

## **Consultation questions**

### **Section A: About you**

Question 1: What is your name?

- **Joko Supriyono, Chairman of Indonesian Palm Oil Association (GAPKI)**

Question 2: What is your email address?

- **[mfhasa189@yahoo.com](mailto:mfhasa189@yahoo.com)**

Question 3: What country are you based in?

- **Indonesia**

Question 4: Would you like your response to be treated as confidential?

- Yes
- **No**

Question 5: Are you responding:

- **On behalf of an organization**
- As an individual

### **Section B: About your organisation**

Question 1: What type of organisation are you responding on behalf of?

- A government body
- Non-governmental organization
- Small or micro business (Less than 50 employees)
- Medium business (50 – 249 employees)
- Large business (250 or more employees)
- **Industry association**
- Responding on behalf of another type of organisation

Question 2: Please provide your organisation's name.

- **GAPKI (Indonesian Palm Oil Association)**

### **Section C: About your business**

Question 1: Which sector best describes your business?

- **Agriculture, forestry and fishing**
- Mining, quarrying and utilities
- Manufacturing
- Construction
- Wholesale and retail; repair of motor vehicles

- Transport and storage (inc. postal)
- Accommodation and food services
- Information and communication
- Finance and insurance
- Property
- Professional, scientific and technical
- Business administration and support services
- Public administration and defence
- Education
- Health
- Arts, entertainment, recreation and other services

Question 2: Where is your business headquartered?

- In the UK
- Overseas

Question 3: If your business is headquartered in the UK, please tell us where.

• Not applicable

- Scotland
- Northern Ireland
- Wales
- North East
- North West
- Yorkshire and the Humber
- West Midlands
- East Midlands
- South West
- South East
- East of England
- Greater London

Question 4: If your business is headquartered overseas, please tell us in which country.

- Republic of Indonesia

Question 5: How many people does your business employ in the UK?

- None
- 1 to 49
- 50 – 249
- 250 – 499
- 500 – 1000
- Over 1000

Question 6: How many people does your business employ globally?

- 1 to 49
- 50 – 249
- 250 – 499
- 500 – 1000
- Over 1000

Question 7: What is your business' annual turnover in the UK?

- 0 up to 10.2 million GBP
- 10.2 million up to 36 million GBP
- 36 million up to 100 million GBP
- 100 million up to 500 million GBP
- 500 million up to 1 billion GBP
- 1 billion and above GBP

Question 8: What is your business' annual turnover globally?

(assuming 1 USD = 0.7837 GBP)

- 0 up to 100 million GBP
- 100 million up to 500 million GBP
- 500 million up to 1 billion GBP
- 1 billion up to 10 billion GBP
- 10 billion to 50 billion GBP
- 50 billion to 100 billion GBP
- Over 100 billion GBP

Question 9: Which of the following forest risk commodities do you use in production or trade in the UK? Please tick all that apply.

- Beef
- Cocoa
- Leather
- palm oil
- rubber
- soya

- none of the above

Question 10: Please list any other forest risk commodities you use in production or trade in the UK.

- The premise of this question is inaccurate. Indonesian palm oil is not a 'forest risk' commodity. This pejorative language is not helpful. This consultation should be focused on finding a constructive policy solution that is acceptable both to importing countries and producer countries.

Indonesian palm oil is governed by the world's largest-ever sustainability scheme, the Indonesian Sustainable Palm Oil (ISPO), which will cover over 2 million small farmers and hundreds of larger businesses. Indonesian palm oil exporters also meet and exceed independent and international sustainability standards including RSPO and ISCC.

Question 11: Do you currently have a system in place to ensure that any of the following forest risk commodities have been produced legally?

Please tick all that apply.

- Beef
- Cocoa
- Leather
- palm oil
- rubber
- soya
- none of the above

Question 12: Please list any other forest risk commodities where you have a system in place to ensure they have been produced legally.

