

MINUTES OF MEETING

RSPO Supply Chain Traceability Working Group (SCT WG)

6th Meeting (via Zoom)

Date and time: 22 July 2021 at 10.00am – 11.30am CET.

Agenda

1. Opening remarks and antitrust statement
2. Updates RSPO Secretariat
3. Approval of previous minutes – Open actions points
4. CSPO uptake position paper
5. CSPKO uptake position paper
6. AOB

Members Attendance:

Name	Organisation	Group Representation	Attendance
Robbert Kessels	Sipef	Grower	Yes
Daphne Hameeteman	Wilmar Europe	P&T	Yes
Sietse Buisman	Cargill	P&T	Yes
Helen Scholey	Shell	P&T	No
Rina Rahayu	IOI Group	P&T	Yes
Angga Prathama Putra	WWF	eNGO	Yes

RSPO Secretariat Attendance:

Name	Position
Inke Van Der Sluijs	Director, Market Transformation
Aryo Gustomo	Deputy Director of Compliance
Lilian Garcia Lledo	Head of Shared Responsibility
Muhammad Shazaley Abdullah	Head of Certification
Ruzita Abd Gani	Supply Chain Manager
HS Yen	Senior Data Scientist
Mohd Shafiqul Syaznil	Data Analyst Executive

1. Opening remarks and Antitrust statement

Lilian welcomed the members to the 6th meeting of the SCT WG. The representatives from RSPO Secretariat introduce themselves. Lilian reminded all members of the RSPO antitrust statement.

2. Update RSPO Secretariat

Lilian updated the SCT WG on the changes in the European team. Since January 2021, Inke Van Der Sluijs is Director Market Transformation, Lilian Garcia Lledo is the Head of the Shared Responsibility Unit while changes in the Assurance team are Aryo Gustomo - Deputy Director, Compliance, Muhammad Shazaley Abdullah as Head of Certification Unit replacing Aminah Ang. Now, the RSPO Secretariat is in progress to recruit the new CEO.

3. Approval of previous minutes and open action points

The 5th minutes of the meeting were approved without any amendment.

Lilian highlighted the list of action points from the previous meeting and its status. Open action points were:

- Point 1 - Membership of SCT WG – vacant representatives from CGM, Social NGO, retailers, bank and investor. As of to-date no nomination received from the said membership category. The members of the meeting are reminded to continue looking for interested individuals from the mentioned sectors and to inform the secretariat. Lilian informed the member that the Working Group decided not to have a Chair.
- Point 7 – For reference, Lilian informed the members that the CSPO position paper is in progress and will be discussed later during this meeting.
- Point 8 and 9 – on hold pending the CSPO uptake position paper approved by MDSC. The same format of CSPO reporting will be implemented for CSPKO uptake reporting.
- Point 10 – PalmTrace member information has included the Supply chain model (IP/SG/MB).
- Point 11 and 16 – RSPO Secretariat update the members of the meeting that we have the data on RSPO credit analysis and Lilian emphasis to the members of the meeting not to make it public since it is confidential. Daphne raised a question to make a decision on not making the RSPO Credit Analysis data public. Lilian clarified that there was an objection of the SCT WG members (via email) to make the data public. Daphne requested to further discuss this matter at the end of this meeting, if the time permits.

NOTE: This was not discussed further during the meeting due to limitation of time.

- Point 12 and 13 – previous meeting no 3 and 4, minutes of meeting was approved in this meeting.
- Point 15 - Lilian informed that there will be an explanation by RSPO Secretariat on the CSPO data discrepancies from PalmTrace and Audit Report. Specific explanation was provided by the Certification Unit and presented in Slide 9 and 10 to describe the discrepancies.
- Point 17 - Lilian informed that the CSPKO uptake position paper will be discussed during this meeting.
- Daphne raised a point on the Minutes of Meeting should be sufficient to highlight decision and action items instead of elaborated minutes. Lilian replied that the current Minutes of Meeting is good to give explanation to people who read it. Inke added that the recording is also available for reference.

4. **CSPO uptake position paper**

Lilian went through the latest draft of the CSPO uptake position paper. The position paper was presented to MDSC and there are some comments on the messaging. Due to long delays, the SCT WG members urge that the graph shall be published on the RSPO website at least by 1.9.2021. Lilian explains that there are several steps before the graph is published i.e. obtain an approval from MDSC and MDSC next meeting will be held in September. Once it is approved, RSPO IT team will need at least 1 month to be able to put it on the website. Daphne suggested that the MDSC review and approve the position paper without having a meeting. Inke emphasised that messaging needs to be approved by MDSC and agrees to communicate with the MDSC member via email.

Lilian outlined what are the changes on the latest draft document as follows:

Background : Point no. 2 Daphne suggested in the last sentence to add “of the certified volume”. The meeting agreed with the addition.

