

SETTING THE BIODIVERSITY BAR FOR **PALM OIL** **CERTIFICATION**



**ASSESSING THE RIGOR OF BIODIVERSITY
AND ASSURANCE REQUIREMENTS OF
PALM OIL STANDARDS**



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ABOUT IUCN NATIONAL COMMITTEE OF THE NETHERLANDS (IUCN NL)

IUCN NL is the Dutch national committee of the International Union for the Conservation of Nature, the world's largest and most diverse environmental network. Greening the economy is one of its key topics. Stimulated by its partners in Indonesia and other producing countries, IUCN NL has been an advocate for sustainable palm oil. In recent years, IUCN NL has contributed with advise and input to the IUCN Oil Palm Task Force and the Amsterdam Declaration Partnership. IUCN NL convenes Dutch civil society discussions and exchange on topics related to palm oil finance. IUCN NL advises civil society organizations, government, business and financial institutions on issues of agrocommodity governance.

COLOPHON

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EXECUTIVE SUMMARY

INTRODUCTION

This report provides an overview of palm oil sustainability standards' measures to stop biodiversity loss and restore habitat for biodiversity conservation. It highlights critical areas (particularly in standards' biodiversity and level of assurance criteria) that need to be improved and recommends specific actions for palm oil buyers and investors.

Expansion of palm oil production has been a major cause of biodiversity loss. The Oil Palm Task Force of the International Union for the Conservation of Nature (IUCN) however concluded that palm oil is one of the most productive vegetable oils per land area and that alternatives require more land and could lead to more biodiversity loss on a global level. A responsible, deforestation free, biodiversity friendly management of oil palm plantations is a high priority.

IUCN NL supports the role of robust voluntary agrocommodity sustainability standards as an important element in a mix of governance measures that aim to improve sustainability of agricultural production, trade and consumption. This report attempts to address the main knowledge gap on the feasibility and effectiveness of the multiple certification standards currently available to companies, in order to identify strengths, weaknesses and similarities between them.

APPROACH

This report combines two new benchmarks on biodiversity and level of assurance (i.e. the degree of confidence a standard can provide that its criteria are indeed met) with the analysis of previous benchmark studies on palm oil sustainability standards. These new benchmarks include six sustainability

standards namely: the newest RSPO standard of 2018, Sustainable Agriculture Network (SAN) 2017, International Sustainability and Carbon Certification (ISCC) EU and Plus, Indonesia Sustainable Palm Oil (ISPO) and Malaysia Sustainable Palm Oil (MSPO). These six were chosen as they currently have the biggest market share in certified palm oil production.

KEY CONCLUSIONS

The report concludes that RSPO shows best results in relation to both biodiversity protection and level of assurance. RSPO attains almost 70 percent of the maximum score for biodiversity protection and slightly over 85 percent for level of assurance. ISPO and MSPO lag behind in both benchmarks resulting in 16 and 18 percent respectively of the maximum score for biodiversity protection. MSPO scores 55 percent on level of assurance. ISPO could not be fully assessed for level of assurance criteria due to lack of information from primary sources. These national standards play an important role in ensuring a countrywide level playing field for palm oil producers. Their current criteria on biodiversity protection and level of assurance however is far from satisfactory and risks providing a sustainability stamp without robust criteria and assurance.


ISCC EU and Plus show almost equal results on both the biodiversity and level of assurance benchmark. The slight difference in relation to level of assurance lies in how other standards are recognised, and under which conditions. Under ISCC EU certified palm oil for biofuel sold as "EU Renewable Energy Directive (RED) compliant" there is a higher risk that its certified palm consists of certified palm from other EU recognised, and possibly weaker, standards.

The report found that standards with stronger biodiversity protection safeguards also had a stronger level of assurance. This suggests that standards with advanced criteria recognise the importance of level of assurance better than those lagging behind. The conclusions drawn from the new benchmark studies are in line with previous benchmark studies. As social safeguards were not part of this study, it is interesting to note that the previous benchmark studies analysed also show strong social safeguards of the RSPO 2013 standard.

KEY RECOMMENDATIONS

A full list of recommendations for the separate standards and companies (producers and financial institutions) in the palm oil supply chain can be found in chapter 6 of the report. Key recommendations are listed below:

1. ISPO and MSPO should be strengthened on both biodiversity protection and level of assurance criteria to utilise their role to attain sector-wide sustainability at a national level.
2. Players in the palm oil supply chain, like buyers and investors, should demand RSPO certified palm oil. For biofuels imported into the EU, combined ISCC EU and RSPO certification should be demanded.
3. ISCC should set stronger criteria to prevent weaker standards being used in the supply chain when selling under the “EU RED compliant” claim.
4. Standards should engage in jurisdictional or landscape approaches that aim to realise sustainability goals across commodities and stakeholders. Even if more complex to implement they will reduce costs, conflicts between stakeholders and risks for investors and increase legal compliance.
5. Standards and their member companies and financial institutions should collectively invest in implementation through sufficient capacity to monitor, audit compliance and reconcile conflicts.
6. Standards should involve civil society to improve audits, carry out truth finding and have effective early warning systems of conflict.
7. The capacity of companies and smallholders should be enhanced to enable them to implement the standards



The report concludes that RSPO shows best results in relation to both biodiversity protection and level of assurance

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LIST OF ABBREVIATIONS

| Abbreviations | Explanation | Abbreviations | Explanation |
|-----------------------|--|----------------------|---|
| BLE | German Federal Office for Agriculture and Food | ISPO | Indonesia Sustainable Palm Oil |
| BMP | Best Management Practice | IUCN | International Union for the Conservation of Nature |
| CAT | Certification Assessment Tool | IUCN NL | IUCN National Committee of the Netherlands |
| CB | Certification Body | MPOB | Malaysia Palm Oil Board |
| EA | European co-ordination for Accreditation | MPOCC | Malaysian Palm Oil Certification Council |
| EIA | Environmental Impact Assessment | MSPO | Malaysia Sustainable Palm Oil |
| EU RED | EU Renewable Energy Directive | P&C | Principles & Criteria |
| FPIC | Free and Prior Informed Consent | POIG | Palm Oil Innovation Group |
| GHG emissions | Green House Gas emissions | RA | Rainforest Alliance |
| HCS | High Carbon Stock | RSB | Roundtable on Sustainable Biomaterials |
| HCV | High Conservation Value | RSPO | Roundtable Sustainable Palm Oil |
| HCVRN | High Conservation Value Resource Network | RTE SPECIES | Rare Threatened and Endangered Species |
| IAF | International Accreditation Forum | SAN | Sustainable Agriculture Network |
| ISEAL alliance | International Social and Environmental Accreditation and Labelling alliance | SEIA | Social and Environmental Impact Assessment |
| ISCC | International Sustainability and Carbon Certification | SIA | Social Impact Assessment (SIA) |
| ISO | International Organization for Standardization | SOP | Standard Operation Procedure |
| | | WHO | World Health Organization |

1. INTRODUCTION

1.1. BEFORE WE START: ROBUST STANDARDS AS INGREDIENTS IN A COMBINATION OF MEASURES

Last year, the Oil Palm Task Force of the International Union for the Conservation of Nature (IUCN) published a study on palm oil and biodiversity (Meijaard et al. 2018) that aimed to provide a constructive path to improving sustainability in the palm oil industry. The report concluded that palm oil is here to stay and is, compared to other vegetable oils, a very land efficient edible oil. Alternatives generally require more land and could potentially result in losing more biodiversity in case of large-scale replacement at a global scale. However, the expansion of palm oil has had a major effect on biodiversity and should be prevented from doing so in the future, in whatever geography. A responsible, deforestation free, biodiversity friendly management of oil palm plantations is a high priority and robust sustainability standards are part of that roadmap. The task force concluded however that a main knowledge gap is the feasibility and effectiveness of the multiple sustainability standards that are available to companies, in order to identify strengths, weaknesses and similarities between them. This report attempts to address that gap.

IUCN NL supports the role of robust voluntary agrocommodity standards as an important element in a mix of governance measures that aim to improve sustainability of agricultural production, trade and consumption. Not as a silver bullet but as an important and indispensable element among other, mandatory and voluntary, measures. Deforestation and conversion of natural habitats (including peatland) is a key concern in agrocommodity production and trade. It causes biodiversity loss and climate and social impact. We advocate for

the application of sustainability standards to agrocommodity value chains that include robust norms on deforestation and conversion but also integrate strong social criteria. We promote and support their continuous improvement and implementation – mainly through our members, allies and partners.

We regard the Roundtables, on palm oil, soy, sugar and biomaterials, as important multi-stakeholder forums for dialogue and negotiation of sustainability standards for production at field and company levels. To provide clarity to the market and policy makers we support, and occasionally commission, benchmarks of agrocommodity standards against deforestation/conversion/biodiversity criteria as well as against “level of assurance” criteria. The latter is often neglected in benchmark studies but very important to ensure quality of governance and control and enhances the field-level implementation.

Robust voluntary standards can be additional to, and examples for government measures to ensure legality and sustainability of production. When large downstream market players, financial institutions and governments adopt the norms as requirements, these can become mainstreamed on country or sectoral level. In fact, increasing recognition of market players and financial institutions is evolving in the case of RSPO. To have success at scale in producing countries, value chain instruments need to be flanked by government-backed landscape-wide/jurisdictional approaches and policy and finance initiatives that set robust norms and boundaries to all land use and land users (see also Meijaard et al. 2018, page 52).

Control, to this all, is key; especially in the many contexts of weak governance. In many instances, “legal compliance” is already a challenge to

strive for. The paradox of voluntary sustainability standards in this complex picture is that—in spite of their voluntary origin— they may in practice often be the highest quality tool to check on “legality” of plantation development and management. On the other hand, they often cannot sufficiently guarantee the sustainability norms they stand for when this basic level of legality is not assured by government. On labour, hunting and other issues related to biodiversity protection, it is hard to create islands of responsibility in lakes of illegality and rights violations, which various case studies of field level realities have shown (Meijaard et al. 2018, page 61). Also, such as in the case of soy, the adoption of voluntary standards is more costly when there is a weak legal level playing field. It would mean a jump from illegal production to responsible production for many, which is a challenge both to large producers and to smallholders. Step-wise approaches, where needed, seem logical. However, given the urgent challenges of climate change and biodiversity loss, combatting deforestation and conversion needs to be a number one priority now, striving for the application of integrated social and environmental norms at both farm and landscape levels.

Given all of the above, on the mid-term, government, financial institutions multi-stakeholder platforms of collaboration and consumers need each other to have success. The readiness to pay a fair price to those who help conserve our planet is key to the success of the transformation towards sustainable agrocommodity production. It is the combination of routes and different approaches that will lead to success. How this will work, is a continuous real-life experiment, in which IUCN NL is a critical observer, small grant-maker, dialogue facilitator, knowledge producer, advisor, and –sometimes– insistent advocate. We hope this report may be useful to many decision-makers on palm oil production, trade and consumption.

1.2. OBJECTIVE

The objective of this benchmark study is to provide an overview of standards’ measures to stop biodiversity loss and restore habitat for biodiversity conservation. This is done by both analyzing provisions on biodiversity and level of assurance i.e. the degree of confidence a standard can provide that its criteria are indeed met.

1.3. APPROACH

Six years ago, IUCN NL produced an overview of 9 benchmark studies of biomass, palm oil and soy standards, and added an extra benchmark on the level of assurance (IUCN NL 2013). This study is a detailed benchmark on biodiversity and level of assurance of selected palm oil standards and their benchmarks¹.

This report combines two new benchmarks on biodiversity and level of assurance with the analysis of previous benchmark studies of palm oil standards. The methodology is described in chapter 2 and, in chapters 3 and 4, the outcomes of the two new benchmarks for biodiversity and level of assurance respectively. IUCN NL has collaborated with Proforest for the biodiversity benchmark and with Jinke van Dam consultancy for the level of assurance benchmark. These new benchmarks include four voluntary standards namely:

- Roundtable Sustainable Palm Oil (RSPO) principles and criteria of 2018,
- Sustainable Agriculture Network (SAN) 2017,
- International Sustainability and Carbon Certification (ISCC) EU and Plus.

And two national standards namely:

- Indonesia Sustainable Palm Oil (ISPO) and
- Malaysia Sustainable Palm Oil (MSPO).

NOTE

¹ In parallel, also a benchmark study is published for soy standards (Kusumaningtyas and van Gelder 2019).

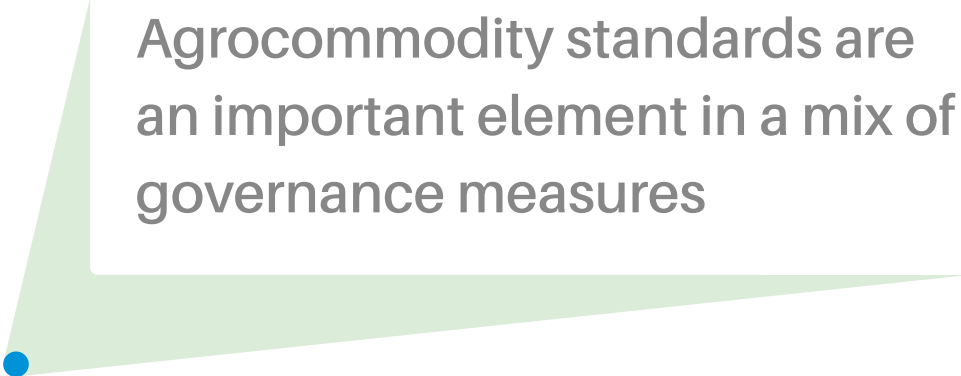
They are chosen as they currently have the biggest market share in certified palm oil production. Other more generic standards allowing multiple commodities like Roundtable on Sustainable Biomaterials (RSB) do not have any palm oil certified at the moment (pers. comm. Rolf Hogan). The national standards, ISPO and MSPO, aim to certify industrial and smallholder plantations but are restricted to the two largest producing countries, Indonesia and Malaysia. It is good to note that the SAN 2017 standard is at exclusive direction of the Rainforest Alliance since the end of 2017 and is also known as the Rainforest Alliance Sustainable Agriculture Standard.

