With input from civil society organizations and companies across the palm oil value chain, this document was collaboratively developed by the following organizations:

Ceres (Coordination and Convening)
The Consensus Building Institute (Facilitation)
CDP
Conservation International
Daemeter
The David and Lucile Packard Foundation
Forest Heroes
Forest Trends
Global Forest Watch
Green Century Capital Management
Interfaith Center for Corporate Responsibility
International Labor Rights Forum
Mighty
Oxfam
Rainforest Action Network
Rainforest Alliance*
Seventh Generation Interfaith Coalition for Responsible Investment
Union of Concerned Scientists
WWF-US
Zoological Society of London

* Rainforest Alliance views this guidance as a tool that could help implement the forthcoming Accountability Framework, which is being developed by a coalition of civil society groups (including Global Forest Watch), and convened by Rainforest Alliance.
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Introduction

Palm oil is the world’s most common and versatile oilseed, found in products ranging from cooking oil to biofuels to household chemicals. Conventional palm oil production can be associated with illegal and unethical practices such as clearing of rainforest, land appropriations and the use of forced labor. These issues create regulatory, operational, and reputational risks for companies that can threaten their market access and overall brand equity.

Many companies recently committed to fundamental elements of sustainable palm oil production. These include: no deforestation (of both High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas); no conversion of peatlands; and no exploitation (including respecting workers rights and the rights of local communities to give or withhold Free Prior and Informed Consent (FPIC) to development on their lands).

If accompanied by robust implementation efforts, these commitments could reflect a turning point for the industry. While striving to implement responsible production practices, companies are beginning to publicly communicate their progress to a wide range of stakeholders, including civil society groups, investors, and other companies in their supply chain.

Nevertheless, the persistence of significant environmental and social impacts in the sector underscores the need for improved transparency to better understand practices at the plantation level, inform ongoing dialogues on company policy implementation efforts, and ultimately improve accountability and compliance.
Reporting Guidance for Responsible Palm

This document aims to increase understanding, transparency, and accountability regarding responsible palm oil production by providing a shared set of reporting guidance for companies across the supply chain. Its primary purpose is to inform the content of public corporate communications and transparency on responsible production and sourcing activities including and beyond certification. The document can also be used as a resource to guide dialogues and due diligence processes between companies, their suppliers, civil society stakeholders and investors.

The guidance builds on and integrates common recommendations from existing reporting frameworks and sustainability initiatives. It is not intended as a new verification standard or as a separate reporting survey or scorecard. Companies are encouraged to report the information outlined in the guidance document through existing channels, such as sustainability reports, dashboards, and existing reporting frameworks.

While the document sets out “better practice” reporting, it can be used to improve reporting and transparency through a process of continuous improvement, regardless of where companies are in their sustainability journey.
Growers, Processors, & Traders (GPT)

NOTE
Some reporting elements for Growers, Processors, and Traders specify that they only apply to company-owned operations, particularly mills and/or plantations. These elements may not be applicable for all processors, traders and refiners.

SCOPE

Report whether the company’s palm oil policy applies to:
A. The physical oil the company produces, purchases, and/or trades;
B. The company’s direct suppliers and all of their operations; and/or
C. The company’s subsidiaries, joint ventures, and/or investments.

SUPPLY CHAIN TRANSPARENCY

Report the total area of the company’s oil-palm landbank.
Detail: Disaggregate the total figure by land type (e.g. conservation set asides, developed, undeveloped, new planting planned). Report the total area planned for development in the upcoming year.

Report the percent of physical supply from traceable mills.
Detail: Traceable mills are those for which the reporting company knows the name, coordinates, and owner.
Report the percent of physical supply from traceable estates.
**Detail:** Traceable estates consist of landholdings >25ha for which the company knows the name, geo-referenced boundaries, and owner.

Report maps with names, coordinates, boundaries and owners of:
A. Traceable mills (Quarterly);  
B. Traceable estates; and  
C. Company-owned new plantings and undeveloped concessions.
**Detail:** Report details of new plantings and undeveloped concessions through the HCSA review process, if applicable. For estates in the company’s own operations, report boundaries of set-aside areas, areas of recent deforestation and peat clearance, and areas where land disputes exist. Report whether the company has shared any of the above information with Global Forest Watch, or an equivalent public platform.

