

Summary of Thirty Technical SRWG Meeting

The Thirtieth (30th) Shared Responsibility Working Group (SRWG) technical meeting was opened at 16:30 PM (Jakarta Time), November, 19, 2023 by the Secretariat physically.

The meeting started with the nomination of the co-chair and all the present members agreed with the nomination of Julian Walker-Palin. The agenda of the meeting was presented to the SRWG briefly just after the anti-trust statement was read and acknowledged. The SR Unit presented on CSPKO engagement plan data, CSPO uptake assessment (i.e. CPO/CSPO performance related to the years of membership, and credits vs physical), and the Year 5 SR Uptake target were recommended and agreed by the present members.

The Secretariat thanked everyone for attending the meeting and looks forward to seeing everyone in the next meeting on February 20, 2024 virtually.

The meeting was closed at 19:30 (Jakarta Time)

MINUTES OF MEETING OF RSPO
RSPO Shared Responsibility Working Group (SRWG) 30th Technical Meeting

Date: November 19, 2023 (Sunday)

Time: 16:30 - 19:30 (Jakarta Time)

Venue: Physical in Jakarta

Attendance:

<p>Members and Alternates</p> <ol style="list-style-type: none">1. Harjinder Kler (HK, HUTAN)2. Joshua Lim (JL, Wilmar)3. Kamal Seth (KS, WWF International)4. Surina Binti Ismail (Sbl, MPOA)5. Julian Walker-Palin (JWP, RPOG)6. Lim Sian Choo (Bumitama Agri Ltd)7. Brian Lariche (Humana Child Aid Society, Sabah)8. Eddy Esselink - MVO, MDSC co-chair (Observer) <p>Absent with Apologies</p> <ol style="list-style-type: none">1. Nursanna Marpaung (NM, HUKATAN)2. Catarina Vivalva (CV, BNP Paribas)3. Hannah Mittner (HM, Lidl Stiftung & Co. KG)4. Mariama Diallo (MD, SIAT SA)5. Ben Vreeburg (BV, Bunge)	<p>RSPO Secretariat</p> <ol style="list-style-type: none">1. Lilian Garcia Lledo (LGL)2. Inke van der Sluijs (IvdS)3. Divya Bajpai (DB)4. Yen Hun Sung (HS)5. Rafi Achmad Rasyidi (RAR) (observer)
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No	Description	Action Points
1.0	<p><u>Welcome Note</u> The Secretariat welcomed the SRWG members to the meeting. The SRWG members acknowledged the anti-trust statement prior to the meeting.</p> <p>The agenda of the meeting included:</p> <ol style="list-style-type: none"> 1. Welcoming and Agenda 2. Approval of the 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. CSPKO engagement plan (SR Unit coordinates) 6. CSPO uptake <ul style="list-style-type: none"> o Credits vs physical uptake assessment - ACOP(s) data o SR CSPO uptake target Year 3 (2022) performance <ol style="list-style-type: none"> i. Credits vs physical assessment ii. Top 15 organisations based on CPO uptake (integrated organisations) o Year 5 CSPO uptake targets. 7. AOB and next meeting. 	<ol style="list-style-type: none"> 1. To check with absent members if they agree with the election of Julian Walker-Palin as co-chair.
2.0	<p><u>Approval of Minutes</u> - 29th SRWG meeting (10 October) was forwarded via email. - Approval by Members via email (deadline 1st Dec, 2023). Secretariat to proceed with its uploading onto its Website if not comments are received.</p>	<ol style="list-style-type: none"> 2. Upload approved 29th SRWG meeting minutes
3.0	<p><u>RSPO Secretariat Updates</u> Overview action points The open action points for the Secretariat with updates to be given in this meeting are:</p> <ul style="list-style-type: none"> - 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. 	<ol style="list-style-type: none"> 3. Absent members to send the updated ToR signed (ToR sent by email) 4. Secretariat to investigate the feasibility of automatising the SR Scorecard once MyRSPO is

