



Manifesto of the Task Force Sustainable Palm Oil

*Initiative to promote the use of RSPO certified palm oil
in the Netherlands*

November 2010

Rijswijk



www.taskforceduurzamepalmolie.nl

1. Ambition

The Dutch Task Force Sustainable Palm Oil aims at making a significant contribution to the promoting of production and use of sustainable palm oil and is working towards the achieving of the following objective:

‘By the end of 2015 all palm oil destined for the Dutch market has to be sustainable.’

The term ‘sustainable palm oil’ means that the palm oil has been certified according to RSPO principles and criteria and that the palm oil is being traded in conformity to one of the three RSPO-approved trading systems: ‘segregation’, ‘mass balance’ or ‘book & claim’. Parties participating in the Task Force Sustainable Palm Oil are committed to this objective.

2. Participants

- Association of Dutch Margarine Manufacturers, BNMF (Bond van Nederlandse Margarine Fabrikanten)
- Dutch Food Retail Association, CBL (Centraal Bureau Levensmiddelenhandel)
- Dutch Food Industry Federation, FNLI (Federatie Nederlandse Levensmiddelen Industrie)¹
- Netherlands Feed Industry Association, Nevedi (Nederlandse Vereniging Diervoederindustrie)
- Dutch Product board for Margarine, Fats and Oils, MVO, (Productschap Margarine Vetten en Oliën) chair and secretarial office
- Dutch Edible Oils and Fats Association, Vernof (Vereniging van Nederlandse Fabrikanten van Eetbare Oliën en Vetten)
- Dutch Potato Processing Industry Association, VAVI, (Vereniging voor de Aardappelverwerkende Industrie)
- Dutch Bakery and Sweets Association VBZ, (Vereniging voor de Bakkerij- en Zoetwarenindustrie)
- The Dutch Convenience Food Association (Algemene Kokswaren- en Snackproducenten Vereniging) (from november 17th, 2010)

These parties will commit themselves to promoting the cultivation and the use of sustainably produced palm oil and are working at achieving the above ambition. These parties represent the Netherlands-based links in the palm oil chain, namely the palm oil refiners, the various sectors processing palm oil and the retail offering consumer products that contain palm oil.

The Sustainable Trade Initiative (IDH) endorses the ambitions of the Task Force Sustainable Palm Oil and will help realise these ambitions in cooperation with the business sector and civil society organisations by deploying its expertise and means.

Other parties are welcome to join.

¹ In line with its own sustainability road map, FNLI is working towards the target that all palm oil destined for the Dutch market has to be sustainable in 2015.

3. Task Force Sustainable Palm Oil

The Task Force Sustainable Palm Oil is an alliance of the Netherlands-based links in the palm oil chain; the palm oil refiners, the various sectors processing palm oil and the retail offering consumer products that contain palm oil. These parties jointly promote the production and the use of sustainably produced palm oil. Together, they express the intention to ensure that all palm oil destined for the Dutch market has to be sustainable by the end of 2015. This means that the palm oil has been produced and certified in accordance with the RSPO principles and criteria and that the palm oil is obtained in conformity to one of the three RSPO-approved trading systems: 'segregation', 'mass balance' and 'book & claim'.

In order to achieve this ambition, the participants in the Task Force Sustainable Palm Oil will undertake various activities aiming at urging businesses to procure and use sustainable palm oil. For each sector the activities will be detailed in an annual action programme. At the end of each year, the results of the Task Force Sustainable Palm Oil will be surveyed and published in a report.

