

Summary of Eighteenth Technical SRWG Meeting

The eighteenth Shared Responsibility Working Group (SRWG) technical meeting (nineteenth teleconference meeting) was opened at 4.00PM (MYT), July 5, 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 Secretariat provided an overview of the action points from the previous SRWG meetings, and updated the SRWG on the status of each action point. The Secretariat updated on the Impact Report 2021 that will include a page on SR, on progress on revision clause 3.2 of the CoC, and most recent developments regarding the European Due Diligence legislation. The status of the key deliverables were presented to the SRWG.

An eNGO member was nominated as co-chair of the SRWG, all attendees were in favour. Approval of members who could not join this call will be via email. The SRWG received a recommendation from the DLW TS on updating the wording of the SR requirement reflecting P&C indicator 6.2.6. The SRWG agreed when the final wording is endorsed in the next version of the P&C, it will be reviewed if the SR requirement needs updating.

The SRWG physical meeting will be on October 18 and 19, 2022 in the Netherlands. SRWG brainstormed on main topics to discuss during the meeting.

The Secretariat undertook multiple socialisation activities on the open Public Consultation (PC) on the verification manual. The Secretariat presented the main comments received during the ongoing 1st round of PC for consideration for the second draft of the manual.

The Secretariat will be submitting a concept note for a SR breakout session during RT. Input on topics for the breakout session and SR awards categories were requested to the SRWG.

The Secretariat thanked everyone for attending the meeting, and looks forward to seeing everyone in the next meeting on August 23, 2022.

The meeting was closed at 5.30 PM (MYT).

MINUTES OF MEETING OF RSPO
RSPO Shared Responsibility Working Group (SRWG) 18th Technical Meeting

Date: July 5, 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. Girish Deshpande (GD, P&G)2. Kamal Seth (KS, WWF International)3. Harjinder Kler (HK, HUTAN)4. Lim Sian Choo (Bumitama Agri Ltd)5. Surina Binti Ismail (Sbl, MPOA)6. Mariama Diallo (MD, SIAT SA)7. Julian Walker-Palin (JWP, RPOG)8. Brian Lariche (Humana Child Aid Society, Sabah) <p>Absent with Apologies</p> <ol style="list-style-type: none">1. Ben Waring (BW, Signature Brands, LLC)2. Catarina Vivalva (CV, BNP Paribas)3. Joshua Lim (JL, Wilmar)4. Ben Vreeburg (BV, Bunge)5. Nursanna Marpaung (NM, HUKATAN)	<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) <p>Absent with Apologies</p> <ol style="list-style-type: none">1. 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"> ○ Action Points ○ RSPO Secretariat Updates ○ Status of Key Deliverables 4. SRWG 5. Verification Manual 6. SR on RT 7. AOB and Next Meeting 	
2.0	The SRWG approved the last meeting minutes.	
3.0	<p><u>RSPO Secretariat Updates</u></p> <ol style="list-style-type: none"> 1. The Secretariat provided an overview of the action points from the previous SRWG meetings, and updated the SRWG on the status of each action point. <ul style="list-style-type: none"> ○ The Secretariat will provide a high-level comparison to the SRWG on the Implementation Manual and Verification Manual. ○ The Secretariat will analyse the new ACOP data by region when the new assistant 	<ol style="list-style-type: none"> 1. The Secretariat will share the written update on the European Due Diligence legislation with the members who indicated interest. 2. The Secretariat will follow-up with the African team to discuss best timing for the proposed African

