

Summary of Twenty Third Technical SRWG Meeting

The twenty third Shared Responsibility Working Group (SRWG) technical meeting was opened at 4.00PM (MYT), December 13, 2022 by the Secretariat.

The agenda of the meeting was presented to the SRWG briefly just after the anti-trust statement was read and acknowledged.

The RT2022 took place and was well visited and received. SR was included in the Awards night, mentioned in plenary sessions and key focus of one the breakout sessions.

The Secretariat is proposing taintain existing CSPO uptake targets (2% for P&Ts and 12% for CGMs and Rets) applicable annually across two years (2023 and 2024) and no CSPKO target. Based on SRWG input, different compared to previous years is that the Secretariat is proposing to make the uptake targets also applicable for new Ordinary members (joining from 2023 onwards). The Secretariat will check by email with absent members to see if there is a quorum for this proposal.

The Secretariat presented the Monitoring & Evaluation (M&E) framework which will be used as the methodology to publish member's SR performance on the new website (one of the incentive and sanction mechanisms as proposed in the Verification Manual). The SRWG was supportive of the M&E framework and is looking forward to giving input on the conceptual design outlining the ideas and concept for the new SR performance website.

The Secretariat thanked everyone for attending the meeting, and looks forward to seeing everyone in the next meeting on January 31, 2023.

The meeting was closed at 5.30 PM (MYT).

MINUTES OF MEETING OF RSPO
RSPO Shared Responsibility Working Group (SRWG) 23rd Technical Meeting

Date: December 13, 2022 (Tuesday)

Time: 4.00 PM to 5.30 PM (MYT)

Venue: Video Conference (RSPO ZOOM 6)

Attendance:

<p>Members and Alternates</p> <ol style="list-style-type: none">1. Julian Walker-Palin (JWP, RPOG)2. Girish Deshpande (GD, P&G)3. Joshua Lim (JL, Wilmar)4. Harjinder Kler (HK, HUTAN)5. Lim Sian Choo (Bumitama Agri Ltd)6. Brian Lariche (Humana Child Aid Society, Sabah)7. Catarina Vivalva (CV, BNP Paribas)8. Nursanna Marpaung (NM, HUKATAN) <p>Absent with Apologies</p> <ol style="list-style-type: none">1. Kamal Seth (KS, WWF International)2. Surina Binti Ismail (Sbl, MPOA)3. Mariama Diallo (MD, SIAT SA)4. Ben Vreeburg (BV, Bunge)	<p>RSPO Secretariat</p> <ol style="list-style-type: none">1. Inke van der Sluijs (IS)2. Lilian Garcia Lledo (LGL)3. Joyce van Wijk (JW)4. Yen Hun Sung (HS) <p>Absent with Apologies</p> <ol style="list-style-type: none">5. Imam Marzuq (IM)
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No	Description	Action Points
1.0	<p><u>Welcome Note</u> The Secretariat welcomed the SRWG members to the meeting.</p> <p>The SRWG members acknowledged the anti-trust statement prior to the meeting.</p> <p>The agenda of the meeting include:</p> <ol style="list-style-type: none"> 1. Welcome, Agenda 2. Approval of Meeting Minutes 3. RSPO Secretariat Updates <ul style="list-style-type: none"> o Action Points o RSPO Secretariat Updates o Status of Key Deliverables 4. SRWG 5. CSPO uptake targets 6. M&E Framework 7. AOB and Next Meeting 	
2.0	<p>No comments from the SRWG members were received on the latest version of the 1st physical SRWG meeting (21st meeting) and therefore the Secretariat considered them endorsed.</p>	<ol style="list-style-type: none"> 1. Secretariat to upload the endorsed 21st SRWG meeting minutes on the website.
3.0	<p><u>RSPO Secretariat Updates</u> Overview action points Open action points for the Secretariat are creating regional strategies, developing guidance for each sector, checking with B&I rep if they agree with proposed scenarios in VM, and ways on how SRWG members can communicate to their caucus, checking if there is option to split grower RoW rep and sharing minutes of 22nd SRWG meeting. All other action points have been completed.</p> <p>Regarding the action point on thinking on a mechanism to link stakeholders with growers for financial support, this is a topic brought to the BoG in its Dec22 meeting. This will be part of the</p>	<ol style="list-style-type: none"> 1. Secretariat will follow up with grower RoW on how to better represent the other regions.