Report the names of the company’s direct palm oil suppliers.

**MONITORING AND ENGAGEMENT**

Describe the company’s grievance process and report a list of grievances pertinent to the company’s palm oil policy.
**Detail:** Unless confidentiality is requested by the filer, provide the following information for each grievance: a summary, the date filed, the issue (e.g. clearing peat, document retention), complainant category (e.g. NGO, community member, worker), whether the grievance has been assessed and assessment type (e.g. internal, 3rd party), the status of the complaint (e.g. resolved to the satisfaction of the complainant, under investigation, unresolved), and the outcome. Include corrective action plans where applicable. Report efforts to ensure that the grievance process is accessible at company-owned operations to affected stakeholders.

Describe the company’s efforts to monitor and support legal land tenure.
**Detail:** Describe how the company monitors its suppliers’ compliance with land use regulations (e.g. relevant requirements in supplier contracts). Report how the company works with governments, civil society groups, and/or other companies to support smallholder and community land rights.

Describe the company’s methodology for prioritizing, assessing, and engaging suppliers, refineries, and/or mills.
**Detail:** Describe the tools the company uses to prioritize engagements (e.g. spatial monitoring). Report the number of mill or refinery-level assessments which the company has directly commissioned or for which the company has access to results. Report criteria used in such assessments and summaries of corrective action plans. Report the company’s criteria for supplier suspension/exclusion and the names of suppliers recently suspended. Report efforts to support suppliers in adopting sustainable practices.
LAND ACQUISITION AND DEVELOPMENT

Report how the company is addressing land conflicts in its own operations.
Detail: Report the number of land conflicts, the status, conflict resolution efforts (e.g. court, 3rd party mediation, internal mediation), and the outcome (e.g. formal community agreements).

Report the company's procedures for new plantings and undeveloped concessions.
Detail: Describe procedures for upholding Free, Prior, and Informed Consent (FPIC) and protecting forests and peat lands. Report whether the company implements the High Carbon Stock Approach (HCSA) and the hectares of new development that have completed the HCS Approach Peer Review Process within the previous year. Describe the company's monitoring process and requirements for suppliers' new plantings and undeveloped concessions.

ENVIRONMENT

Describe how the company manages set-aside areas and participates in restoration.
Detail: Describe methodology used to identify, protect, and restore peat, HCS forests and HCV areas. Report assessments and management plans. Describe incentives provided for community based management and protection of set-asides and whether the company has taken responsibility for the conservation of set-asides inside or outside its concessions.

Describe the spatial monitoring methodology the company uses to evaluate both fires and deforestation.
Detail: For both fires and deforestation, describe:
- the area monitored (e.g. 50 km mill sourcing radii, expansion areas, plantations);
- the definitions of what is being monitored (e.g. rate of fire activity, rate of tree cover loss);
- the data sources being used;
- the time frame(s) used to measure change, including the baseline; and
- the percent of total mills in the supply chain falling under this monitoring methodology.

Report the company's annual GHG emissions from company-owned operations related to palm oil, including from land use change.
Detail: Specify methodology used to calculate emissions. Report time-bound objectives for progress on this indicator.

HUMAN RIGHTS

Describe the social and human rights issues in the company's operations and supply chain, and how the company identifies, assesses, prevents, and addresses such issues.
Report labor-related information according to the Free and Fair Labor Principles for company-owned mills and plantations.

**Detail:** In particular, focus on:

- whether the company’s policy prohibits retention of worker identification documents;
- whether the company’s policy requires the reimbursement of all worker recruitment fees;
- percent of workers on permanent vs. short-term contracts (e.g. fixed term, casual/daily), disaggregated by gender;
- percent of workers who belong to a union; and
- pesticides used in company-owned plantations.

**SMALLHOLDERS**

Describe the scope and impact of the company’s programs to support smallholders.

**Detail:** Report the number of smallholders engaged. Include any measures to support productivity increases, sustainable farming strategies (such as no-deforestation, intercropping, certification, GAP, BMP), cooperative or scheme development, and access to inputs, financial tools and markets.