<ul style="list-style-type: none"> - circulate updated SRWG ToR, to be signed by SRWG members and sent back to SR unit. SRWG members were requested to sign the Revised ToR on the spot. Absents to be contacted and requested. - to follow up on the CSPKO and CSPO exercises with the Assurance Division. - Secretariat to send the Guidance doc directly to the members using the membership group emails - amend the distribution lists. - to analyse the trend in meeting the uptake target referring to the SC model. <p>Secretariat updates:</p> <ul style="list-style-type: none"> ● Secretariat <ul style="list-style-type: none"> - Updated on Excellence award and RT workflow. ● Latest announcements and news: <ul style="list-style-type: none"> ○ RSPO website: <ul style="list-style-type: none"> ■ Change of logo - RSPO™ logo instead of Secretariat logo ■ Member Section with quick and easy access to essential resources and the latest updates all in one place. ○ New traceability system: <ul style="list-style-type: none"> ■ RSPO appointed a tripartite consortium (Agridence, CIED, and NGIS) to develop the Certification, Trade and Traceability System (CTTS) to enhance the trade and regulatory compliance (here) ■ <u>Temporary postponement</u> of new developments or functionalities in our existing system (PalmTrace) until the CTTS platform is in place. ○ Call for proposal: Independent review of the implementation of RSPO labour auditing guidance. Deadline: 15 December <p>Status of key deliverables</p> <ul style="list-style-type: none"> - On the outreach and comms activities, the SRWG Members are invited to join as speakers on the different webinars to happen in 2024, to showcase and show the importance of the different topics (e.g uptake, SH inclusion). 	<p>updated.</p>
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	<ul style="list-style-type: none">- In Jan 2024 there will be an extraordinary SR Scorecard update due to the amount of members requesting to be updated in the SR Scorecard. No public announcement will be made as the official update happens every September.<ul style="list-style-type: none">- SRWG Members requested to come up with automation of the SR Scorecard that once members update MYRSPO SR policies, it automatically reflects on the SR Scorecard page rather than manually done. Secretariat to investigate the feasibility of the request with the ACOP, membership and IT teams.- The engagement with underperforming members (ACOP and MyRSPO) will start in Jan 2024.- All the other deliverables are covered/updated in the following slides.	
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4.0	<p>SRWG:</p> <ul style="list-style-type: none"> ○ From January 2024: vacancies of 2 seats in P&T (asked to nominate someone), 2 seats in CGM, 1 seat in B&I. The P&T reps, BV and JL, announced previously (by email) the intention to step down from the SRWG. They are supporting in finding new P&T reps. P&C members were requested to nominate for vacant seats. Wild Asia showed interest to join the SRWG as grower SH. ○ New SR Executive will be joining soon and will be based in the KL Office. ● SR Strategies - based on SR performance in September 2023. <ul style="list-style-type: none"> ○ Africa: <ul style="list-style-type: none"> ■ Reach out 18 members who are meeting CSPO uptake target / have completed MyRSPO. → Engagement of Africa members will be starting place in January 2024 ■ April 2023, Africa supply chain forum - Cape Town, South Africa. SR session. ○ Latam - One to one calls discussing their performance ○ EU - Key Account Management (KAM) → 171 members identified. SR performance and uptake target follow up. ○ SH Unit → identified SH inclusion poor performers and promote the Smallholder engagement platform. <p>Guidance documents - <u>on hold</u> to be distributed to the Membership Group email addressed by Secretariat.</p> <ul style="list-style-type: none"> a. LWTF alignment on the labour rights policy requirement. Value chain members may support LW implementation through the Support and resourcing requirements (SR 28 and SR29) b. FICG feedback session 7 Nov → legal review (ensure not to breach any laws/regulations e.g. price collusion) c. SHSC feedback - 20 Nov meeting. 	5. Secretariat to follow up on the FICG proposal of performing a legal review of the Guidance documents.
5.0	<p>CSPKO engagement plan (SR Unit coordinates) As included in the Decision Paper on the SR Uptake target Year 4 (2023), there are two parts:</p> <p>Part 1: Address the losses in the supply chain by raising awareness amongst the actors</p>	6. SR Unit to align with Assurance PIC to get the missing data and tune up the available data. Define the next steps.

with unsold CSPK/CSPKO volumes:

- a. RSPO certified mills (CSPK)
- b. Certified KCP (CSPKO)
- c. Independent Smallholder Groups (CSPKO)
- d. Using spatial mapping for connecting certified mills with certified crushers;

Part 2: Increase the overall CSPO/CSPK supply by:

- e. Accelerating the review of the management units in the RaCP process - Assurance process.
- f. Outreach program for uncertified KCP
- g. Engagement of non-RSPO grower.

The SR Unit shows the available data referring to the above:

1.a List of mills with unsold CSPK → regional distribution of unsold CSPK by mills (i.e. volume available Sept23).

1.c. List of ISH groups with unsold CPSKO → unsold CSPKO by ISH groups (i.e. volume available now).

1.d. Spatial mapping showing the Certified Mill and the certified KCP.

The above lists help us to identify those mills and ISH with priority to engage and understand their CSPK/CSPKO sales, and with the map we can facilitate the engagement among the supply chain players.

