

# Companies overall score total qualifies them for one of four different categories:

X represents the score the company receives out of 62.5 possible points.

Excellent:	44.5 ≤ X	Poor:	$0 < X \le 27.8$
Good:	_27.9 ≤ X ≤ 44.4	No Commitment:	X = 0

# **Rubric of scoring:**

25 points (+12.5 bonus points available) - Use of certified sustainable palm oil weighted by supply chain out of total use of palm oil.

Scoring for different supply chains (WEIGHTED BASED ON CATEGORY):

Weight 1.5; Identity Preserved (IP) - palm oil can be traced back to one certified supply base.

Weight 1.5; Segregated (S) - palm oil can be traced back to several certified supply bases.

Weight 1; Independent Smallholder Credits (ISH) - paying smallholders for, but not sourcing CSPO.

Weight 0.556; Mass Balance (MB) - CSPO is mixed with non-CSPO palm oil.

No credit given for Mill/Crusher Credits\* - paying for, but not sourcing CSPO.

10 points - On-the-ground action.\*\* Companies can achieve these points by performing or investing in conservation activities outside of their own operations, and earn full points for having these conservation activities benefit areas where palm oil is grown. NOTE: Internal conservation efforts will not be credited in our formula, because they are not "on-the-ground" palm oil-related conservation programs. Some examples of internal conservation efforts that are not eligible for points in our formula: improving their own facilities' energy efficiency, changing their distribution fleets to electric vehicles, reducing water usage in their own facilities, etc.

- a. 5 / 10 points Company takes part in or invests in conservation activities. Examples: sponsoring coral reef restoration, restoring North American prairie land, protecting sea turtle nesting areas, supporting anti-poaching groups in South Africa, etc.
- b. 10 / 10 points Company takes part in or invests in rainforest protection, conservation, or restoration projects. Examples: sponsoring programs that build green corridors for wildlife to move through plantations, reforestation projects, sponsoring organizations that work to protect endangered species through patrols, rehabilitation, etc., supporting regenerative

agriculture projects in tropical regions, sponsoring programs that improve water quality in tropical regions, etc.

#### 10 points - Public sourcing commitments (for both RSPO members and non-RSPO members).\*\*

- a. 5 / 10 points Public responsible sourcing commitment to source 100% deforestation-free CSPO, but company has not met its goal of sourcing 100% CSPO. A suitable commitment timeframe is 3 years maximum.
- b. 10 / 10 points Public responsible sourcing commitment to source 100% deforestation-free CSPO, and the company has met its goal of sourcing 100% CSPO OR
- c. 10 / 10 points ISCC membership / NDPE policy and IRF reporting available on website or verified deforestation-free. To note, although this gets complicated, the main purpose of this is not for public messaging, but more for the company to show that we have taken their commitments other than the RSPO into account, but their points to the public remain limited until they show RSPO commitment (which for us means transparency through the supply chain and third party verification).

5 points - Membership to the Roundtable on Sustainable Palm Oil (RSPO).

\*Mill/Crusher Credits, aka Book & Claim, are not given credit in our rating system. For mathematical purposes, any Mill/Crusher Credits will be counted as conventional palm oil in our formula. CSPO volume will only include Identity Preserved, Segregated, Independent Smallholder Credits, and Mass Balance.

\*\*These two categories are the only allotment of points that are available to non-RSPO members, so in this rubric, companies who are not an RSPO member could receive a maximum of 20 points. Public commitments need to be found on a company's website or in a file uploaded to the company's website (for example the company's most recent sustainability report or corporate responsibility report). A link to the company's RSPO membership page and/or ACOP does not count. For example, there might be a company that is sourcing 100% CSPO according to their ACOP but on their website they simply mention that they are a member of the RSPO with a link to their RSPO membership page/ACOP. In this example, the company would get zero points in the public sourcing commitment category. We want them to have their sourcing commitment and whether they have met that commitment or how far along they are to meeting that commitment on their website directly. This is to promote transparency with consumers and create a benchmark for the industry. We want companies to display openly that they use palm oil and their commitment to source only certified sustainable palm oil, not hide this information in a hyperlink to the RSPO's website.

### RSPO CSPO Score Formula:

$$Z \times M = RSPO CSPO points$$

(A step-by-step example of this formula can be found below1)

Z = Amount of CSPO points available based on their total palm oil usage and the max amount of regular points (no bonus) a company can receive for CSPO (25 points).

$$\frac{\text{Total sourced CSPO in tons}}{\text{Total sourced PO in tons}} \times 25 \text{ points} = Z$$

M =The percentage of sourced IP CSPO weighted at 1.5x, S CSPO weighted at 1.5x, ISH CSPO weighted at 1x, and MB CSPO weighted at 0.556x out of total CSPO sourced.

$$\left(\frac{\text{IP tons}}{\text{CSPO tons}} \times 1.5\right) + \left(\frac{\text{S tons}}{\text{CSPO tons}} \times 1.5\right) + \left(\frac{\text{ISH tons}}{\text{CSPO tons}} \times 1\right) + \left(\frac{\text{MB tons}}{\text{CSPO tons}} \times 0.556\right) = \text{M}$$

Multiply Z and M to get the final points score for the RSPO CSPO category.

Reminder: Any regular Mill/Crusher Credits are not included in total sourced CSPO.

$$\frac{800 \text{ tons total sourced CSPO}}{1000 \text{ tons total sourced palm oil}} \times 25 \text{ points} = Z$$
$$20 \text{ points} = Z$$

Z = 20 points (80% of the palm oil is CSPO, therefore they can only earn up to 80% of the possible 25 points, then we need to calculate 80% of 25 points for an answer of 20 points available)

Now that we know how many points they can earn for the amount of CSPO they use out of their total palm oil purchased, let's break those points down further by looking at their sources of CSPO (IP, S, ISH, and MB).

$$\left(\frac{80 \text{ tons IP}}{800 \text{ tons CSPO}} \times 1.5\right) + \left(\frac{160 \text{ tons S}}{800 \text{ tons CSPO}} \times 1.5\right) + \left(\frac{80 \text{ tons ISH}}{800 \text{ tons CSPO}} \times 1\right) + \left(\frac{480 \text{ tons MB}}{800 \text{ tons CSPO}} \times 0.556\right) = M$$

$$0.150 + 0.300 + 0.100 + 0.334 = 0.884$$

After calculating the weight of each source of palm oil, they can only earn 88.4% of those 20 possible points ....

So now we need to calculate 88.4% of 20...

20 points 
$$\times 0.884 = 17.68$$

Sample Company would receive 17.68 out of 25 points for their use of CSPO + however many points from other rubric categories.

<sup>&</sup>lt;sup>1</sup> For example, Sample Company submitted an ACOP and they are sourcing 1000 tons of palm oil. Of that 1000 tons, 800 are CSPO. They then break down the different sources of their CSPO as 80 tons IP, 160 tons S, 80 tons ISH, 480 tons MB. The equations would be as follows: