46th FEDEPALMA National Palm Grower Conference

BY:
Darrel Webber, (CEO)
7th June 2018
“Toward an Understanding of Corporate Social Responsibility: Theory and Field Experimental Evidence,”
Daniel Hedblom, Brent Hickman, and John List (2016)"

• Are people more likely to work for a C.S.R. firm?
• Do they work harder?
• Do they pay more attention to quality?
JOB Advertised

- Job Description “look at snapshots from Google Street View, and enter the characteristics of those blocks. The clients who will need this products is Uber and Chicago Heights Elementary Schools”

- VARIATION 1: USD 11/hour
- VARIATION 2: USD15/hour
- VARIATION 3: USD 11/HOUR + “Some of our projects are aimed at improving access to education for underprivileged children. We believe that these organizations are making the world a better place, and we want to help them.”
ARE PEOPLE MORE LIKELY TO WORK FOR A C.S.R COMPANY?

Var 1 = Job DESCRIPTION + $11/Hour
Var 2 = Job Description + $15/Hour
Var 3 = Job Description + $11/Hour + CSR MESSAGE
Other results

• The QUALITY of applicants to the CSR added Job Advertisement were
  • Better
  • 25% more productive
  • And with greater quality of work

• WOMEN applied more for the job that added the CSR element.
What’s Driving Deforestation?

Production of beef, soy, palm oil and wood products account for the majority of tropical deforestation.

Cutting down tropical forests contributes to global warming and endangers species by destroying their habitats.
“Blood Avocados”: The Dark Side of Your Guacamole

Neighbors from hell: Cocoa farmers and elephants clash at boundaries of Ghana national park

By Oliver Nieburg

04-Jun-2018 - Last updated on 04-Jun-2018 at 10:30 GMT

An elephant never forgets a good meal...©GettyImages/jacobekman
3 Key Messages

• Markets are getting more challenging and RSPO is trying to keep them open
• Our experiences tell us that yields can improve with better practices...but it’s not what you think it is.
• Sustainability is good for business but we have challenges.
Future Scenario

Low Carbon New Planting

1. Support RSPO certification by increasing uptake of RSPO oil (currently only 50% (RSPO website)). More uptake will hopefully drive more RSPO member and certification
2. Support smallholder certification
3. Support emission reduction efforts
Long-term firms exhibited stronger fundamentals and performance than all others in the last 15 years.

Earnings, $ billion\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Global financial crisis</th>
<th>Long term</th>
<th>Short term</th>
</tr>
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<tbody>
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<td>2005</td>
<td>0</td>
<td>1.5</td>
<td>0.5</td>
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<tr>
<td>2010</td>
<td>4.0</td>
<td>5.0</td>
<td>2.0</td>
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</table>

Revenue, $ billion\(^1\)

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<tr>
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<td>2</td>
</tr>
<tr>
<td>2010</td>
<td>12</td>
<td>15</td>
<td>10</td>
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</tbody>
</table>

Market capitalization, $ billion\(^1\)

<table>
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<td>5</td>
<td>2</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
<td>25</td>
<td>15</td>
</tr>
</tbody>
</table>

\(^1\)Indexed to 2001.

Source: Corporate Performance Analytics by McKinsey; S&P Capital IQ; McKinsey Global Institute analysis

McKinsey & Company
LONG TERM FIRMS CREATE MORE VALUE AND MORE JOBS

Average job creation and annual cumulative jobs added show that long-term firms create more value and more jobs.

Source: McKinsey Corporate Performance Analytics, S&P Capital IQ; McKinsey Global Institute Analysis
TAKE HOME MESSAGES

• Markets are getting more challenging and RSPO is one tool to keep those markets open.

• Yields can improve with better practices. By being inspiring others to emulate the sector in saving GHG and by being much more creative in attracting and retaining workers

• Sustainability is good for business but we have challenges.
ONE LAST THING!

BETTER BE SURE YOUR WORKPLACE IS WOMEN FRIENDLY AND GIVE THEM A CAUSE TO RALLY BEHIND.
RSPO will transform markets to make sustainable palm oil the norm

THANK YOU

www.rspo.org