The assessment focuses on biodiversity conservation. The criteria included are inevitably a selection of all criteria that could be analysed. However, every effort has been made to choose relevant criteria that can give a good representation of the standards' measures on biodiversity conservation.

The level of assurance (of the standards) is greatly influenced by the governance structures of voluntary schemes that are in place. It should be noted that, given the scope of the assessment, governance issues are only covered by a limited number of provisions.

This study does not cover an analysis of actual field-level implementation of the standard. It however does assess the level of assurance that the standard is actually implemented. Also, the assessment does not cover social issues. However, it is recognized that the risk for loss of biodiversity can be influenced by social issues such as lack of land rights.

An overview of the conclusions of previous benchmark studies (chapter 5) provides additional information on some aspects, such as social aspects, and will allow to put the new benchmarks into perspective. Finally in chapter 6 overall conclusions and recommendations are presented.



Agrocommodity standards are an important element in a mix of governance measures

2. METHODOLOGY

2.1 BIODIVERSITY BENCHMARK

Our own benchmark on biodiversity criteria includes themes concerning how standards face the main threats to biodiversity loss:

- habitat loss and degradation,
- fragmentation and connectivity loss,
- direct mortality (i.e. through over exploitation, pollution, invasive species, anthropogenic introduced disease and, fire) and
- anthropogenic climate change.

It also includes other themes, being:

- the process for protection of biodiversity,
- legality in the context of biodiversity,
- restoration and
- the involvement of communities in protection of biodiversity.

Within those themes a total of 33 main questions and 64 subsidiary questions were posed. See the assessment sheets for the full list of questions: www.iucn.nl/node/580. The main questions were rated in the categories: strong, good, medium and weak with corresponding 3-0 scores and explanation and justification provided. The assessments were sent to the scheme owners of the assessed standards for their review and feedback. All schemes except ISPO reverted and provided further clarifications and/or comments. Where justified, further edits were made to the analysis. The scores of the standards were then compared in an overview, cross-checked and conclusions drawn.

2.2 LEVEL OF ASSURANCE BENCHMARK

A set of 12 themes were selected for the analysis of level of assurance, being:

- accreditation,
- independency of audit,
- selection of and requirements to Certification Bodies,
- standard requirements and compliance levels of standard,
- scope of certification at farm producer level,
- complaints mechanism,
- auditing (frequency) and risk assessment,
- stakeholder consultation,
- non-conformities and sanctions,
- group certification / verification,
- cross-recognition and
- transparency.

Within those themes 40 provisions were analysed and standards scored within the categories: strong, good, medium and weak, with corresponding 3-0 scores and reasoning provided. The analysis was done as much as possible based on standard documentation.

As information from especially ISPO is more limited, reports and literature were used, which means that the assessment from ISPO is largely based on secondary sources. The assessments were sent to the scheme owners of the assessed standards for their review and feedback. All schemes except ISPO reverted and provided further clarifications and/or comments. Where justified, further edits were made to the analysis. The scores of the standards were then compared in an overview, cross-checked and conclusions drawn.

2.3 CORRELATION OF BIODIVERSITY PROTECTION AND LEVEL OF ASSURANCE SCORES

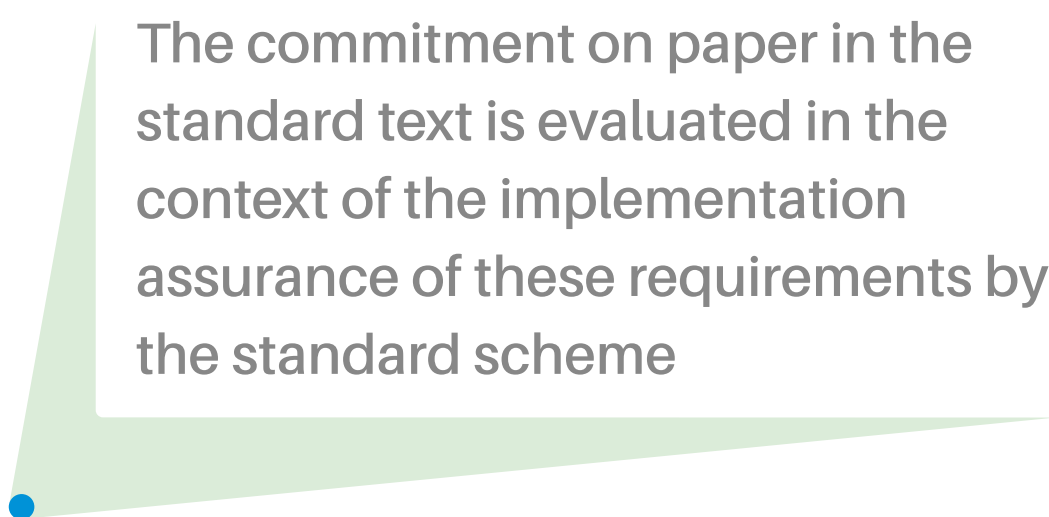
The two benchmark results were then correlated, allowing the combination of biodiversity content criteria with the level of assurance result. This means that the commitment on paper in the standard text is evaluated in the context of the implementation assurance of these requirements by the standard scheme, meaning where a higher level of assurance is prescribed by a standard, e.g. through third party independent auditing, the biodiversity criteria their standard outlines can be seen as more likely to be implemented, compared to a scheme that has lower requirements on assurance.

To ensure each theme is equally weighted in an overall score, the score of the provisions and questions per theme is averaged. These averages have been summed and divided by the number of provisions/questions scored, to correct for difference

in number of scores. This resulted in a percentage of the maximum score. These percentage values were plotted in a graph to see the relation between biodiversity protection and level of assurance.

2.4 BENCHMARK STUDY ANALYSIS

This part of the current report analyses six earlier benchmark studies of palm oil sustainability standards. These cover environmental, social and assurance level criteria. The benchmark purpose and methodology is described as well as its scope and main conclusions. Where known the commissioner and funder of the study is mentioned. The analysis can be found in Annex 1. An overall comparison is done focusing on where conclusions of the different benchmarks concur and differ. Finally, similarities, differences and complementary conclusions between the benchmark study analysis and new benchmarks were highlighted in the overall conclusion.



The commitment on paper in the standard text is evaluated in the context of the implementation assurance of these requirements by the standard scheme

3. BIODIVERSITY PROTECTION BENCHMARK: RESULTS AND CONCLUSION

The results and conclusions of the biodiversity benchmark are shown below per theme. This includes a comparison table with scores and a narrative with the main results highlighted. The full comparison table for the biodiversity protection themes can be found in Annex 2. All questions and sources used as well as the scheme requirements found and score given, can be downloaded from this web-page: WWW.IUCN.NL/NODE/580.

3.1 OVERALL

RSPO scores highest with only 6 out of 33 provisions scoring medium or weak followed by ISSC EU/Plus with 11 out of 33 and SAN with 18 out of 33. Overall, ISPO and MSPO generally scored weak or medium with 29 and 31 out of 33 respectively. It can be concluded that RSPO has the strongest safeguards for biodiversity. ISSC EU/Plus and SAN score good to strong on some themes like processes to protect biodiversity before expansion and prevention of habitat loss. However, SAN scores generally low in relation to climate change prevention and both ISSC EU/Plus and SAN in relation to community engagement for biodiversity protection. Interestingly, ISPO scores best in this theme. In terms of biodiversity protection there are only minor differences between ISSC EU/Plus which did not affect the scoring. From now they will be addressed as "ISCC" when the conclusion applies for both standards.

3.2 PROCESS TO ENSURE PROTECTION OF BIODIVERSITY

RSPO scores best with both strong provisions to protect biodiversity before expansion and intensification and during operations, requiring High Conservation Value Resource Network (HCVRN) licensed High Conservation Value assessors to be used for any High Conservation Value assessments prior to new plantings and use of High Conservation Value - High Carbon Stock Assessment (HCV HCSA) joint methodology for these evaluations. ISSC does not provide sufficient provisions for biodiversity protection during plantation management. SAN requires monitoring and reporting on biodiversity conservation plans during operations but does not require sufficiently to report on impacts on biodiversity nor does it demand change in management when needed to protect biodiversity. MSPO and ISPO score medium on all requirements before expansion and for biodiversity monitoring during operations. However, there is no requirement to measure impact on biodiversity nor to change management to prevent biodiversity loss during operations. Before operations both standards do

not require the use of HCV assessment. For MSPO there is a need to identify high biodiversity value defined as primary forest, areas protected by law or by international agreements for the protection of Rare Threatened and Endangered (RTE) species. However, the methodology and requirements for

high biodiversity value identification is insufficient. ISPO only refers to the Environmental Impact Assessment (EIA) assessment (AMDAL) for companies and organized smallholders which could potentially provide some biodiversity protection but is not specifically geared towards that purpose

Table 1. Standards score on the process to ensure protection of biodiversity

Requirements prior to significant intensification or expansion of cultivation, infrastructure or processing;

Does the standard require the identification of biodiversity values that would be potentially affected by operations, and the assessment of potential impacts on those biodiversity values?

| | | | | | |
|--------------|----------------|----------|-----------|-----------|-----------|
| ISCC EU 2 | ISCC Plus 2 | SAN 2 | RSPO 3 | MSPO 1 | ISPO 1 |
|--------------|----------------|----------|-----------|-----------|-----------|

Does the standard require identification of measures to maintain or minimize and mitigate negative impacts from operations on biodiversity values?

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 1 | 3 | 1 | 1 |
|---|---|---|---|---|---|

Does the standard specify any particular measures to be applied in given circumstances to minimize and mitigate negative impacts from operations on biodiversity values?

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 1 | 1 |
|---|---|---|---|---|---|

Requirements after expansion of cultivation or infrastructure - for existing plantations, infrastructure and processing operations;

Does the standard require regular monitoring and reporting on implementation of plans for biodiversity conservation?

| | | | | | |
|---|---|---|---|---|---|
| 0 | 0 | 3 | 3 | 1 | 1 |
|---|---|---|---|---|---|

Does the standard require regular monitoring of actual impacts on biodiversity and adaptive management as necessary for improvement?

| | | | | | |
|---|---|---|---|---|---|
| 1 | 1 | 1 | 3 | 0 | 0 |
|---|---|---|---|---|---|

LEGENDA

- 3** Strong
- 2** Good
- 1** Medium
- 0** Weak / non-compliant / non-existent
- ?** Information missing / not accessible
- N.A.** Not applicable / relevant
- Yes or No**

3.3 HABITAT LOSS AND DEGRADATION

ISPO and MSPO score medium or weak in all provisions. None of the standards explicitly encourages expansion to degraded lands that are not important for species survival. RSPO is the only standard that has strong provisions to ensure that HCV is not deteriorated including with measures like bufferzones and corridors outside of the HCV area.

Unlike ISCC and SAN, RSPO has no clear definition on protected areas but follows the rules under the HCV assessments as well as referring to international and national legislation.

SAN and MSPO have no provision on the maintenance of bufferzones around protected areas. MSPO only requires riparian bufferzones and SAN a zone of non-application of pesticides.

For ISPO the application of bufferzones depends on the conclusions of the EIA in order to obtain an Environmental Permit.

Table 2. Standards score to prevent habitat loss and degradation

Is the standard explicit in requiring the protection of all natural ecosystems that are important for species survival?

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 2 | 2 | 3 | 3 | 1 | 1 |

Does the standard require protection of ecosystems providing services critical for off site biodiversity conservation?

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 1 | 3 | 0 | 0 |
|---|---|---|---|---|---|

Does the standard exclude any palm oil development in protected areas?

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 2 | 1 | 1 |
|---|---|---|---|---|---|

Does the standard require the maintenance of buffer zones around protected areas?

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 0 | 3 | 0 | 1 |
|---|---|---|---|---|---|

Does the standard require that representative areas of native ecosystems in the management unit be actively conserved?

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 1 | 3 | 1 | 0 |
|---|---|---|---|---|---|

Does the standard incorporate P&Cs that provide positive encouragement to direct socio-economic pressure for PO expansion within a given landscape towards degraded lands that are not critical for species survival?

| | | | | | |
|---|---|---|---|---|---|
| 0 | 0 | 0 | 1 | 0 | 0 |
|---|---|---|---|---|---|

3.4 HABITAT FRAGMENTATION AND CONNECTIVITY LOSS

MSPO and ISPO score medium or weak in prevention of habitat fragmentation and connectivity loss, very relevant to the survival of species and ecosystems. In the RSPO 2018 standard it is explicitly mentioned that HCV should be protected from degradation and one of the measures is to install corridors. RSPO requires habitat connectivity to be evaluated using the HCV methodology as outlined by the HCVRN

and HCV management plans developed based on HCV assessments conducted by HCVRN licensed assessors for any new plantings taking place. SAN recommends maintenance or installation of corridors but not specifically as a contribution to avoid fragmentation nor give guidance how to assess habitat connectivity. MSPO requires to consider the wider landscape in management plans but do not require protection or installation of corridors. ISPO does not mention habitat connectivity at all.