- Indonesian palm oil is the most certified commodity in the world. Indonesian producers already meet government standards (ISPO), NGO standards (e.g. RSPO), and European standards (e.g. ISCC, which is endorsed by the German government). This guarantee of legality and sustainability is what makes Indonesian palm oil the #1 sustainable choice.

Of these sustainability standards, ISPO is the only one based on legality. If the UK government implements a legality-based due diligence measure, the UK government shall be assured that the Indonesian ISPO Standard is in place to provide verifiable assurance for UK importers of the legality of Indonesian palm oil production.

Question 13: If you have a system in place to ensure that any forest risk commodity has been produced legally, please describe it.

- Indonesia has developed its own sustainability certification, which is mandatory for all growers across Indonesia – Indonesia Sustainable Palm Oil (ISPO). The ISPO standards were developed through an extensive consultation process between NGOs, the palm oil

community, academia, government and other important local and international stakeholders.

ISPO is based on seven principles:

- Principle 1: Legal plantation business permits
- Principle 2: Plantation management
- Principle 3: Protection of primary forest and peatland
- Principle 4: Environmental management and monitoring
- Principle 5: Responsibility to workers
- Principle 6: Social responsibility and community economic empowerment
- Principle 7: Continuous business improvement

The Indonesia Sustainable Palm Oil (ISPO) standard was recently strengthened and further endorsed by Presidential Decree, which strengthened the independence of the standard and separated all accreditation and certification from government functions. ISPO includes requirements on social responsibility, health, safety and employment conditions, as well as protections in place for the environment, natural resources, biodiversity and protected species.

The Indonesian Palm Oil community is committed to working with the authorities to expand and improve ISPO to become the leading standard for sustainable palm oil globally – and the largest sustainability standard ever implemented for any commodity in any country. The UK can play an important role in supporting existing sustainable palm oil production in Indonesia, including expanding ISPO in global markets. Implementation support will be welcomed, as Indonesia seeks to build on its reputation as the #1 Sustainable Choice for palm oil, and the #1 global producer of Certified Sustainable Palm Oil (CSPO).

The [Indonesian Government](#) has been very clear that ISPO is the sustainability – and legality – framework for Indonesian palm oil. For Indonesian sovereignty to be respected, ISPO must be recognised as the legality standard for palm oil. The updated standards will underline that further.

Question 14: Please use this box to share any further information about the systems you use to better understand how forest risk commodities in your supply chains are produced.

- Indonesian palm oil is not a ‘forest risk commodity’: this prejudicial language is neither helpful nor constructive. Indonesian palm oil’s production and supply chains are regulated by a raft of government laws, brought together under the ISPO system.

The ISPO system has the support of the United Nations Development Program (UNDP) through its [Sustainable Palm Oil \(SPO\)](#) initiative. This program has focused on strengthening ISPO standards to protect forests, enhance biodiversity conservation, and mitigate and monitor greenhouse gas (GHG) emissions. Moreover, a key component has been to establish national and provincial platforms to ensure transparency in the palm oil community, mediation systems for addressing conflicts and promote sustainable palm oil production.

Together, Indonesia and the UNDP through their partnership on ISPO are increasing smallholder capacity and improve livelihoods, better protecting the environment and reducing GHG emissions.

As stated above, the UK government has the opportunity to work with Indonesia and play an important role in supporting existing sustainable palm oil production in Indonesia and the implementation and expanding ISPO in global markets.

## Section D: About the proposal

Question 1: Should the Government introduce legislation designed to make forest risk commodities more sustainable?

- Yes
- No
- Don't know

Question 2: Should it be illegal for businesses to use forest risk commodities in the UK that have not been produced in accordance with relevant laws?

- Yes
- No
- Don't know

Question 3: Should businesses in the UK be obliged to have a system of due diligence in place to ensure that the forest risk commodities they use have been produced in accordance with relevant laws?

- Yes
- No
- Don't know

Question 4: Should businesses be required to report publicly on their system of due diligence?

- Yes
- No
- Don't know

Question 5: Should the Government be able to levy fines against businesses that use forest risk commodities not produced in accordance with relevant laws?

