

June 1, 2015

Datuk Darrel Webber, Secretary General
Roundtable on Sustainable Palm Oil
C/O RSPO Secretariat Sdn Bhd
Unit A-33A-2, Tower A, Level 33A
Menara UOA Bangsar No. 5
Jln Bangsar Utama 1 59000
Kuala Lumpur, Malaysia

Dear Mr. Webber:

We, the undersigned companies, and investors representing \$5 trillion in assets under management, believe that sourcing palm oil that has been responsibly and sustainably produced is important to protect both consumer and producer companies' operations, reputations, and market access. As an international certification scheme, the RSPO is uniquely positioned to support, promote, and enforce the widespread uptake of responsible and sustainable production practices across the palm oil industry. Given current shortcomings of RSPO certification, however, purchasing RSPO Certified Sustainable Palm Oil (CSPO) does not sufficiently address critical sustainability concerns in the palm oil supply chain. We are, therefore, writing to urge the RSPO to strengthen its standards and practices to reflect best practices widely recognized as necessary to ensure palm oil is produced in a manner that does not degrade the environment or result in violations of human rights.

Companies that purchase palm oil certified by the RSPO do so out of concern that conventional palm oil production is too often associated with adverse environmental and social impacts. Unfortunately, the RSPO currently does not include protections for some of the most critical externalities of palm oil production, such as conversion of High Carbon Stock forests and expansion on peatlands, nor provide sufficient assurance that its standards are being complied with. Consequently, many companies across the palm oil supply chain have voluntarily adopted their own sourcing standards that go beyond those set by the RSPO, to ensure responsible and sustainable palm oil production. The majority of palm oil flows through the supply chain of refiners and traders committed to standards that exceed those set by the RSPO.

Expectations for sustainable palm oil production have evolved rapidly with growing recognition of the sustainability challenges facing the industry. It would be inconsistent with the imperative of addressing deforestation, peatland conversion, and human rights violations swiftly and efficiently for the RSPO to wait until 2018—as the current timeline suggests—to finalize changes to the Principles & Criteria (P&C) to address these issues.

We recognize that the RSPO plays an important role in promoting sustainability in the palm oil sector. To ensure that the RSPO remains relevant as expectations for sustainable palm oil sourcing evolve, and that the platform better reflects the commitments of its membership, we call on the RSPO to take the following actions:

- Conduct an accelerated review of the P&C and related documents. The review should include recommendations leading to adoption and implementation in 2016 of the following requirements:
 - Conserve High Carbon Stock areas;
 - Protect peat, regardless of depth;
 - Report on greenhouse gas emissions and reduction targets;
 - Ensure palm oil originates from known sources; and
- Strengthen transparency, auditing and enforcement among member companies:
 - Improve quality control measures for High Conservation Value and human rights assessments to ensure objective and rigorous auditing, verification, and grievance processes.

The undersigned investors and companies recognize that protecting forests and upholding human rights are essential for long-term business models and, consequently, investments that depend on a resilient, sustainable natural capital base. Palm oil production offers both challenges and opportunities to promote thriving, sustainable economic development. As such, we urge the RSPO to set and enforce standards for truly responsible and sustainable palm oil production.

Sincerely,

Albertsons-Safeway

Carrefour

Colgate-Palmolive

ConAgra

Coop Switzerland

Dunkin' Brands

General Mills

Johnson & Johnson Family of Consumer
Companies

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Comptroller, New York State
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Kao Corporation

The Kellogg Company

Mars, Inc

PepsiCo

The Procter & Gamble Company

Seventh Generation

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