Table 3. Standards score to prevent habitat fragmentation and connectivity loss

Does the standard require protection of corridors of natural vegetation where these are critical for connectivity between habitats, to avoid fragmentation of ecosystems (e.g. large landscape-level ecosystems/HCV 2 areas)?

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 2 | 2 | 2 | 3 | 1 | 0 |

3.5 DIRECT MORTALITY (OF RARE THREATENED OR ENDANGERED SPECIES)

SAN scores strongest to prevent direct mortality in general, only falling short in relation to anthropogenic introduced disease (weak). RSPO has strong fire and pollution prevention requirements and

good provisions against overexploitation but weak and medium provisions in relation to invasive species and anthropogenic disease. ISCC falls short in relation to over exploitation and has good provisions for the other causes of direct mortality. ISPO and MSPO have medium to weak provisions.

Table 4. Standards score to prevent direct mortality (of RTE species)

Does the standard require that particular threats be considered and mitigated in palm oil production, i.e.

Over exploitation

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 1 | 1 | 3 | 2 | 1 | 1 |

Pollution

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 1 | 1 |
|---|---|---|---|---|---|

Invasive species

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 1 | 0 | 0 |
|---|---|---|---|---|---|

Anthropogenic introduced disease

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 0 | 0 | 1 | 0 |
|---|---|---|---|---|---|

Fire

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 2 | 3 | 1 | 1 |
|---|---|---|---|---|---|

3.6 ANTHROPOGENIC CLIMATE CHANGE (WITH INDIRECT IMPACTS ON BIODIVERSITY)

No standard actively requires linking of climate change emission reductions to national reduction

targets. In relation to prevention of climate change, RSPO scores strong on all requirements and really sets the bar high for other standards. ISCC lags behind on the protection of significant carbon stocks including the prevention of CO2 emission from

peatlands already planted. In contrary, ISPO scores relatively well on the protection of peatlands already planted as these are part of the measures taken by the government to prevent peatland fires. Other than

for protection of naturally functioning peatland as an important carbon store, SAN scores medium to weak on the other requirements. MSPO is the only standard that scores weak on all provisions.

Table 5. Standards score to prevent anthropogenic climate change (with indirect impacts on biodiversity)

| Does the standard reference HCS (High Carbon Stock) forest? | ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|--|---------|-----------|-----|------|------|------|
| | 3 | 3 | 0 | 3 | 0 | 0 |
| Does the standard require the protection of significant carbon stocks? | 1 | 1 | 1 | 3 | 0 | 1 |
| Does the standard preclude the conversion of peatland to palm oil production? | 3 | 3 | 2 | 3 | 0 | 1 |
| Does the standard require measures to limit CO2 emissions from peatlands already planted with oil palm? | 1 | 1 | 0 | 3 | 0 | 2 |
| Does the standard require monitoring and control of GHG emissions from land use change? | 2 | 2 | 0 | 3 | 0 | 1 |
| Does the standard require monitoring and control of GHG emissions from production operations after planting? | 2 | 2 | 1 | 3 | 0 | 0 |
| Does the standard allow for linking of emissions reductions to national targets? | 0 | 0 | 0 | 0 | 0 | 0 |

3.7 LEGALITY IN THE CONTEXT OF BIODIVERSITY

Here we are only looking at explicit referencing of biodiversity related legislation, not provisioning for legal compliance in general. In that context, SAN, RSPO, MSPO and ISPO require explicitly to fully adhere to national regulation. All standards except of RSPO score weak in relation to respect for local and customary laws providing for protection of biodiversity. In relation to the latter, only RSPO

provides for it through the HCV methodology, which includes a strong component of local stakeholder consultation and evaluation of social HCVs as well, however RSPO does not refer to customary rights for protection of biodiversity specifically (unlike customary rights of local and indigenous communities, which are clearly referenced and protected). No standard requires explicitly to adhere to all relevant international conventions on this topic, however, ISCC and RSPO refer to some and MSPO only to international conventions requiring

protection of habitats. The Indonesian peatland protection law (PP57/2016) post-dates the ISPO legislation and therefore ISPO licensed growers do

not automatically have to comply with the peatland protection law until ISPO is updated.

Table 6. Standards score on ensuring compliance to the legal context

Does the standard include requirements to comply with relevant international conventions? (e.g. RAMSAR, CITES)

| | | | | | |
|--------------|----------------|----------|-----------|-----------|-----------|
| ISCC EU 2 | ISCC Plus 2 | SAN 0 | RSPO 2 | MSPO 1 | ISPO 0 |
|--------------|----------------|----------|-----------|-----------|-----------|

Does the standard explicitly require compliance with national legislation on protection of biodiversity (where these requirements are more rigorous or restrictive than those of the voluntary standard)?

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

Does the standard require respect for local and customary laws providing for protection of biodiversity (where these requirements are more rigorous or restrictive than those of the voluntary standard)?

| | | | | | |
|---|---|---|---|---|---|
| 0 | 0 | 0 | 1 | 0 | 0 |
|---|---|---|---|---|---|

3.8 RESTORATION

SAN has strongest requirements in relation to restoration as it requires a minimum area on the farm to be covered by native vegetation and if not met, this should be restored. RSPO restricts to restoration requirements of riparian bufferzones, set-aside HCV and undrainable (in time) peatland HCV. MSPO only requires restoration of riparian areas. In time, for ISPO the requirement will come to (hydrologically)

restore peatlands when the peatland protection law will come into force. Requiring certification of all units under management of a company, RSPO is the only standard that provides the possibility to certify companies that have converted areas after the cut-off date without a prior HCV assessment. A so-called Remediation and Compensation Procedure will determine a compensation and remediation plan, which may include restoration or other compensation measures.

Table 7. Standard score on restoration

Does the standard require restoration of natural habitats where their past conversion for palm oil production contravenes the requirements of the standard and/or national legislation?

| | | | | | |
|--------------|----------------|----------|-----------|-----------|-----------|
| ISCC EU 1 | ISCC Plus 1 | SAN 3 | RSPO 2 | MSPO 1 | ISPO 0 |
|--------------|----------------|----------|-----------|-----------|-----------|

Does the standard require restoration of peatlands, natural water bodies or riparian vegetation damaged as a result of palm oil production in contravention of the requirements of the standard and/or national legislation?

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 2 | 1 | 0 |
|---|---|---|---|---|---|

3.9 COMMUNITY ENGAGEMENT FOR BIODIVERSITY PROTECTION

Social safeguards are not benchmarked in this study. However, the analysis of previous benchmarks in chapter 5 shows standards do cover social criteria. Knowing that standards do have social criteria, this benchmark looks at community engagement in biodiversity protection.

In relation to awareness raising about biodiversity conservation among local communities, SAN, RSPO and ISPO score 'good'. SAN and RSPO requires workers to be trained in biodiversity protection. ISPO requires industrial plantation owners to raise

awareness of local communities on the existence for rare plants and animals and functioning of protected areas. RSPO shows best results to let smallholders participate in certification including through a new standard geared towards smallholders. ISPO also has a version of the standard for smallholders. ISCC takes efforts to reduce risks and costs to let smallholders participate in a group certification. For palm oil developers only RSPO has the requirement to engage with the local community to protect biodiversity. Also RSPO is the only standard that requires to identify and manage potential risks between community needs and biodiversity conservation through the HCV methodology.

Table 8. Standards score on community engagement for biodiversity protection

Does the standard include requirements for raising the awareness of workers, smallholders and local communities on biodiversity protection?

| | | | | | |
|--------------|----------------|----------|-----------|-----------|-----------|
| ISCC EU 1 | ISCC Plus 1 | SAN 2 | RSPO 2 | MSPO 1 | ISPO 2 |
|--------------|----------------|----------|-----------|-----------|-----------|

Does the standard make special provision for disadvantaged small producers, enabling them to overcome barriers to certification and participate in certified supply chains, thereby engendering their support for biodiversity protection?

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 0 | 3 | 1 | 2 |
|---|---|---|---|---|---|

Does the standard require palm oil project developers to engage with local communities on biodiversity protection?

| | | | | | |
|---|---|---|---|---|---|
| 1 | 1 | 1 | 3 | 1 | 0 |
|---|---|---|---|---|---|

Does the standard include a requirement to identify and manage potential conflicts between social/community needs/livelihoods and biodiversity conservation?

| | | | | | |
|---|---|---|---|---|---|
| 0 | 0 | 0 | 3 | 1 | 0 |
|---|---|---|---|---|---|

4. LEVEL OF ASSURANCE

BENCHMARK: **RESULTS AND CONCLUSION**

The results and conclusions of the level of assurance benchmark are shown below per theme. This includes a comparison table with scores and a narrative with the main results highlighted. The full comparison table for the assurance themes can be found in Annex 3. The provisions and sources used as well as the scheme requirements found and score given, can be downloaded from this web-page:

WWW.IUCN.NL/NODE/580.

4.1 LIMITATIONS

Assurance covers a wide range of themes; this benchmark looks at the most relevant aspects but is never complete. However, the total scoring gives a good impression of the total level of assurance. It is important to note that assurance aspects cannot be seen separately from each other; they impact on each other.

4.2 OVERALL CONCLUSION

For the selected criteria, RSPO scores highest with only 3 out of 37 provisions scoring medium or weak. Followed by ISCC Plus and EU with 4 and 5 out of 39 respectively and SAN with 8 out of 37. MSPO has 15 scores out of 37 medium or weak. It can be concluded that RSPO has the strongest level of assurance followed by both ISCC EU/Plus and SAN. ISPO could not be fully scored due to lack of resource documents and documentation in UN language. ISCC EU and ISCC Plus are widely harmonized and most ISCC EU documents also apply to ISCC Plus. The ISCC EU System Documents lay down the general ISCC system principles which are also valid under

ISCC Plus. Therefore, there are only minor differences in terms of level of assurance between the two standards. This is because they have the same origin and scheme owner and are only different in the end-markets they aim to certify (EU for biofuels and Plus for food). The only major difference is in relation to cross acceptance (see 4.13). From now they will be addressed as "ISCC" when the conclusion applies for both standards.

4.3 ACCREDITATION

Accreditation assures the quality of auditors. RSPO and ISCC score strong in each of the three provisions. Under ISCC, certification bodies must be recognised by a competent national public authority (the German Federal Office for Agriculture and Food, BLE, in Germany), or accreditation must be performed by a national accreditation body. In the case of the German BLE, this means that recognized certification bodies are subject to office audits and witness audits accompanied by BLE auditors. The respective body responsible for recognition or accreditation is also responsible for monitoring the certification body's compliance with the preconditions for its recognition

or accreditation.

For ISCC, accreditation can take place by bodies that are member of the International Accreditation Forum (IAF) or are a full member or associate member of the International Social and Environmental Accreditation and Labelling (ISEAL) alliance, or having a bilateral agreement with the European co-operation for Accreditation (EA). EA is considered to work with

comparable assurance requirements as IAF or ISEAL.

For SAN, the scheme owner, Rainforest Alliance, can “accept” a certification scheme as long as they are ISO 17065 or ISO 17021 accredited. ISPO and MSPO only score strong for the approach to get certification bodies accredited; the other scores are medium or weak or, in the case of ISPO, information is missing on this provision.

Table 9. Standards score on assurance of accreditation

The accreditation or oversight body is independent from the scheme owner. It is responsible for decisions on the accreditation status of a certification body, including application, approval, suspension or termination.

| | | | | | |
|--------------|----------------|----------|-----------|-----------|-----------|
| ISCC EU 3 | ISCC Plus 3 | SAN 1 | RSPO 3 | MSPO 1 | ISPO ? |
|--------------|----------------|----------|-----------|-----------|-----------|

Accreditation of certification bodies takes place through one of the following approaches:

- **Accreditation** by a national accreditation body affiliated to the International Accreditation Forum (IAF) or;
- **Accreditation** by a full member or associate member of ISEAL or;
- **Certification** bodies accredited by Accreditation Services International (ASI)
- **Accreditation** by bodies having a bilateral agreement with the European co-operation for Accreditation (EA) or;
- **Certification** bodies accredited by American National Standards Institute (ANSI)

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

The accreditation organization monitors, conducts review and/or surveillance of accredited certification bodies.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 1 | 3 | 0 | ? |
|---|---|---|---|---|---|

4.4 INDEPENDENCY OF AUDIT

All, except of ISPO score strong for having independent third-party audits. ISPO relies upon accredited third-party certification bodies to conduct audits, but the ISPO Commission itself (not the Certification Body (CB) issues certificates based

on reviews of audit reports and recommendations provided by the CB. ISPO is however working on a revision of the organizational structure that attempts to decouple responsibilities from the ISPO secretariat and to shift the lead over the ISPO certification system towards the Indonesian Ministry of Economic Affairs.