- Yes
- No
- Don't know

Question 6: Should the legislation apply to larger businesses, over an employee number and turnover threshold, that use forest risk commodities in production or trade?

- Yes
- No
- Other

Question 7: If you responded 'Other' to Question 6, please expand.

It is not for Indonesia to comment on the requirements or penalties that the UK government will choose to place on UK businesses, or on the distinction between application to large vs small businesses in the UK.

The key question is whether the UK Due Diligence measure will strike a reasonable balance between ensuring legality standards are met and enforced, and working with producer countries and the UK's trading partners to avoid unnecessary trade barriers.

Any subjective imposition of unilateral externally-designed standards would be an unacceptable infringement of Indonesia's sovereignty and would be considered as an unjust barrier to trade. Mutual recognition of the ISPO Standard and respect for laws and sovereignty is a crucial element of bilateral relations. The UK has an opportunity to deepen and expand trading relationships with Indonesia, and with the broader ASEAN region, in the coming years. A constructive and mutually-respectful approach to regulation and legality will be an important element to the successful realization of these opportunities for both the UK and ASEAN.

Question 8: Large businesses have existing obligations to report on climate and environment issues including in relation to net zero. To what extent are there opportunities to align the proposal set out in this consultation with businesses' reporting under existing international frameworks [e.g. the recommendations of the Taskforce on ClimateRelated Financial Disclosures (TCFD)]?

Question 9: Do you have any further information or comments you would like us to be aware of?

- Further information is available at [www.indonesiapalmoilfacts.com](http://www.indonesiapalmoilfacts.com)

There is a clear possibility that the UK's Due Diligence regulation could impose a trade barrier on Indonesian farmers and producers, if it were overly-broad or proscriptive. Any subjective imposition of externally-designed standards would be an unacceptable infringement of Indonesia's sovereignty.

The best approach for the UK to follow would be a legality-based measure. It can achieve the UK's sustainability objectives, provide clear guidance for compliance for firms, and avoid an unnecessary and unwarranted non-tariff barrier to trade. A legality-based standard would also provide a firm foundation for joint Indonesia-UK cooperation on future sustainability issues.

Considering the importance of the palm oil community to Indonesia, and the wider ASEAN, the UK should take into account the following essential principles to ensure that the Due Diligence regulation does not infringe Indonesia's sovereignty:

1. Good Faith Consultations. Involvement of the Indonesian government and palm oil sector in the consultation process, constructive and transparent cooperation and a commitment to continuing and proactive dialogue.
2. Non-Discrimination Against Indonesia. Indonesia should be given the same treatment within the Due Diligence regulation alongside other exporters.
3. Non-Discrimination Against Palm Oil. There should not be discrimination targeted at palm oil when compared with 'like' products such as soy, rapeseed, sunflower and others.
4. Level Playing Field for Certification. Due Diligence measures should not arbitrarily 'pick winners' among existing or new certification schemes. All existing and recognized standards (including Indonesia's government standard, ISPO) should be included without prejudice.
5. Uphold Indonesian Sovereignty. There should be no imposition on Indonesia's sovereign right to regulate its domestic palm oil industry, including the future development and evolution of ISPO.
6. Respect for Free Global Trade. The Due Diligence measures explicitly should not supersede, replace nor preclude negotiations between Indonesia and UK that may consider an over-arching agreement on trade (e.g. as a dedicated chapter within a CEPA or FTA).

These principles combine the UK's ambition to champion global free trade and open markets, to lead on sustainably issues, and to build a positive and expanding trade relationships as a Dialogue Partner in ASEAN— along with recognising the importance for Indonesia of ensuring that new 'disguised' trade-barriers are not placed on palm oil exports.

Indonesia is the #1 Sustainable Choice for palm oil globally. Palm oil in Indonesia has proven to be one of the world's greatest-ever tools for reducing poverty. For 2.3 million

small farmers, palm oil in Indonesia has provided essential income, property rights, opportunity for education, and social and economic advancement for future generations.