

Sustainable Palm Oil Coalition for India (India-SPOC)

Introduction

Palm oil is the most widely consumed vegetable oil in the world and one of the most productive oilseeds in terms of output per unit of land, making it an economically lucrative industry which provides livelihoods to millions of people in producer countries. Its requirement for very specific tropical climate and access to precipitation through the year has made Indonesia and Malaysia the largest producers and suppliers of palm oil in the world.

However, the factors that have made palm oil such a success have also brought with it well-documented environmental and social challenges. Most prominent among these are linked to the widespread clearing of tropical forests and peatlands, and the impacts this has on the environment, biodiversity and local people.

Over the last decade the environmental and social challenges facing the palm oil sector have translated into growing pressure on producers from a range of stakeholders including NGOs, consumers, companies, financiers and, increasingly, governments. What has emerged are a series of approaches ranging from voluntary standards, regulation, and corporate commitments to traceable and sustainable sourcing.

Palm Oil Industry in India

India imports nearly 10 million Metric TONNES (MMT) of palm oil (including derivatives and fractions) making it the biggest importer in the world. More than 95% of palm oil (crude and processed) consumed in India comes from imported sources. Although the environmental and social impacts associated with palm oil are not localized in India, the huge import volumes make India and Indian companies' important players in efforts to mitigate such adverse impacts. India's adoption of principles and practices to create demand for and uptake of sustainable palm oil is critical in driving a sustainable future for the industry and better production offshore.

Sustainable Palm Oil Coalition for India

India has the potential to play a significant role in driving sustainable practices in the palm oil sector. It is proposed that a coalition be established to facilitate industry collaboration across the value chain both in the domestic production and import markets to promote the increased uptake of sustainable palm oil. The forum will work towards addressing barriers and challenges to sustainable palm oil by taking into consideration the unique characteristics of the palm oil sector in India focusing on aspects including policy, production best practices, trade linkages and consumer sensitization to sustainability.

3.1 Launch Partners: Centre for Responsible Business (CRB), WWF-India, Roundtable for Sustainable Palm Oil (RSPO) and Rainforest Alliance have together envisaged the need for this coalition and would be considered as 'Launch Partners' of this Coalition.

3.2 Other Partners and Supporters: Subsequently, the four launch partners would engage with other potential partners and supporters to bring them on-board and strengthen the coalition.

3.3 Goal

The overall goal of the forum would be to **promote sustainable consumption and trade of palm oil** and its derivatives in India along the supply chain, through industry collaboration, ensuring:

- Adherence to applicable laws, acts, statutes and policies
- The adoption of best practices and a commitment to continuous improvement in key areas of activity
- Commitment to conserving natural resources, biodiversity and the broader environment (specifically No Deforestation, No Peat and No Exploitation)
- Respect for human rights and ethical treatment of affected stakeholders including employees
- Commitment to transparency and disclosure
- Commitment to ethical and fair business practices
- Commitment to long term economic and financial viability

3.4 Objectives

To improve the sustainability performance of companies operating across the Indian palm oil supply chain by:

- Establishing broad-based dialogue on supportive policy environment and regulation
- Creating broader industry and consumer awareness on sustainability issues and commitment to responsible sourcing policies and practices
- Building sustainable trade partnerships through links with similar platforms in producer countries

3.5 Working Groups & Action Plan

To ensure positive momentum it is suggested that the forum prioritize focus areas and develop and implement action plans through working groups. Each working group would be led by a Convener (a partner), who will engage specialist organizations for specific inputs and develop annual work plans. A set of three 'working groups' has been suggested below based on preliminary feedback from industry and experts, linked to the key barriers to the uptake of sustainable palm oil in India:

- Government Policy
- Importers and Supply Chain Actors
- End Users (FMCG & Other Users)

Call to Join this Coalition:

- **Launch Partners welcome any organization that are interested to be part of this Coalition, and encourage them to write an email expressing their interest to do so**
- **Centre for Responsible Business (CRB) will be playing the role of the Secretariat. In case your organization would like to know more details or would like to participate in the coalition, you can write to Mr. Rijit Sengupta (Chief Executive Officer, CRB) at rijit@c4rb.in**