Report the percent of the company’s total palm oil supply that is from smallholders.

**Detail:** Include percentages disaggregated by smallholder types (e.g. independent, schemed).

**COMPLIANCE**

Describe the company’s approach to third party verification of the company’s policy.

**Detail:** List systems of third-party verification the company uses or plans to use. If applicable, report the percent of supply and/or suppliers verified under such systems.

Report the percent of the company’s supply that is certified.

**Detail:** Disaggregate the percentage by certification scheme used.

**EXTERNAL INITIATIVES**

Describe the company’s participation in external initiatives and activities that aim to support implementation of the company’s policy.

**Detail:** Provide specific examples of company involvement with initiatives such as industry platforms, jurisdictional approaches, community collaborations, strengthening certification schemes, and government engagement. List all regions in which the company is supporting jurisdiction-level or supply-shed sustainability approaches in partnership with local governments and/or peer companies.
Manufacturers

SCOPE

Report whether the company’s palm oil policy applies to:
A. The physical oil the company purchases and/or trades;
B. The company’s direct suppliers and all of their operations; and/or
C. The company’s subsidiaries, joint ventures, and/or investments.

SUPPLY CHAIN TRANSPARENCY

3
Report the percent of physical supply from traceable mills.
Detail: Traceable mills are those for which the reporting company knows the name, coordinates, and owner.

4
Report the percent of physical supply from traceable estates.
Detail: Traceable estates consist of landholdings >25ha for which the company knows the name, geo-referenced boundaries, and owner.

5
Report the percent of supply from Grower, Processor, and/or Trader (GPT) suppliers that report mapping information according to GPT 5 (p.7).
Detail: Disaggregate by GPT 5 elements A, B, and C.

6
Report the names of the company’s direct palm oil suppliers.
MONITORING AND ENGAGEMENT

Report the percent of supply from GPT suppliers that report on grievances according to GPT 7 (p.7).

Describe the company’s methodology for prioritizing, assessing, and engaging suppliers, refineries, and/or mills.

Detail: Describe the tools the company uses to prioritize engagements (e.g. spatial monitoring). Report the number of mill or refinery-level assessments which the company has directly commissioned or for which the company has access to results. Report criteria used in such assessments and summaries of corrective action plans. Report the company’s criteria for supplier suspension/exclusion and the names of suppliers recently suspended. Report efforts to support suppliers in adopting sustainable practices.

LAND ACQUISITION AND DEVELOPMENT

Report the percent of supply from GPT suppliers that report on FPIC and Land Acquisition according to GPT 11 (p.8).

Detail: In particular, focus on whether suppliers are applying the HCSA for new plantings and undeveloped concessions.

HUMAN RIGHTS

Report the percent of supply from GPT suppliers that report on human and labor rights according to GPT 16 (p.9).

SMALLHOLDERS

Describe the scope and impact of the company’s programs to support smallholders.

Detail: Report the number of smallholders engaged. Include any measures to support productivity increases, sustainable farming strategies (such as no-deforestation, intercropping, certification, GAP, BMP), cooperative or scheme development, and access to inputs, financial tools and markets.

COMPLIANCE

Describe the company’s approach to third party verification of the company’s policy.

Detail: List systems of third-party verification the company uses or plans to use. If applicable, report the percent of supply and/or suppliers verified under such systems.

Report the percent of the company’s supply that is certified.

Detail: Disaggregate the percentage by certification scheme used.
EXTERNAL INITIATIVES

Describe the company’s participation in external initiatives and activities that aim to support implementation of the company’s policy.

Detail: Provide specific examples of company involvement with initiatives such as industry platforms, jurisdictional approaches, community collaborations, strengthening certification schemes, and government engagement. List all regions in which the company is supporting jurisdiction-level or supply-shed sustainability approaches in partnership with local governments and/or peer companies.
Retailers

NOTE
For all palm oil purchased directly from Growers, Processors, Traders (e.g. for frying oil or bakery products, if applicable) strive to report according to the guidance for Manufacturers. For all other purchases, focus on indicators, 6, 9, 19, 20, and 21 as listed below.

SUPPLY CHAIN TRANSPARENCY
6
Report the names of traders in the company’s supply chain.