Table 10. Standards score on independency of audit

The audits or verifications are carried out by an external third party (not the economic operator). This means that the auditor or verifier is free from conflict of interest, independent of the activity being audited and independent in providing, suspending or withdrawing certificates.

| | | | | | |
|--------------|----------------|----------|-----------|-----------|-----------|
| ISCC EU 3 | ISCC Plus 3 | SAN 3 | RSPO 3 | MSPO 3 | ISPO 1 |
|--------------|----------------|----------|-----------|-----------|-----------|

4.5 SELECTION OF AND REQUIREMENTS TO CERTIFICATION BODIES

All standards require generally quality requirements to auditors. This benchmark has not looked into detail what quality requirements are exactly required, and differences on this may exist between the standards. All standards have strong criteria for certification bodies to be compliant to ISO standards, often as part of accreditation, except of ISCC which scores good. Under ISCC, ISO/EC 17065 is in the standard itself explicitly required when the certification body

is accredited, but this requirement is not clearly mentioned when the CB is recognized by a national public authority (although the German BLE does have this as requirement). Next to that, ISCC mentions in its standard that CBs should ensure appropriate expertise and experience, for instance, in conformity with or according to the principles of ISO 17065. It is not clear whether ISPO has a formal procedure on how to select (and withdraw) certification bodies. The secretariat of the ISPO commission has the authority to do so.

Table 11. Standards score on selection of and requirements to certification bodies

“The certification bodies to undertake audits on behalf of the scheme and the procedure to select or exclude certification bodies shall be described by the scheme owner

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 3 | 3 | 3 | 3 | 3 | ? |

The scheme owner requires certification bodies to be compliant with ISO/IEC 17065, ISO/IEC 17021, ISO/IEC 17020 or equivalent

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

There are quality requirements (competences) for auditors documented by the scheme.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

4.6 STANDARD REQUIREMENTS AND COMPLIANCE LEVELS OF STANDARD

Only RSPO scores fully strong with these provisions followed by SAN and ISCC. All standards clearly distinguish between mandatory requirements and recommendations and guidance. SAN has a slightly lower score for its differentiation between core and improvement criteria of which the latter does not require full compliance over time. ISCC differentiates between critical non-conformities in principle 1, and for principles 2-6 between major and minor requirements. The critical non-conformities and major requirements must be fully complied with and of the minor requirements only 60%. There is

no requirement to meet the other 40% of the minor requirements. MSPO requires full compliance of all producers by a certain deadline but there is no further information on how the compliance should be realized in time.

ISPO is the only standard that does not revise their standard at least every five years, as it is mainly driven by changes in legislation. Every five years, the ISCC standard is revised. Next to that, ISCC EU must apply for re-recognition of the ISCC EU system by the European Commission every five years to meet changes in the regulatory environment. If ISCC EU changes in such a way that might affect the basis of recognition, the European Commission must be notified.

Table 12. Score on standard requirements and compliance levels of standard

The certification standards of the voluntary scheme are revised at least every five years.

| | | | | | |
|--------------|----------------|----------|-----------|-----------|-----------|
| ISCC EU 3 | ISCC Plus 3 | SAN 3 | RSPO 3 | MSPO 3 | ISPO 0 |
|--------------|----------------|----------|-----------|-----------|-----------|

The certification standard clearly distinguishes mandatory requirements from recommendations and guidance.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

Requirements for compliance to achieve certification. The sustainability criteria need to be fully complied with (100%) over a defined timeline. A certain flexibility is possible for economic operators with small scale, low intensity and/or low risk.

| | | | | | |
|---|---|---|---|---|---|
| 1 | 1 | 2 | 3 | 3 | 3 |
|---|---|---|---|---|---|

The scheme has a progressive entry level (this means 100% compliance with the criteria is not required from the start but should be reached over time)

| | | | | | |
|-----|-----|-----|-----|------|------|
| YES | YES | YES | YES | YES* | YES* |
|-----|-----|-----|-----|------|------|

* (timeline for realizing certification)

In case of a progressive entry level, the scheme owner has set clear requirements on how to increase the percentage of compliance over time.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 0 | ? |
|---|---|---|---|---|---|

4.7 SCOPE OF CERTIFICATION AT FARM PRODUCER LEVEL

The identification of farms is a precondition for audit preparation and can have a major impact on the audit scope. For example, it determines the total number of group members and thereby the sample size of farmer groups, risk management and the possible exclusion of farms in the case of non-compliances.

RSPO scores strong on all provisions as it does not allow for partial certification on farm (including leased and rented land) nor company group level and outsourced activities.

Given that both ISPO and MSPO are national standards that need to be legally implemented over time, they automatically require all operators to abide on national level and score relatively well. MSPO does, however, not specifically cover outsourced activities under the scope of certification and for ISPO this aspect is unclear.

ISCC scores in general good under this category. ISCC and SAN score weak in relation to certification

of all units under their control (i.e. all subsidiaries of a parent company) in accordance to a time-bound plan against the principles and criteria. In the ISCC system however, partial certification on farm level is not possible while SAN allows this.

For ISCC, the identification of a farm (legally independent, independent own management or centrally managed) is a precondition for audit preparation and audits at first gathering points and central offices. Note that the farm identification has impact on the audit scope as it determines who has to sign the self-declaration, the total number of group members and thereby the sample size of groups, risk management and the exclusion of farms in the case of non-compliances.

For SAN the certified organization may request to change the certificate scope at any time in order to increase or reduce the production area, or increase or reduce the number or composition of member farms. Leased portions of land inside certified farms shall comply, at least, with Rainforest Alliance zero-tolerance critical criteria, so it is not required to be certified against the full set of requirements.

Table 13. Score on standard requirements and compliance levels of standard

External audits take place on a producer unit level (farm level). The audit scope is the full production unit. The producer level is the first point of certification in the chain of custody.

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 3 | 3 | 3 | 3 | 3 | 3 |

Partial certification of the farm area is not possible. Producers are required to certify their whole unit of certification, which shall include owned land, leased and rented land.

| | | | | | |
|--|---|---|---|----|----|
| 3 | 3 | 0 | 3 | 2* | 2* |
| * (on national level, due to legal timeline) | | | | | |

Organisations are required to certify all (eligible) units under their control in accordance with a time-bound plan. This means that all subsidiaries of a parent company required to become certified (in time) against the P&C requirements.

| | | | | | |
|--|---|---|---|----|----|
| 0 | 0 | 0 | 3 | 2* | 2* |
| * (on national level, due to legal timeline) | | | | | |

Outsourcing of activities: The activities of third parties as outsourced activities fall in the scope of certification, and they shall fully comply with the relevant requirements of the standard.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 1 | ? |
|---|---|---|---|---|---|

4.8 COMPLAINTS MECHANISM

RSPO scores strongest in relation to complaints mechanism both at CB and scheme owner (RSPO) level. SAN also requires CBs to have strong complains mechanisms but the scheme owner, Rainforest Alliance can only be contacted and does not have an official procedure and therefore scores weak. ISCC also requires CBs to have complaints mechanisms in place, but they do not have to be publicly available and transparent, whilst for the scheme owner they do and therefore score strong.

MSPO does not require CBs to have a procedure in place but mentions that disputes should be dealt with by dispute resolution procedures of the CB. There is no requirement on public availability nor timeline of complaint handling. The MSPO scheme owner has a dispute resolution procedure in place but is not transparent about the exact procedure. ISPO provides insufficient insight about the requirements for a complaints mechanism hence it can be concluded, based on available information, that at best, the mechanism is not transparent nor publicly available.

Table 14. Standards score on complaints mechanism

Certification bodies have formal and transparent, publicly available procedures in place for handling disputes and complaints related to certification and surveillance.



The scheme owner has formal and transparent, publicly available procedures in place for handling disputes and complaints related to conflicts resulting from the relationship between a certification body and the organization or entity to be certified.



4.9 AUDITING (FREQUENCY) AND RISK ASSESSMENT

SAN scores strongest for auditing and risk assessment. RSPO scores in general strong with a weak spot not to require and conduct unannounced audits. ISCC scores slightly lower than SAN because: 1) scheme participation as membership of ISCC Association is possible without certification and, 2) for only having CBs entitled to undertake unannounced audits and not requiring them to do so. MSPO allows unannounced audits but does not require them. For ISPO, requirements remain unclear. Also in relation to ISPO, based on available information, is also unclear on the needs of the auditing system to be based on a risk assessment.

Table 15. Standards score on auditing (frequency) and risk assessment

There is a documented assessment methodology for certification bodies on how to assess compliance with the standards of the voluntary scheme

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 3 | 3 | 3 | 3 | 3 | 3? |

As a general rule, a voluntary scheme should ensure that economic operators are audited before allowing them to participate in the scheme. Producer members (if applicable) should commit to the standard's P&C

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

Certification bodies are required to conduct annual or more frequent surveillance audits of certificate holders.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

The audit is based in part on a risk assessment of the client. Certification bodies are required to adjust the intensity of auditing and surveillance to match observations in the field.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | ? |
|---|---|---|---|---|---|

The scheme owner requires economic operators (and/or its members) to allow unannounced audits. Certification bodies conduct unannounced audits

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 3 | 0 | 2 | ? |
|---|---|---|---|---|---|

Certificates are valid for no more than five years after which a new full certification audit is required.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

4.10 STAKEHOLDER CONSULTATION

Only RSPO and MSPO require some stakeholder consultation during audits. ISCC and SAN do not require that, although ISCC does look at the risks for

stakeholders prior to the audit. In Indonesia there is a legal requirement to have a one-off consultation for the environmental impact assessment for land larger than 3000 ha, which consequently also applies to ISPO.

Table 16. Standards score on stakeholder consultation

Certification bodies are required to proactively consult with affected stakeholders during both certification and surveillance audits.

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 0 | 0 | 0 | 2 | 2 | 1 |

4.11 NON-CONFORMITIES AND SANCTIONS

All except of the ISPO and MSPO score strong in relation to non-conformities and sanctions. RSPO, SAN and ISCC have strong procedures in place to address non-conformities with clear implications if they remain unaddressed. Rectification on non-compliances should be done in a defined timeline that should not exceed one year and continued non-conformities, both major and minor, are adequately sanctioned and can lead ultimately to suspension or termination of the certificate.

or withdrawing of certification without guidance on what this procedure should look like (which is not part of ISO).

In comparison to MSPO, ISPO has a clearer and stronger procedure which describes how certification bodies are required to address non-conformities. MSPO is weak in relation to describing termination of certification in response to severe cases and in relation to applying adequate sanctions in response to minor non-conformities. In both cases, there is no information found about this for ISPO.

ISPO and MSPO do require the non-conformities to be rectified within one year. MSPO relies on ISO 17021 in relation to renewing, suspending, restoring,

Table 17. Standards score on non-conformities and sanctions

The scheme owner has a procedure in place which describes how certification bodies are required to address non-conformities, including when a certificate or license is suspended or revoked. The scheme should describe what the implications are for any non-conformities identified during the audit.

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 3 | 3 | 3 | 3 | 1 | 2 |

Certificate holders are required to rectify non-compliances identified during certification and surveillance audits within a set timeframe that does not exceed one year.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|

Severe (major) non-compliances that are not rectified in time lead to suspension or termination of the certificate

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 0 | 0 |
|---|---|---|---|---|---|

Adequate sanctions are applied in situations where less severe (minor) non-compliances are not rectified in time.

| | | | | | |
|---|---|---|---|---|-------|
| 3 | 3 | 3 | 3 | 1 | N.A.? |
|---|---|---|---|---|-------|

4.12 GROUP CERTIFICATION / VERIFICATION

Group certification shows a mixed result amongst the standards, except of the fact that all standards allow for group certification (ISCC only on producer level). No standard scored strong on all the benchmark requirements on group certification.

ISPO could not be assessed as no information was available. This is very unfortunate given the large number of smallholders operating in Indonesia.

RSPO scores strong on all provisions except on the minimum percentage of individual smallholders audited which is too low for smallholders with low

risk level, and results in a medium score. Also, RSPO scores medium as it accepts a high heterogeneity in groups and only elevates the risk level when members are geographically or jurisdictionally separated from one another. For SAN, groups should operate in the same country which risks a potentially very high heterogeneity. SAN scores medium on the conditions under which a group (member) can be suspended from a group and under which

conditions a sample group can be changed. Under SAN group certification, a maximum of 20% of the audited sample in the improvement criteria may fail. MSPO scores strong in relation to the fact that the group should be led by a legal entity and good in relation to the fact that the groups should have an internal management system in place. On the other requirements MSPO scores weak.

Table 18. Standards score on group certification / verification

The scheme allows for group certification or verification

| ISCC EU YES* | ISCC Plus YES* | SAN YES | RSPO YES | MSPO YES | ISPO YES |
|-----------------|-------------------|------------|-------------|-------------|-------------|
|-----------------|-------------------|------------|-------------|-------------|-------------|

* (to certain parts in supply chain)

There is a sample size formula to determine the number of group members that is externally verified. The sample is determined by risk level.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 1 | ? |
|---|---|---|---|---|---|

As a minimum, it is required that a sample of at least the square root of the number of group members is audited individually annually (in line with the ISEAL standard P035).

