

## **AOMG tracks RSPO progress**

AOMG fully supports the RSPO initiative and recently AOMG Advisor, Qua Kiat Seng, met up with Darrel Webber, the Secretary General of RSPO, at its new offices at Menara UOA Bangsar to discuss the latest developments. Qua was also introduced to the newly appointed Technical Director, Salahudin Yaacob. Salahudin who is working with the Standing Committee on Trade & Traceability has the Supply Chain Certification System (SCCS) under his purview.

Three quarters of the AOMG membership are already ordinary members of RSPO themselves or through their parent companies. These are Emery Oleochemicals (M) Sdn Bhd, Fatty Chemical (Malaysia) Sdn Bhd, FPG Oleochemicals Sdn Bhd, IOI Oleochemical Industries Berhad, Natural Oleochemicals Sdn Bhd, Pacific Oleochemicals Sdn Bhd, Palm-Oleo Sdn Bhd/KL-Kepong Oleomas Sdn Bhd, Pilipinas Kao Inc, PT Ecogreen Oleochemicals, PT Musim Mas, PT Nubika Jaya, PT SOCI MAS and Thai Oleochemicals Co Ltd. AOMG members are in the RSPO supply chain and being a member of RSPO means they are ready and can opt to be SCCS certified at the right time.

RSPO members as of 18/5/11 stood at 599 with processor/traders and consumer goods manufacturers memberships growing rapidly. 24 growers and 100 palm oil mills have been certified with 4.2 million metric tons of certified sustainable palm oil available. CSPO production has grown 100% from 2009 to 2010.

Qua attended the first SIRIM QAS International seminar on "Achieving Total Sustainability through RSPO Supply Chain Practices" in Johor Bahru. SIRIM has been approved as a certifying body by RSPO on 7<sup>th</sup> September 2010.

81 companies have 147 of their facilities supply chain certified. There are now 12 certifying bodies (CB) approved by RSPO. Earlier an interim supply chain certification based on self-assessments was possible. This has stopped at the end of April 2011 and such companies need to obtain third party certification by the end June 2011. The RSPO Supply Chain Certification System document issued in November 2009 is due for revision with improvements as well as combined with the certification document for P&C (Principles & Criteria) for clarity. CPO mills must now obtain supply chain system certification and this includes traders.

The supply chain options are identity preserved (IP), Segregation (SG), Mass Balance (MB) and Book and Claim (also referred to as GreenPalm). SCCS covers IP, SG and MB. An operation seeking or holding certification must also meet all registration and reporting requirements for the appropriate supply chain under the approved RSPO supply chain managing organization, UTZ Certified. A Traceability number will accompany shipping documents. At the moment the RSPO Traceability System/UTZ Certified systems stops at the final refinery. Traceability for CPK has not yet started.

Those who wish to be supply chain certified have to be a member of RSPO. At the SIRIM seminar a few points were made by the speakers and participants.

- sometimes companies want to combine SCCS with their ISO 9001:2008 and ISO 14001:2004. It is recommended to have a separate standard operating procedure (SOP) for SCCS as SCCS is about traceability/segregation whilst ISO is about quality.
- to date SIRIM has yet not audited all three RSPO Supply Chain options

-downstream at the moment has gone only so far as palm oil fractionation into olein and stearin. At this level it was already said by some participants to be very complex.

Much further downstream for derivatives (including oleochemicals) a Technical Working Group was spearheaded by Unilever. Martin Astley from Unilever has made a proposal for how palm based derivatives can be integrated into the Book & Claim mechanism. This work is in the process of being handed over to the Standing Committee for Trade & Traceability.

On 31 May 2011, the RSPO formally released its trademark for use in the market. Members will be able to use the trademark in communication on or about products that contain palm-derived ingredients sourced in compliance with one or more of three RSPO supply chain systems: 'Identity Preserved', 'Segregated' and 'Mass Balance'.



The new RSPO trademark logo



The GreenPalm trademark logo

In circumstances where it is not yet feasible to have physical segregation and traceability the GreenPalm programme works by bypassing the physical supply chain completely. It is a straightforward, flexible and easily implemented system that allows our end consumer manufacturer customers to support RSPO and communicate to their customers their support of the production of sustainable palm oil. Our customers only need to become a member of GreenPalm to participate in the programme. If they are already a member of RSPO the membership fee is waived. Unilever has been purchasing a large part of certified palm oil under this programme.

Some companies have further taken on ISCC certification. ISCC is the International Sustainability & Carbon Certification for Biomass and Biofuels. The system describes the rules and procedure for certification and whilst it is related to sustainability it is different from RSPO SCCS.

In August last year Harald Sauthoff of Cognis stated at the RSPO Conference Belem "...we are at the point of no return: the journey from natural to sustainable has started!" Alan Brunskill, former MD of FPG Oleochemicals wrote in the May 2011 OFI magazine "...oleochemicals, their main use is in cleaning ...latest sustainable reports from major cleaning product companies, Henkel and Proctor & Gamble are both aiming to have all the palm oil and derivatives used in their products from confirmed sustainable sources

by 2015, while Unilever is aiming for 2020.” With the launching of the RSPO logo RSPO President Jan Kees Vis said: “We have come a long way since the RSPO was founded in 2004, with currently around nine percent of all palm oil produced in the world being RSPO certified. It is also true however we still have a long way to go.” The question is how long.

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8<sup>th</sup> June 2011

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