	<p>manager is available.</p> <ul style="list-style-type: none"> ○ The Secretariat confirmed the physical SRWG meeting will take place on 18-19 October 2022 and will discuss agenda topics during this meeting. ○ The Secretariat reviewed the CoC clause and shared it with the signatories. ○ The description on what happens when members change their membership category will be included again in the Verification Manual for public consultation based on consultation with the membership team and SRWG. <p>2. Secretariat Updates:</p> <ul style="list-style-type: none"> ○ Impact Report 2021: SR page on RSPO SR framework, SR members performance and Testimonials from SRWG. ○ Revise Clause 3.2 of the CoCs: position paper presented to SSC and approval will be done by email. Clarified clause 3.2 has to be changed in both CoCs. The Secretariat shared with the Head of Complaints Unit and lawyers for alignment. ○ 2023 Standard Review: Steering Group consist of (co)chairs of the SCs, Standard Review Task Force are looking for Alternate Members for Retailer and B&I. ○ EU members/RSPO monthly update call on European Due Diligence legislation: <ul style="list-style-type: none"> i. European council (ENVI) adopted its General Approach with regard to the deforestation directive proposed by the European Commission ii. European Parliament is expected to adopt its position in the plenary session of 12 September 2022 iii. Trilogue discussion between EP, Council and Commision to reach final version ○ The 4th European Sustainable Palm Oil Dialogues (SPOD) will be on October 20, 2022, Hoofddorp in the Netherlands. ○ The RT will be held 29 November - 1 December, 2022 at Shangri-La Hotel Kuala Lumpur (virtual options). ○ The General Assembly (GA) will be held on 1 December 2022, Kuala Lumpur (virtual options). <p>The Secretariat thanked the co-chair for volunteering to write a testimonial for the Impact Report 2021 and asked if other members would be interested to reach out to us. An eNGO member</p>	<p>webinar to remind members on SR.</p> <p>3. The Secretariat will include SRWG input on topics to discuss into the agenda for the physical meeting and share with SRWG for further input.</p>
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	<p>showed interest.</p> <p>A grower asked for clarification on legislation regarding the inclusion of PFAD and if there has been any efforts on the definition of deforestation. The Secretariat confirmed that the council proposes to include PFAD but it's currently a proposal and a clarification on the deforestation definition is requested as replanting should be possible. A grower member and eNGOs representatives members indicated that they would like to receive a written update on the European Due Diligence legislation. A grower member asked if there has been discussion on the cut-off date relating to deforestation, CGM member explained that his understanding of the current proposal was that the cut-off date would be 2020 and not the proposed cut-off date of 31st December 2015 suggested by the industry.</p> <p>3. The status of the key deliverables were shown to the SRWG:</p> <ul style="list-style-type: none"> ○ Verification manual is currently open for the 1st round of public consultation. ○ Guidance documents for each membership category are put on hold due to capacity issues, and will remain an ongoing activity. ○ On track with GA18 Resolution - 2b, presented update clause language to SSC. ○ The Secretariat is currently working with the MEL team on the M&E framework, next version of the framework will be shared with SRWG for feedback. ○ Social media assets (SR videos) are ongoing. ○ Three webinars to socialise the public consultation on the verification manual were given. ○ Quarterly eGazette articles: VM PC & open seat announcements in June 2022. ○ Marketing/ outreach assets - introduction on SR factsheet is completed. <p>A grower member flagged that the proposed African webinar is no longer in the overview, the Secretariat thanked the member for flagging and will put it back in the overview as the date is still to be confirmed and the regional team is monitoring members needs.</p>	
4.0	<p><u>SRWG</u></p> <p>1. Governance:</p>	

- Kamal Seth (eNGO representative - WWF international) was nominated for the open co-chair position. All attendees were in favour. As there was no representation of B&I and P&Ts, the Secretariat will check with them regarding the co-chair nomination by email.
- Vacant seats in SRWG for 1 retailer rep, 1 smallholder rep, and 1 B&I rep. Email blast on open seats was sent on 8 June, no responses received.

No objections regarding the co-chair nomination were received from the attendees.

2. DLW Task Force (TF) - letter to SRWG:

- 5th meeting on May 11 - DLW TF discussed P&C review of indicator 6.2.6 and approved recommendations to update wording. The DLW TF proposed to the SRWG to update similar text in the SR requirements.
- Recommendations of DLW TF on the P&C review of indicator 6.2.6:
A DLW is paid to all workers, regardless of their employment type (e.g., permanent, temporary, seasonal, casual and day workers), for whom the calculation is based on achievable quotas during regular work hours and on the proportion of the daily rate for DLW according to the hours worked.
- The DLW TF will facilitate the development of guidance needed to implement DLW. RSPO will endeavour to ascertain the appropriate benchmarks for palm oil-producing countries in which its members operate.