	<p>governance review and long term strategy that will happen next year, June 2023.</p> <p>Secretariat updates:</p> <ul style="list-style-type: none"> ● RT2022: almost 1000 delegates and significant media coverage. <ul style="list-style-type: none"> ○ SR Awards winners (top performers per category) <ul style="list-style-type: none"> ■ P&T - Wilmar International Limited ■ CGM - McCormick & Company, Incorporated ■ Retailers - McDonald's Corporation ■ sNGO - International Committee of the Red Cross ■ eNGO - Fauna & Flora International ■ B&I - Citi ○ Break out session 4: Harnessing the untapped potential of SR in mature markets ● GA: GA19 2c approved → change of CoC and socialisation campaign → Secretariat comms plan ● Save the date: <ul style="list-style-type: none"> ○ Inter-American RSPO conference. 30 and 31 May 2023, Miami, Florida, US. ○ SPOD EU. June 2023, Germany. ● Egazette article on SR performance <p>Status of key deliverables</p> <p>Following key deliverables are completed:</p> <ul style="list-style-type: none"> - Endorsement GA18 Resolution - 2b - Social media assets (4 short videos) - RT session and SR Awards - Impact Report 2022 	
4.0	<p><u>SRWG</u></p> <p>Vision and goals were presented to be used by all SRWG members in external communications. Mission and vision are aligned with the SRWG ToR. SRWG members endorsed the visions and goals. The Secretariat will run it with SRWG members who were not present.</p>	<ol style="list-style-type: none"> 1. The Secretariat to share the SRWG vision and goals with absent SRWG members. 2. The Secretariat will circulate updated SRWG ToR, to be signed by SRWG members and sent back to SR unit.

	<ul style="list-style-type: none"> ● Updated ToR to be signed by all members → will be shared over email. ● Proposed 2023 calls: Tuesdays 9:30-11 CET/ 16:30-18 GMT+8. Every 6 weeks: <ul style="list-style-type: none"> ○ 31 Jan ○ 7 March ○ 18 April ○ 6 June ○ 18 July ○ 5 Sep ○ 10 Oct ○ 21 Nov ● VM PC → need SSC co-chairs approval before running the final PC. <p>Grower rep asked to review dates again as some clash with Asian holidays (e.g. 7 March with POC 2023, Eid is on 21st of April), the Secretariat will review the dates again.</p> <p>SRWG confirmed the need to meet physically again next year, CGM rep suggested clustering the physical SRWG meeting with other ongoing events. SRWG agreed to meet around SPOD 2023.</p> <p>Retailer rep suggested we also meet around RT, so we can meet twice a year. Grower mentioned that we have many side-meetings during RT, but a short meeting with one topic (not half a day) to discuss.</p>	<ol style="list-style-type: none"> 3. The Secretariat to review proposed SRWG calls for 2023 to take into account Asian holidays.
5.0	<p><u>CSPO Uptake Targets</u></p> <p>The Secretariat recommends to:</p> <ul style="list-style-type: none"> - Maintain existing CSPO uptake targets applicable annually across two year (2023 and 2024) → 2% for P&T and 12% for CGMs and Retailers - No CSPKO target due to ongoing tightness in CSPKO market - Same SR Uptake Targets applicable for new Ordinary members (joining from 2023 onwards). <p>Other technical notes:</p>	<ol style="list-style-type: none"> 1. The Secretariat to share proposed uptake targets with absent SRWG members by email to see if there is a consensus/quorum. 2. Think about a communication plan on how to engage with the biggest companies in each sector to socialise the new uptake targets and understand the dynamics of their markets.

- The SRWG has directed the RSPO Secretariat to develop a mechanism to monitor member uptake by RSPO Credits or RSPO Physical (MB, SG, IP)
 - Intended to provide a roadmap for phasing out usage of RSPO Credits in mature markets (Europe, North America)
 - Credits still available in developing markets
 - Independent Smallholder Credits exempt from this intended phase-out
- The RSPO Secretariat notes that there are data challenges in developing this mechanism for 2023
 - Credits usage in ACOP is globally aggregated, without regional breakdown
 - Regional breakdown available in PalmTrace, but with structural data challenges
- The RSPO Secretariat recommends to maintain broad directive to prioritise Physical over Credits in 2023, while developing a monitoring and assessment mechanism by region for implementation in 2024

Retailer rep asked if the targets are realistic looking at the performance of the past years. This is depending on the market we look at, the performance gap in previous years was due to our focus on existing members and left out new members.