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 1 | 1 | ? |
|---|---|---|---|---|---|

The group is lead and supervised by a legal entity. This entity is managed by a group manager, responsible for ensuring that the group complies with the standard.

| | | | | | |
|---|---|---|---|---|---|
| 2 | 2 | 2 | 3 | 3 | ? |
|---|---|---|---|---|---|

The group must have an internal quality management system in place, which includes an internal audit system.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 2 | 3 | 2 | ? |
|---|---|---|---|---|---|

The requirements on group certification/verification define the conditions under which a group (member) shall be suspended or removed from a group. A group sample cannot be changed (i.e. a single member can be excluded from the group) due to failure of an individual group member.

| | | | | | |
|---|---|---|---|---|---|
| 1 | 1 | 1 | 3 | 1 | ? |
|---|---|---|---|---|---|

Group auditing for compliance with the scheme's land related criteria is only acceptable when the areas concerned are relatively near each other and have similar characteristics (such as management practices).

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 0 | 1 | 1 | ? |
|---|---|---|---|---|---|

4.13 CROSS-RECOGNITION

Only ISCC cross-recognizes other standards. ISCC EU recognizes other certification systems for agricultural biomass that are recognized by the European Commission in the framework of the EU Renewable Energy Directive (RED). Acceptance in this case means that agricultural biomass that is certified under one of the recognized schemes complies with the EU RED requirements and thus can be claimed "EU RED compliant" in the ISCC supply chain. This means that ISCC "EU RED compliant" certified palm oil that is sold under EU RED regulation could consist of certified palm oil from other standards recognized by the European Commission. However, ISCC does not accept other schemes for high-risk materials. In case of uncertainty an equivalence benchmark may be conducted.

In order to recognize another certification system as "ISCC compliant" that would require a benchmark to assess full equivalence of criteria, also those that go beyond the EU RED requirements (e.g. social and assurance criteria).

For ISCC Plus the recognition of voluntary schemes other than ISCC requires at least a positive equivalence benchmarking result. An exception exists for raw materials certified under other schemes, only if the country of origin of the raw material is Germany and if the certification proves compliance with SAI GOLD or SAI SILVER (i.e. the performance level GOLD or SILVER of the Sustainable Agriculture Initiative (SAI) is reached for the production of the biomass).

Table 19. Standards score on cross-recognition

The scheme has signed a mutual recognition agreement with at least one other scheme, or accept other schemes

| ISCC EU YES | ISCC Plus YES | SAN NO | RSPO NO | MSPO NO | ISPO NO |
|----------------|------------------|-----------|------------|------------|------------|
|----------------|------------------|-----------|------------|------------|------------|

The cross-recognition is based on a benchmark and on the requirement that the recognized scheme has equitable requirements or higher.

| | | | | | |
|---|---|------|------|------|------|
| 1 | 2 | N.A. | N.A. | N.A. | N.A. |
|---|---|------|------|------|------|

The scheme owner requires to certification bodies the verification of claims of other relevant (recognized) certification schemes to avoid double counting

| | | | | | |
|---|---|------|------|------|------|
| 3 | 3 | N.A. | N.A. | N.A. | N.A. |
|---|---|------|------|------|------|

4.14 TRANSPARENCY

All schemes except of ISPO and MSPO score strong on transparency. ISPO and MSPO score weak on the public availability of certification/verification reports.

MSPO scores weak on the availability of the standard documents. For ISPO this is available but not in a UN language. Both standards publish the names of certificate holders. MSPO also publishes the sizes and locations of all certified units but not the expiry dates.

Table 20. Standards score on transparency

The scheme owner makes, or requires certification bodies to make, summary certification/verification reports (with personal and commercially sensitive information removed) publicly available

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---------|-----------|-----|------|------|------|
| 3 | 3 | 3 | 3 | 0 | 0 |

The scheme owner makes its certificates publicly available (on the website), including withdrawn ones. A database with information about the certified units is publicly available.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 1 | 1 |
|---|---|---|---|---|---|

The standard documentation is publicly available. The standard documentation is available in a UN language.

| | | | | | |
|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 0 | 2 |
|---|---|---|---|---|---|

5. BENCHMARK STUDY ANALYSIS

5.1 LIMITATIONS

The benchmark studies analysed have in common that they are all desk studies and do not assess implementation of the standard in the field. The benchmark studies are all done for different purposes: comparing mandatory standards based on national laws (ISPO and MSPO) with voluntary standards (e.g. Daemeter 2014, WWF (2018) or assessing standards to a set of criteria based on legal frameworks of the USA or EU (NRDC (2014), 3keel & LMC (2018)). The scope of the benchmarks are different e.g. Efeca (2016) only uses a limited set of criteria whilst FPP (2017) has a detailed assessment only on social criteria. This yields a spread of 1-5 benchmarks covering the different standards (see table 21). RSPO and SAN have updated their standard since the studies were published.

5.2 COMPARISON OF BENCHMARK STUDIES

5.2.1 Environmental benchmark

According to 3keel & LMC (2018) ISCC EU provides a better coverage of environmental criteria than RSPO 2013 using EU and UN policy requirements. It should be noted however that ISCC EU was developed for the EU RED providing the obvious link to its policy requirements. Interestingly, NRDC (2014)'s scoring of ISCC EU shows a totally different picture: RSPO 2007 scores much better against the environmental criteria set. An explanation could be that NRDC (2014) framework of criteria are largely based on US laws and ISCC EU is highly specific to EU market and purpose. Daemeter (2014) is also supporting the conclusion of good environmental measures of ISCC EU as well as for SAN 2010, which was the only environmental benchmark covering SAN. The RSPO

Table 21. Studies covering the different standards

| Standard | Study | Number |
|-----------|--|--------|
| RSPO 2013 | Daemeter (2014), Efeca (2016), WWF (2018), FPP (2017) (social), 3keel & LMC (2018) | 5 |
| RSPO 2007 | NRDC (2014) | 1 |
| MSPO | Efeca (2016), WWF (2018), FPP (2017) (social), 3keel & LMC (2018) | 4 |
| ISPO | Daemeter (2014), Efeca (2016), FPP (2017) (social), 3keel & LMC (2018) | 4 |
| ISCC EU | Daemeter (2014), FPP (2017) (social), NRDC (2014) | 3 |
| ISCC Plus | FPP (2017) (social) | 1 |
| SAN 2010 | Daemeter (2014), FPP (2017) (social) | 2 |
| RSB | FPP (2017) (social), NRDC (2014) | 2 |
| HCS | FPP (2017) (social) | 1 |

2013 standard clearly outperforms MSPO and ISPO, also on environmental criteria mainly through fully applying the HCV approach (Daemeter (2014) and Efeca (2016)). Also WWF (2018) concluded RSPO 2013 sets a higher bar in relation to environmental measures than MSPO. For RSB only NRDC (2014) assessed environmental measures and concluded it best covers environmental criteria, also better than RSPO 2007.

5.2.2 Social benchmark

On social issues 3keel & LMC (2018), FPP (2017), Daemeter (2014) and Efeca (2016) conclude that RSPO 2013 standards outperforms the other standards, including ISCC EU/plus, RSB, ISPO and MSPO. NRDC (2014) shows a higher score of RSB on social requirements in comparison to RSPO 2007, due to weaker food security safeguards of the latter. Especially ISPO scores weak on social issues (Daemeter (2014), FPP (2017)). FPP (2017) additionally concludes that ISPO and also MSPO provide weak access to remedy. FPP (2017) continues that the standards aiming to serve the sustainability front runners, RSPO NEXT and POIG (Palm Oil Innovation Group) indeed better address social safeguards.

5.2.3 Level of assurance benchmark

Previous benchmark studies have given no or limited attention to the level of assurance. Daemeter (2014) and Efeca (2016) refer to the degree of obligation to meet each criteria before getting certified. Meeting all criteria is required for RSPO 2013 and ISPO and not required for SAN 2010 and ISCC. The FPP (2017) and Efeca (2016) studies are contradicting as FPP (2017) mentions that MSPO requires compliance of all criteria while Efeca (2016) claims that an action plan to show continuous improvement and corrective action on on-compliant criteria is sufficient.

Daemeter (2014) looks also at the audit frequency which is annually for all studied standards (RSPO 2013, ISPO, ISCC EU and SAN 2010). WWF (2018) refers to the audits that can (but do not need to) be unannounced for MSPO and do not need to be unannounced for RSPO 2013. Daemeter (2014) states that RSPO 2013 and ISPO require all subsidiaries under its management control (defined as majority of ownership) to be certified whilst MSPO does not require this. This study continues that for ISPO this is restricted to operations (plantations/mills) in Indonesia (as this is the legal scope of the ISPO standard) and for SAN 2010 and ISCC EU this varies e.g. in relation to smallholder administrator models. ISCC EU also accepts biomass standards that are verifiably compliant with the EU's biofuels sustainability criteria.

Two studies (Daemeter (2014) and Efeca 2016)) concluded that ISPO provides the most general and practical requirements. Efeca (2016) also concluded this for MSPO. These standards have a legal basis, covering a whole sector, which does not allow for multi-stakeholder processes like RSPO and therefore resulting in a less detailed, more pragmatic, standard. This results for ISPO, however, in a less comprehensive framework of criteria. E.g. key social issues depend too much on national legislation (Daemeter (2014) and Efeca 2016)).

6. OVERALL CONCLUSION AND RECOMMENDATION

6.1 BIODIVERSITY AND LEVEL OF ASSURANCE BENCHMARK

Bringing together the two new benchmarks it can be concluded that RSPO shows best results in relation to both biodiversity protection and level of assurance. In figure 1 below, RSPO attains almost 70 percent of the maximum score for biodiversity protection and slightly over 85 percent for level of assurance. ISPO and MSPO lag behind in both benchmarks resulting in 16 and 18 percent respectively of the maximum score for biodiversity protection. MSPO scores 55 percent on level of assurance. ISPO could however not be fully assessed for level of assurance criteria due to lack of information from primary sources, hence figure 1 shows the possible range. Standards with stronger biodiversity protection safeguards also have stronger level of assurance. This suggests that standards with advanced criteria recognize the importance of level of assurance better than those lagging behind (figure 1).

As mentioned in the separate conclusions, ISCC EU and Plus show an almost equal scoring on both biodiversity and level of assurance. The slight difference lies in how other standards are recognized, and under which conditions. Under ISCC EU certified palm oil for biofuel sold as "EU RED compliant" there is a higher risk that its certified palm consists of certified palm from other EU recognized, and possibly weaker, standards.

National standards fall short of providing sufficient level of assurance and biodiversity protection, also in comparison to their voluntary peers. They however play an important role for the creation of a level playing-field and inclusion of smallholders on national level. That said, the current standard

risks providing a sustainability stamp without robust criteria and assurance. ISPO criteria are under revision in the areas of environment, labour and control and a new version is expected to come out later this year. What has started to be a participatory process with involving NGOs, is currently seems to be a black box² in terms of process and content of the new standard.

6.2 IN COMPARISON TO PREVIOUS BENCHMARKS

RSPO 2013 showed the best results in the benchmarks by Daemeter (2014), Efeca (2016), WWF (2018) and, FPP (2017). RSB and ISCC scored better on environmental criteria in the studies by 3keel & LMC (2018) and NRDC (2014) respectively. For ISCC this can be explained by the research framework used by 3keel & LMC (2018) which are based on the policy instruments of the EU and UN, a framework ISCC was developed upon. RSB currently does not certify any palm oil plantations (pers. comm. Rolf Hogan).

NOTE

² <https://eia-international.org/news/backtracking-reform-indonesias-government-weakening-palm-oil-standards/>

BIODIVERSITY PROTECTION VS. LEVEL OF ASSURANCE

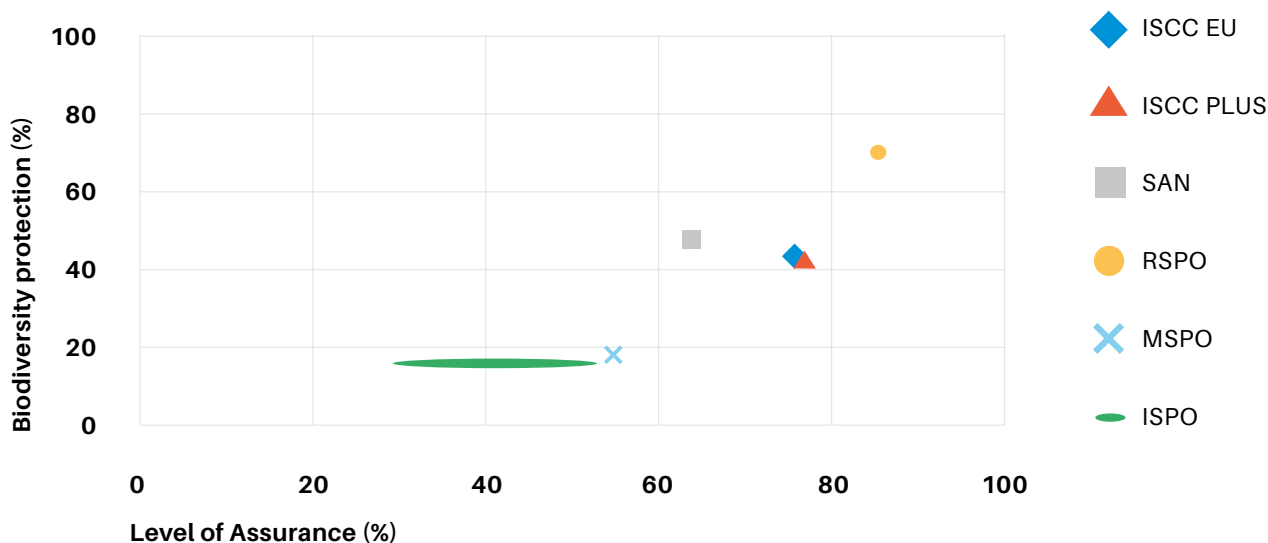


Figure 1 percentage scores of level of assurance (x-axis) plotted against biodiversity (y-axis).