A grower representative clarified that the DLW TF's recommendation is not just for palm oil producing countries but for all RSPO members. It was concluded that after the endorsement of this proposed indicator text in the P&C, the SRWG can review whether the SR requirements need updating, not earlier.

3. Physical meeting:

- Proposed dates: 18 and 19 October. Venue TBD, Hoofddorp/Amsterdam, The Netherlands.
- Proposal from eNGO member to be a three day meeting:

- Focusing on: getting us all on the same page, and the issue of figures.
- First day: SRWG members. Second day: respective caucus. Third day: SRWG member. Invite CEO, HS and BoG members to certain discussions.
- Programme proposed:
 - 18 October - SRWG physical meeting. Main topics to discuss:
 - Second Public Consultation comments and final draft of the VM.
 - RT outbreak session and Awards Ceremony
 - Uptake targets - year 4
 - Alignment on SR meaning and expectations
 - 19 October (half day) - Open session inviting members to join discussions, bring questions and suggestions.

eNGO member clarified the main issue is that members are not in alignment on most issues, therefore an in depth discussion as a group is needed. Three days was proposed, not sure if possible, but the main objective should be enough time for face to face discussion. Would be good to have HS on board to discuss figures on performance and basics on targets and data as it is clear not everyone. Attendance of the CEO to give direction on what is expected of SR would be appreciated too.

sNGO member flagged the challenge of speaking on behalf of all sNGOs, needing clarity on how to represent the constituency. eNGO member confirmed this is a major topic for RSPO and discussed at BoG level that it's key for BoG members to update their respective members. eNGOs organise internal meetings without the Secretariat to align on topics. Challenge is to have that global community representation and not just speaking for a certain region, it's a shared responsibility to bring more environmental and social NGOs into RSPO. A grower member confirmed that they align with the caucus by setting up a meeting for alignment. CGM member explained it's the representatives responsibility to ensure appropriate feedback from caucus to bring to the session, they do this by checking in with a few key members or voices within caucus. sNGO member raised a question about who is responsible for setting up such an induction and connecting to members who you represent. Members agreed to take this discussion offline.

<p>A grower member raised that we should also look at other areas, similar to DLW, to see any upcoming areas to look into which are relevant to SR. It was a massive initiative to include all P&C elements into the SR framework, identifying which focus areas need further development. The Secretariat agrees that when the P&C is revised in 2023, a review on how the new wording is applicable to SR actors should be done.</p> <p>A CGM member indicated that a three day physical meeting would be too much, 1 full focus day as a minimum is needed.</p> <p>A grower member addressed the need to discuss the new ACOP data, specifically looking into trends of Y1 and Y2 uptake data, whether members who performed continue performing etc. This analysis should be included in the workshop, not just discussion on targets. eNGO member reminded SR requirements are not just uptake, it also includes social and environmental requirements. Key to have this on the agenda too.</p> <p>A grower member elaborated on customer initiatives for growers; customers are requesting more information/data to growers which they assume growers already comply with as they are RSPO certified. Certification is not enough for clients as they need more information. This issue is already addressed by the assurance standing committee, but from the SR point of view we can discuss and improve understanding on this topic as the companies requesting this additional information are also RSPO members. Lack of guidance/framework for all supply chain actors resulted in supply chain actors coming up with their own methodology on e.g. deforestation definition, resulting in these many info/data requests to growers.</p> <p>A grower member mentioned EU legislation should be included on the agenda too. Not just deforestation, but also forced labour. A common and clear definition is required here. CGM members followed up it's indeed key to discuss what are the biggest challenges and how to tackle those, if e.g. legislation is one of them there is a need to think about what is the action plan. Therefore, the Secretariat and SRWG needs to do work upfront, e.g. via questionnaire before the meeting to allow a very focused discussion.</p>	
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sNGO member raised that alignment as a group should be the main focus, other topics are secondary. Getting on the same page and there is the need of a good facilitator. eNGO member suggested having a social/ ice-breaking exercise to build trust before starting the discussions.