Retailer rep raised concern for the immature/emerging markets by setting these high targets, should be take this into account? The Secretariat clarified that we have not developed a roadmap to phase out credits yet, so immature markets do have the ability to meet targets by buying credits. Grower rep added on this point that not only for specific markets need credits to meet targets, but that the market is imperfect and therefore the need for credits will maintain until these issues are ironed out. CGM rep summarises that the question is about the % of target, and not about using credits or not. CGM rep believes that a 12% target will not be too high. P&T member explained that the forecast for next year does not look as good for physical products demand, as demand for CGM has declined. But if CGMs and Retailer can use Credits, then it should not be a problem for them, credits are widely available.

P&T rep suggests looking only at the physical products in meeting the target. Look at potential physical products and who are currently using credits, and assign them in those specific cases a

<p>target to meet in converting credits to physical. Grower likes the idea for a personal touch to move forward and companies will perform better. If many CGMs are still not meeting targets, then there may not be enough space to grow.</p> <p>Ret would prefer not to set goals which are ignored. Secretariat clarifies that the majority of the members are medium sized scale and therefore would be fairly feasible to meet the target. P&T confirmed there are some big companies still not meeting targets, CGM flags this would be low-hanging fruit and should be directly targeted and engaged to bring them onboard. Like last year, the Secretariat will engage with members who did not meet their targets in 2021 and will prioritise members for this engagement based on volumes.</p> <p>Retailer suggested setting up calls to understand Asian markets, with e.g. AEON, Yummy - especially as they are not presented in the SRWG. The Retailer Palm Oil Group looked at EU supermarkets and their use of credits and looks like credits are only used for derivatives, fractions and CSPKO. No solution to move to physical for those products in EU markets.</p> <p>CGM rep asks why focus on Japan, low hanging fruit? Ret confirms they are most engaged. CGM asks if we also would like to talk to companies who are not engaged, is there a gap analysis which markets fall behind? The Secretariat confirmed the focus is Big4 (India, Malaysia, Indonesia and China), but we also identified the next 11 markets of secondary focus.</p> <p>Acknowledging the limited time to look into credit use and confirming the targets seem to be feasible, none of the SRWG members present in this call have an objection to the proposed uptake targets. The Secretariat will check with absent SRWG by email to see if there is a quorum. If there is a quorum, the proposed uptake target for 2023 and 2024 will be endorsed.</p> <p>CGM suggested thinking ahead on how to communicate better the targets to all sectors CGM. For example more directed by engaging top 20-50 members of each sector to make sure they understand what is expected from them. Retailer agreed any additional comms is very welcome.</p>	
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<p>6.0</p>	<p><u>M&E framework</u></p> <p>The Secretariat presented the proposed Monitoring & Evaluation (M&E) framework which will be used as the methodology to publish member’s SR performance on the new website (one of the incentive and sanction mechanisms as proposed in the Verification Manual).</p> <p>Retailer rep was concerned that none of the retailers would not have a palm specific policy, the Secretariat confirmed that the minimal requirement is that the policy includes palm, but can also include other commodities. This is also explained in the endorsed document. The Secretariat will include this in interpretation also in the guidance (e.g. for SR27).</p> <p>Retailers and CGM reps suggested that updating the reporting performance on MyRSPO only once a year (July), to align with ACOP, will be enough, instead of the twice a year as presented.</p> <p>SRWG embraced the M&E framework to be used as the methodology for publishing member’s SR performance on the website. There will be 5 weighted scores for the following thematic areas: Transparency and legality, Social, Environment, Resourcing, and Uptake. No preference was given to a particular scoring system (e.g. max score is 1 or 100%), therefore the Secretariat will work with the communication team to see how best to visualize.</p> <p>A grower rep flagged that komma’s and dots are differently used in Europe and Asia and should be considered when publishing member’s scores on the website.</p>	<ol style="list-style-type: none"> 1. The Secretariat will update the M&E framework to an annual monitoring cycle of member’s SR performance (based on MyRSPO and ACOP reporting). 2. Add interpretation of policies not having to be palm specific in the guidance documents. 3. The Secretariat will create a conceptual design outlining the ideas and concept for the proposed SR performance website. 4. The Secretariat will advise the communication team how best to present member’s SR scores to be published on the performance website.
<p>7.0</p>	<p><u>Closing</u></p> <p>The next virtual SRWG meeting will be on 31 January 2023, at 4.30 pm (KL time).</p>	