MONITORING AND ENGAGEMENT
9
Describe the company’s methodology for prioritizing, assessing, and engaging suppliers (including 2nd tier or 3rd tier).

COMPLIANCE
19
Describe the company’s approach to third party verification of the company’s policy.
Detail: List systems of third-party verification the company uses or plans to use. If applicable, report the percent of supply and/or suppliers verified under such systems.

20
Report the percent of the company’s supply that is certified.
Detail: Disaggregate the percentage by certification scheme used.
Definitions

Palm Oil

3rd Party Verification

Percent of Supply

All products in the supply chain of fresh fruit bunches from the oil-palm tree, including palm oil and palm kernel oil derivatives and waste products.

Verification carried out by an independent organization that has no contractual obligation or direct economic interest between the supplier and buyer.
Appendix: Cross References and Baseline

This section outlines how this Reporting Guidance compares with a sample of existing reporting frameworks and scorecards as well as disclosures by leading companies.

A reporting framework/scorecard is listed in instances where it could capture the information outlined in this reporting guidance. The frameworks included are the 2016 versions of the CDP Forests and Food, Beverage & Tobacco sector module reporting frameworks (CDP), the ZSL Sustainable Palm Oil Transparency Toolkit (SPOTT), the Global Reporting Initiative, and the Roundtable for Sustainable Palm Oil’s Annual Communication of Progress (RSPO-ACOP).