Outcome of brainstorm on topics for physical meeting:



The Secretariat summarised suggested topics based on wordcloud and suggested this will be categorised for the agenda and shared for SRWG input.

5.0

Verification Manual

The Secretariat hosted 3 webinars, sent announcements and presented on this topic during the CB forum and Financial Institutions Consultative Group (FIGG) call to socialise the open Public Consultation (PC) on the verification manual.

1. SRWG members to reach out to their constituencies to encourage participation in the ongoing public consultation.

<p>So far 6 complete submissions were received from the PC (3 P&T, 1 eNGO, 1 Grower and 1 other). The Secretariat requested the SRWG members to reach out to their constituencies to encourage participation.</p> <p>The Secretariat presented the main comments received during the ongoing 1st round of PC.</p> <p>Main comments - to consider for second draft:</p> <ul style="list-style-type: none"> ● <u>Verification process</u> <ul style="list-style-type: none"> ○ Make clear who checks the documents to ensure they meet the requirements. (N=1) ○ Against third party verification (i.e audit): SR requirements in Western countries have to be met in part anyway due to legal regulations. Costly requirements and additional audits make RSPO unattractive. (N=1) ○ Sampling size within each sector following the square root (N=3). Sampling method based on risk (N=6), considering the performance on reporting based on completeness check of Secretariat (N=5). ○ Concerned about the member having to cover the cost of the audit for NGOs. If we were required to pay for the audit we would have to seriously consider whether we can remain a member. ● <u>Incentives and Sanctions</u> <ul style="list-style-type: none"> ○ Sanctions relying on BoG decision - need to include a framework of possible options to guide their decision and make members aware (N=2). ○ Compliance to SR is market driven, not under control of member. There is limited volume of CPO & PK, and without continued increase of grower & production of CPO & PK, annual incremental uptake will plateau eventually and all members will not meet the SR commitment. <p>Second draft of the verification manual to go out for PC will be discussed in the 19th SRWG meeting of 23 August. Second draft will include the paragraph removed from the first draft (as</p>	<p>2. The Secretariat will include the section 'Scope - membership category' back in the verification manual.</p>
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	<p>requested in the 17th SRWG meeting), as it was decided previously by the SRWG (9th SRWG call) and it is the current membership practice.</p> <p>Scope - Membership Category: Ordinary members who switch membership category to Associate, due to unforeseen reasons that decrease their palm oil volumes consumption, and switch back to Ordinary a few years later are consider 'new' members to whom the SR uptake targets restart from the beginning, i.e. their first ACOP submission after becoming Ordinary again is used as the baseline.</p> <p>Grower member mentioned that data on membership changes should be monitored, if this happens often it needs to be flagged. The Secretariat confirmed switching membership does not happen often. It was agreed to include this section back into the verification manual.</p> <p>An eNGO member flagged to pay attention to vertically integrated companies as they have huge market shares across the supply chain. Feedback that compliance to SR is market driven is in those cases not valid, SRWG should be careful when receiving similar comments and the need to put it into perspective.</p>	
6.0	<p><u>SR on RT</u></p> <ol style="list-style-type: none"> 1. Breakout session at RT <ul style="list-style-type: none"> ○ 9 session planned each of 90 minutes ○ SR unit is submitting a concept note to propose one of these 9 sessions will be on SR. The Secretariat asked if SRWG had any suggestions. 2. RT Awards Ceremony <ul style="list-style-type: none"> ○ Monday 28th November, after the reception ○ Awards Categories? The Secretariat welcomed any suggestions or ideas for categories. <p>A grower member suggested looking at what was presented at previous RTs. Should also look at other activities that members implemented, not just targets, something to bring forward during the</p>	<ol style="list-style-type: none"> 1. The Secretariat will look at what was presented at previous RTs to align with this year's RT session on SR.

	session. The Secretariat agrees and is asking SRWG members to flag those members who are performing well.	
7.0	Closing The next SRWG meeting will be on August 23, at 4 pm (KL time).	