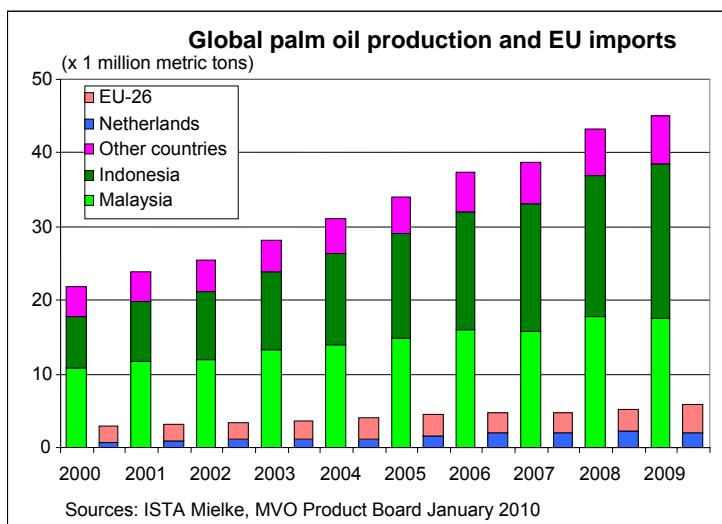
The Dutch Product Board for Margarine, Fats and Oils (MVO) have taken up the chairmanship and the secretarial office of the Task Force Sustainable Palm Oil. MVO looks after the joint interests of all the links in the oils and fats production chain and constitutes the platform for producers, importers, processors and buyers within the chain, as well as for consultation with the government and civil society organisations. As such, MVO commits itself to a sustainable development of health and safety in the sector. In these fields, the MVO product board functions as a centre of expertise, identifies social, scientific and market developments and supports the operational management in the sector.

4. Sustainable Palm Oil

Vegetable oils and fats are being used as natural raw materials. Palm oil is the most commonly used vegetable oil worldwide. It is used in various processed foods, such as ice cream, margarine and biscuits. It is an ingredient of, for instance, lipstick, soap and biodiesel. In food products it serves as a flavouring agent, and in food and non-food products it also provides the desired texture.

Demand for palm oil is rising worldwide, due to growing prosperity in countries like China and India on the one hand, and as a consequence of increased use of palm oil as a raw material for biofuels on the other. This results in an expansion of the oil palm plantation areas in the producing countries. There is concern that, in some cases, tropical rainforest will pay the price for this expansion. Labour relations at the plantations and the use of pesticides are causes for concern as well.

A total of over 46.6 million metric tons of palm oil is produced across the world. Nearly 90 percent of this amount is produced in Indonesia and Malaysia. Approximately 2 million tons arrive in the Netherlands through its harbours and is either processed in our country or re-exported. Thus, the Netherlands must be considered an important player in the palm oil market.



- Worldwide, the palm oil production amounts to 46.6 million metric tons.
- The main palm oil producers are Malaysia and Indonesia.
- The EU imports 11.6% of the worldwide production (5.4 million tons).
- The Netherlands imports 4% of the worldwide production (2 million tons).
- Subsequently, the Netherlands exports 1.3 million tons, approximately 480,000 tons of palm oil is destined for the Dutch market.

The Dutch oil processing industry is committed to making the worldwide palm oil production more sustainable. In view of the huge economic and nutritional importance of this trade, it seeks to cooperate with local and international parties in the 'Roundtable on Sustainable Palm Oil' (RSPO). This international platform represents NGOs (World Wildlife Fund, Oxfam Novib and various local civil society organisations), the palm oil industry, processors, food manufacturers, retail and banks. Together, they have laid down principles and criteria for the production of palm oil respecting people, planet and profit. Moreover, the RSPO partners have made agreements on how the certification must take place and how certified volumes can be traded and properly traced. To realise this, RSPO is working with independent, accredited certification bodies. Moreover, guidelines have been established within the RSPO regarding communication and the use of a trademark.

RSPO principles and criteria for sustainable palm oil

The RSPO has established 8 fundamental principles and 39 criteria regarding the production of sustainable palm oil. A key criterion is that new plantations are not to replace primary forest areas, or areas required to maintain or enhance one or more High Conservation Values. The other criteria deal with respecting the rights of local inhabitants and employees and conserving the habitats of endangered animal species. Moreover, an RSPO working group has been set up that is considering the questions like how the issues of the emission of greenhouse gases and the climate should be approached within RSPO.

For further information, see www.rspo.org and www.rspo.eu.

The more than 450 RSPO members are currently responsible for almost 50 percent of total production. As from August 2008, the first palm oil plantations have been certified by independent auditors. Since then, the certified capacity has increased to nearly 3.3 million metric tons of sustainable palm oil per year.

Thus, sustainable palm oil is amply available in the market. The responsibility for the use of sustainable palm oil lies with all the links in the chain. By founding the Task Force Sustainable Palm Oil, the various links in the chain take joint responsibility by making the

choice for sustainable palm oil together. By means of their cooperation the participants hope to accelerate the transition aimed at making the mainstream palm oil market sustainable.

5. Starting principles & preconditions

The Task Force's main starting principles are:

Partnership

The Task Force Sustainable Palm Oil is a partnership. The chain partners united in the Task Force are working together to make the palm oil chain more sustainable.