Whilst Efeca (2016) and Daemeter (2017) concluded that ISPO provides the most practical framework, our benchmark analysis contradicts this as 1) standard documentation is not available in UN language and 2) there is a lack of detail, procedures and guidelines, most notably a lack of information on assurance level, providing a lot of room to interpretation. This complicates enforcement of the standard and creates a risk for robustness and creating trust about the sustainability of palm oil.

As the new benchmark studies do not look at social safeguards, it is interesting to note that RSPO 2013 shows best results in this area in comparison to MSPO, ISPO and ISCC. Additionally, it should be noted that RSPO 2018 principles and criteria have further strengthened social safeguards for labour, human rights, gender, community rights and smallholder inclusivity. Unfortunately, the studies covering social safeguards have been published before SAN 2017 was published so we cannot

conclude RSPO 2013 scores best in comparison to all the standards in the new benchmarks.

Previous benchmark studies did not provide sufficient attention to level of assurance. The conclusions that are drawn in this regard coincide with the conclusions from the new benchmark study on level of assurance. From the contradicting statements in Efeca (2016) and FPP (2017)) we can provide clarity that there is a mandatory timeline in Malaysia for realizing MSPO certification by 30 June 2019.

The main changes between RSPO 2013 and RSPO 2018 and between SAN 2010 and SAN 2017 standards can be found in Annex 4.

6.3 RECOMMENDATIONS FOR THE STANDARDS

6.3.1 General recommendations

1. Engage in jurisdictional or landscape approaches that aim to realize sustainability goals across commodities and stakeholders. Even if more complex to implement they will reduce costs, conflicts between stakeholders and risks for investors and increases legal compliance, also of smallholder actors.
2. National standards like ISPO and MSPO are key to ensure a country-wide level playing field but should strengthen their criteria and control to address sustainability issues in the palm oil sector.
3. Invest in implementation through sufficient capacity to monitor, audit and reconcile conflicts.
4. Involve civil society in audits, truth finding and early warning systems.
5. The capacity of companies and smallholders should be enhanced to enable them to implement the standards

6.3.2 Biodiversity

1. **ISPO and MSPO** should execute an in-depth revision of its standards to protect Indonesia's and Malaysia's biodiversity and use the full potential of covering all operators on national level.
2. **ISCC, ISPO and MSPO** should make biodiversity protection an integral part of the management of palm oil plantations including through consideration of all causes of direct mortality.
3. **All standards** should consider to provide positive encouragement to direct palm oil expansion within a given landscape towards degraded lands that are not critical for species survival.
4. **SAN, MSPO and ISPO** should recognize that agricultural expansion and practice is one of the main drivers of climate change, stop expansion in high-carbon stock ecosystems and demand climate-smart land-use practices.

5. **All standards** should enhance its recognition of local and customary law that contribute through biodiversity protection. **ISCC, SAN, MSPO and ISPO** should do more in awareness raising and engaging of local communities in biodiversity protection.

6.3.3 Level of assurance

1. **ISPO and MSPO** should enhance their credibility as a sustainability standard by developing or reformulating critical governance aspects.
2. **ISPO** should make accessible standard documentation in UN language and be available for feedback upon request of civil society, also from the international actors.
3. **ISCC, SAN and ISPO** should ensure sufficient and proactive stakeholder consultation during audits.
4. **ISCC** should explicitly require in its standards that certification bodies should be compliant with international ISO standards.
5. **RSPO** is recommended to perform unannounced audits.
6. **SAN and ISCC** are advised to certify all production under control of certified companies, including all subsidiaries of a parent company, over a set time-frame.
7. **SAN** should set stricter requirements that farms do change the scope of certification at any point in time, as a result of (risk for) non-compliance.
8. **ISCC** should set stronger criteria to prevent weaker standards being used in the supply chain when selling under the "EU RED compliant" claim, and be more transparent under which conditions other schemes are not accepted, e.g. in the case of high-risk materials.

6.4 RECOMMENDATIONS FOR PALM OIL BUYERS AND INVESTORS

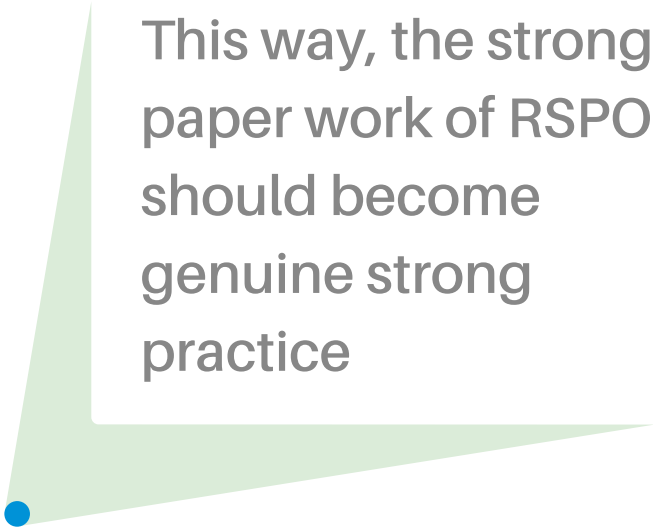
RSPO continuously shows the best scores in relation to biodiversity protection and level of assurance. Previous benchmark studies also show good scoring on the level of social safeguards. Therefore, we recommend buyers and investors to demand RSPO certified palm oil.

Even though RSPO has strong level of assurance, reports from the field suggest that plantation level implementation lags behind. We recommend palm oil buyers and investors to become member of RSPO to improve its implementation capacity and collectively invest in:

1. concerted monitoring of deforestation, human rights and other concerns with RSPO
2. sufficient auditor capacity

3. outreach to civil society to be able to play an informed role as sounding board for auditors
4. outreach to local companies to understand P & C and to be motivated to implement them
5. an early warning system in case of rising conflicts,
6. truth finding (such as community based water monitoring) and
7. reconciliation capacity of the RSPO Dispute Settlement Facility

This way, the strong paper work of RSPO should become genuine strong practice, which will not be easy in complex governance environments. To additionally support governments to achieve their basis requirements for the sector with stronger criteria and control, and achieve, for example in Indonesia, the implementation of policies such as the Moratorium to new palm oil permits, will help create a level playing field of sustainable production and a limit to expansion across producing countries.



This way, the strong paper work of RSPO should become genuine strong practice

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ANNEX 1 SUMMARY OF BENCHMARK STUDIES

A COMPARISON OF LEADING PALM OIL CERTIFICATION STANDARDS APPLIED IN INDONESIA (DAEMETER, 2014)

Daemeter (2014) aimed to contribute to discussions on sustainable and legal palm oil by describing 'norms of good practice' and benchmarking Indonesia's regulatory framework against voluntary certification standards. It includes a comparison of environmental and social requirements of four certification standards: RSPO 2013, ISPO, ISCC EU and SAN 2010. It additionally highlighted where Indonesia's regulatory system supports or creates challenges to compliance. The certification standards were compared using 15 themes reflecting priorities identified in the discourse on sustainable palm oil production. The comparison was described both in a narrative and by scoring, indicating relative strength and clarity of the standard in the respective themes. The benchmark was funded by the Climate and Land Use Alliance, a collaboration of US-based private donors.

While –according to the study- all standards cover all themes, the depth, breadth and level of detail varies widely amongst the standards. Depending on the goals of the different initiatives behind the standard, restrictions imposed differ on specificity and extent. A general observation is that ISPO shows least detailed but most straightforward, streamlined (touching upon main points in brief) and practical requirements, that is compatible with regulation and applicability to the sector as a whole. In relation to the degree of obligation to meet each criteria, standards differ in minimum requirements for compliance to achieve certification. Whilst RSPO 2013 and ISPO require full

compliance, with a time-bound plan for addressing minor non-compliances, under SAN 2010 and ISCC EU only 'critical criteria' and 'major musts' should be fully fulfilled and others only partly with a minimum percentage or through a step-wise approach. The study provides the following summary results with the disclaimer that for a deeper understanding of how the issues are addressed in each standard, the full comparison should be read:

- Overall, RSPO 2013 has the most clearly worded and thoroughly explained principles, criteria, indicators, guidance, and requirements for compliance with environmental provisions; two weaknesses concern flexibility in treatment of deforestation and peatland development.
- ISCC EU and SAN 2010 are very strong in their treatment of environmental concerns, whereas ISPO was found to be less restrictive and/or provides less detail.
- On social themes, RSPO 2013 again ranked strongest, reflecting broad consideration of social issues facing the industry and communities affected by it.
- ISCC EU and SAN 2010 are weaker than RSPO 2013 for a handful of social themes reviewed, but in general also give robust treatment of social issues.
- ISPO's treatment of social issues is less comprehensive than other standards, due to omission of key topics (e.g., FPIC) and/or less detailed explanation of requirements for compliance.

COMPARISON OF THE ISPO, MSPO AND RSPO 2013 STANDARDS (EFECA, 2016)

Efeca (2016) aims to provide a reference to buyers for sourcing sustainable palm oil. The study was commissioned by the Department for Environment, Food & Rural Affairs of the UK government. It compared two standards based on legal compliance, ISPO and the MSPO with RSPO 2013. The aim of the document is to provide stakeholders with information on palm oil standards, as part of Efeca (2016)'s wider programme to increase knowledge on palm oil sustainability. The comparison is done on 4 environmental and 3 social themes.

The greatest difference found was that RSPO 2013 in comparison to ISPO and MSPO requires transparency and ethical conduct in business operations and transactions. Also, RSPO 2013 depends on a transparent process in standard development and improvement through its multi-stakeholder platform. ISPO and MSPO are developed on a legal basis which restrict transparency pending on national regulation.

In relation to environmental safeguards, RSPO 2013 adopts the HCV approach requiring to identify, maintain or enhance HCV whereas ISPO only identifies HCV and MSPO does not mention HCV but refers to maintaining and management of High Biodiversity Areas as per national regulation. RSPO 2013 permits only limited planting on peatlands and advises the use of Best Management Practices (BMP). ISPO specifies peatlands cannot be developed where >70% is on peatland >3m deep and, when planted, adverse impacts should be avoided including maintenance of water levels. In Malaysia state law allows for plantation development on peatland and refers to the Malaysia Palm Oil Board (MPOB) BMP guidelines. Of the standards compared, only RSPO 2013 has a cut-off date. It mentions that after November 2007, new plantings should not replace primary forest or areas required to maintain HCV areas. In relation to social safeguards, only RSPO

2013 has described the requirements around Social Impact Assessment (SIA) including the need for a participatory process and Free and Prior Informed Consent (FPIC). Both ISPO and MSPO refer to national laws in relation to workers' rights, RSPO 2013 has detailed requirements around workers' rights. All three standards require third party audits while RSPO 2013 and ISPO require compliance to all criteria. MSPO does not require full compliance but to show continuous improvement against the criteria. Grievance mechanisms are best defined for RSPO 2013.

In summary the main conclusions are:

- All three standards cover the same general themes: legality, environmental responsibilities, social responsibilities, and business practices.
- Environmental issues are best addressed in RSPO 2013 especially through its HCV requirements.
- ISPO and MSPO rely on national laws for workers' rights whilst RSPO 2013 has detailed requirements for SIA's and FPIC.
- RSPO 2013 and ISPO require full compliance to criteria, MSPO not as long as there is continuous improvement.
- ISPO and MSPO are considered more practical to implement, only having to comply with a limited number of criteria, in comparison to the detailed criteria in RSPO 2013.

RSPO 2013 VS MSPO (WWF 2018)

The underlying aim of the study was to stimulate continuous improvement in the palm oil sector in Malaysia and move from MSPO to RSPO and RSPO NEXT (for voluntary additional efforts for companies that have met the requirements and guidance of the RSPO P&C) compliance. WWF (2018) also aims to improve the MSPO standard both through exposing main differences between MSPO and RSPO 2013, as well as through active participation in MSPO committees. This study used the Certification

Assessment Tool (CAT) developed by WWF (2018). CAT evaluates the requirements of the standard (“standard strengths”) as well as the rules and procedures that determine how the standard is implemented, assessed and managed (“system strengths”). The direct aim is to take away confusion around the difference in intention, credibility and focus area of the standards. CAT numbers a total of 160 questions on environmental and social measures. Possible answers are ‘true’, ‘false’ or Not applicable (‘N/A’).

MSPO did not performed better on any criteria than RSPO 2013 and, when RSPO 2013 scored low, MSPO also shows a low score. Both standards scored low in the categories Chain of Custody, Pollution, Waste and GHG emissions and “Agriculture: other good practices”. In relation to level of assurance, RSPO 2013 does not require unannounced audits. MSPO requires certificate holders to agree to unannounced on-site audits but does not require auditors to carry out unannounced visits. MSPO does not require all management units that fall under the companies’ control to be certified while RSPO 2013 does.