Graph 1 : Monthly CSPO sales(mt) per RSPO SC model . Monthly RSPO sales based on the confirmed shipping announcement from mills and ISH to the next buyer. Lilian highlighted that the data is up to May 2021. She also highlighted that the color must follow the RSPO color palette. The meeting agrees with the color palette.

Graph 2 : Annual CSPO Certified Volume. This graph is based on the active licenses in PalmTrace in December. Lilian highlighted that the IP data also included the certified volume of Independent Smallholders. The color palette is green and agreed by members of the meeting.

Graph 3 : Yearly Sales (RSPO and other schemes) and Actual Production. Lilian highlighted that for this graph, it includes the volume sold as other sustainability schemes sales as an estimation. This data was extracted from the Audit Report.

Daphne suggested to use the abbreviation of AP for Actual Production on the graph. The meeting agreed to use the word other schemes rather than specifying the other schemes. Daphne suggested changes in the word “This” instead of “The” in the last sentence from the first paragraph under the Graph.

Daphne suggested clarifying Point number 1 and 2. RSPO Secretariat will look into this matter to provide clear understanding to avoid miscommunication on Point number 1 and 2. The meeting agrees with the changes.

Daphne raised a question on whether point Number 4 will be published on the RSPO website. Lilian explains that only graphs and the explanation on the graphs will be published on the RSPO website. Inke explains that MDSC is more concerned with the narrative around the graphs. The members discussed the narrative on the AP and CV volume due to overestimation of the CV volume. Lilian explains that the CV is the projected volume based on previous years performance and verified by the CB during the audit which was then submitted during the PalmTrace license request. The meeting agrees with the message of displaying the Actual Production volume instead of the Certified Volume where the AP volume is lower than the CP volume to avoid misinterpretation by the public. Daphne proposed that the Communication Team looks into messaging for the public. Inke informed that Caroline Westerik and Anita Neville were involved in the discussion for refining the messaging.

Robbert is asking for explanation by Shazaley on the overestimation of CV from AP by the companies. Shazaley explains that the volume will be reviewed by the RSPO Secretariat during the license submission in PalmTrace and will inquire when the reported AP is less than 80% of the CV.

5. CSPKO uptake position paper

Shazaley presented the first draft of the CSPKO uptake reporting paper and explained that the data for CSPKO uptake is calculated from the palm kernel oil yield scheme and the estimated AP based on the average industry rate. Daphne suggested to take out the last sentence of the first paragraph under Background and asked for clarification on how the throughput rate is calculated. Shazaley explained that the throughput rate is calculated based on the production capacity that most of the companies only produce 85% of their production capacity. Robbert proposed that these sentences are not relevant for this paper as the 45% yield scheme used by RSPO is not based on the actual extraction rate. Daphne suggested that the calculation should be based on CSPK instead

of CSPKO, so 85% of the CSPK will then be converted to CSPKO using the 45% OER. The meeting also discussed the accuracy of the data if using the calculation of the 45% OER. HS asked the meeting for agreement on the data by the granular level instead of the aggregate level but this will not affect the graphs. RSPO has to find a better way to get accurate data from the audit report. In conclusion, RSPO should reconstruct the messaging behind the 85% throughput data to avoid confusion.

Shazaley presented 3 graphs.

Graph 1 : Estimated monthly CSPKO sales. Shazaley explained that the raw data is based on the CSPK shipping announcement exiting the POM from January to May 2021. Angga raised a question on why the use of “estimated” since the data is confirmed shipping announcement. Shazaley explained that this is due to the fact that the source of the data on the shipping announcement is in CSPK volume, originating from the Palm Oil Mill which was then converted to CSPKO volume using the 45% OER. The meeting agreed for RSPO to remove the estimated word and replace it with explanation on the conversion of CSPK to CSPKO using the 45% OER.

Graph 2 : Annual Certified Volume. Shazaley explained that the data is estimation and derived from PK volume based on the 45% OER by the IP and MB mills. Daphne suggested to remove the first sentences (through PalmTrace during the license request) in the first paragraph to avoid confusion.

Graph 3 : CSPKO Actual Production and Sales. Daphne suggested that the explanation for the graph should not include the 85% throughput rate as discussed. Robbert raised a question on whether the data calculated is accurate. Lilian explains that the CSPK data is derived from the audit report, however RSPO will re-check on the data accuracy of both volumes before submitting the final version to MDSC. Daphne also reminded to use abbreviations as per comment in CSPO uptake paper and require updates on the data. Lilian replied that the updates will be provided in the next meeting. HS asks approval from the members on the structure of the graphs to start the process and the meeting agrees with that.

6. AOB

HS has confirmed with members of SCT WG that they agree on the structure of the graphs therefore RSPO Secretariat will start to start build the process for hardcoding the changes on the impact page while waiting for the approval from MDSC.

Due to the time constraint there were no other matters discussed.

The meeting adjourned at 11.30 am CET.