacturers shall communicate their responsible palm oil procurement policy and roadmap to suppliers and customers, and work with them to find solutions and set out expectations of compliance.
- 3.2 In cases where supplier practices are found to be in explicit breach of the POIG Charter, and are found to be unwilling to take remedial action, retailers and manufacturers will, where legally possible, take steps to exclude such suppliers from their supply chain.

4. Communications

- 4.1 All claims made by members about procurement of POIG-verified oil or products must be backed by independent third party verification.
- 4.2 All members shall promote responsible palm oil, making specific reference to the POIG Charter and clearly communicate the rationale against a palm oil boycott.
- 4.3 All members shall promote positive case studies and showcase innovations in procurement and production of responsible palm oil.

5. Advocacy

- 5.1 All members shall advocate for reforms and improvements of RSPO audit procedures, quality control and for complete and comprehensive reporting in Annual Communication of Progress (ACOP) reports.
- 5.2 All members shall advocate the phase-out of the RSPO's Credit System with the exception made for smallholders-specific supply chains.



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