- RSPO 2013 scored better (84% of the questions were rated as “true”) than MSPO (54% of the questions rated as “true”).
- On system strength and governance this is 89% for RSPO 2013 and 41% for MSPO.
- On standard strength concerning environmental and social questions this is 78% for RSPO 2013 and 68% for MSPO.

A COMPARISON OF LEADING PALM OIL CERTIFICATION STANDARDS (FPP, 2017)

The Forest Peoples Programme (FPP (2017)) study aims to determine which standard provides the most comprehensive coverage of social safeguards for palm oil production. This study compares 7 different standards against a comprehensive set of 39 social and human rights indicators. The standards

compared are RSPO 2013, ISCC (EU and Plus), ISPO, MSPO, SAN 2017, High Carbon Stock (HCS) and Roundtable on Sustainable Biomaterials (RSB). Based on depth, detail, and stringency of requirements for compliance points between 0 and 3 where given from not addressed/clear to strongly addressed and clear. The themes addressed are

- customary rights,
- treatment of smallholders,
- social and environmental safeguards,
- core labour standards,
- gender and discrimination,
- quality assurance and
- access to remedy.

Finally RSPO NEXT and Palm Oil Innovation Group (POIG) are benchmarked against the RSPO 2013 standard as these both tried (and succeeded) to enhance the RSPO P&C in 2018.

RSPO 2013 provides overall the most robust standard and highest sustainability assurance. The main challenge for RSPO is however to ensure implementation of its standard. ISCC EU/Plus and SAN 2017 criteria are not all mandatory in contrast to RSPO 2013, ISPO and MSPO. Key difference between multi-stakeholder standards and ISPO and MSPO is that the latter two provide very weak access to remedy. RSB and RSPO 2013 provide the most stringent human rights protections and social safeguards. The HCS approach is not a stand-alone standard draws heavily on RSPO P&C but insufficient social assessment and safeguards.

- RSPO 2013 scored highest with 103 points overall
- RSB and SAN 2017 followed RSPO 2013 with 91 and 79 points respectively
- ISCC, HCS and MSPO scored 68, 66 and 62 respectively
- ISPO lags behind most with 34 points

The standards providing an enhanced framework of criteria (RSPO NEXT and POIG) indeed better address forced and child labour, inequalities faced by migrant workers, gender discrimination and harassment and food security and provide a better framework to protect smallholder's rights than RSPO 2013.

STUDY ON THE ENVIRONMENTAL IMPACT OF PALM OIL CONSUMPTION AND ON EXISTING SUSTAINABILITY STANDARDS (3KEEL & LMC, 2018)

The objective of 3keel & LMC (2018) with this study is three fold: 1) broaden knowledge on sustainability aspects of palm oil supply chain and actions undertaken to improve sustainability, 2) Analyse completeness of existing sustainability standards in relation to environmental objectives of EU and other International policy instruments and, 3) examine initiatives of EU and other countries to enhance sustainability in the supply chain of palm oil. This study compared RSPO 2013, ISCC EU, MSPO and ISPO against 7 environmental and 5 social sub-themes. These themes were valued against policy instruments of the EU and UN to formulate them in actual benchmark provisions. This enables comparison of the standards against subthemes relevant for the European Commission who commissioned the study late 2016.

The study summarizes that all four standards rely on third party, independent audits to verify compliance with the standards, and surveillance audits are repeated annually. The RSPO 2013, ISCC EU and MSPO standards have independent, internationally recognized, accreditation of the certification bodies who decide whether a certificate is granted or not, and the same standards provide a degree of transparency through making documents on audits and complaints publicly available. The ISPO system has less robust and transparent procedures on these elements, but like the ISCC EU and RSPO 2013 standards, has supply chain verification mechanisms.

3keel & LMC (2018) mentions that MSPO is in the process of developing similar supply chain verification procedures.

Alongside differences in the certification and accreditation processes the study continues that there are differences in how the standards cover environmental and social themes. For example, the four standards differ markedly regarding deforestation. The ISCC EU excludes production from primary forest, and forests of high biodiversity value (Criterion 1.1), and degraded forest (Criterion 1.3). Degraded forest is defined with a high proportion of logged forest included in the restriction, only allowing to develop highly degraded forests. The RSPO 2013 standard had the less exacting requirement that forest clearance must be legal, but primary forest and High Conservation forest are not allowed to be cleared for oil palm cultivation. The ISPO standard permits forest clearance provided it is within land zoned for agriculture; is allowed under the environmental impact assessment; and the government has granted the necessary permits. The MSPO standard is broadly similar to ISPO, but with additional requirements on Environmentally Sensitive Areas and areas with high biodiversity value. The study concludes that, the ISCC provides the most restrictive environmental safeguards, while the RSPO 2013 is strongest on the social issues relating to oil palm. MSPO provides strict standards for plantation management (dealing with burning, air and water pollution). The ISPO is based on existing Indonesian regulations that pertain to oil palm cultivation and processing and has a more limited coverage, addressing to a lesser extent the possible negative environmental and social impacts of palm oil production. The coherency with EU legislation is summarized as follows:

1. No single certification standard wholly addresses all of the policy requirements assessed (as they were not designed to do so)

2. In general terms, the ISCC standard was more coherent with the environmental requirements of EU and UN policies than the other standards (N.B. High Carbon Stock)
3. The RSPO 2013 standard was in general terms more coherent with the social requirements of EU and UN policies than the other standards
4. The ISPO standard was generally less coherent with EU and UN policies than either RSPO 2013 or ISCC standards, with the MSPO standard intermediate.

BIOFUEL SUSTAINABILITY PERFORMANCE GUIDELINES (NRDC, 2014)

NRDC (2014) offers a sustainability framework and guideline to inform procurement and investment decisions in biofuels. The framework addresses U.S. laws, regulations, best practices, and policies as well as international norms and consists of pillars and criteria, namely:

- economic: (financial) viability and management;
- environment: air, water, soil, productivity,
- land-use, biodiversity and waste;
- social: food security, human rights, safety and health and participation.

For each criterion indicators were formulated. Also key attributes were formulated namely: Consistent, balanced and consensus driven, transparent, objective and traceable, assured and accredited and relevant. The sustainability standards assessed that were relevant to palm oil are: RSB 2010, ISCC EU, and RSPO (2007). The study was financially supported by Packard Foundation and the Energy Foundation, to US-based private donors.

RSPO 2007 and RSB 2010 both scored high as they sufficiently addressed almost all criteria. RSB 2010 has in explicit guidance for Sustainable Harvest Rates/Biomass Yield. RSPO 2007 is not sufficient in the area of assured and accredited as RSPO at the time was not a full ISEAL member.

Also RSPO 2007 has not sufficient provisions to reduce GHG emissions, to address food security and lacks GMO-specific cultivar protocols. ISCC EU has overall a low score as it lacks sufficient assurance and accreditation and criteria to address financial viability, invasive species, GMO, continual improvement and public health /environmental justice concerns. ISCC EU is also insufficient to ensure consistency, transparency and relevance as well as compliance with financial laws and all indicators set for environment except for soil health, nutrient requirements /fertilizer use, pesticides/ herbicide use and management practices, supply chain management, COC, and product certification. In relation to social provisions, ISCC EU did not sufficiently cover the provisions in relation to food security, public outreach/ stakeholder participation, transparency and compliance with safety, health, and participation laws. The results can be summarized as follows:

1. RSPO 2007 and RSB 2010 meet almost all criteria sufficiently with none lacking or not addressed and respectively only 4 and 1 insufficiently addressed.
2. ISCC EU lacks or not addresses 6 criteria and insufficiently addresses 19 out of 35.

ANNEX 2 COMPARISON OF STANDARD SCORES FOR BIODIVERSITY PROTECTION

| LEGENDA | 3 | Strong | 1 | Medium | ? | Information missing / not accessible | Yes or No |
|---------|---|--------|---|-------------------------------------|------|--------------------------------------|-----------|
| | 2 | Good | 0 | Weak / non-compliant / non-existent | N.A. | Not applicable / relevant | |

PROCESS TO ENSURE PROTECTION OF BIODIVERSITY

Requirements prior to significant intensification or expansion of cultivation, infrastructure or processing;

Does the standard require the identification of biodiversity values that would be potentially affected by operations, and the assessment of potential impacts on those biodiversity values?

Does the standard require identification of measures to maintain or minimize and mitigate negative impacts from operations on biodiversity values?

Does the standard specify any particular measures to be applied in given circumstances to minimize and mitigate negative impacts from operations on biodiversity values?

Requirements after expansion of cultivation or infrastructure - for existing plantations, infrastructure and processing operations;

Does the standard require regular monitoring and reporting on implementation of plans for biodiversity conservation?

Does the standard require regular monitoring of actual impacts on biodiversity and adaptive management as necessary for improvement?

HABITAT LOSS AND DEGRADATION

Is the standard explicit in requiring the protection of all natural ecosystems that are important for species survival?

Does the standard require protection of ecosystems providing services critical for off site biodiversity conservation?

Does the standard exclude any palm oil development in protected areas?

Does the standard require the maintenance of buffer zones around protected areas?

Does the standard require that representative areas of native ecosystems in the management unit be actively conserved?

Does the standard incorporate PgCs that provide positive encouragement to direct socio-economic pressure for PO expansion within a given landscape towards degraded lands that are not critical for species survival?

HABITAT FRAGMENTATION AND CONNECTIVITY LOSS

Does the standard require protection of corridors of natural vegetation where these are critical for connectivity between habitats, to avoid fragmentation of ecosystems (e.g. large landscape-level ecosystems/HCV 2 areas)?

DIRECT MORTALITY (OF RTE SPECIES)

Does the standard require that particular threats be considered and mitigated in palm oil production, i.e.

Over exploitation

Pollution

| | ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|---|---------|-----------|-----|------|------|------|
| Does the standard require the identification of biodiversity values that would be potentially affected by operations, and the assessment of potential impacts on those biodiversity values? | 2 | 2 | 2 | 3 | 1 | 1 |
| Does the standard require identification of measures to maintain or minimize and mitigate negative impacts from operations on biodiversity values? | 2 | 2 | 1 | 3 | 1 | 1 |
| Does the standard specify any particular measures to be applied in given circumstances to minimize and mitigate negative impacts from operations on biodiversity values? | 2 | 2 | 3 | 3 | 1 | 1 |
| Does the standard require regular monitoring and reporting on implementation of plans for biodiversity conservation? | 0 | 0 | 3 | 3 | 1 | 1 |
| Does the standard require regular monitoring of actual impacts on biodiversity and adaptive management as necessary for improvement? | 1 | 1 | 1 | 3 | 0 | 0 |
| Is the standard explicit in requiring the protection of all natural ecosystems that are important for species survival? | 2 | 2 | 3 | 3 | 1 | 1 |
| Does the standard require protection of ecosystems providing services critical for off site biodiversity conservation? | 2 | 2 | 1 | 3 | 0 | 0 |
| Does the standard exclude any palm oil development in protected areas? | 3 | 3 | 3 | 2 | 1 | 1 |
| Does the standard require the maintenance of buffer zones around protected areas? | 3 | 3 | 0 | 3 | 0 | 1 |
| Does the standard require that representative areas of native ecosystems in the management unit be actively conserved? | 2 | 2 | 1 | 3 | 1 | 0 |
| Does the standard incorporate PgCs that provide positive encouragement to direct socio-economic pressure for PO expansion within a given landscape towards degraded lands that are not critical for species survival? | 0 | 0 | 0 | 1 | 0 | 0 |
| Does the standard require protection of corridors of natural vegetation where these are critical for connectivity between habitats, to avoid fragmentation of ecosystems (e.g. large landscape-level ecosystems/HCV 2 areas)? | 2 | 2 | 2 | 3 | 1 | 0 |
| Over exploitation | 1 | 1 | 3 | 2 | 1 | 1 |
| Pollution | 2 | 2 | 3 | 3 | 1 | 1 |

| | | | | | | |
|----------------------------------|---|---|---|---|---|---|
| Invasive species | 2 | 2 | 3 | 1 | 0 | 0 |
| Anthropogenic introduced disease | 2 | 2 | 0 | 0 | 1 | 0 |
| Fire | 2 | 2 | 2 | 3 | 1 | 1 |

ANTHROPOGENIC CLIMATE CHANGE (WITH INDIRECT IMPACTS ON BIODIVERSITY)

| | | | | | | |
|--|---|---|---|---|---|---|
| Does the standard reference HCS (High Carbon Stock) forest? | 3 | 3 | 0 | 3 | 0 | 0 |
| Does the standard require the protection of significant carbon stocks? | 1 | 1 | 1 | 3 | 0 | 1 |
| Does the standard preclude the conversion of peatland to palm oil production? | 3 | 3 | 2 | 3 | 0 | 1 |
| Does the standard require measures to limit CO2 emissions from peatlands already planted with oil palm? | 1 | 1 | 0 | 3 | 0 | 2 |
| Does the standard require monitoring and control of GHG emissions from land use change? | 2 | 2 | 0 | 3 | 0 | 1 |
| Does the standard require monitoring and control of GHG emissions from production operations after planting? | 2 | 2 | 1 | 3 | 0 | 0 |
| Does the standard allow for linking of emissions reductions to national targets? | 0 | 0 | 0 | 0 | 0 | 0 |