Phased approach

The Task Force Sustainable Palm Oil pledges a strong commitment to the specific aim of making all palm oil destined for the Dutch market sustainable. The Task Force Sustainable Palm Oil will work towards achieving this aim step by step.

Sector specific approach

The Task Force leaves room for a sector specific approach. Thus, there is room for a tailored contribution by each sector and every participant.

Choice for sustainable palm oil

In order to make the palm oil chain more sustainable and to set in motion a transition towards a mainstream sustainable palm oil market, the Task Force Sustainable Palm Oil opts for an approach that does not promote or discourage the use of palm oil in general but that rather stimulates the use of sustainably produced palm oil in cases when palm oil is used.

Transparency

Annually, the Task Force will publish a report and thus will allow inspection of the progress that has been made.

Scope

The Task Force Sustainable Palm Oil aims at the Dutch market. This means that the palm oil that is imported and subsequently re-exported, possibly after processing, is not taken into consideration.

Apart from the above starting principles, there are two important preconditions which have to be met in order for the formulated ambition to be reached:

Availability

In order to reach the ambition, the availability of sufficient sustainable palm oil is a necessity.

Considering small users

In order to meet the objective it is important that smaller end users likewise have easy access to or can make wide use of RSPO certified palm oil. Currently, the RSPO is simplifying the use of existing trade systems for smaller end users. The Task Force underlines the importance of simplification.

6. Approach

- The Task Force Sustainable Palm Oil is working towards realising its ambition to increase the use of sustainable palm oil in the Dutch market.
- The Task Force Sustainable Palm Oil is working towards increasing the level of support for the RSPO.
- The Task Force Sustainable Palm Oil fulfils the role of a communications platform for the participants in the Task Force. The Task Force Sustainable Palm Oil informs businesses and organisations regarding developments in the field of sustainable palm oil. For instance, it provides information about buying/using sustainable palm oil, claims, current developments within RSPO, etcetera. Moreover, the Task Force provides space for exchanging knowledge and experience and for discussing possible bottlenecks. In close connection to RSPO working groups, solutions can be surveyed for practical obstacles to buying or using sustainable palm oil.
- In order to achieve this ambition the participants in the Task Force Sustainable Palm Oil will undertake various activities aimed at urging businesses to buying and using sustainable palm oil. These activities will be detailed per sector in an annual action programme. At the end of the year, the activities of the Task Force Sustainable Palm Oil will be surveyed and published in a report.

7. Action programme

- Participants in the Task Force Sustainable Palm Oil commit themselves to developing a specific action programme for the period 2011 - 2015. Participants in the Task Force implement the objective of the Task Force annually by means of a specific plan of approach (action programme). The action programme contains a translation of the Task Force objective into a sector objective and a description of the activities that need to be carried out to achieve this objective. The annual reporting on the activities constitutes a part of the action programme as well.
- The action plan includes a description of activities and initiatives to encourage businesses to choose for sustainable palm oil. For instance, by supplying information and documentation, giving presentations and / or workshops on how sustainable palm oil can be procured, etcetera.
- Each year the members formulate a plan of approach. To do so, participants use the format developed by the Task Force.
- Each year, the plan of approach must be submitted before October 31st.
- The product board MVO can assist sector organisations and individual businesses in drawing up action programmes on the basis of the format.

8. Reporting

- Once a year participants in the Task Force report on the results they have achieved. In such a report, each participant describes which activities have been carried out (*qualitative monitoring*). Also, the amount of sustainable palm oil bought (or its equivalent in certificates) and the choice for book & claim, mass balance or segregation will be monitored. Moreover, the total amount of palm oil bought that year will be monitored (*quantitative monitoring*).
- For their reports, the participants make use of the format developed by the Task Force.
- The annual report must be submitted by March 31st.
- Upon participation, the Task Force participants commit themselves to a baseline measurement (as part of the quantitative monitoring) to chart the current use of palm oil. Also, an overview is provided on the existing commitments to the using of sustainable palm oil made by individual businesses.
- On the basis of the various reports, MVO draws up one joint report in which the results of the Task Force Sustainable Palm Oil are combined. Qualitative monitoring will be reported on per sector, aggregated quantitative monitoring will be reported on at the level of the entire Task Force (in order to prevent double counting, some parties will not monitor at a quantitative level). This report will be made public.