The “Approximate Baseline—Company Reporting” column was developed by examining public reporting of leading companies. It is not meant as a comprehensive or rigorous scientific analysis, but rather as a rough estimate of the current (as of December 2016) state of disclosure with respect to this guidance. Note that the sample of companies included is relatively small. The word “many” is used to mean > 60% of companies analyzed; “some” means 25-60%; and “few” means 1-25%. The companies whose reporting form the basis of the statements below are: ADM, Agropalma, Bumitama, Cargill, Dunkin Brands, Ferrero, First Resources, General Mills, GoldenAgri Resources, IOI, Kao Corporation, Kellogg’s, L’Oreal, Marks & Spencer, Mars, McDonalds, Mondelez, Musim Mas, Nestle, PepsiCo, Procter & Gamble, R.E.A Holdings, Sime Darby, Unilever, Walmart, and Wilmar.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Topic</th>
<th>Scorecards/Frameworks</th>
<th>Approximate Baseline - Current Company Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Scope</td>
<td>CDP, F8.2a</td>
<td>Many Growers, Processors, or Traders (GPT’s) specify the scope of their policy consistent with this indicator. Many manufacturers explicitly state whether their policy applies to the physical oil they source vs. all of the operations of their suppliers. Some commitments remain unspecified.</td>
</tr>
<tr>
<td>2</td>
<td>Landbank</td>
<td>SPOTT Q2.2.1, Q2.2.4; CDP F5.1</td>
<td>Many GPT’s report elements of this indicator.</td>
</tr>
<tr>
<td>3</td>
<td>Mill Traceability</td>
<td>SPOTT Q7.1; CDP F6.3, F6.3a, F6.1a</td>
<td>Many GPT’s and manufacturers report mill traceability levels.</td>
</tr>
<tr>
<td>4</td>
<td>Estate Traceability</td>
<td>CDP F6.3, F6.3a, F6.1a</td>
<td>Some GPT’s report estate traceability levels. Few manufacturers report estate traceability levels.</td>
</tr>
<tr>
<td>5</td>
<td>Maps</td>
<td>SPOTT Q2.3.1; RSPO-ACOP 5.1</td>
<td>Many GPT’s partially report on this indicator, in particular by listing mills. Some note that they provide concession map information to the RSPO. While some manufacturers outline expectations of suppliers with respect to confidential risk profiling of their concessions, no manufacturers yet report consistently with this indicator.</td>
</tr>
<tr>
<td>6</td>
<td>Supplier Names</td>
<td></td>
<td>Some GPT’s report their full list of suppliers, though many report supplier names primarily by providing their mill list. Some manufacturers/retailers list the names of top suppliers.</td>
</tr>
<tr>
<td>7</td>
<td>Grievances</td>
<td>CDP F5.1; RSPO-ACOP 9.1</td>
<td>Many GPT’s report their grievance process and a list of grievances, though few report consistent with the detail in the reporting guidance. While some manufacturers outline an expectation that suppliers have grievance mechanisms, no manufacturers yet report consistently with this indicator.</td>
</tr>
<tr>
<td>8</td>
<td>Land tenure</td>
<td>CDP F8.2a, F3.1a, F9.2, F9.3, F10.5</td>
<td>Many GPT’s mention respect for land tenure. Few provide specifics on their approaches to monitor legal land tenure and involvement in initiatives to support access to land titles for smallholders.</td>
</tr>
<tr>
<td>9</td>
<td>Prioritization, assessment, engagement</td>
<td>CDP, F10.2, F10.3, F10.4</td>
<td>Many GPT’s describe their approaches to prioritization, assessment, and engagement. Few comprehensively list the detail in this indicator, including specific procedures for non-compliance and a list of recently suspended suppliers. Many manufacturers/retailers report elements of this indicator. Some list recently suspended suppliers.</td>
</tr>
<tr>
<td>10</td>
<td>Land conflict</td>
<td>RSPO-ACOP 9.2; CDP F1.3a</td>
<td>Few GPT’s currently report on specific instances of land conflict outside of their grievance mechanism.</td>
</tr>
<tr>
<td>Indicator</td>
<td>Topic</td>
<td>Scorecards/Frameworks</td>
<td>Approximate Baseline - Current Company Reporting</td>
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</tr>
<tr>
<td>11</td>
<td>Land acquisition, development, expansion (HCS, FPIC)</td>
<td>SPOTT Q2.1.1; CDP F8.2a, F8.4; GRI G4DMA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Many GPT’s report on their approach to upholding HCS and FPIC. Few GPT’s report how they apply such requirements to their third party suppliers. While some manufacturers outline the expectation that suppliers follow specific protocols for land acquisition, expansion, and development, no manufacturers yet report according to this indicator.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Set-asides and restoration</td>
<td>SPOTT Q3.3.1, Q3.4.1, Q3.4.4, Q3.5, Q4.1.1, Q4.2; GRI G4EN11</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Some GPT’s report elements of this indicator.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Monitoring forests and fires</td>
<td>SPOTT Q5.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Some GPT’s report elements of this indicator.</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Greenhouse Gasses</td>
<td>RSPO-ACOP 6.1, 6.2, 6.3; SPOTT Q6.1.1, Q6.2, Q6; CDP FBT1.3</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Some GPT’s report consistently with this indicator.</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Social and human rights due diligence</td>
<td>SPOTT Q3.3.1; CDP F1.3a, F3.1a, F8.2a, F8.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Many GPT’s report consistently with this indicator.</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Free and Fair Labor Principles</td>
<td>SPOTT Q3.8 (pesticides)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Some GPT’s report elements of this indicator. While many manufacturers outline expectations relevant to fair labor, no manufacturers yet report consistently with this indicator.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Smallholder support</td>
<td>CDP F10.2; RSPO-ACOP 2.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Many GPT’s report elements of this indicator. Some manufacturers report elements of this indicator.</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Percent from smallholders</td>
<td>SPOTT Q2.2.3; CDP F1.1; RSPO-ACOP 2.7</td>
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<tr>
<td></td>
<td></td>
<td>Some GPT’s report consistently with this indicator.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Verification</td>
<td>GRI G4 FP1, FP2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Many GPT’s mention verification, some through participation in the Palm Oil Innovation Group (POIG). No GPT yet reports the percent verified outside of certification. Many manufacturers/retailers mention verification. Few define verification outside of certification.</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Certification</td>
<td>SPOTT Q1.5; CDP F9.4; RSPO-ACOP 2.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Many GPT’s report consistently with this indicator. Many manufacturers/retailers report certification levels.</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>External initiatives</td>
<td>CDP F9.3, F10.5; RSPO-ACOP Challenges 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Many GPT’s, manufacturers and retailers report elements of this indicator, in particular partnerships and collaborations they participate in. Some list jurisdictional efforts or efforts to strengthen certification/verification standards.</td>
<td></td>
</tr>
</tbody>
</table>