2.e. Review the management units under RaCP - Firstly, monitoring of the mills that already have Concept Note approved that have not gone for certification, and secondly monitoring of those mills that will get the Public Announcement accepted soon (i.e. ready to sell once Certification is hold)

2.f. List of uncertified KCP to be prepared from the UCL.

2.g. List of non RSPO growers (i.e. mills) - UML can easily identify the non certified mills

Next steps:

- 1) Align/finalise the Assurance data.

	<ol style="list-style-type: none"> 2) Engage individually with the different actors (i.e. mills, KCP and ISH) and/or send a survey to understand the reasons behind the lack of sales MT colleagues reach out and SR Unit coordinates. SRWG supports engagement. 3) Inform SCTWG on the survey/one to one engagement results to decide specific actions to tackle those reasons. SCTWG is the decision governance body in this matter. 	
6.0	<p>CSPO uptake</p> <ol style="list-style-type: none"> 1. CSPO Uptake, Credits vs physical: Assessment of the trend on CPO, Physical CSPO and CSPO Credits consumption (Axis Y, right %, left mt) based on years of membership (Axis X) by members based on their years of membership. <p>From previous meetings, the SRWG had the expectation that the CPO/CSPO gap will decrease when the years of membership increase, i.e. the longest a member has been an RSPO member, the CSPO consumption will increase and almost be the same as the CPO consumption. Moreover, there were the expectations that the physical CSPO uptake will increase with the years, while the use of credits will decrease.</p> <p>However, the graphs corresponding to 2020 to 2022 ACOP data showing Total CPO, Total CSPO, and CSPO credits uptake tells differently. The years of membership seems to not have a direct effect in the CSPO consumption, nor the use of physical instead credits. Overall, based on ACOP 2022, Ordinary members under the P&T, CGM and Retailer category use: 98%, 80% and 73% of physical CSPO respectively.</p> <ol style="list-style-type: none"> 2. Year 3 (2022) SR Uptake target performance - Credits vs physical. <p>Some members of the SRWG requested to analyse the SC model (i.e. physical vs credits) used by members to meet the SR CSPO target. These are the results:</p>	<ol style="list-style-type: none"> 7. SR Unit to to include a differentiation between the use of mills credits and/or ISH credits to meet the SR uptake target. 8. SR Unit to include the SR Scorecard the difference models used to reach the uptake target, differentiating mills credits and ISH credits. 9. SR Unit to engage one to one with the top 15 underperformers to understand the reasons behind the target not met. 10. SR Unit to check with the absent members on the recommended Y5 (2024) SR uptake targets and prepare the Decision Paper for the MDSC and BoG to endorse them.

	Total members *	Total members -Target met	% members - Target met	Number members - Target met using credits	% members - Target met using credits
P&T	397	187	47%	17	9%
CGM	692	430	62%	66	15%
Retailers	64	45	70%	20	44%
Total	1153	662	57%	103	16%

*Total members is 1153 (1786 eligible members - 663 NA members)

Some SRWG members request to include a differentiation between mills credits and ISH credits, and to include this in the SR Scorecard the difference models used to reach the uptake target.

3. **Year 3 SR Uptake targets performance - Top 15 based on CPO uptake**

Looking at SR Uptake Year 3 performance of the RSPO members with bigger CPO traded volumes, it was proposed to have an upper management communication to engage members to increase uptake, especially referring to members who are on the BoG of RSPO and have a remarkable duration of RSPO membership. However, the approach was declined by some SRWG members. Nevertheless, these members will be approached to understand their underperformance in uptake and follow up actions, once the reasons are known, will be decided during SRWG future meetings.

4. **Proposed SR uptake target - Year 5 (2024)**

The SR Unit together with the IMEL Unit propose the following SR Uptake Targets; for P&Ts is 2% increase on the CSPO uptake target and for CGM/Retailer is 12% increase on the CSPO uptake target. This uptake target recommendation is based on a simple update of the SR Uptake Target modelling, based on the existing methodology. No target for CSPKO due to ongoing tightness in the CSPKO market.

All the present members agreed with the recommendation. SR Unit to check with the

	absent members and prepare the Decision Paper for the MDSC and BoG to endorse them.	
7.0	<p><u>AOB</u></p> <ul style="list-style-type: none"> - Next meeting on 20th Feb 2024, virtually and after that meetings will be arranged after every 8 weeks. <ul style="list-style-type: none"> - SRWG agrees to plan to meet 2 physically and 4 Virtually in one calendar year. 	<p>11. SR Unit to set up 2024 calls every 8 weeks. Include 2 physical meetings around SPOD and RT Starting on 20 Feb.</p>