Outline

- Short introduction to the ISEAL Alliance and our work in emerging markets;
- Context: Indian landscape for sustainability and sustainability standards;
- Overview of the Indian palm oil sector
- Strategies to unlock the Indian market for responsible palm oil
What is the ISEAL Alliance

- We are the global association of sustainability standards
- Membership organisation
- Founded 2002
- Not-for-profit company
- Based in London
- 13 staff Secretariat

A Growing Movement

**Full Members**

- 4C Association
- Bonsucro
- Equitable Origin
- Fairtrade International
- FSC
- GoodWeave
- ICAS
- Rainforest Alliance
- Sustainable Agriculture Network
- UTZ

**Associate Members**

- ASC
- BCI
- GEO
- GROW
- ISEAL
- RSPO
- Roundtable on Sustainable Palm Oil
- TRAVELFOREVER
- Water Stewardship Council
A global economy in transition and scaling up the use of standards

› Global trade flows shifting to Asia, Latin America, Africa and the Middle East
› Rise of South-South trade
› Importance of companies (both large and SMEs) in emerging economies
› Supply chains becoming more and more complex

Emerging Markets: Production and consumption trends

<table>
<thead>
<tr>
<th></th>
<th>Brazil</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>2nd largest producer</td>
<td>3rd largest consumer</td>
<td></td>
</tr>
<tr>
<td>Cotton</td>
<td>Largest consumer</td>
<td>Largest producer</td>
<td></td>
</tr>
<tr>
<td>Farmed fish</td>
<td>Largest consumer</td>
<td></td>
<td></td>
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<tr>
<td>Palm oil</td>
<td>2nd largest consumer</td>
<td>Largest consumer</td>
<td></td>
</tr>
<tr>
<td>Soy</td>
<td>2nd largest producer</td>
<td>Largest consumer</td>
<td></td>
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<tr>
<td>Sugarcane</td>
<td>Largest producer</td>
<td>2nd Largest producer</td>
<td></td>
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<tr>
<td>Tea</td>
<td></td>
<td>Largest producer</td>
<td></td>
</tr>
<tr>
<td>Timber</td>
<td></td>
<td>Largest importer</td>
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</tbody>
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Source: WWF
Scaling Up Standards in Emerging Economies

- Focus on China, India, and Brazil
- Raise awareness on the use of sustainability standards
- Domestic demand
- National / International interface
- Local networks
- Global focus on public procurement of sustainable goods and services

Sustainability standards in India: Top Trends

- Increase in standards compliant production
- Growing domestic visibility of international standards
- Stronger collaboration with local organisations
- Impacts case coming together
- Nascent government interest

In India b/w 2012-2014:
- FSC certified area rose from 19,000 - 463,000 ha
- Number of Fairtrade certified organisations rose from 61-193
### ISEAL Members in India

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Stewardship Council</td>
<td>200 Chain of Custody Certificates</td>
<td>30000 Chain of Custody Certificates</td>
</tr>
<tr>
<td></td>
<td>5 forest management certificates covering 13,529 ha</td>
<td>9 forest management certificates covering 463,327 ha</td>
</tr>
<tr>
<td>Fairtrade</td>
<td>62 certified organisations</td>
<td>235 certified organisations</td>
</tr>
<tr>
<td></td>
<td>95,000 workers and farmers</td>
<td>121,000 workers and farmers</td>
</tr>
<tr>
<td>GoodWeave</td>
<td>22 licensees</td>
<td>83 licensees</td>
</tr>
<tr>
<td>Rainforest Alliance/Sustainable Agriculture Network (RA/SAN)</td>
<td>55 production certificates</td>
<td>87 production certificates</td>
</tr>
<tr>
<td>Responsible Jewellery Council</td>
<td>6 certified members</td>
<td>37 certified members</td>
</tr>
<tr>
<td>Social Accountability Accreditation Services</td>
<td>629 certified facilities</td>
<td>769 certified facilities</td>
</tr>
<tr>
<td>UTZ Certified</td>
<td>34 certified producers and groups</td>
<td>22 certified producers and groups</td>
</tr>
</tbody>
</table>

### Sustainability standards in India: Challenges

- Producer capacity building
- Complex government architecture
- Local ownership and global consistency
- Low confidence in audits
- Consumer awareness

Photo © Noah Jackson | Rainforest Alliance

Cotton farmer in India © Simon Rawles, Fairtrade International
Indian market for palm oil

- 90% of palm oil volume in India is used for edible/food-based products and 10% is used for non-food based usage.
- Oil in India is sold primarily (89%) in loose form and a small percentage (11%) in the branded and packaged form.
- Bulk of Indian palm oil is imported – small domestic industry ±100,000 metric tonnes per annum.

Certified Sustainable Palm Oil in India

- Uptake of sustainable palm oil is very low: RSPO ACOP Digest 2012/13 - CSPO 144 tonnes
- RSPO Membership in India: 28 registered RSPO members in India – 20 ordinary members, 7 supply chain associates and 1 affiliate member.
Review of commitments – RSPO India members

› A large number of local businesses have not clearly articulated their sustainability vision and/or targets;
› Businesses that have a defined sustainability vision lack implementation, and in majority of the cases implementation plans are set out in the future; and
› Further clarity is needed from global brands on their sustainability commitments in India and also in scenarios where they have established joint ventures with local businesses

Barriers

› Low consumer awareness
› Price sensitivity and market dynamics
› Enabling environment
› Traceability challenges within the supply chain
› Low capacity utilization of processors
Strategy to scale up the use of responsibly sourced palm oil in India – 2015 - 2017

1. Coordination: multistakeholder advisory body

2. Support the development of a vibrant domestic RSPO compliant industry

3. Develop local certification capacity and reduce cost of certification especially chain of custody

4. Consumer Awareness: Media and NGOs

5. RSPO member commitments: Recruit, monitor and support

6. Leverage the financial sector: RSPO as ESG risk screen

7. Improve the business case: Integrated biofuels supply chain – pilot project

337x461 to 470x496
130x467 to 201x493
507x808