LEGALITY

| | | | | | | |
|---|---|---|---|---|---|---|
| Does the standard include requirements to comply with relevant international conventions? (e.g. RAMSAR, CITES) | 2 | 2 | 0 | 2 | 1 | 0 |
| Does the standard explicitly require compliance with national legislation on protection of biodiversity (where these requirements are more rigorous or restrictive than those of the voluntary standard)? | 2 | 2 | 3 | 3 | 3 | 3 |
| Does the standard require respect for local and customary laws providing for protection of biodiversity (where these requirements are more rigorous or restrictive than those of the voluntary standard)? | 0 | 0 | 0 | 1 | 0 | 0 |

RESTORATION

| | | | | | | |
|--|---|---|---|---|---|---|
| Does the standard require restoration of natural habitats where their past conversion for palm oil production contravenes the requirements of the standard and/or national legislation? | 1 | 1 | 3 | 2 | 1 | 0 |
| Does the standard require restoration of peatlands, natural water bodies or riparian vegetation damaged as a result of palm oil production in contravention of the requirements of the standard and/or national legislation? | 2 | 2 | 3 | 2 | 1 | 0 |

COMMUNITY ENGAGEMENT FOR BIODIVERSITY PROTECTION

| | | | | | | |
|--|---|---|---|---|---|---|
| Does the standard include requirements for raising the awareness of workers, smallholders and local communities on biodiversity protection? | 1 | 1 | 2 | 2 | 1 | 2 |
| Does the standard make special provision for disadvantaged small producers, enabling them to overcome barriers to certification and participate in certified supply chains, thereby engendering their support for Biodiversity protection? | 2 | 2 | 0 | 3 | 1 | 2 |
| Does the standard require palm oil project developers to engage with local communities on biodiversity protection? | 1 | 1 | 1 | 3 | 1 | 0 |
| Does the standard include a requirement to identify and manage potential conflicts between social/community needs/livelihoods and biodiversity conservation? | 0 | 0 | 0 | 3 | 1 | 0 |

ANNEX 3 COMPARISON OF STANDARD SCORES FOR LEVEL OF ASSURANCE

| LEGENDA | 3 Strong | 2 Good | 1 Medium | 0 Weak / non-compliant / non-existent | ? | Information missing / not accessible | | Yes or No | |
|---------|-------------|-----------|-------------|--|---|--------------------------------------|---------------------------|-----------|--|
| | | | | | | N.A. | Not applicable / relevant | | |

ACCREDITATION

The accreditation or oversight body is independent from the scheme owner. It is responsible for decisions on the accreditation status of a certification body, including application, approval, suspension or termination.

Accreditation of certification bodies takes place through one of the following approaches:

- Accreditation by a national accreditation body affiliated to the International Accreditation Forum (IAF) or;
- Accreditation by a full member of associate member of ISEAL or;
- Certification bodies accredited by Accreditation Services International (ASI)
- Accreditation by bodies having a bilateral agreement with the European co-operation for Accreditation (EA) or;
- Certification bodies accredited by American National Standards Institute (ANSI)

The accreditation organization monitors, conducts review and/or surveillance of accredited certification bodies.

INDEPENDENCY OF AUDIT

The audits or verifications are carried out by an external third party (not the economic operator). This means that the auditor or verifier is free from conflict of interest, independent of the activity being audited and independent in providing, suspending or withdrawing certificates.

SELECTION OF AND REQUIREMENTS TO CERTIFICATION BODIES

The certification bodies to undertake audits on behalf of the scheme and the procedure to select or exclude certification bodies shall be described by the scheme owner

The scheme owner requires certification bodies to be compliant with ISO/IEC 17065, ISO/IEC 17021, ISO/IEC 17020 or equivalent

There are quality requirements (competences) for auditors documented by the scheme.

STANDARD REQUIREMENTS AND COMPLIANCE LEVELS OF STANDARD

The certification standards of the voluntary scheme are revised at least every five years.

The certification standard clearly distinguishes mandatory requirements from recommendations and guidance.

Requirements for compliance to achieve certification. The sustainability criteria need to be fully complied with (100%) over a defined timeline. A certain flexibility is possible for economic operators with small scale, low intensity and/or low risk.

The scheme has a progressive entry level (this means 100% compliance with the criteria is not required from the start but should be reached over time)

In case of a progressive entry level, the scheme owner has set clear requirements on how to increase the percentage of compliance over time.

| | ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO | |
|--|--|-----------|-----|------|------|------|---|
| | 3 | 3 | 1 | 3 | 1 | ? | |
| | 3 | 3 | 3 | 3 | 3 | 3 | |
| | 3 | 3 | 1 | 3 | 0 | ? | |
| | 3 | 3 | 3 | 3 | 3 | 1 | |
| | 3 | 3 | 3 | 3 | 3 | ? | |
| | 2 | 2 | 3 | 3 | 3 | 3 | |
| | 3 | 3 | 3 | 3 | 3 | 3 | |
| | 3 | 3 | 3 | 3 | 3 | 0 | |
| | 3 | 3 | 3 | 3 | 3 | 3 | |
| | 1 | 1 | 2 | 3 | 3 | 3 | |
| | YES | YES | YES | YES | YES* | YES* | |
| | * (timeline for realizing certification) | | | | | | ? |
| | 3 | 3 | 3 | 3 | 0 | ? | |

SCOPE OF CERTIFICATION AT FARM PRODUCER LEVEL

External audits take place on a producer unit level (farm level). The audit scope is the full production unit. The producer level is the first point of certification in the chain of custody.

Partial certification of the farm area is not possible. Producers are required to certify their whole unit of certification, which shall include owned land, leased and rented land.

Organisations are required to certify all (eligible) units under their control in accordance with a time-bound plan. This means that all subsidiaries of a parent company required to become certified (in time) against the P&C requirements.

| | | | | | | |
|---|---|---|---|---|----|----|
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 3 | 3 | 3 | 0 | 3 | 2* | 2* |

* (on national level, due to legal timeline)

* (on national level, due to legal timeline)

Outsourcing of activities: The activities of third parties as outsourced activities fall in the scope of certification, and they shall fully comply with the relevant requirements of the standard.

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 1 | ? |
|---|---|---|---|---|---|---|

COMPLAINTS MECHANISM

Certification bodies have formal and transparent, publicly available procedures in place for handling disputes and complaints related to certification and surveillance.

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 3 | 0 | ? |
|---|---|---|---|---|---|---|

* (partly covered under ISO?)

The scheme owner has formal and transparent, publicly available procedures in place for handling disputes and complaints related to conflicts resulting from the relationship between a certification body and the organization or entity to be certified.

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 0 | 3 | 2 | ? |
|---|---|---|---|---|---|---|

AUDITING (FREQUENCY) AND RISK ASSESSMENT

There is a documented assessment methodology for certification bodies on how to assess compliance with the standards of the voluntary scheme

| | | | | | | |
|---|---|---|---|---|---|----|
| 3 | 3 | 3 | 3 | 3 | 3 | 3? |
|---|---|---|---|---|---|----|

As a general rule, a voluntary scheme should ensure that economic operators are audited before allowing them to participate in the scheme. Producer members (if applicable) should commit to the standard's P&C

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|---|

Certification bodies are required to conduct annual or more frequent surveillance audits of certificate holders.

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|---|

The audit is based in part on a risk assessment of the client. Certification bodies are required to adjust the intensity of auditing and surveillance to match observations in the field.

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 | ? |
|---|---|---|---|---|---|---|

The scheme owner requires economic operators (and/or its members) to allow unannounced audits. Certification bodies conduct unannounced audits

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | 2 | 3 | 3 | 0 | 2 | ? |
|---|---|---|---|---|---|---|

Certificates are valid for no more than five years after which a new full certification audit is required.

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|---|

STAKEHOLDER CONSULTATION

Certification bodies are required to proactively consult with affected stakeholders during both certification and surveillance audits.

| | | | | | | |
|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 2 | 2 | 1 |
|---|---|---|---|---|---|---|

NON-CONFORMITIES AND SANCTIONS

The scheme owner has a procedure in place which describes how certification bodies are required to address non-conformities, including when a certificate or license is suspended or revoked. The scheme should describe what the implications are for any non-conformities identified during the audit.

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 1 | 2 |
|---|---|---|---|---|---|---|

Certificate holders are required to rectify non-compliances identified during certification and surveillance audits within a set timeframe that does not exceed one year.

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|---|

Severe (major) non-compliances that are not rectified in time lead to suspension or termination of the certificate

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 0 | 0 |
|---|---|---|---|---|---|---|

Adequate sanctions are applied in situations where less severe (minor) non-compliances are not rectified in time.

| | | | | | | |
|---|---|---|---|---|---|-------|
| 3 | 3 | 3 | 3 | 3 | 1 | N.A.? |
|---|---|---|---|---|---|-------|

GROUP CERTIFICATION / VERIFICATION

The scheme allows for group certification or verification

There is a sample size formula to determine the number of group members that is externally verified. The sample is determined by risk level.

As a minimum, it is required that a sample of at least the square root of the number of group members is audited individually annually (in line with the ISEAL standard P035).

The group is lead and supervised by a legal entity. This entity is managed by a group manager, responsible for ensuring that the group complies with the standard.

The group must have an internal quality management system in place, which includes an internal audit system.

The requirements on group certification/verification define the conditions under which a group (member) shall be suspended or removed from a group. A group sample cannot be changed (i.e. a single member can be excluded from the group) due to failure of an individual group member.

Group auditing for compliance with the scheme's land related criteria is only acceptable when the areas concerned are relatively near each other and have similar characteristics (such as management practices).

CROSS-RECOGNITION

The scheme has signed a mutual recognition agreement with at least one other scheme, or accept other schemes

The cross-recognition is based on a benchmark and on the requirement that the recognized scheme has equitable requirements or higher.

The scheme owner requires to certification bodies the verification of claims of other relevant (recognized) certification schemes to avoid double counting

TRANSPARENCY

The scheme owner makes, or requires certification bodies to make, summary certification/verification reports (with personal and commercially sensitive information removed) publicly available

The scheme owner makes its certificates publicly available (on the website), including withdrawn ones. A database with information about the certified units is publicly available.

The standard documentation is publicly available. The standard documentation is available in a UN language.

| ISCC EU | ISCC Plus | SAN | RSPO | MSPO | ISPO |
|--------------------------------------|-----------|------|------|------|------|
| YES* | YES* | YES | YES | YES | YES |
| * (to certain parts in supply chain) | | | | | |
| 3 | 3 | 3 | 3 | 1 | ? |
| 3 | 3 | 3 | 1 | 1 | ? |
| 2 | 2 | 2 | 3 | 3 | ? |
| 3 | 3 | 2 | 3 | 2 | ? |
| 1 | 1 | 1 | 3 | 1 | ? |
| 3 | 3 | 0 | 1 | 1 | ? |
| YES | YES | NO | NO | NO | NO |
| 1 | 2 | N.A. | N.A. | N.A. | N.A. |
| 3 | 3 | N.A. | N.A. | N.A. | N.A. |
| 3 | 3 | 3 | 3 | 0 | 0 |
| 3 | 3 | 3 | 3 | 1 | 1 |
| 3 | 3 | 3 | 3 | 0 | 2 |

ANNEX 4 MAIN CHANGES BETWEEN VERSIONS OF RSPO AND SAN STANDARDS

IMPROVEMENTS RSPO 2018 VS. RSPO 2013

Legality - Assured legal compliance of contractors and 3rd party Fresh Fruit Brunch supplier (with three year transition period for smallholders).

Fire - Clear no burning policy

System - Improvements on plans, procedures and systems incl. SOP and SEIA's.

Peatlands - No new planting on peat and clear rules for replanting on peat

Pesticides - Minimization, best practice and justification of use of pesticides. No use of pesticides of WHO 1 a + b, Stockholm & Rotterdam conventions and Paraquat unless in exceptional circumstances.

No-deforestation - Use of HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. Adapted procedures to be developed for High Forest Cover countries and there specifically High Forest Cover Landscapes, legacy cases and community development needs.

Human rights - Improved safeguards to protect human rights and human right defenders. Improved grievance mechanism including guaranteed anonymity and confidentiality and access to technical advice.

Labour - Enhanced effort to include smallholders in certification and provision of continuous support through capacity building, legal advice and pesticide use. Better protection of vulnerable groups and mandatory payment of a living wage.

IMPROVEMENTS SAN 2010 VS. SAN 2017

System - introduction of continuous improvement criteria levels A to C with compliance percentages over a period of 6 years. Service providers have to comply with critical criteria. Identified terms with specific definitions are binding elements within the standard's criteria. Clearly defined applicability for different operation types (smallholders, group administrators, single certificate farms).

Pesticides - Increased number of forbidden substances including those mentioned in WHO 1 a + b, Stockholm & Rotterdam conventions (incl. Paraquat) and those categorized as having risk for wildlife, aquatic life, pollinators and risk of inhalation. Implementation of specific risk mitigation requirements while using pesticides.

Biodiversity conservation - maintain or increase native vegetation on all certified farms and for all production systems. Environmental and social impact assessment upgraded to critical criteria level.

Climate change - energy efficiency and limitation of GHG emissions from operations.

Labour - living wage implementation plan and salary increases.

Human Rights - introduction of Free Prior and Informed Consent (FPIC). Legitimate land use rights upgraded to critical criteria level.

